
Covid-19 and Sustainability of Micro-Small Business in Gastro History City of Salatiga: Sustainable Livelihood Approach

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ABSTRAK


Kata kunci: bisnis mikro dan kecil, keberlanjutan, kota sejarah gastronomi, penghidupan

ABSTRACT

The Covid-19 pandemic causes challenges and threats to micro and small businesses’ unsustainability. This study aims to describe the dynamics of micro and small business actors in maintaining business continuity based on a sustainable livelihood framework. This research is located in Salatiga City, Central Java Province, Indonesia. The research method used is qualitative, with a case study approach to traditional culinary businesses and coffee shops. These findings indicate that the Covid-19 pandemic urges the government to take a Large-Scale Social Restrictions (PSBB) policy to the Enforcement of Community Activity Restrictions (PPKM) policy. Also, the obligation to implement health protocols to Clean, Health, Safety, and Environment (CHSE) certification for food and beverage businesses. The policy has limited the mobility and access capabilities of traditional culinary business entrepreneurs and coffee shops to social capital and financial capital, as observed by several culinary businesses and coffee shops that showed a quiet condition of visitors during the PPKM. To maintain business continuity during the pandemic, coffee shop entrepreneurs innovate products and business processes by utilizing digital platforms for online marketing; some culinary businesses and coffee shops use service on-demand applications to market food and beverages so that they can be accessed by buyers and still earn income.
during the PPKM applies. Thus, it shows that diversification and intensification are needed to support sustainable businesses and livelihoods during the Covid-19 pandemic.

Key words: gastro history city, livelihoods, micro and small business, sustainability

INTRODUCTION

Several researchers have used the sustainable livelihoods approach to analyze business resilience use of forms of capital, policy, and institutional interventions to sustain people’s livelihoods in developing countries. Vogel et al. (2020) shows that the sustainability of the livelihoods of people who run small-scale businesses in the livestock sector is vulnerable to change in the context of vulnerability caused by policy changes. In addition, Mdee et al. (2021) shows the influence of political economy policies on changes in people’s livelihood mechanisms in various sectors, including agriculture. It indicates that the sustainable livelihoods framework is holistic. Therefore, it must be studied comprehensively and contextually, considering each country or region’s socio-cultural, socio-economic, and socio-environmental conditions.

The Covid-19 pandemic has caused changes in socioeconomic structures and functions in the livelihood mechanisms of people in Indonesia. Structurally, these changes were caused by the policy of social and economic restrictions. Functionally, these changes are caused by the diversification and intensifying business processes that combine conventional and digital methods. Rukasha et al. (2021) shows that the Covid-19 pandemic indirectly threatens the sustainability of people’s livelihoods who depend on agricultural products. In addition, Hamiduzzaman & Islam (2020) indicates that the Covid-19 pandemic puts people in a dilemma between maintaining business to meet personal and family needs or maintaining personal and family security by stopping running a business during the pandemic. In the context of tourism, King et al. (2021) showed a change in the use of forms of capital in maintaining the marine tourism business amid the Covid-19 pandemic.

The challenges and threats of micro and small business entrepreneurs in Food and Beverage (F&B) are capital accumulation and adaptation to changing trends. However, the government’s policy to limit community activities during the COVID-19 pandemic, the obligation to implement health protocols, and the Clean, Health, Safety, and Environment (CHSE) certification are challenges and threats to the sustainability of micro and small businesses. Septiningrum (2021) argues that the sales strategy of the Food & Beverage business during the Covid-19 pandemic needs to be updated by creating a sales framework that prioritizes customer service. Increasing product innovation and improving marketing strategies include serving food quickly without compromising quality and adding new menus to prepare a safe and comfortable place for consumers. Increasing the quality of Food & Beverage business management is needed to adjust behavior changes to market intentions during the Covid-19 pandemic (Al-Marzouqui & Ben Yahia, 2021). Thus, the challenge for micro and small businesses in the Food & Beverage business during the Covid-19 pandemic is the accumulation of sufficient capital to improve the quality of business management.

The dynamics of maintaining micro and small enterprises can be analyzed using a sustainable livelihoods framework. Specifically, aspects of the natural environment, policies, and institutions that affect the capability and mobility of people’s access to capital (social capital, financial capital, human capital, natural capital, physical capital) can be analyzed comprehensively using a sustainable livelihoods framework. Ferguson et al. (2017) shows that the sustainable livelihood framework uses to identify and analyze the livelihoods of micro and small business entrepreneurs facing crises caused by natural disasters and the Covid-19 pandemic. On the other hand, Adams et al. (2021) argues that the resilience of entrepreneurial livelihoods in the tourism sector during the Covid-19 pandemic was influenced by the use of capital (social capital, financial capital, human capital, physical capital, and natural capital), have been accumulated previously. Business diversification, stimulated by the vulnerability aspects of the Covid-19 pandemic, describes the structure or mechanism of livelihood after the Covid-19 pandemic. Thus, it is necessary to study the livelihoods of micro and small-scale entrepreneurs in the tourism sector during the Covid-19 pandemic.

This article aims to describe the livelihood mechanisms of micro and small entrepreneurs in the food and beverage (F&B) sector using a sustainable livelihood perspective. Specifically, the
scope of the discussion focuses on the livelihood of Gudek Koyor’s traditional culinary business entrepreneurs and coffee shops in Salatiga City as "gastro history" tourist destinations in Central Java Province, Indonesia. Strategies to maintain business continuity in the face of challenges and threats caused by the Covid-19 pandemic need to be analyzed based on the perspective of capital, the context of vulnerability, and policy and institutional interventions. Previous studies have shown that the use of capital in the dynamics of entrepreneurship depends on the mobility of access to the capital (Singgalen, Kusumawicitra, et al., 2021), policy and institutional interventions to increase the capability of access to the capital (Singgalen, 2020a, 2020b), and to the context of vulnerability (Singgalen, 2021). In addition, Singgalen et al. (2021) shows that human capital is essential in optimizing small-scale business management. It indicates that studies on the livelihoods of micro and small business entrepreneurs in F&B using a sustainable livelihood perspective in Gastro History have contributed to developing tourism economic development studies through comprehensive and contextual studies.

**METHOD**

This research uses descriptive qualitative methods through a case study approach to Micro and Small Enterprises in the food and beverage (F&B) field, namely the traditional culinary business "Gudek Koyor" and the coffee shop business. The data collection of this research used in-depth interview techniques, observation techniques, and document studies. In-depth interviews were conducted with traditional culinary business entrepreneurs Gudek Koyor and Kedai Kopi. The key informants in this study were the actors and employees of the traditional culinary business of Gudek Koyor Pak Min, Bubur Koyor Pak Min, and the Aromia Coffee Shop and Soe Coffee Shop businesses. In addition to in-depth interviews, observations were carried out from April-October 2021. Observations were carried out before and during the PPKM policy to observe the response of entrepreneurs to government policies and changes in business operating hours. In addition, document studies were also conducted to access information related to product marketing published using social media accounts. Meanwhile, the data processing technique is triangulation by matching the results of in-depth interviews, observations, and document studies to obtain valid and credible information to support the arguments in this study.

**RESULT AND DISCUSSION**

**Sustainable Livelihood Approach**

The development of research using a sustainable livelihoods framework can be classified based on the context and content discussed based on the classification of settlements, namely the context of urban areas (Igwe et al., 2019) and the rural regions (Kumar et al., 2020) as well as content that emphasizes changes in the capital (Guyalo et al., 2021), vulnerability contexts such as climate change (Le & Vo, 2021; Tran et al., 2019; Zacarias, 2019), natural disasters (Ricciardelli et al., 2018), or crises (Manyati & Mutsau, 2021). In addition, a sustainable livelihoods study emphasizes policy and institutional aspects (Mdee et al., 2021; Mishra & Debata, 2021). The sustainable livelihoods perspective analyzes the use of capital, the influence of the context of vulnerability, and policy and institutional interventions on the dynamics of people’s livelihoods in urban and rural areas.

The Sustainable Livelihood Approach (SLA) framework was reconstructed by the Department for International Development (DFID) (DFID ’s Sustainable Livelihoods Approach and Its Framework, 2008) by describing the capability and mobility of community access to assets or capital consisting of five types of investments, namely: social capital, financial capital, human capital, physical capital, and natural capital. Specifically, social capital relates to networks, norms, and beliefs attached to individual and group identities. Financial capital is associated with the accumulation of wealth or money. Furthermore, human capital relates to skills or capacity-building outcomes from formal and non-formal education. Otherwise, natural capital relates to the availability and ownership of natural resources such as land as life support. On the other hand, physical capital relates to the availability and ownership of physical facilities and infrastructure that benefit individuals, groups, and audiences.

The sustainable livelihood framework in entrepreneurship and tourism needs to be explored further. Entrepreneurs in the tourism support sector, especially in Food and Beverage (F&B), traditional culinary businesses, and coffee shop businesses. This study is discussed the Covid-19 pandemic as the context of the vulnerability of conventional culinary businesses and coffee shops, the use of capital in maintaining traditional culinary
bussinesses and coffee shops, and government policies that affect the sustainability of traditional culinary businesses and coffee shops. Meanwhile, an overview of the sustainable livelihood framework can be seen in Figure 1.

Figure 1 is a sustainable livelihoods approach framework. The framework illustrates the relationship between the context of vulnerability and the transformation of structures and processes—the capabilities or mobility to access capital. The mechanism for establishing sustainable livelihoods in each country and region is contextual. The vulnerability context that threatens the sustainability of community livelihoods or business sustainability can take the form of popularity (trends), shocks, and culture to the environment. The context of vulnerability that causes limited mobility and access to capital needs to be identified and analyzed comprehensively and contextually.

The Covid-19 Pandemic as a Context of Vulnerability of Traditional Culinary Businesses and Coffee Shops

The Covid-19 pandemic is one form of vulnerability faced by F&B business entrepreneurs, especially traditional culinary businesses and coffee shops. In micro-enterprises, the traditional culinary business of Gudek Koyor Pak Min and Bubur Koyor Bu Sabar still uses conventional sales methods. Gudek Koyor Pak Min's micro-business starts at 07.00-15.30 WIB. Meanwhile, Bu Sabar's Koyor Porridge begins at 05.30-08.00 WIB. The characteristics of customers for traditional Gudek Koyor and Bubur Koyor dishes are dominated by customers from outside the city to customers from within the city.

Based on the results of observations at the research site, Gudek Koyor Pak Min was from 06.00 WIB to 11.00 WIB. The characteristics of consumers who visited to buy food before PPKM was implemented, not only locals but also domestic tourists from outside Salatiga City, with the type of visit with family, couples, and friends. In addition, the time of consumer visits to Gudek Koyor Pak Min is relatively high in the morning, from 08.00 WIB to 10.00 WIB. Based on the results of interviews with several consumers, it is known that Salatiga is a Culinary City and a Transit City to travel to Magelang, Solo, Yogya, and Semarang. In addition, food products are considered delicious when the ingredients are fresh and hot. It can only be obtained when buying food in the morning. Different conditions were found as long as PPKM was enforced. Residents for breakfast needs dominate the characteristics of consumers who purchase food in Gudek Koyor Pak Min. The average is customers who are married to customers who are elderly. During the Covid-19 pandemic, the micro-business Gudek Koyor Pak Min and Bubur Koyor Bu Sabar were still operating as usual even though the number of visitors outside and within the city had decreased.
The micro-business adaptation of Gudek Koyor Pak Min and Bubur Koyor Bu Sabar during the pandemic is to adjust access to production resources, namely ingredients and seasonings from sellers. Based on the results of interviews and observations at Bubur Koyor Bu Sabar, before and during the PPKM policy, it can be seen that production resources or foodstuffs are still easily accessible, as well as raw materials such as koyor, seasonings, and labor are family or close relatives. Bubur Koyor Bu Sabar's culinary business still operates at 05.30 and is always sold out before 08.00 WIB. Meanwhile, the sales strategy of the culinary business of Bubur Koyor Bu Sabar is different from the sales strategy of the culinary business of Gudek Koyor Pak Min. Suppose the policy of restricting community activities hampers access to production resources. In that case, the Gudek Koyor Pak Min micro business and Bu Sabar Koyor Porridge cannot operate on certain days. If access to production resources is maintained, the micro-business Gudek Koyor Pak Min and Bubur Koyor Bu Sabar will open daily. In the context of the sales process, the micro-business Gudek Koyor Pak Min and Bubur Koyor Bu Sabar still maintain traditional sales methods inherited from their ancestors to become an attraction for the community. Therefore, people who want to buy traditional culinary Gudek Koyor Pak Min and Bubur Koyor Bu Sabar must comply with the health protocol as stipulated by the local government.

In addition to micro-businesses, small Aromia coffee shops, and Kopi Soe Coffee Shop businesses maintain business operations daily by adopting information technology as a digital marketing platform. The impact of the Covid-19 Pandemic on Aromia Coffee Shops is a significant decrease in consumer purchasing power; the Aromia coffee shop business branches in two locations have stopped operating. The termination of the branch business of the Aromia coffee shop is one of the strategies to maintain business through efficiency in production costs and employee salaries. During the Covid19 pandemic, Aromia Coffee Shop focused on one business by rearranging consumer seats according to health protocols, adding health protocol support facilities such as hand washing areas, providing hand sanitizers, and displaying brochures on health protocol guidelines. Also, complete the CHSE (Clean, Health, Safety, and Environment) certification, as shown in Figure 3 below.

![Figure 3. Implementation of CHSE in Aromia Coffee Shop during the Covid-19 Pandemic.](image)

The small business of Kopi Soe Coffee Shop also experienced a decline in sales that did not meet the target. Based on the results of the warnings at the Aromia Coffee Shop before and after the Covid-19 Pandemic. Before the implementation of PPKM, Aromia Coffee Shop became a favorite place for students and private employees to discuss, hang out, and enjoy the food and beverage products provided. The increasing number of consumers sparked the idea of opening two business branches with the same Coffee Shop business management. However, after the PPKM was implemented, the Aromia Coffee Shop became empty of visitors and caused many losses. Aromia Coffee Shop is a business that adopts a collaborative approach with capital combined so that the lack of visitors impacts the profits that must be shared with each capital owner. The implementation of PPKM requires that Aromia Coffee Shops must limit consumer visits and coffee shop operating hours. It also affects employees’ operating costs and working hours. Conditions that do not cause losses urge the owner of the capital to close the two coffee shops that were newly opened before. Aromia Coffee Shop survived after completing two other coffee shop business branches. In the case of Aromia Coffee Shop, social media marketing becomes ineffective as long as local government policies do not support it.

In addition to the Aromia Coffee Shop, there is a different case from the Soe Coffee Shop. Kedai Kopi Soe uses an information technology platform for digital marketing to increase market reach. The Kopi Soe Coffee Shop placed a prohibition sign on consumer seats to maintain distance, requiring consumers to wear masks when discussing; cleaned seats before and after being used by consumers; provided facilities in the form of handwashing facilities; provided masks and hand sanitizer. Although the Kopi Soe Coffee Shop has implemented health protocols, the number of customers who visit directly to the place of business still needs to be increased. The number of orders.
placed through digital applications is rising. It shows that consumers still have concerns about dine-in at the coffee shop even though it has implemented health protocols and followed the CHSE certification.

The Covid-19 pandemic has become an aspect of vulnerability that affects the sustainability of micro and small businesses. This study indicates that the micro-business challenges for the traditional culinary business of Gudek Koyor Pak Min and Bubur Koyor Bu Sabar are more dominant in internal issues related to the sustainability of production resources so that they can operate every day. Micro-businesses focus on the resources for daily operations instead of marketing strategies for the long-term operations of the businesses. Compared with the small business category, such as the Aromia coffee shop and the Kopi Soe coffee shop, small businesses are more challenging to operate. Small businesses consider the internal and external challenges, balancing resources, production, and quality control with customer relationship management. Small businesses use financial capital to fulfill customer demand by innovating the products and the system, depending on the situation, even in the Covid-19 pandemic.

Utilization of Assets in Maintaining Traditional Culinary Businesses and Coffee Shops

The sustainable livelihood framework divides asset characteristics into five parts: social capital, financial capital, human capital, natural capital, and physical capital. In the context of this research, traditional culinary business entrepreneurs Gudek Koyor Pak Min and Bubur Koyor Bu Sabar utilize different forms of capital in maintaining micro businesses. Both are more dominant in using social capital as an effective marketing strategy. Information about traditional food is spread by word of mouth of customers who have eaten at Gudek Koyor Pak Min's business premises and Bu Sabar's Bubur Koyor (word of mouth). In addition, the financial capital accumulated from the sale proceeds is used to purchase production resources.

Furthermore, human capital is outside the form of skills obtained from formal education. Still, non-formal, namely ancestral heritage passed down from generation to generation in the family business. Natural and physical capital is not directly related to maintaining the culinary business's continuity because the building or building used as a place of business is not explicitly built but is limited to making rentals. At the same time, production resources in the form of food are not grown by themselves but are purchased in the market. Micro-scale businesses rely on social capital, namely social networks, norms, and trust between individuals, to disseminate information about traditional culinary food products.

The use of assets in small businesses for Aromia coffee shop and Kopi Soe coffee shop has a significant difference. In small business operations in coffee shops that adopt information technology, human capital is essential in supporting business operations. In addition, financial capital is the main focus regarding expenses for production costs, salaries, and additional facilities during the Covid-19 pandemic. Social capital is critical in increasing consumer purchasing power during a pandemic. Coffee shop entrepreneurs take advantage of social networks with youth communities, assure consumers about safety and comfort when visiting their place of business to gain consumer trust, and optimize excellent service and product innovation. It shows that small coffee shop businesses utilize financial, human, and social capital to maintain business continuity amid the Covid-19 pandemic. Thus, the complexity of small business management that adopts conventional and digital approaches in a professional marketing system requires human capital, financial capital, and social capital to maintain business continuity.

This study shows differences in the use of assets to maintain micro and small businesses. Specifically, micro-businesses are more dominantly dependent on social capital. Meanwhile, small businesses depend on accumulating human, financial, and social capital. Based on the differences in the use of money in entrepreneurship in the Food and Beverage (F&B) business, it indicates that the complexity of maintaining a business during the Covid-19 pandemic, which is experiencing obstacles, is small businesses Aromia coffee shop and the Kopi Soe coffee shop.

Micro and small businesses are the sectors most affected by Covid-19. Bernnet et al. (2020) shows that the Covid-19 pandemic has limited market activity, disrupting the community's economy. The sectors most affected are micro and small-scale businesses. Capital accumulation is used to maintain the sustainability of the livelihoods of individuals, communities, and society. Suhardiman et al. (2021) shows that micro and small business actors who are migrants have a much more formidable challenge due to limited
access to resources, thus threatening business continuity. It shows that access to capital is essential in maintaining business continuity and the livelihoods of micro and small businesses. Therefore, appropriate policies are needed to mobilize access to various forms of assets.

**Government Policy for the Sustainability of Traditional Culinary Business and Coffee Shops**

The Salatiga City government’s policy in responding to the development of Covid-19 has undergone adjustments. In 2020, the Salatiga City government adjusted the Large-Scale Social Restriction (PSBB) policy to become the transitional policy in the New Normal era. Furthermore, in 2021 Government continued the Transitional PSBB Policy to become the Enforcement of Restrictions on Community Activities (PPKM) with an Emergency status. Moreover, the government updated the policy on handling Covid-19 in each region. The renewal of the PSBB to PPKM policies in the Salatiga City government affects the social and economic dimensions of the community. In the context of this study, micro and small businesses are the most affected businesses because they can only operate if they comply with the regulations set by the Salatiga City government.

Micro and small business entrepreneurs in traditional culinary businesses and coffee shops comply with the Salatiga City government policy by not operating at the time set by the government, even though there are losses from the business they run. Compliance with government policies is a form of cooperation to control the Covid-19 cases in Salatiga. As a result, the decline in Covid-19 patients in Salatiga prompted the government to allow micro and small businesses to operate by implementing health protocols. Furthermore, the government encourages CHSE certification for Food and Beverage (F&B) business players. In addition, there is assistance in the form of incentives for business actors affected by the Covid-19 pandemic. It shows that the government’s policy to limit the social and economic activities of the community in Salatiga City is balanced with solutions in the form of assistance for entrepreneurs affected by Covid-19.

Government policies to respond to the Covid-19 pandemic through social and economic activities threaten the business. Kusno (2020) argues that the Covid-19 pandemic has caused a global financial and political crisis that has affected people’s livelihoods in various parts of the world. On the other hand, Olivia et al. (2020) shows that Indonesia’s economic conditions during the Covid-19 period experienced disturbances on an unexpected scale. It urges the government to issue policies that can save the nation by addressing the needs of the poor. One of the policies stakeholders take to protect the Indonesian economy is to mobilize the economy with what is called the new normal (Sparrow et al., 2020). It shows that every policy update responding to the COVID-19 case in Indonesia has considered the livelihoods of the poor and those who are potentially vulnerable (Ssenyonga, 2021).

Institutionally, efforts to overcome Covid-19 in Indonesia require cooperation from all parties. Pradana et al. (2020) shows that micro and small business actors collaborate with village governments and communities in residential areas to support the implementation of health protocols for various Covid-19 prevention programs in Indonesia. On the other hand, Suryahadi et al. (2020) argues that cross-sectoral cooperation plays a vital role in optimizing the covid-19 prevention program in Indonesia, especially in preventing the increase in poverty rates due to restrictions on social and economic activities during the Covid-19 Pandemic. It shows that pro-poor policies are needed to solve the problem of the Covid-19 pandemic and poverty in Indonesia. Thus, support for micro and small businesses in incentives for entrepreneurs affected by the Covid-19 pandemic will be adequate.

**CONCLUSION**

Based on the results of this study, the micro and small businesses faced the same challenges during the Covid-19 pandemic as the vulnerability context through the case study of the traditional culinary business of Gudek Koyor Pak Min and Bubur Koyor Bu Sabar and Aromia Coffee Shop and Soe Coffee Shop. The condition becomes a context of vulnerability that threatens business continuity. However, using assets to maintain a business has a significant difference. Microbusiness is more dominant in utilizing social capital to support the business. Meanwhile, small businesses use human, financial, and social capital to maintain their business. In addition, imposing restrictions on community activities in the Salatiga city government has implications for changes in transactions that are more dominant in digital transactions than conventional purchases. It is a challenge for micro and small businesses to
maintain business continuity. So that various efforts such as product and business process innovation, CHSE certification, and the application of health protocols are strategies to restore the economy of micro and small businesses in Salatiga as a Gastro History city in Central Java Province, Indonesia.

ACKNOWLEDGMENT

The researcher would like to express gratitude to all parties contributing to this. The researcher’s most profound appreciation goes to the Tourism Department, Faculty of Business Administration and Communication, LPPM, Atma Jaya Catholic University of Indonesia, and LL-DIKTI III for publishing financial support in 2021.

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