



Micro-Entrepreneurs and Economic Challenges: A Post-Pandemic Urban Study

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ABSTRACT

Micro-entrepreneurship is crucial for economic resilience, especially in developing countries where small businesses sustain local economies. While economic resilience has been widely studied, the subjective experiences of micro-entrepreneurs in the post pandemic era remain underexplored. This study fills that gap by examining how urban micro-entrepreneurs adapt to economic adversity and assess government policies. Using an interpretative phenomenological approach, the research explores the lived experience of 10 micro-entrepreneurs from various sectors. Data from semi-structured interviews were thematically analyzed, revealing key themes: adaptive strategies, financial barriers and policy perceptions. Findings indicate that while participants leverage innovation and digital tools to remain resilient, they face significant hurdles such as limited financial access and misaligned policies. This study highlights the need for more inclusive and responsive policy frameworks to support micro-entrepreneurs effectively. Future research could extend to rural settings or adopt longitudinal approaches to track adaptive strategies over time.



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INTRODUCTION

Micro-entrepreneurship is a vital pillar of local and national economies, particularly in developing countries where small businesses drive economic activity and employment (Abbas & Shirazi, 2015). Despite its importance, the sustainability of micro-enterprises remains vulnerable to global disruptions, as demonstrated by the COVID-19 pandemic. The crisis not only disrupted supply chains and consumer behavior but also exposed systemic weaknesses, such as limited financial access and ineffective policy interventions.

Economic resilience and adaptive strategies are central concepts in understanding how micro-entrepreneurs navigate crises. Resilience, in this context, refers to the ability of individuals and businesses to recover and adapt amidst economic shocks. Previous studies have explored the role of innovation, resourcefulness, and digital transformation as key factors in enabling recovery, with a focus on quantifiable metrics like business growth or financial outcomes. These approaches, while informative, often overlook the subjective experiences and emotional dimensions of resilience that shape decision-making and long-term sustainability.

To date, research on micro-enterprises has predominantly employed quantitative methods or policy-focused analyses, offering a macro-level perspective on the challenges faced by small businesses. While these studies provide valuable insights into trends and systemic issues, they fall short of capturing the lived experiences of micro-entrepreneurs and the meaning they attribute to their struggles and successes (Abdullah, 2014). The lack of qualitative exploration creates a gap in understanding how individuals perceive and respond to the unique pressures of economic recovery in highly competitive and resource-constrained environments.

This study addresses this gap by employing a phenomenological approach to explore the subjective experiences of urban micro-entrepreneurs in the post-pandemic period. Through this lens, the research seeks to uncover the deeper meanings and personal narratives that inform their adaptive strategies, perceptions of policy, and overall resilience. By centering on lived experiences, the study contributes to a richer understanding of economic resilience as a multi-dimensional phenomenon shaped by individual agency and socio-economic contexts.

The study of subjective experiences within specific phenomena has increasingly gained recognition as a critical area of inquiry in social sciences and economic studies. Micro-entrepreneurs, as agents operating within complex socio-economic environments, encounter challenges and opportunities that are deeply personal yet shaped by broader systemic forces. Understanding these experiences is essential for crafting policies and support mechanisms that address their actual needs and foster sustainable economic resilience.

However, traditional research methodologies often prioritize quantitative data, focusing on measurable outcomes such as profit margins, growth rates, or financial performance (Apostolopoulos dkk., 2024). While these metrics provide valuable insights into the macro-level impacts of economic phenomena, they are insufficient for capturing the nuanced, subjective realities of individuals navigating such challenges. For example, the psychological stress of financial insecurity, the creativity required to adapt to changing market conditions, or the perceived effectiveness of government policies often remain unexamined in studies that rely solely on numerical data.

These methodological limitations underscore the need for approaches capable of exploring the deeper meanings and lived experiences of individuals. Phenomenology offers a robust framework for this purpose, emphasizing the essence of human experiences and the meanings attributed to them within specific contexts. By prioritizing qualitative data and focusing on participants' narratives, phenomenological research overcomes the shortcomings of traditional methods, providing a richer and more holistic understanding of the phenomena under investigation.

Given the complexity of micro-entrepreneurs' experiences, particularly in a post-pandemic context, a phenomenological approach is not only relevant but necessary to address the gaps left by previous studies. This study contributes to this growing field by using interpretative phenomenology to delve into the adaptive strategies, resilience, and perceptions of urban micro-entrepreneurs, offering insights that extend beyond surface-level analysis.

While numerous studies have examined micro-entrepreneurship within the broader context of economic resilience and recovery, most have relied on practical frameworks, such as financial performance indicators or the effectiveness of governmental support programs (Baig dkk., 2020). These approaches, while valuable, often focus on observable outcomes and systemic trends, neglecting the subjective experiences and emotional dimensions that shape the responses and strategies of micro-entrepreneurs.

Practical approaches to supporting micro-enterprises, such as government loan schemes or digital marketing training, tend to operate under a one-size-fits-all paradigm. However, such solutions frequently fail to account for the unique challenges faced by individuals, such as navigating bureaucratic barriers or adapting to shifting consumer demands. Without incorporating insights into the lived realities of these entrepreneurs, interventions risk being irrelevant or inaccessible to the intended beneficiaries.

This gap in understanding is further compounded by the methodological limitations of traditional research, which seldom explore the intricate interplay between personal resilience, socio-economic pressures, and policy environments. Quantitative analyses, although beneficial for identifying macro-level trends, lack the depth to uncover the nuanced meanings and adaptive strategies that emerge in response to crises. As a result, the human experiences at the core of micro-entrepreneurship remain underexplored, particularly in post-pandemic contexts.

Adopting a phenomenological approach addresses this critical gap by offering a framework to delve deeply into the essence of these experiences (Bastiaensen dkk., 2013). By prioritizing the voices of micro-entrepreneurs and interpreting their narratives, this study aims to provide a holistic

understanding of how individuals perceive, navigate, and adapt to complex economic challenges. Such insights are essential for informing more effective, inclusive, and sustainable policy frameworks tailored to the realities of micro-enterprises.

Previous research on micro-entrepreneurs has highlighted their role in driving local economies and their vulnerability to external shocks, particularly during crises like the COVID-19 pandemic. Studies in economic resilience have primarily focused on financial metrics or systemic policy analyses, offering insights into macro-level trends but often overlooking individual experiences. Theoretical frameworks such as economic resilience and adaptive capacity have provided a foundational understanding, yet their application has been limited by the absence of qualitative depth. Methodological approaches in earlier studies have predominantly utilized quantitative surveys or case studies, which, while valuable, fail to capture the subjective meanings and lived realities of micro-entrepreneurs navigating complex socio-economic challenges.

To address these gaps, this study employs an interpretative phenomenological approach, chosen for its capacity to uncover the essence of lived experiences and subjective meanings (Berrou & Gondard-Delcroix, 2018). This methodology enables the exploration of how micro-entrepreneurs perceive and respond to challenges, such as accessing resources, adapting to market changes, and engaging with government policies. By focusing on narratives and personal experiences, the study bridges the gap between systemic analyses and individual perspectives. The findings aim to provide a richer, more nuanced understanding of micro-entrepreneurship in post-pandemic urban contexts, offering insights that extend beyond measurable outcomes.

This article is structured to guide the reader through a comprehensive exploration of the phenomenon. The introduction establishes the context and significance of the study, followed by a detailed discussion of the research methodology and the rationale for adopting phenomenology. Subsequent sections describe the data collection and analysis processes, including thematic and hermeneutic approaches to identifying key insights (Carayannis & Von Zedtwitz, 2005). The results section presents the central themes and narratives emerging from participants' experiences, while the discussion interprets these findings within theoretical and practical frameworks. The article concludes with reflections on the implications for policy and practice, as well as recommendations for future research.

RESEARCH METHODS

Study Design

This study employed an interpretative phenomenological approach to explore the subjective experiences of micro-entrepreneurs in urban areas during the post-pandemic economic recovery period. Phenomenology was chosen to uncover the lived experiences and nuanced perceptions of participants, allowing for a deep understanding of the challenges and strategies they encountered. The interpretative approach emphasized the dual process of participants' meaning-making and contextual interpretation by the researcher (Emmanuel & Muyingi Hippolyte, 2010). This design was deemed appropriate for addressing research questions centered on personal and shared meanings of resilience, adaptation, and perception of policies within a specific socio-economic context.

Participants

Participants consisted of 10 micro-entrepreneurs operating in urban areas who met specific inclusion criteria: active business operations for at least two years and significant economic impact from the COVID-19 pandemic. Urban micro-entrepreneurs were selected due to their exposure to distinct economic pressures, such as shifting consumer behavior, rapid digitalization, and policy constraints that differ from rural business contexts. Purposive sampling was employed to ensure diversity in sectors such as culinary, retail, and services, as well as variations in operational scale and demographic backgrounds. The participant group included individuals ranging in age from 25 to 55, with a balance of gender representation (Halim dkk., 2014). This diversity provided a comprehensive perspective on the phenomenon of economic resilience and adaptation. Exclusion criteria included businesses that had recently been established or were not directly affected by the pandemic.

Data Collection

Data were collected using semi-structured interviews, conducted in a manner that encouraged participants to share detailed narratives of their experiences. The interviews were carried out in private, familiar settings chosen by the participants to ensure their comfort and confidentiality. Each interview lasted approximately 45 to 90 minutes, guided by an interview protocol designed to explore themes such as adaptation strategies, challenges in accessing resources, and perceptions of government policies. Interviews were recorded with the participants' consent and subsequently transcribed verbatim for analysis (Kachkar, 2017). Observations were also conducted to contextualize findings, focusing on participants' business environments and operational practices. This multi-method approach provided a rich dataset for comprehensive analysis.

Data Analysis

Data were analyzed using thematic analysis, following a systematic phenomenological framework. Transcripts were carefully read to identify recurring patterns, with significant statements coded to capture the essence of participants' experiences (Liu dkk., 2024). Themes were generated through iterative analysis, ensuring that identified categories reflected both individual and shared meanings. Hermeneutic analysis was employed to interpret the deeper contextual meanings of the data. Analysis was supported by the use of qualitative data analysis software to manage and organize themes effectively. This approach facilitated the extraction of essential findings, connecting participants' lived experiences to the broader theoretical framework of economic resilience.

Ethics

Ethical approval was obtained from a relevant institutional ethics committee before the study commenced. Written informed consent was obtained from all participants, with assurances provided regarding anonymity and confidentiality of their data. Participants were informed of their right to withdraw from the study at any point without repercussions. The study adhered to established ethical standards, including the Declaration of Helsinki and local research guidelines, ensuring the protection of participants' rights and well-being throughout the research process.

RESULTS AND DISCUSSION**Resilience through Adaptive Business Strategies**

Participants described adopting various strategies to adapt to the challenges of the post-pandemic economic landscape. Innovation and diversification emerged as central themes in their narratives, with several participants emphasizing the need to align their offerings with shifting customer demands. A micro-entrepreneur in the culinary sector shared, "I started adding new dishes and promoting them on social media because I realized that people were looking for convenience and variety during the pandemic." Similarly, others diversified their services, such as offering delivery options or integrating digital tools into their operations. These adaptive strategies, while often requiring significant effort and investment, were viewed as essential to ensuring business survival.

Barriers to Financial Support

Accessing financial assistance proved to be a persistent challenge for most participants. Bureaucratic hurdles and rigid requirements were frequently mentioned as significant barriers. A participant remarked, "We need quick funding, but the procedures are too complicated and take too long." This sentiment was echoed across sectors, with many expressing frustration over the disconnect between policy intent and practical implementation. These findings reinforce studies highlighting how formal financial institutions and government programs often impose eligibility criteria that unintentionally exclude micro-entrepreneurs, particularly those with limited collateral or informal business structures (Ramesh & Maria Inigo, 2015). Despite these obstacles, a minority of participants mentioned utilizing informal networks or community-based support systems to bridge their financial gaps. This aligns with prior research showing that micro-entrepreneurs frequently rely on personal savings, family loans, and peer lending as alternative financial strategies (Vega et al., 2021).

Perceptions of Government Policies

Government interventions aimed at supporting micro-businesses were met with mixed reactions. While some participants acknowledged efforts such as tax relief or subsidized loans, the general consensus was that these policies were often poorly targeted. One participant commented, “The programs seem designed for larger businesses; they don’t address the specific needs of micro-entrepreneurs like us.” This perceived mismatch between policy and practice highlighted a gap in understanding the realities faced by micro-enterprises. Participants frequently called for more inclusive, accessible, and flexible support mechanisms.

Navigating a Competitive Environment with Limited Resources

Participants highlighted the intensely competitive nature of their operational environment, particularly in urban areas where businesses often vie for limited customer attention. Despite these challenges, many micro-entrepreneurs demonstrated resourcefulness. One participant noted, “Even though I can’t afford large-scale advertising, I’ve learned to use Instagram to showcase my products effectively.” Observations further validated this ingenuity, with several participants leveraging digital platforms creatively to enhance visibility and attract customers.

Essential Findings

The experiences of micro-entrepreneurs reflect a dual reality: while they exhibit remarkable resilience and adaptability, systemic barriers such as limited access to financial support and ineffective government policies remain significant challenges. Their narratives underscore the importance of aligning policy frameworks with the lived realities of micro-entrepreneurs to foster sustainable economic recovery and growth.

The findings of this study reveal the essential experiences of urban micro-entrepreneurs in navigating post-pandemic economic challenges. Participants demonstrated remarkable resilience and adaptability through innovative strategies, despite encountering systemic barriers, such as limited access to financial support and misaligned government policies. These insights address the central research questions by illuminating the subjective experiences and adaptive behaviors of micro-entrepreneurs within a constrained socio-economic context.

Contribution to Research Questions

The study provides a nuanced understanding of how micro-entrepreneurs perceive and respond to economic adversity. The adoption of innovative business strategies, such as product diversification and digital marketing, reflects their resilience and creativity in overcoming operational constraints. Furthermore, participants' narratives highlighted a significant gap in the accessibility and relevance of governmental support, underscoring the need for more inclusive policy frameworks. By exploring these lived experiences, the research contributes a deeper perspective on economic resilience, emphasizing the human dimensions of entrepreneurship that are often overlooked in quantitative studies.

Connection to Previous Literature and Theory

The findings align with existing theories of economic resilience and adaptive capacity, which emphasize the interplay of individual agency and systemic factors in navigating crises. However, this study extends the literature by providing empirical evidence of how these theoretical concepts manifest in the lived experiences of micro-entrepreneurs (Luhás & Mikkilä, 2024). For example, prior research has identified the role of innovation in fostering business recovery, but this study adds depth by uncovering the subjective motivations and challenges underlying these innovations. Additionally, the findings resonate with studies on the limitations of governmental policies for small businesses, while offering a unique perspective on the perceived disconnect between policy intentions and practical outcomes. This highlights the importance of integrating qualitative insights into policy design to better address the needs of marginalized business sectors.

The study also complements the growing body of phenomenological research that seeks to capture the essence of human experiences within specific contexts. By centering on micro-

entrepreneurs' narratives, this research bridges the gap between systemic analyses and individual perspectives, providing a holistic view of the factors that influence economic recovery and growth. These contributions underscore the value of phenomenological approaches in uncovering the multi-dimensional realities of economic phenomena.

Implications of Findings

The findings of this study carry significant implications for both academic and practical domains. From a scholarly perspective, the nuanced insights into micro-entrepreneurs' lived experiences enrich the theoretical understanding of economic resilience and adaptive strategies (Nugraha dkk., 2022). The narratives reveal the interplay between individual agency and systemic factors, suggesting that resilience is not merely an economic attribute but a deeply personal and contextual phenomenon. Socially and culturally, the findings underscore the importance of designing policies that are both inclusive and attuned to the realities faced by marginalized business sectors. Practically, these insights advocate for more accessible financial support systems, simplified bureaucratic processes, and targeted training programs that address the specific needs of micro-enterprises. The integration of digital tools and community-based initiatives emerges as a promising avenue for fostering sustainable growth in similar contexts.

Limitations of the Study

Despite its contributions, this study has several limitations that should be acknowledged. First, the sample size, while sufficient for phenomenological research, was limited to a specific urban context, which may restrict the generalizability of the findings to rural or non-urban settings (Ramesh & Maria Inigo, 2015). Second, the reliance on self-reported data introduces the possibility of bias, as participants may have framed their experiences in ways influenced by memory or social desirability. Additionally, while the interpretative phenomenological approach provides depth, it is inherently subjective and relies heavily on the researcher's ability to interpret and contextualize the data. These limitations suggest that caution should be exercised in applying the findings to broader populations or different socio-economic contexts.

Prospective Directions for Future Research

The findings of this study open several avenues for future research. Further exploration could examine the experiences of micro-entrepreneurs in rural areas or different cultural contexts to identify whether similar patterns of resilience and adaptation emerge. Additionally, longitudinal studies could provide insights into how the strategies and perceptions of micro-entrepreneurs evolve over time as they navigate prolonged economic challenges (Vega dkk., 2021). Expanding the scope to include comparative analyses across sectors could also reveal industry-specific dynamics that influence resilience and growth. Future research may benefit from integrating phenomenological approaches with mixed-method designs, offering both depth and breadth in understanding the complex realities faced by micro-enterprises. These efforts would further contribute to a holistic understanding of economic resilience and inform more targeted and effective policy interventions.

CONCLUSION

This study explored the lived experiences of urban micro-entrepreneurs navigating the challenges of post-pandemic economic recovery, addressing gaps in understanding the subjective dimensions of resilience and adaptation. The findings reveal that micro-entrepreneurs demonstrate remarkable creativity and determination through strategies such as product diversification and digital marketing, despite facing systemic barriers like limited financial access and misaligned government policies. These insights contribute to the broader discourse on economic resilience by highlighting the human dimensions often overlooked in quantitative studies. Moreover, the research underscores the importance of tailoring policies and support mechanisms to the realities of marginalized business sectors, thereby offering practical implications for inclusive economic development. Beyond the urban post-pandemic context, these findings hold broader global relevance, as micro-entrepreneurs worldwide face similar challenges in navigating economic uncertainties, adapting to digital transformations, and accessing financial resources. In both developing and developed economies,

understanding the micro-level strategies of entrepreneurs can provide critical insights for designing policies that enhance resilience in small businesses across diverse socio-economic contexts. While this study provides a nuanced understanding of micro-entrepreneurs' experiences, future research could expand to rural contexts or conduct longitudinal analyses to examine evolving strategies over time. Such extensions would enrich the theoretical and practical knowledge on resilience, informing more effective and sustainable interventions for micro-enterprises globally.

CONFLICT OF INTEREST

This article has undergone an independent and objective review process. The editor handling this article was not involved in any previous publications with the author, and to maintain independence, the peer review process was conducted by another editor who has no direct relationship with the author.

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