



## Entrepreneurial Spirit of Vegetable Vendors at Kliwon Market: A Competence Paradox Analysis

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**ABSTRACT:** The agricultural sector remains a critical pillar of Indonesia's micro-economy. This study exhaustively analyzes the entrepreneurial spirit among Micro, Small, and Medium Enterprises (MSMEs), specifically vegetable vendors at Kliwon Market, Karanglegwas. Furthermore, it identifies structural and psychological obstacles to business development. Employing a descriptive quantitative method, 75 respondents were selected via Cluster and Convenience Sampling. Findings reveal a "competence paradox": vendors exhibit high operational spirit (Responsibility 4.80, Self-Confidence 4.72) but significant strategic weaknesses (Risk-Taking 3.86). Internal obstacles, primarily a lack of innovation (34.7%), outweigh external factors. The study suggests that traditional market sustainability relies heavily on transforming vendor mindsets from survivalist to growth-oriented through financial literacy and collective supply chain efficiency.

**Keywords:** Entrepreneurial Spirit, MSMEs, Vegetable Vendors, Traditional Market, Business Strategy.

*Submitted: 24-11-2025; Revised: 30-12-2025; Accepted: 26-01-2026*

## INTRODUCTION

The dynamics of the Indonesian economy are inextricably linked to the vital role of Micro, Small, and Medium Enterprises (MSMEs) as the backbone of national stability. According to 2024 data from the Coordinating Ministry for Economic Affairs, the MSME sector contributes 60.51% to the Gross Domestic Product (GDP) and absorbs up to 97% of the national workforce (Kementerian Koordinator Bidang Perekonomian, 2024). This statistic underscores that MSMEs are not merely peripheral entities but the primary engines sustaining the livelihoods of the majority of Indonesians.

In the complex agribusiness architecture, traditional market vendors serve as crucial intermediaries distributing agricultural produce from rural farmers to urban consumers. Without them, the spatial and temporal gaps between production and consumption centers would widen, triggering market inefficiencies. However, vegetable vendors face inherent high risks due to the biological characteristics of their commodities—perishable, bulky, and seasonal—which demand rapid and efficient supply chain management. A delay of mere hours can drastically reduce product value due to post-harvest respiration (Astuti, Zakaria, & Endaryanto, 2018).

Pasar Kliwon Karanglewas in Banyumas Regency represents a microcosm of these challenges. Despite being a strategic regional food distribution hub, empirical observations indicate a worrying stagnation among vendors. Many remain trapped in a "subsistence cycle," where daily profits only suffice for consumption and next-day capital, with no significant asset accumulation. This study aims to bridge the gap between high market potential and slow vendor growth by comprehensively analyzing the "entrepreneurial spirit" of these actors. Unlike previous studies that focused on external infrastructure (Sholihah, 2016), this research delves into the "black box" of psychological and competence aspects to identify whether stagnation is driven by capital constraints or a lack of visionary entrepreneurship.

## THEORETICAL REVIEW

### *Entrepreneurial Spirit Construction*

Entrepreneurial spirit is defined not merely as the act of starting a business, but as a set of psychological characteristics driving value creation. Synthesizing various management literatures, this study adopts eight key dimensions (Muniarti et al., 2021):

1. Responsibility: Willingness to bear full consequences of business decisions.
2. Need for Achievement (nAch): Internal motivation to exceed standards.
3. Self-Confidence: Belief in one's own self-efficacy.
4. Risk Taking: Ability to make decisions under uncertainty.
5. Long-term Orientation: Delaying gratification for future growth.
6. Feedback Utilization: Openness to criticism for improvement.
7. Attitude Toward Financial Recording: Discipline in separating business and personal accounts.
8. Managerial Skills: Technical competence in operations.

### *Vegetable Product Characteristics*

Vegetables are perishable commodities with a short shelf life of 2–4 days at room temperature. This biological constraint dictates a high-stress business model requiring high inventory turnover and dynamic pricing strategies (e.g., selling at a loss rather than discarding) (Alma, 2018).

### **METHODOLOGY**

This study employs a descriptive quantitative approach to systematically map the profile of vegetable vendors. The research was conducted at Pasar Kliwon Karanglewas, Banyumas Regency, from May to July 2025. The population consists of approximately 150–200 active vegetable vendors. A sample of 75 respondents was selected using a combination of Cluster Sampling (dividing the market into five zones: West, South, East, North, and Main Building) and Convenience Sampling. This sample size represents 37.5–50% of the population. Data was collected via structured questionnaires using a 5-point Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree). The instrument passed validity (Pearson Product Moment) and reliability tests (Cronbach's Alpha = 0.730). Data analysis includes descriptive statistics (Mean, Mode, Frequency) and content analysis for open-ended questions regarding business obstacles.

### **RESULTS**

#### *Demographic Profile*

The social structure of Pasar Kliwon vendors is dominated by women and an aging population. Table 1 presents the demographic breakdown of respondents.

Table 1. Respondent Demographic and Business Profile (N=75)

Characteristic	Category	Frequency (n)	Percentage (%)
<b>Gender</b>	Male	24	32.0
	Female	51	68.0
<b>Age Group</b>	< 20 Years	2	2.7
	21-30 Years	10	13.3
	31-40 Years	19	25.3
	41-50 Years	16	21.3
	> 50 Years	28	37.3
<b>Education</b>	No School / Elementary	25	33.4
	Junior High (SMP)	17	22.7
	Senior High (SMA)	20	26.7
	University	3	4.0
<b>Daily Turnover</b>	< IDR 500,000	37	49.3
	IDR 500,000 - 1.5 Million	24	32.0
	> IDR 1.5 Million	14	18.7

*Source: Primary Data Analysis, 2025*

### *Entrepreneurial Spirit Scores*

The analysis of the eight entrepreneurial dimensions reveals a disparity between operational and strategic competencies.

Table 2. Mean Scores of Entrepreneurial Spirit Variables

Variable	Mean Score (1-5)	Category
Responsibility	4.80	Very High
Self-Confidence	4.72	Very High
Feedback Utilization	4.69	Very High
Managerial Skills	4.66	High
Long-term Orientation	4.59	High
Need for Achievement	4.24	High
Financial Recording Attitude	4.08	High
Risk Taking	3.86	High (Lowest)

Source: Primary Data Analysis, 2025

### *Business Obstacles*

Respondents identified various barriers to growth, which were categorized into internal and external factors.

Table 3. Classification of Business Development Obstacles

Category	Theme	Percentage
INTERNAL	Lack of Innovation & Adaptation	34.7%
	Lack of Consistency/Motivation	13.3%
	Risk Aversion	6.7%
	Market Management (Zoning)	21.3%
EXTERNAL	Capital Access	13.3%
	Supply Chain Issues	10.7%

Source: Primary Data Analysis, 2025

## DISCUSSION

### *The Competence Paradox*

The findings reveal a phenomenon this study terms the "Competence Paradox." Vendors demonstrate exceptional resilience in daily operations, indicated by very high scores in *Responsibility* (4.80) and *Self-Confidence* (4.72). They possess strong "survivalist" traits – opening stalls early, maintaining goods, and serving loyal customers. However, they exhibit significant fragility in strategic aspects, particularly *Risk Taking* (3.86).

This paradox suggests that while vendors are masters of their current domain ("Competence Trap"), they are risk-averse regarding expansion. The fear of "Total Loss" due to the perishable nature of vegetables, combined with a lack of a financial safety net, forces them to adopt a defensive strategy. They prefer stability over growth, which explains the "running in place" phenomenon where businesses survive for decades without scaling up (Bone & Saputra, 2019).

The paradox is further exacerbated by a significant gap in financial literacy and professional development. While vendors are proficient in basic tactical management—such as negotiating with suppliers and arranging daily stock—they rarely engage in systematic financial record-keeping, as evidenced by the low score in the financial recording dimension (4.08). This lack of data-driven management means that their perceived competence is rooted in intuition rather than objective business analysis. Consequently, without a clear view of their cash flow, any move toward innovation or capital expansion is viewed as a reckless gamble rather than a calculated strategic risk.

Furthermore, the demographic profile of the vendors contributes to this stagnation, with a majority of respondents being over 40 years old and many having operated for over a decade. This long-term experience creates a psychological "safety zone" where the desire to maintain the status quo outweighs the ambition for growth. The high participation of women (68.0%) who often carry the "double burden" of household and economic responsibilities may also influence this defensive posture, as the business is primarily viewed as a vehicle for family resilience rather than a scalable enterprise. This collective behavior creates a "stagnation loop" where high operational competence paradoxically serves as a barrier to the very innovations required to transcend micro-scale limitations.

### ***Sociological Implications: Feminization and Aging***

This demographic reality suggests that for most vendors, the business is not merely a commercial entity but an extension of the domestic safety net. With 68% of the workforce being female, many vendors operate under a "double burden," balancing market activities with household responsibilities. This dual role often prioritizes immediate daily income to meet family needs over long-term capital reinvestment, reinforcing the survivalist mindset previously mentioned. Consequently, the "Competence Paradox" is deepened as tactical proficiency is used to maintain household equilibrium rather than to fuel aggressive business expansion.

The aging demographic of the market, where 37.3% of vendors are over 50 years old, further solidifies this "Safety Player" stance. These senior vendors often possess the highest levels of "tacit knowledge" regarding seasonal cycles and customer relations, yet they exhibit the strongest resistance to modernizing their operations. This psychological barrier is particularly evident in their skepticism toward digital tools and formal financial management. As a result, their mastery of traditional trading methods—while impressive—acts as a "gilded cage" that prevents them from adapting to the shifting landscapes of modern retail and digital transformation.

Furthermore, the lack of formal education and professional training among this group exacerbates the disconnect. Since 82.8% of respondents have an education level of high school or below and 86.7% have never attended a business workshop, there is a technical vacuum where innovation should be. This creates a self-perpetuating cycle: limited education leads to a lack of confidence in new systems, which reinforces the preference for traditional, low-risk routines.

Thus, the "running in place" phenomenon is not just a result of market conditions, but a byproduct of a demographic profile that is structurally and psychologically inclined toward preservation rather than evolution.

### *Internal vs. External Barriers*

Contrary to the common assumption that capital is the primary hurdle for MSMEs, this study finds that **internal barriers (54.7%)** outweigh external ones. The lack of innovation (34.7%) is the single largest obstacle. Vendors tend to sell the same products in the same way for years, leading to market saturation and price wars. While external issues like unfair market zoning (21.3%) exist, the stagnation is primarily driven by a reluctance to differentiate products and services.

This internal dominance suggests that the "stagnation loop" is fueled by a survivalist mindset where vendors prioritize avoiding loss over seeking growth. While respondents recognize money as a tool for business development, a significant gap exists between this understanding and their actual behavior; many fail to separate personal and business finances or perform disciplined cash flow recording. This lack of financial transparency creates a distorted perception of risk, making even small investments in product diversification feel like an insurmountable gamble.

The external environment further complicates this psychological state by introducing high levels of "uncertainty". Issues such as disorganized market zoning and the "spilled market" (*pasar tumpah*) phenomenon psychologically drain vendors, as they feel their hard work is undermined by an unfair playing field. Additionally, the unpredictable fluctuations in supply chain prices and the perishable nature of vegetables force vendors to become "safety players". They choose to remain in a low-risk, low-reward cycle rather than innovating, effectively trading their potential for "scaling up" for the relative safety of a stagnant but familiar routine.

Ultimately, the interaction between these factors creates a "Competence Trap" where tactical mastery of daily chores provides enough stability to survive, but not enough vision to evolve. This confirms that the core capital needed for MSME growth is not merely financial, but an intellectual shift toward a "growth mindset" that embraces calculated risk and creative problem-solving.

## **CONCLUSIONS AND RECOMMENDATIONS**

This study concludes that vegetable vendors at Pasar Kliwon exhibit a unique "Competence Paradox": high operational resilience but low strategic courage. While they demonstrate exceptional discipline in navigating the physical and temporal demands of the market—starting operations as early as 02:00 WIB—they remain strategically fragile. Stagnation is driven primarily by internal factors, specifically a "survivalist mindset" and a lack of innovation (34.7%), rather than external capital constraints, which only represented a minor hurdle (5.3%).

The interaction between these internal weaknesses and external pressures creates a "stagnation loop". Because vendors lack disciplined financial recording, their perception of risk is based on emotion rather than evidence, leading to a

"Safety Player" mentality. This is especially prevalent among the aging population and female vendors who balance a "double burden" of domestic and commercial duties, viewing the business as a tool for household stability rather than a scalable enterprise.

To address this, two strategic recommendations are proposed:

1. **Financial Literacy Training:** There is an urgent need to transform the vendor mindset from "feeling-based" to "data-based". By implementing simple financial recording practices—potentially through mobile applications—vendors can begin to separate personal and business funds. This transparency is the first step in mitigating the irrational fear of risk, allowing them to calculate potential losses and gains accurately before attempting to innovate or add new product variants.
2. **Collective Efficiency:** To improve profit margins and bargaining power, vendors should move away from individualistic survival toward collective action. Forming "Joint Purchasing Groups" or *paguyuban* allows them to bypass expensive middlemen and source directly from farmers or larger collectors. This collective efficiency not only improves margins but also serves as a social support system that can maintain morale and discipline during market downturns.
3. **Active Facilitation by Market Management:** The role of market authorities should transform from passive administrators to active facilitators. This includes addressing the external "uncertainty" caused by unfair zoning and the "spilled market" (*pasar tumpah*) through participatory dialogue. By creating a more orderly and predictable environment, the management can lower the psychological barriers that currently prevent vendors from taking the strategic risks necessary for their businesses to "scale up".

## FURTHER STUDY

The findings of this research open several critical pathways for subsequent academic inquiry into the sustainability of traditional markets. Given that women represent a dominant 68% of the vendor population at Pasar Kliwon, future studies should specifically investigate the nuanced impact of the "double burden"—the intersection of domestic responsibilities and business management—on strategic risk-taking behavior. Understanding whether household stability needs act as a definitive ceiling for MSME growth could inform more gender-sensitive economic policies.

Additionally, as 37.3% of the vendors are over 50 years old and 86.7% have never received formal business training, there is a pressing need to explore the feasibility of "low-threshold" digital adoption. Research should focus on how elderly vendors with limited formal education (82.8% at SMA level or below) can be integrated into digital supply chains or cashless payment systems without increasing their psychological resistance to innovation. Finally, a longitudinal study on the effectiveness of *paguyuban* (vendor associations) in mitigating the "stagnation loop" identified in this study would provide valuable insights into collective resilience.

## ACKNOWLEDGMENT

The authors wish to express their deepest gratitude to the Dinas Perindustrian dan Perdagangan (Dinperindag) of Banyumas Regency and the UPTD Pasar Kliwon Karanglegwas for their cooperation in providing administrative data and facilitating access to the research site. Special thanks are extended to the 75 vegetable vendors who participated as respondents; their openness in sharing their experiences and challenges was fundamental to the completion of this study

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