

# Surviving the Pandemic; Sustainability of Community Cafes without Safety Assurance

*by Hasil Turnitin*

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**Submission date:** 07-Oct-2022 04:47PM (UTC+0700)

**Submission ID:** 1919073911

**File name:** c\_Sustainability\_of\_Community\_Cafes\_without\_Safety\_Assurance.pdf (376.07K)

**Word count:** 4845

**Character count:** 26555

## Surviving the Pandemic: Sustainability of Community Cafes without Safety Assurance

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DOI: <https://doi.org/10.32528/iss.v1i1.44>

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<sup>1</sup>  
Published: Januari, 2022



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**Abstract:** A community café chose to remain open for serving during the pandemic. Cafes that can also be specified as a small business are often owned by a group of people (community). Whilst they also hire some employees who are coming from the lower class in the society. This article is using a qualitative approach to conduct the participatory observation and in-depth interview. Those steps are necessary to construct the reasons why community cafes are still open as a form of survival to the social entrepreneurship community. Reasons for the community cafes to stay open are, first, to empower the employees who do not have any other source of income. Second, like other small business, community cafés are prone to bankruptcy for absent of business insurance to give them a comfortable cushion. Third, community cafes must hold onto the profit and loss principal to get the surplus off their business. The survivability of community cafes during this pandemic depends on their ability to follow all of the health protocols and precautions in the bare minimum. All they can ask their customers and employees to wear a mask and provide a handwashing station that they built using some simple tools. In macro level, their low rate of survivability shows that stakeholders are absent to support the social entrepreneurship during the pandemic

**Keywords:** Survival; social entrepreneurship.pandemic

### INTRODUCTION

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This article explains the life of social entrepreneurship during the pandemic. Social entrepreneurship is defined as a business that holds social mission despite the needs to manage a business on a basic business management strategy. Such a definition gives social entrepreneurship its category to entrepreneurship in general. Newth and Woods [11] explained that social entrepreneurship refers to the primary goal of creating social value and pursuing social change. So that is running a business, it is not only to the pursuit of profit but how much the business has an impact on the social values it carries.

So far, social entrepreneurship has been associated with community empowerment alternative that relies on specific business entities to differentiate the empowerment patterns carried out by non-governmental organizations (NGOs) that are purely non-profit. Nowadays, non-governmental organizations (NGOs) are portrayed as an ideal form based on their normative goals. Herdiansah [1] describes that the focus of NGO is to create social change by creating awareness within civil society through organizational management. Better yet, NGOs are expected to be able to promote social change through community empowerment, strengthening the grassroots movements and increasing their income. However, NGOs have limitations in their efforts to solve social problems. The limitation is due to the dependence of NGOs on the financial source Firdaus [7]. The opinion about the dependence of NGOs on an external financial source like business entities as part of solving social problems.

However, business entities also have weakness in responding to social problems. The weakness occurs because the response of a business entity is more of a non-priority than its primary goal to as a profit-orientated entity. As stated by Yunus [14], business entities that are identical to the private sector have several downsides in the form of corporate social responsibility (CSR) program. However, in practice, the CSR model is more visible as a boost to the corporate image than accomplishing a social mission. For small-scale business, seeing the social vision is reduced to personal gain can also be interpreted as the independence of individuals who are close by definition to empowerment.

Therefore, social entrepreneurs are more of a mixed model in doing business, between NGO and a business entity as it is. Several studies have explained this particular explanation for social entrepreneurs to be the mix of two, including Hahn & Ince [8] emphasizing that mixed business objectives refer to the

organizational model which is characterized by participation and equal information dissemination. Meanwhile, the output of the business model has an inclusive results orientation for owners. This study is in line with Battilana and Lee's [2] which stated that hybrid organizations pursue a social mission while still carrying out commercial activities to maintain business as a basis for financing sources.

Based on the gap of the theory, this study is essential to present new findings from the existence of social entrepreneurs during the pandemic. The basic argument is to strengthen the existence of alternative solutions to social problems such as poverty and unemployment through social businesses. Social entrepreneurship is unique to be analyzed as its source of finance comes from its side as a business entity rather than a donor as NGOs would have. Furthermore, the phenomenon of social entrepreneurs will be illustrated as business activists whose existence become more vulnerable during the pandemic.

In Indonesia, research on social entrepreneurs during the pandemic of Covid-19 has been carried out, for example, Saragih and Elisabeth [12] who explained about social entrepreneurs implementing unrelated diversification; implementation of cash flow management; setting operating hours, as well as implementing inventory management. The plastic pallets business also suffered from the most notorious thing is the reduction of employees due to the decrease in turnover has reached 70%.

Meanwhile, in this study, although they have the same topic about social entrepreneurs, there are some striking differences. First, the two are about two different kinds of business, plastic pallets and cafes. Its market share is based on its crowd, which is something to avoid during the pandemic to run a business based on the crowd. Second, the categorization of café business as social entrepreneurs is an anomaly. Because, in general, the business model is owned by individuals and the relationship in running the business is an employer-employee relationship. In contrast to the cafe business, which in this study was categorized as social entrepreneurs, it is a community cafe featuring characteristics of social entrepreneurs.

This research, apart from explaining about community cafes as social entrepreneurship, also shows the evidence-based data that community cafes are a community-owned business from the lower-class people. Another objective is to describe the options for opening a business during a pandemic as available options, even with its risks. This is the option to take for the cafes to be able to survive the pandemic. Meanwhile, the threat of virus infection is always for everyone within the business of the cafes because of the lack of standard health protocols.

The research has taken place in a community cafe in Jember, East Java, Indonesia. In addition to describing the business behavior of consumer products such as cafes, stalls, restaurants that remain open in almost all regions during the pandemic. Another main reason for this research to be conducted is because the community cafe is very close to the social entrepreneurs' criteria. Also, the research method allows researchers to make observations, especially related to confidential data such as financial data, access to employees or work partners as product suppliers.

The findings of this study conclude that community café survival as part of social entrepreneurs is for the sake of business sustainability and their stakeholders. These reasons are based on three agreed principles. First, empower employees who do not have income from other businesses. Second, like other small business, these community cafes are prone to bankruptcy due to the absence of business insurance. Third, the community café must maintain a business based on the profit-loss principle in order to achieve a surplus of income. If not done, the consequence is to close down the business. The findings of this study also show the irony of the survival of social entrepreneurs. On the one hand, choosing to open a business is part of the responsibility for the social values that are carried. On the other hand, it is also about risking health with no guarantee of safety.

This study is divided into several sections. After introducing the problem background, this paper describes the method used for the research. Then in the third part, it presents the theoretical base of social entrepreneurs as the academic foundation of this research. The findings and discussion section will discuss the survival of social entrepreneurs during a pandemic as an effort to sustain their business. So, in the next section, we will answer some critical questions of this research, why do community cafes as part of social entrepreneurs choose to open their business? How is the survivability of community café as part of social entrepreneurs? How do community cafés, as part of social entrepreneurs, view health protocols during the pandemic in running their businesses? The final section concludes that the sustainability of the business is more important than health protocols even though stakeholders in such an enterprise believe that the opening of the business is hazardous in terms of safety. At the macro level, the low survivability rate of the cafe is a signal that the stakeholders are not serious about maintaining the survival of social entrepreneurship during a pandemic.

## METHOD

The research method used in this research is qualitative research engaging in descriptive research. The definition of a qualitative methodology is "a research procedure that produces descriptive data in the form of written or spoken words from people and observable behaviour. This approach is directed at the setting and the individual holistically (intact). Thus, research does not isolate individuals or organizations into variables or hypotheses, but needs to see them as part of a whole ". meanwhile, descriptive research is defined to have "the purpose of this descriptive study is a study that describes the form of words and not numbers so that what is collected is the key to what has been researched Moleong [10]

The use of a qualitative paradigm with this type of descriptive research in this study is due to the aim of the study to analyze what it is about the facts in the field. In-depth interviews with sources carried out in the data collection at a cafe in Jember Regency, East Java. According to Brinkmann [3], interviewing must come from a known and reliable source. So in this study, the main informant being interviewed was the manager and owner of the community cafe. Meanwhile, an additional resource where the affected employees who were carried out purposively. Secondary data (hard data) were obtained from independent, participatory observations during fieldwork. That is observation activities where the researcher is directly involved with the subject of the research Tedlock [13] from the process of operationalizing to the involvement of joint meetings between the community cafe owners and all employees as part of the research subject. Although the involved observation (participatory) activities are not carried out every day, the involvement of researchers is carried out regularly.

## RESULT AND DISCUSSION

Results and discussion are the main parts of this writing; it carries the form of research findings and essential matters discussed in this study. Therefore, before stepping into this section as an introduction, we will explain the theoretical constructs of social entrepreneurship that have been developing so far. The purpose of this theoretical dialogue is to describe the theoretical pattern on which this research is based.

The business world has always been associated with finding a surplus in the form of profits. However, this is not enough for the issues in real life. Thus, the business world has to see the outer part of its entity. Even though the business world has moved on, it is now not only collecting profits by the implementation of corporate social responsibility (CSR), but it still creates weaknesses Yunus [14]. Therefore, an effort is needed to involve more social sensitivity whilst running a business. In this context, the concept of social entrepreneurship, Newth & Woods [11] explained that social entrepreneurship refers to the primary goal of creating social value and pursuing social change that is not only capitalistic. This opinion is reinforced by Hahn & Ince [8], which emphasized that there is a dual mission in doing business. Mixed business objectives refer to the organizational model characterized by participatory and equitable distribution of income information.

Corner and Markus [5] described that the creation of social value by a business or business being an answer for the people who see a social problem that can be solved by opening a business is the definition of social entrepreneurship. The increasing number of business actors who see solving social problems as a part of their business will increase the possibility of solving more social problems that we have. This view is in line with Dey and Steyaert [4] that social entrepreneurship ethics are usually conceptualized about an intrinsic property or individual moral commitment where the elements of identification of power, subjectivity, and the practice of freedom are essential in bringing up the practice of social entrepreneurship.

A little different from Dorado and Ventresca [6] who saw institutions as the main factor. Institutions that frame the possibility of entrepreneurial engagement in a social frame. So that the involvement of social entrepreneurship in the context of complex social problems, the functional roles of entrepreneurial actors and institutional actions must be arranged at the same time, the same opinion is expressed by Holt and Macpherson [9] that a significant obstacle to creating and sustaining social enterprises is the difficulty in legitimizing their institutional structures. This is especially true for small businesses; Entrepreneurs strive to create and maintain new ideas and new business structures in contrast to the established market environment.

Departing from the opinion of these experts, this research tries to answer the challenges of social entrepreneurship in Indonesia, primarily when a pandemic occurs.

### The Option to Open the Business



After three months of lockdown, as the government loosen up the health protocols for several business sectors, there is still some business who are not open due to the nature of the business *Humas Kemensetneg* [15]. Though there is no formal restriction, cafes are one of the businesses that choose to be open for its survival. The pandemic has forced all business to close down, including this community cafe. A common phenomenon in the early days of a pandemic, the government and police units came to all places to close down businesses. For entrepreneurs, this is a significant blow, because it is not possible to "work from home" as endorsed by the government. However, provisions for closing businesses were followed for at least the first three months of the pandemic. The only option available was to take way service.

The take way service option for businesses such as community cafes is not a strategic choice. Customer culture is not familiar with this way of transaction. Most of the community cafe customers order products to be enjoyed on the spot (*cangkrok*). The take away service was only able to contribute less than 5% of the total average sales turnover before the pandemic came. In the end, during a pandemic, businesses such as this community cafe in prone to be shutting down.

On the other hand, when the business was closed, operational costs will continue to run, including maintenance of the office, business stalls and electricity and the internet. The highest cost expense is the honorarium for permanent employees to be paid as usual. For community café owners, the stipulation provides rights to employees on the basis that the business is joint property. Even though employees are not the owners of capital, but employees are human capital whose existence is mostly involved since the business was founded.

Another reason is the granting of rights to employees because it is an effort to maintain and empower employees. The initial mission of establishing this community cafe was not only to gain profits like most business models, more than that to empower the lower-class. All employees make this community cafe their primary source of income. The employees of this community café have no income apart from this business. In general, café employees have low education and enter early in marriage. The following is the employee profile:

Table.1 Employee Profile

Period of work	Amount	Education	Marriage Status	Age
more than four years	4	elementary and junior high school graduates	Two are married	21-27
3 -4 years	3	elementary and junior high school graduates	Two are married	19-27
2-3 years	2	high school graduates	One is unmarried	19-27
1-2 year(s)	2	high school graduates	One is unmarried	22-24

Source: observation at "My Way Café (community cafe)

Based on the social mission of the business, when the business was closed due to the pandemic, employees still got their rights. During that time, the cafe business was only maintained alternately without operating sales. In fact, in business calculations, this condition necessitates employee rationalization. However, the choice to reduce or lay off employees is not an option that is obtained by the business owner. The reason is that all employees rely on the income of their families in the community cafe business.

To get around sales that stopped on one side. While business costs were still incurred, during the beginning of the pandemic, the community cafe management level transferred business savings to subsidize employee salary expenditure. Business savings are savings that will be used to pay for rent, business premises, or maintain possible damage to the cafe while operating.

Community cafes, as part of social entrepreneurship, choose to open the business based on the assumption that the pandemic will not last long. Second, they also choose to open their business based on the prediction of existing savings capacity for it has its capacity to subsidize the business. The agreed limit is three months. After three months of not running the sales operation, the only options are to re-open the cafe business or close it forever. On this basis, all parties agreed to re-open the business with minimal health protection risks.

### Survivability of Community Cafes

In order to show the pattern of survival at the beginning of this sub-chapter, the dynamics of the financial accounting trend of the community café will be shown. This data will describe business profits before the pandemic, during the pandemic and the "new normal". The new normal refers to the term used during the pandemic, but socio-economic activities have gradually started. So, this last moment is a decision

to re-open the business after a limited area closure. The following is a graph of the operating profit of the community cafe in question:

Graphic 1. Profit-Loss Report Within A Year Of Operating



Source; Book of Profit-Loss Report Within A Year Of Operating My Way Café (Community Café)

Based on the data above, it can be seen that before the pandemic came, the financial position of the community café was stable with a turnover ratio of business capital reaching 20%. The stable turnover ratio also reflects the trend of profits from the business. However, the downfall came when stakeholders, in this case, the government, decided to close almost all business except those who are labelled as "essential business".

The data above explains that the lowest curve occurs when a pandemic comes, namely the loss of profits from a business. However, there are signs of a decline in business since news of the pandemic broke out. Since January, the downward trend in turnover has also been seen. Then an uptrend occurred when entering the "new normal" phase.

The survival pattern refers to the data above, can be explained as follows, first, in the early phases of the pandemic, this community cafe still employed all of its employees even though stall was closed. That means all surviving efforts; business costs are paid by using business savings. In the initial phase, community efforts focused more on their social goals. That is, all those involved in managing community cafes continued to earn income when the world economy entered into a depression.

Second, the consolidation phase. This phase is the decision-making phase to what extent the financial capacity limit of the community cafe can provide subsidies to employees. The management has calculated the ability of subsidies to avoid bankruptcy. Third, the phase of opening a business again. The community cafe must maintain a business based on the profit and loss principle to achieve a surplus of income. The choice to re-open this community cafe business was due to the worrying financial capacity of the business. All parties are committed to re-opening the sale of the cafe's products in the name of business continuity.

### Business Based on Health Protocols

The view of health protocols is built on the awareness that health issues are essential but that opening a business is no less critical. Therefore, what happens is that this awareness does not place health issues as the most dominant reason for economic issues to be unprioritized. Many business actors believe that a pandemic is not a truly terrible thing. However, education from health workers about the dangers of a pandemic has an impact on the business actors. The business actors now are considering about not creating a new pandemic distribution cluster by making sure the opening of the business does not contribute to it.

When the massive campaign at the beginning of the pandemic to work from home or not to travel during Eid, all parties, including social entrepreneurs, accepted it as a collective sacrifice. The climax is when all business actors, including community cafes, had to go through "swiping" as part of their

participation in overcoming the emergency of the virus. Moreover, the security apparatus' "swiping" method was usually accompanied by extensive media coverage. This condition creates a traumatic condition not to open a business. Even though the most basic desire of business actors, such as this community cafe, is to keep opening their business stalls as they would typically do.

On the way, of course, from an economy and business point of view, any business that is closed "forcefully" will cost the business something. Moreover, not all business actors receive business incentives to boost their business existence as promised by the government. At the normative level, the government promised business incentives for businesses that are affected by the pandemic. Nevertheless, in practice, not all small businesses or social enterprises receive business incentives. Even if there are small businesses or business ventures that get business incentives, it would not be enough to cover business operating costs.

This community cafe is one of the small businesses and social enterprises that does not get the business incentive. In other words, many small businesses and social enterprises are taking care of themselves without getting the help of the government. Therefore, businesses such as community cafes are looking for their solutions for the sustainability of their business. Thus, a pandemic is no longer considered a barrier to re-opening businesses. Another factor, health provisions or protocols for business actors are not consistently implemented. There is a strong impression that the implementation of health provisions or protocols is only done as a formality. Its characteristic is firm when it is initially executed then weakens over time. This inconsistency is one of the triggers for business actors to have the courage to open their business again.

The pandemic and the application of correct health protocols have been carried out since the beginning of the pandemic by community cafes. At least this can be seen from the installation of banners and hand washing station. However, that was not sufficient reason for the community cafe not to be forcibly closed by security forces at the start of the pandemic. When the "new normal" era arrived, and the decision to open a business was re-established, the owner of the community cafe adhered to the health protocol by requiring every worker to wear a mask, provide handwashing station and customers were also required to wear a mask. This phenomenon is common in all business centres, whether the business in general or businesses that have a social mission. Moreover, almost all the centres of the crowd have been re-opened by the government, especially by local governments.

This phenomenon explains several things. First, health awareness during the pandemic was only a worry for the elite, but it has not reached all stakeholders, including community cafe entrepreneurs. Second, adherence to health protocols reflects more coercion from the government than awareness to save one's health during a pandemic. Third, standard health protocols are interpreted differently by each person and become a personal responsibility, not social responsibility.

### CONCLUSION

Small business sustainability is more important than health protocols. The existence of small businesses or social businesses that were closed during the pandemic shows more of a form of compliance from business actors to government authorities. Furthermore, the phenomenon of re-opening a business illustrates that the health risks that may occur are not urgent. The most urgent thing is the continuity of the business so that it does not go bankrupt. Many stakeholders believe that this kind of business activity is precarious in terms of savings, but prohibiting selling or opening a business is no longer a rational option, considering that there is no compensation for the business. Therefore, business actors take it upon themselves in finding solutions for their business.

At the macro level, the survivability of the cafe is a signal that the stakeholders are not serious about maintaining the survival of social entrepreneurship during a pandemic. There is a strong impression that the government is taking prevention of the spread of the pandemic in terms of formality, failure of obligations and sporadically. In effect, small business actors and social enterprises such as this community cafe were not touched by the policy of looking for business models during the pandemic.

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PAGE 1

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PAGE 2

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PAGE 3

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PAGE 4

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PAGE 5

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PAGE 6

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PAGE 7

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