

AN ANALYSIS OF MICRO BUSINESS COMMUNITY INITIATIVES IN REVITALIZING MSMES POST-COVID-19 IN PURWAKARTA REGENCY

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ABSTRACT

This study examines the role of the Micro Business Community (MBC) as a community-based recovery mechanism for micro, small, and medium enterprises (MSMEs) in Purwakarta Regency in the post-pandemic period. The study aims to analyze how community collaboration, digital transformation, and social capital embedded within MBC contribute to MSME resilience and recovery after COVID-19. Using a qualitative interpretive approach, data were collected through observations, in-depth interviews, and document analysis involving 50 MSME actors across diverse business sectors. The findings indicate that MBC functions as an enabling platform that strengthens inter-firm collaboration, facilitates collective learning, enhances access to digital tools and resources, and supports coordinated problem-solving among MSMEs. These mechanisms collectively improve entrepreneurial resilience and adaptive capacity in a post-crisis environment. This study contributes conceptually by demonstrating how the Micro Business Community operationalizes community-based resilience through integrated collaboration, digitalization, and resource mobilization; contextually by providing empirical evidence from a post-pandemic MSME ecosystem in a developing regional setting; and methodologically by offering qualitative insights into community-driven recovery processes. The findings suggest that MBC represents a scalable model that can be adopted by local governments and integrated with Islamic microfinance institutions to support inclusive and sustainable MSME development in post-crisis contexts.

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1 Introduction

Economic growth in developing countries is strongly driven by Micro, Small, and Medium Enterprises (MSMEs), which underpin employment creation, innovation, and poverty reduction (Beck, 2006; Burch et al., 2022). Empirical evidence consistently shows that MSMEs often display greater resilience during economic crises than large firms due to their flexibility, social embeddedness, and adaptive capacity (Mendy, 2022; Angeles, 2024; de Sá et al., 2023). This pattern was evident during Indonesia's 1997–1998 economic crisis, when the output share of large enterprises declined sharply while the contribution of micro, small, and medium enterprises increased substantially (Tambunan, 2019). The COVID-19 pandemic similarly disrupted MSMEs through supply-chain shocks and market constraints, yet many businesses adapted by reorienting markets, adopting digital tools, and leveraging collaborative networks (Shafi et al., 2020; Telaumbanua et al., 2023; Holl & Rama, 2024; Kawane et al., 2024).

Recent scholarship therefore emphasizes that MSME resilience in the post-pandemic era cannot be explained by firm-level capabilities alone. Instead, resilience emerges from interactions among collaborative networks, digital transformation, financial inclusion, and knowledge-sharing mechanisms embedded within supportive entrepreneurial ecosystems (Hafidz & Pentana, 2023; Subekti et al., 2023). Sustainable recovery cannot rely solely on government intervention due to fiscal constraints and ecosystem complexity (Heredia Zurita & Dini, 2021); it requires coordinated participation among entrepreneurs and supporting institutions to mobilize local resources and strengthen collective competitiveness (Burch et al., 2022; Castleman et al., 2008; Grimm et al., 2024). In this context, business communities function as strategic vehicles through which MSMEs pool resources, exchange knowledge, and coordinate collective action—capabilities that individual firms often cannot achieve in isolation (Subekti et al., 2023; Hardiyanto, 2023; Mohammed et al., 2020).

A business community can be understood as a social structure in which entrepreneurs interact regularly within a shared environment, bound by common interests such as sectoral similarity, complementary value chains, or geographic proximity (Subekti et al., 2023). These communities emerge from collective efforts to pursue objectives that exceed individual capacity (Hardiyanto, 2023). Beyond goal attainment, business communities facilitate mutual assistance, knowledge sharing, resource pooling, and collective problem-solving—functions that are particularly vital for resource-constrained MSMEs (Mohammed et al., 2020). Through collaborative engagement, entrepreneurs gain access to social capital, market intelligence, and emotional support, strengthening both firm-level performance and collective resilience (Angeles, 2024; Subekti et al., 2023).

In Purwakarta, West Java, Indonesia, business community ecosystems remain underdeveloped across several strategic sectors, including MSMEs, cooperatives, creative industries, tourism and culinary enterprises, and agro-industry. Strengthening these communities offers opportunities to accelerate digital adoption, enhance managerial capacity, stimulate creativity and product innovation, promote local tourism, and increase value added in agriculture—key priorities for regional economic development (Hafidz & Pentana, 2023). The post-pandemic context has intensified the urgency of community development, as collaborative approaches have proven critical for business survival and recovery when formal institutional support was insufficient or delayed (Mendy, 2022; Heredia Zurita & Dini, 2021).

In this context, business communities have increasingly emerged as effective mechanisms for entrepreneurial development by engaging members in collaborative learning, innovation, and market access (Kawane et al., 2024). Unlike top-down interventions that are often misaligned with local needs, community-based approaches operate through voluntary participation, peer-to-peer knowledge exchange, and mutual benefit creation (Hardiyanto, 2023; Subekti et al., 2023). The Micro Business Community (MBC) concept facilitates structured interaction among MSME entrepreneurs, enabling experience sharing, quality improvement through feedback, opportunity identification, and coordinated collective action (Castleman et al., 2008). As an organized forum, MBC provides a platform for regular engagement, joint problem-solving, and collective capability development.

Conceptually, the MBC represents a strategic framework for enhancing MSME competitiveness in post-pandemic recovery. It integrates Timmons' (1999) entrepreneurship model—emphasizing opportunity recognition, team capability, and resource mobilization—with the Community of Enterprise perspective proposed by Castleman et al. (2008), which highlights intellectual capital, information and communication technology (ICT), and collaborative innovation as drivers of regional development. Recent empirical research supports this integration by showing that resilient MSMEs combine opportunity recognition with psychological capital, dynamic capabilities, and access to collaborative knowledge networks (Angeles, 2024; Mudalige, 2022).

According to Timmons (1999), successful entrepreneurship originates from identifying viable opportunities, assembling a capable team, and mobilizing resources efficiently. Entrepreneurs are not required to own all necessary resources at venture inception; rather, accessing resources through borrowing, sharing, or collaboration often reduces entry barriers (Timmons, 1999; Beck, 2006). Participation in entrepreneurial communities facilitates this process by expanding networks, disseminating information on emerging opportunities, and fostering norms of mutual assistance that support collective growth (Subekti et al., 2023; Mohammed et al., 2020). These mechanisms align with social capital theory, which conceptualizes networks, trust, and shared norms as productive resources enabling coordination and cooperation.

In the Indonesian context, the integration of Islamic entrepreneurial values—particularly *ta'awun* (mutual cooperation) and *fastabiqul khairat* (competing in doing good)—provides additional normative foundations for community-based entrepreneurship (Iskhakova et al., 2021). The principle of *ta'awun* reinforces collaborative rather than purely competitive business relationships, strengthening commitment and community cohesion (Mohammed et al., 2020). Empirical evidence from Islamic microfinance initiatives further demonstrates that embedding financial services within frameworks of community solidarity and knowledge sharing supports sustainable entrepreneurial outcomes.

This study contributes to MSME resilience literature in three ways. Conceptually, it extends the MBC framework by integrating contemporary resilience perspectives, including multi-scalar resilience and the mediating role of social capital in resource access (Angeles, 2024; Subekti et al., 2023). Contextually, it applies the framework to the MSME ecosystem of Purwakarta, providing empirical evidence from a post-pandemic developing-country setting where community-based entrepreneurship intersects with Islamic values. Methodologically, the study employs a qualitative interpretive approach that captures lived

experiences and social dynamics, complementing the predominantly quantitative MSME literature (Creswell, 2018).

By examining how business communities support MSME resilience, this study addresses key gaps in understanding the mechanisms through which collaboration, knowledge sharing, and collective digital transformation operate in practice. The findings offer practical implications for policymakers and practitioners in designing community-based entrepreneurship initiatives as instruments for inclusive and sustainable economic development in the post-pandemic era.

2 Literature Review

2.1. Conceptual Framework: Community-Based Entrepreneurship and the Opportunity–Team–Resources Perspective

This study adopts the opportunity–team–resources framework proposed by Timmons (1999) as its core analytical lens to understand MSME recovery in the post-pandemic context. Traditionally, the Timmons model explains entrepreneurial success through the alignment of opportunity recognition, team capability, and resource mobilization at the firm level. However, in resource-constrained and crisis-affected environments, entrepreneurship increasingly manifests as a collective rather than individual process. This study therefore extends the Timmons framework to the community level, positioning the Micro Business Community (MBC) as a collective entrepreneurial mechanism.

Within the MBC context, entrepreneurial opportunities are not identified individually but emerge through shared market information, peer interaction, and collective learning. The “team” dimension is reconceptualized as a community-wide pool of complementary skills, trust-based relationships, and collaborative norms. Meanwhile, resources are mobilized collectively through shared facilities, coordinated access to finance, digital platforms, and institutional support. This conceptual extension provides a coherent foundation for analyzing community-based MSME recovery and resilience in post-pandemic settings.

2.2. Entrepreneurial Opportunities in Post-Pandemic MSME Recovery

MSMEs play a critical role in economic recovery, particularly in developing countries where they function as shock absorbers during crises (Beck, 2006). The COVID-19 pandemic exposed structural vulnerabilities in MSME operations while simultaneously stimulating necessity-driven entrepreneurship, as displaced workers and households turned to small-scale business activities for survival (Shafi et al., 2020; Yuwana, 2020). This dual dynamic resulted in an increase in the number of MSMEs, albeit with uneven quality, productivity, and sustainability.

Recent studies conceptualize MSME resilience not merely as survival, but as the capacity to adapt, reorient markets, and transform business models in response to disruption (Mendy, 2022). Entrepreneurial opportunities in the post-pandemic period often arise from shifts in consumer behavior, local tourism recovery, and demand for affordable and locally embedded products. However, the ability to recognize and exploit these opportunities depends heavily on access to information, collective learning, and

supportive environments. This suggests that opportunity recognition in crisis contexts is increasingly a collective process rather than an individual entrepreneurial act.

2.3. Community Collaboration and Collective Entrepreneurial Teams

Community-based entrepreneurship literature emphasizes collaboration as a strategic response to MSMEs' structural limitations. Rather than operating as isolated entities, MSMEs increasingly rely on collective action to access markets, knowledge, and institutional support (Castleman et al., 2008). In Indonesia, collaborative models involving local governments, business actors, and supporting institutions have been shown to enhance MSME performance by improving coordination, reducing transaction costs, and strengthening collective bargaining power (Hafidz & Pentana, 2023).

Social network research further demonstrates that collaboration enables MSMEs to share risks, pool resources, and accelerate learning processes (Subekti et al., 2023). De Sá et al. (2023) extend this insight by showing that collaborative relationships within supply chains function as resilience mechanisms during periods of disruption. However, effective collaboration requires facilitation and governance to transform informal ties into structured collective capacity. In this regard, community platforms such as MBC serve as institutionalized "teams" that coordinate entrepreneurial efforts at the local level.

2.4. Social Capital, Trust, and Faith-Based Collective Action

Social capital constitutes a foundational element of collective entrepreneurship. Defined as networks, trust, and shared norms, social capital enables coordination and cooperation among MSME actors, particularly in contexts where formal institutions are weak or inaccessible (Subekti et al., 2023). Bonding social capital supports mutual assistance and short-term coping during crises, while bridging and linking social capital connect entrepreneurs to broader markets and institutional resources.

Entrepreneurial openness to change further mediates the mobilization of social capital. Angeles (2024) finds that entrepreneurs with higher openness actively engage in collective initiatives and community enterprise formation. In Muslim-majority contexts, social capital is often reinforced by religious norms. The Islamic principle of *ta'awun* (mutual cooperation) provides an ethical foundation for trust-based collaboration and collective responsibility, strengthening commitment and reducing opportunistic behavior (Mohammed et al., 2020). These values enhance the sustainability of community-based entrepreneurial arrangements.

2.5. Digital Transformation as an Enabler of Collective Opportunity Exploitation

Digital transformation has emerged as a critical enabler of MSME resilience and competitiveness. However, evidence consistently shows that digital adoption among MSMEs is uneven and constrained by limited digital literacy, affordability, and infrastructure gaps (Holl & Rama, 2024; Alfaro Arias et al., 2023). In developing contexts, MSMEs often rely on accessible digital tools such as social media, online marketplaces, and digital payments to maintain market access during disruptions (Ansong & Turkson, 2022).

Importantly, recent studies emphasize that digitalization is a social and organizational process rather than a purely technological one. Mudalige (2022) demonstrates that digital tools generate resilience only when combined with dynamic capabilities and learning processes. Collective training, peer support, and shared digital platforms reduce adoption

risks and accelerate learning, enabling MSMEs to exploit emerging opportunities more effectively. Business model innovation further mediates this process by reshaping value propositions and customer engagement (Legowo & Sorongan, 2022).

2.6. Financial Access and Community-Based Resource Mobilization

Access to finance remains one of the most persistent constraints for MSMEs, particularly during economic crises. Coordinated community-based approaches have been shown to improve MSMEs' access to credit and financial services by reducing information asymmetry and strengthening trust (Hafidz & Pentana, 2023). Financial inclusion literature increasingly emphasizes the need for holistic approaches that integrate credit, payments, savings, and risk management (Beck, 2006; Mumba & Mwange, 2022).

Islamic microfinance models offer insights into community-based resource mobilization. Mohammed et al. (2020) demonstrate that integrating Islamic financing instruments with mentoring and collective responsibility mechanisms enhances repayment performance and entrepreneurial capability. Policy responses during the pandemic further highlight the importance of adaptive financial support and institutional flexibility in sustaining MSME recovery (Heredia Zurita & Dini, 2021). These findings underscore that resources are most effective when mobilized collectively and embedded within community governance structures.

2.7. Innovation, Knowledge Sharing, and Community Learning

Innovation and product diversification are widely recognized as key survival strategies for MSMEs in volatile environments. Indonesian MSMEs responded to pandemic-induced demand shifts by diversifying products, upgrading quality, and reorienting toward local tourism and delivery-based markets (Be, 2022). Entrepreneurial innovativeness, particularly willingness to experiment with new business models, further enhances resilience outcomes (Angeles, 2024).

Beyond firm-level innovation, community-based learning and open innovation play crucial roles. Mendy (2022) emphasizes that MSMEs leverage external knowledge networks to compensate for limited internal capabilities. Community enterprises facilitate tacit knowledge exchange through shared experience and learning-by-doing, while digital platforms accelerate knowledge dissemination (Hardiyanto, 2023; Subekti et al., 2023). These dynamics align with the Communities of Enterprise concept, which emphasizes collective development of intellectual capital through collaboration and ICT-enabled interaction (Castleman et al., 2008).

The reviewed literature demonstrates that MSME resilience in post-pandemic contexts emerges from the interaction of entrepreneurial opportunities, collective capability, and resource mobilization. These elements do not operate independently but reinforce one another through community-based mechanisms. Digital transformation amplifies social capital, financial access supports innovation, and knowledge sharing strengthens collective capability.

Positioned within this literature, the present study examines the Micro Business Community (MBC) in Purwakarta as an integrated community-based recovery model that operationalizes the opportunity–team–resources framework at the local level. By focusing on collective entrepreneurship, social solidarity, and institutional facilitation, this study

addresses gaps in existing research related to integrated resilience mechanisms, behavioral change, and the role of faith-based values in sustaining MSME recovery.

3 Research Methods

This study employs a qualitative interpretative ethnographic approach rather than an experimental design, as it seeks to understand post-pandemic community behavior and collective economic practices among micro, small, and medium enterprises (MSMEs) in their natural context (Ikhrum et al., 2022; Mujtahidin et al., 2022). A qualitative approach is considered appropriate because the research focuses on social actions, interactions, and meanings constructed by groups and individuals, while allowing in-depth exploration of abstract concepts such as the Micro Business Community (MBC) and community-based economic action.

The study was conducted in Purwakarta Regency and examines the role of community-based initiatives in supporting MSME recovery after the COVID-19 pandemic. An interpretative ethnographic method was adopted to capture cultural patterns, social practices, and collective meanings reflected in the implementation of the MBC concept. This approach enables the researcher to examine social phenomena holistically and to highlight the perspectives of individual actors and community groups within their sociocultural environment.

Data sources were categorized into three main types. First, **human resources**, represented by officials from the Office of Micro, Small, and Medium Enterprises at the local government level in Purwakarta Regency, who serve as key informants in the implementation of MSME recovery programs. Second, **phenomenon resources**, referring to the socio-economic impacts of the COVID-19 pandemic on MSME development in the region. Third, **document resources**, consisting of policy documents, reports, and academic literature related to business communities and MSME development, particularly within the Purwakarta context. These data sources were further classified into primary data—obtained from government officials and MSME actors—and secondary data derived from documents, reports, and scholarly publications.

A purposive sampling technique was used to select 50 MSME actors representing diverse business sectors, including food processing, crafts, and services, to capture varied experiences and perspectives. Additional information was collected from village governments, community members, and relevant stakeholders to enrich data depth and contextual understanding. This sampling strategy ensured representativeness across sectors while maintaining analytical relevance to the research objectives.

Data collection was conducted using qualitative methods, including observations, in-depth interviews, and documentation. Observations and interviews focused on empirical phenomena related to MSME recovery policies implemented through the Purwakarta Regency MSME Office, as well as on sociocultural dynamics, leadership characteristics, and collaborative practices in the application of the MBC concept. Documentation was used to verify the research context, enhance data credibility, and corroborate findings related to post-pandemic MSME behavior in Purwakarta Regency. The integration of these methods enabled methodological triangulation and strengthened the validity of the findings.

Data analysis followed an inductive and iterative process consistent with qualitative research traditions. Empirical data were analyzed openly, allowing themes and patterns to

emerge from field observations and interview narratives. The analytical process involved data reduction, thematic categorization, and descriptive narrative presentation, followed by conclusion drawing once the data had been systematically verified. Throughout the analysis, triangulation was employed to cross-check information obtained from MSME actors, government documents, and field observations, ensuring analytical rigor and consistency.

Interview themes were structured around four key dimensions relevant to MSME recovery and resilience: (1) digital adaptation, (2) community collaboration, (3) access to finance, and (4) innovation capacity (Beck, 2006; Haider, 2021). These themes guided both data collection and analysis, enabling the study to capture the originality of community-based economic practices and policy implementation for MSMEs in Purwakarta Regency in the post-pandemic period.

4 Results and Discussion

This section reports empirical findings from the Purwakarta Micro Business Community (MBC) initiative and interprets them through the theoretical lenses established in the literature review. The discussion explicitly links the evidence to (i) the opportunity–team–resources (O–T–R) entrepreneurship model (Timmons, 1999), (ii) the Community of Enterprise concept emphasizing intellectual capital and ICT-enabled coordination (Castleman et al., 2008), and (iii) contemporary scholarship on MSME resilience in developing-country contexts, particularly the roles of social capital, collaboration, and digital transformation (Angeles, 2024; Hafidz & Pentana, 2023; Subekti et al., 2023). Across findings, MBC functions as an enabling platform that reduces coordination costs, strengthens collective learning, and expands access to resources that are otherwise difficult for micro-entrepreneurs to mobilize individually.

4.1. Post-Pandemic MSME Conditions and Community Potential in Purwakarta

Findings indicate that Purwakarta's post-pandemic MSME landscape exhibits strong growth dynamics alongside persistent capability and coordination gaps. Administrative data show a sustained increase in the number of enterprises during 2019–2021, particularly among small businesses (Table 1). Small enterprises increased from 978 (2019) to 1,572 (2021), while medium enterprises rose from 78 to 96 during the same period. In contrast, large enterprises decreased from 65 (2020) to 37 (2021). This pattern supports the long-standing observation that MSMEs can operate as stabilizing economic actors during turbulent periods, partly due to flexibility and closer embeddedness in local markets (Beck, 2006; Tambunan, 2019; de Sá et al., 2023). At the same time, the expansion also signals a quality-growth challenge: without structured capability development, finance access, and market linkages, many new ventures remain subsistence-based and vulnerable to early failure (Beck, 2006; Burch et al., 2022).

Qualitative evidence further shows that Purwakarta MSMEs possess meaningful human-capital foundations—skills and innovation capabilities across food and beverage, handicrafts, ceramics, furniture, and services—which constitute a practical “team” base in the O–T–R logic (Timmons, 1999). These competencies are uneven in quality but improvable through structured training and sustained mentoring. This aligns with evidence that resilience is associated with learning orientation and psychological capital (e.g., self-

efficacy and openness to change), which translate into adaptive behavior and innovation under crisis conditions (Angeles, 2024). In ecosystem terms, the Purwakarta case resembles the argument that durable resilience requires not only firm-level effort but also system-level scaffolding for continuous learning and adaptation (Burch et al., 2022).

Community participation emerged as a critical resilience asset. MSME actors repeatedly described mutual support practices—sharing market information, pooling resources, and coordinating access to training and programs—which corresponds to social capital as both (i) a direct resource (information, moral support, and informal assistance) and (ii) a conduit to other resources (market opportunities and institutional access) (Subekti et al., 2023). In practical terms, bonding capital strengthens intra-community trust and reciprocity, while bridging and linking ties connect entrepreneurs to government agencies and financial institutions, enabling access to formal support channels (Subekti et al., 2023). This configuration helps explain why socially embedded MSMEs often display higher adaptability than isolated firms during disruptions (Angeles, 2024; de Sá et al., 2023).

Table 1. Development of the Number of Small and Medium Enterprises (SMEs) In Purwakarta Regency 2018-2021 Period

	2019	2020	2021
Small Business	978	1,324	1572
Medium Business	78	79	96
Large Business	46	65	37

Source: Office of Cooperatives, MSMEs, Industry and Trade of Purwakarta Regency.

Based on table 1.1, it can be seen that the number of SMEs from 2019-2021 continues to increase because during a pandemic people have a tendency to open a business. This indicates that in economic development in Purwakarta Regency, SMEs have always had an important role, because most of the population has low education and is involved in small business activities in both the traditional and modern sectors. This increase in the number of SMEs indicates the need for a special strategy to strengthen this sector post-pandemic so that it can still contribute significantly to the regional economy.

Purwakarta Regency has many types of small industries and household industries spread in each sub-district. The various types of industries that exist in each sub-district in Purwakarta Regency can be seen in the following table:

Table 2. Types of Leading Industries in Purwakarta Regency

No.	District	Type of Industry/Production
1	Bungursari	Furniture, Sticky Rice Opak
2	Cibatu	Furniture, Rice Mill, Sale, Banana Chips and Cassava
3	Campaka	Hat, Pandanus Wicker
4	Purwakarta	Knots
5	Pasawahan	Cassava Opak, Rice milling
6	Pondoksalam	Banana Chips
7	Wanayasa	Manisan Pala
8	Kiara Pedes	Stone Paste, Furniture
9	Bojong	Aren Sugar, Rice Milling

10	Darangdan	Green Tea
11	Plered	Ceramics, Satay Maranggi
12	Tegal Waru	Tile, woven bamboo
13	Maniis	Rubber
14	Sukatani	Rice Mill, Brick
15	Jatililuhur	Cassava, Banana and Onion Chips
16	Sukasari	Rice Mill
17	Babakan Cikao	Sticky Rice Opak, Bread

Source: Office of Cooperatives, MSMEs, Industry and Trade of Purwakarta Regency

Importantly, Purwakarta's sectoral diversity creates concrete opportunities for cross-business synergies. Local specialization across sub-districts (Table 2) resembles early-stage cluster conditions in which geographic concentration and complementary capabilities can generate knowledge spillovers and collaborative efficiencies (Porter, 2000). For example, food producers can collaborate with packaging producers, and furniture producers can engage with textile and craft actors to develop integrated product offerings. Such cross-sector recombination is consistent with community-based innovation and open-innovation logics, where MSMEs compensate for limited internal R&D by mobilizing external knowledge networks (Mendy, 2022; Grimm et al., 2024; Hardiyanto, 2023). However, the evidence also suggests that synergy does not arise automatically; it requires coordination mechanisms and low-cost communication infrastructure—precisely the role emphasized in Communities of Enterprise (Castleman et al., 2008) and observed in community-based entrepreneurial ecosystems (Subekti et al., 2023).

Faith-based norms appeared as an additional cohesion mechanism in this setting. Entrepreneur narratives reflected expectations of mutual help consistent with *ta'awun* (mutual cooperation), which can operate as a normative “glue” strengthening commitment and reciprocity in Muslim-majority contexts (Mohammed et al., 2020; Iskhakova et al., 2021). While resilience literature often treats cooperation as purely instrumental, this finding suggests that moral-economic motivations may reinforce sustained participation in collective initiatives—an aspect aligned with emerging scholarship on Islamic entrepreneurship and solidarity-based economic practices (Iskhakova et al., 2021).

4.2. MBC Mechanisms as a Community-Based Innovation and Resilience System

To Across interviews and observations, MBC functions less as a single program and more as a coordination platform that activates the main resilience pillars identified in the literature—collaboration, digital transformation, financial access, innovation, and knowledge sharing—through community governance and repeated interaction (Angeles, 2024; Hafidz & Pentana, 2023; Subekti et al., 2023). Interpreted through Timmons' (1999) O–T–R model, MBC strengthens MSME recovery by improving (1) opportunity recognition (market intelligence and collective scanning), (2) team capacity (mentoring, peer learning, and capability-building), and (3) resource mobilization (facilitated access to finance, technology, and institutional support). In parallel, the MBC dynamics illustrate Castleman et al.'s (2008) Community of Enterprise logic: the community leverages intellectual capital (tacit knowledge, shared experience, relational expertise) and ICT-enabled coordination to reduce transaction costs and enable collaborative innovation.

Collaboration and governance (social capital → capability → resilience).

The evidence indicates that MBC supports resilience by institutionalizing trust-building and repeated cooperative practices (Subekti et al., 2023). Regular forums and joint activities enable knowledge exchange, resource pooling, and collective problem-solving—mechanisms that strengthen the network’s capacity to absorb shocks and adapt (Burch et al., 2022). This finding aligns with Indonesian evidence that networked MSMEs benefit from both bonding and bridging ties, although the quality of governance matters for preventing free-riding, exclusion, or unequal benefit distribution (Subekti et al., 2023). In Purwakarta, MBC’s organizing role helps reduce coordination failures that often weaken fragmented MSME support ecosystems.

Institutional support and pentahelix coordination (linking capital and ecosystem support). Findings also point to the importance of multi-stakeholder support structures. Government programs—particularly those linked to financing and entrepreneurship training—create enabling conditions for MSME upgrading (Hidayat et al., 2021; Rasidi et al., 2021). The coordination logic mirrors the pentahelix collaboration model, which emphasizes alignment among government, academia, business, community, and media actors to reduce fragmentation and improve intervention coherence (Hafidz & Pentana, 2023). This resonates with resilience scholarship suggesting that ecosystem-level support and intermediary coordination are necessary to scale sustainable SME resilience practices (Burch et al., 2022; Heredia Zurita & Dini, 2021).

Digital transformation as a resilience lever (digital + dynamic capabilities).

Digital adoption emerged as a central post-pandemic adaptation pathway. MSMEs reported increased use of social media and online platforms for marketing, customer engagement, and payments. This aligns with evidence that digital transformation accelerated during the pandemic, though adoption remains heterogeneous depending on prior skills, affordability, and access to support (Holl & Rama, 2024; Kawane et al., 2024). In resource-constrained settings, low-cost tools—such as social media marketing and mobile payments—can deliver significant benefits without requiring sophisticated systems (Ansong & Turkson, 2022; Kawane et al., 2024). MBC reduces adoption barriers through peer demonstration, shared learning, and collective troubleshooting, consistent with findings that networks can accelerate digital diffusion by lowering information asymmetry and training costs (Subekti et al., 2023; Holl & Rama, 2024). Importantly, resilience depends not only on adopting tools but on combining digital capability with dynamic capability (sensing–seizing–transforming), which predicts stronger performance under volatility (Mudalige, 2022).

Innovation and diversification as community-enabled outcomes (open innovation and recombination). The evidence suggests that MBC supports innovation primarily through recombination and open innovation—sharing ideas across sectors and iterating products based on peer feedback—rather than through formal R&D (Hardiyanto, 2023; Mendy, 2022). This is consistent with community-based innovation systems where intellectual capital and collective learning produce replicable innovation trajectories (Castleman et al., 2008; Grimm et al., 2024). In Purwakarta’s cluster-like structure (Porter, 2000), such recombination is particularly plausible: knowledge and practices in one sub-sector (e.g., packaging, branding) can upgrade product competitiveness in other sectors.

Financial access and community intermediation (resource mobilization).

Access to capital remains a binding constraint for many MSMEs, reinforcing the relevance of community-based intermediation. By aggregating information, improving program

navigation, and strengthening social collateral through group-based norms, MBC can facilitate financing access and reduce perceived lending risk (Beck, 2006; Mohammed et al., 2020). This aligns with broader evidence that financial inclusion supports recovery, especially when coupled with capability-building rather than credit alone (Mohammed et al., 2020; Mumba & Mwange, 2022). In contexts where Islamic finance modalities are salient, solidarity-based instruments and community ethics may further strengthen repayment discipline and participation commitment (Mohammed et al., 2020; Iskhakova et al., 2021).

Overall, the Purwakarta case provides empirical support for a central proposition in recent MSME resilience literature: resilience is multi-dimensional and systemically produced, emerging from interactions among entrepreneur capabilities, network structures, digital tools, and institutional support (Angeles, 2024; Burch et al., 2022; Hafidz & Pentana, 2023; Subekti et al., 2023). MBC operationalizes this integration as a community-based innovation and resilience system. In O–T–R terms, MBC improves opportunity visibility, strengthens team capability through collective learning, and expands access to resources via coordinated partnerships (Timmons, 1999). In Community of Enterprise terms, MBC leverages intellectual capital and ICT-enabled coordination to generate collective efficiencies and scalable innovation capacity (Castleman et al., 2008). These findings respond directly to calls in the literature for more implementation-grounded evidence on how integrated community-based interventions work in practice within developing-country post-pandemic settings.

5 Conclusion

This study examines the role of the Micro Business Community (MBC) as a community-based recovery mechanism for MSMEs in the post-pandemic context of Purwakarta Regency. The findings demonstrate that MSME resilience and recovery are not driven by individual entrepreneurial capacity alone, but by the interaction of skills development, social capital, digital adoption, and institutional support coordinated within a structured community platform. MBC enables MSMEs to share knowledge, mobilize resources, and collaborate strategically, thereby transforming dispersed entrepreneurial efforts into collective capability.

The results confirm that MBC strengthens MSME performance by operationalizing the opportunity–team–resources (O–T–R) framework at the community level. Market opportunities are collectively identified, entrepreneurial teams are reinforced through mentoring and peer learning, and critical resources—such as finance, digital tools, and government programs—are accessed more effectively through coordinated action. Consistent with the Community of Enterprise concept, MBC leverages intellectual capital and ICT-enabled collaboration to foster innovation and regional development. These findings align with recent MSME resilience literature emphasizing the multi-scalar nature of resilience across individual, network, and ecosystem levels.

From a practical perspective, the study suggests that local governments and development institutions should prioritize community-based approaches when designing post-pandemic MSME policies. Strengthening MBC-type platforms can improve the effectiveness of training, digitalization, and financing programs by reducing fragmentation and enhancing coordination. Integrating MBC with Islamic microfinance institutions may further reinforce social capital and financial inclusion, particularly in Muslim-majority regions where values of *ta'awun* support collective entrepreneurship.

This study has several limitations. First, it adopts a qualitative case-study approach focused on a single region, limiting generalizability to other contexts. Second, the analysis is descriptive and does not estimate causal impacts of MBC participation on MSME performance. Future research should employ comparative or quasi-experimental designs across multiple regions to assess the effectiveness and scalability of community-based MSME models. Despite these limitations, the study provides valuable insights into how structured business communities can support inclusive and sustainable MSME recovery in post-pandemic developing economies.

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