ECONOMIC EMPOWERMENT STRATEGY OF MSMEs IN FACING THE FLOOD DISASTER CRISIS IN THE SOUTHERN THAI BORDER

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Abstract: Hydrometeorological disasters, particularly floods, disrupt the operational and financial activities of micro-enterprises that depend on daily cash flow. This study examines the economic empowerment and recovery strategy of a Micro, Small, and Medium Enterprise (MSME) after a major flood in the southern border region of Thailand. A descriptive qualitative design with a single case was applied to a Thai Tea stall owned by a woman entrepreneur. Primary data were collected through observation and in-depth interviews with the owner, while secondary data were obtained from government reports and related literature; credibility was strengthened through triangulation of sources and techniques. The findings indicate that direct government intervention acted as an important lifeline for rapid recovery, since a compensation fund of 9,900 Baht enabled the owner to repair damaged facilities and to restock essential supplies. Financial assistance alone, however, was not sufficient. Recovery was also associated with the managerial resilience of the owner, expressed through the strategic allocation of the assistance to productive needs, the use of digital marketing to reactivate customers, and the mobilisation of neighbourhood social capital. Post-disaster revitalisation of micro-enterprises therefore appears most effective when state financial aid is combined with the adaptive capacity of the entrepreneur. As a single-case study, the findings are analytically rather than statistically generalisable.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of local economies, yet they remain highly vulnerable to unexpected external shocks, particularly natural disasters (Mardanugraha & Akhmad, 2023; Mtetwa & Kubheka, 2026). Floods triggered by hydrometeorological events do not only damage physical infrastructure; they also halt the economic activity of affected communities (Yusuf & Saifrizal, 2026). In Southeast Asia, and in Thailand in particular, periods of intense rainfall frequently cause flooding that interrupts business operations and disrupts regional supply chains (Zhang et al., 2022).

These conditions are more demanding for women entrepreneurs, who often face additional structural barriers during post-disaster recovery. The southern Thai border region, including Hat Yai and its surrounding areas, is exposed to recurrent flood threats that suspend the operations of local MSMEs. Beverage stalls such as Thai Tea vendors are therefore forced to halt trading, which exposes them to substantial financial losses (Arifah & Ariangga, 2025; Darnkachatarn & Kajitani, 2026; Noknoi, 2026).

Thailand experiences severe rainy seasons, and the southern border areas are particularly vulnerable to sudden floods. Small street vendors are usually the first to be affected when the water rises. Unlike larger firms, a local Thai Tea stall holds neither business insurance nor sizeable savings, and its owner depends on daily sales to support the household. Evidence from home-based micro-industries in Aceh indicates that enterprise income and socio-economic conditions are closely related to family welfare (Safitri & Nabila, 2025). When extreme weather forces such a business to close, the consequences therefore extend beyond the stall itself: the owner loses daily income, the local supply chain is interrupted, and the community loses part of its everyday economic activity. Post-disaster recovery at this level is thus a socio-economic problem rather than a matter of repairing damaged tables and chairs.

Therefore, the post-disaster economic recovery approach cannot solely focus on physical repairs (Ratnasari et al., 2025). A comprehensive community empowerment strategy is required to build the adaptive resilience of business actors (Mulyati et al., 2024). Such resilience rests on the capability of the business owner to adapt daily operations under environmental uncertainty (Basriwijaya et al., 2026).

Existing studies on post-disaster economic recovery have concentrated on aggregate impacts, physical rehabilitation, and the delivery of assistance, while the process through which an individual micro-entrepreneur converts that assistance into a functioning business has received less attention. Research on economic empowerment in Aceh indicates that empowerment outcomes are shaped by internal capabilities such as entrepreneurial understanding and financial management, and not by the volume of external funds alone (Zulhilmi et al., 2026). Studies of business recovery in Thailand have examined female-owned enterprises at the metropolitan scale (Darnkachatarn & Kajitani, 2026) and religio-cultural resources in Hat Yai (Noknoi, 2026), yet case-based evidence on how a single micro-enterprise in the southern border area combines state assistance, digital adaptation, and social capital remains limited. This article addresses that gap by documenting the recovery process of one micro-enterprise from the perspective of its owner.

MATERIAL AND METHOD

1. Population and samples

Because this study applies a descriptive qualitative approach, it does not use a statistical population (Irja et al., 2026). A purposive sampling technique was applied to select the key informant. The main subject of this research is Fatimah, the owner of a Thai Tea stall affected by the flood in the southern border region of Thailand. A single case was selected in order to obtain a detailed understanding of the post-disaster experience of a micro-entrepreneur. [TO BE CONFIRMED BY THE AUTHORS: before data collection, the purpose of the study was explained to the informant, and her consent was obtained for the interview, for photographic documentation, and for the use of her name in this article.] Table 1 summarises the profile of the case and the design of the study.

Table 1 Profile of the case and design of the study

Item	**Description**
Unit of analysis	One Thai Tea micro-enterprise (MSME)
Key informant	Fatimah, owner of the stall
Location	Southern border region of Thailand
Research design	Descriptive qualitative, single case study
Sampling technique	Purposive sampling
Primary data	Observation and in-depth interview with the owner
Secondary data	Local news reports, government documents, and related journal articles
Instruments	Researcher as main instrument, open-ended interview guide, observation checklist, camera
Data analysis	Data reduction, data display, and conclusion drawing
Credibility check	Triangulation of sources and techniques

2. Research instrument

In qualitative research, the researcher acts as the main instrument. Data collection was supported by an open-ended interview guide, which allowed the owner to describe her difficulties, psychological burden, and financial strategies without restriction (Rahman, 2023). An observation checklist and a camera were also used to document the physical condition of the stall.

3. Collection of data

Primary data were collected through direct in-depth interviews with the stall owner. The location was visited during operating hours in order to observe the physical damage and to record how the owner interacted with her customers after the flood. Secondary data were obtained from local news reports and government documents concerning the disaster.

4. Data analysis

The qualitative data were analysed in three stages: data reduction, in which the relevant interview notes were selected; data display, in which patterns in the recovery strategy were identified; and conclusion drawing. To strengthen the credibility of the data, triangulation was applied by comparing the account given by the owner with the physical evidence observed at the stall.

Figure 1 In-depth interview process with Fatimah, the owner of the Thai Tea MSME in the southern Thai border.

Additionally, secondary data collection was carried out through documentation studies from various literature, government reports, and related journals (Agusti & Edriani, 2025). To ensure the credibility of the findings, data triangulation was conducted by comparing the participant's experiences with disaster mitigation regulations and relevant official policies implemented in the region.

RESULTS AND DISCUSSION

The Impact of the Flood Disaster on the Thai Tea MSME

The flood produced a complete operational shutdown of Fatimah's stall. At the peak of the disaster, the water level rose high enough to submerge her equipment, and the physical damage was immediate. Access to the main roads was also cut off, so that no logistical delivery could reach the location for restocking.

Conditions inside the stall were equally severe. Essential raw materials, including premium tea leaves, condensed milk, and sugar, were contaminated by floodwater. Because a food and beverage business depends on hygiene and fresh ingredients, every item exposed to the flood had to be discarded (Fujiawati & Sebayang, 2025). The stock could not be saved, and the business closed completely for several days during the critical emergency response period.

For a micro-entrepreneur, closing the stall for even one day means losing the daily cash flow needed to sustain the household. This loss of productivity illustrates the vulnerability of small-scale enterprises to extreme weather (Konoli, 2026). Such businesses rarely hold a financial safety net capable of absorbing supply chain disruption on this scale. The damage to physical assets, combined with the complete loss of daily revenue, pushed the business into a critical phase that required external intervention to prevent permanent closure (Septrizarty et al., 2026).

Government Handling Strategy and Response

The recovery of MSMEs after a disaster should not rely solely on the capacity of the business owner. Timely government intervention is needed to help affected individuals restart their livelihoods (He & Faure, 2024). During the interview, the owner reported that the local government had provided direct cash assistance of 9,900 Baht as part of a social safety net programme.

Such financing support is essential as an initial stimulus for MSMEs to restore working capital lost to the disaster (Cahyaningati et al., 2025). External financial stimulus is frequently identified as an important buffer that prevents small-scale businesses from permanent closure during the emergency phase (Itu et al., 2024). The rapid distribution of emergency funds in this case indicates the role of state institutions in maintaining stability and in reactivating local economic activity.

Social Solidarity During the Crisis Phase

Beyond government assistance, the neighbourhood played a substantial role during the first week after the disaster. Observation showed that the flood affected the entire street, which created a shared experience of hardship and a strong sense of social solidarity. When Fatimah reopened her stall, her first buyers were her own neighbours.

They purchased her Thai Tea in part as a way of supporting the business financially, so that community support functioned as an informal safety net. Fatimah stated during the interview that seeing her neighbours buy her products strengthened her motivation to continue. In micro-scale businesses, the relationship between the seller and the surrounding community is therefore an important asset: financial capital is needed to purchase raw materials, while social capital sustains daily sales during the most difficult period. Table 2 summarises the main impacts of the flood on the enterprise and the corresponding responses identified in this case.

Table 2 Impacts of the flood and recovery responses of the Thai Tea micro-enterprise

Dimension	Impact of the flood	Response identified in the case
Physical assets	Equipment submerged and stall facilities damaged	Repair of facilities financed by government assistance

Dimension	Impact of the flood	Response identified in the case
Raw materials	Tea leaves, condensed milk, and sugar contaminated and discarded	Restocking of essential supplies
Operations	Complete closure for several days	Reopening once facilities and stock had been restored
Access and logistics	Main roads cut off and deliveries interrupted	Restocking after access was restored
Revenue	Loss of daily cash flow	Cash assistance of 9,900 Baht used as initial working capital
Market access	Reduced foot traffic after the flood	Use of messaging applications and social media to inform previous customers
Psychosocial	Burden and uncertainty during the emergency phase	Neighbourhood solidarity, with neighbours as the first returning customers

Discussion

Empowerment and Resilience of MSME Actors

Receiving financial compensation is only the starting point; the substantive test of empowerment lies in how the funds are used. Rather than allocating the assistance to non-essential consumption, Fatimah directed the 9,900 Baht towards repairing the physical damage to her stall and restocking essential raw materials such as tea leaves, milk, and cups, as shown in **Figure 2**. This decision indicates that she acted as an active manager of her own economic recovery rather than as a passive recipient of aid, since delaying the reopening of the stall would have prolonged the loss of her main source of daily income.

Figure 2 The current operational condition of the Thai Tea stall after utilizing the government financial assistance for restocking and physical repairs.

Her rapid action to restore the stall illustrates resilience at the grassroots level (Mtetwa & Kubheka, 2026; Noknoi, 2026). In post-disaster settings, psychological burden and trauma often delay the reopening of a business. Observation in this case indicates that the immediate social environment supported the motivation of the owner. Resilience here is not only a matter of access to capital, but also of the willingness to resume operations from a substantially reduced starting point. Where such internal capability is present, external stimulus in the form of government funds is more likely to achieve its intended effect. This pattern is consistent with evidence from Aceh showing that economic empowerment outcomes depend on the entrepreneurial understanding and financial management capacity of the actors involved rather than on the volume of assistance alone (Zulhilmi et al., 2026).

Capital was not the only factor supporting the survival of the business. Adapting to post-flood conditions through digital marketing became an important strategy. Because the flood reduced pedestrian traffic and damaged several surrounding roads, the stall could no longer rely on passing customers. Using simple messaging applications and social media, the owner informed her previous customers that the stall had resumed operations. This modest digital step was associated with the return of daily sales within a short period (Septrizarty et al., 2026).

Alongside her digital efforts, leveraging support from local social networks was equally important (Konoli, 2026). The community around the stall formed the first wave of returning customers. Neighbours bought her tea not only as consumers but also as an expression of social solidarity towards a local business recovering from the disaster. In disaster-prone areas, a strong relationship with the surrounding community therefore operates as an asset comparable in value to financial capital. Community-based economic institutions in Aceh display a similar mechanism, in which collective structures such as mosque cooperatives strengthen the economic position of their members (Analiansyah et al., 2026).

Taken together, this case indicates that empowerment becomes effective when external assistance meets internal capability: the government supplied the financial instrument, while the owner supplied the managerial decisions that put it to use. Empowerment programmes should therefore combine the distribution of funds with support for the financial decision-making capacity of MSME actors. This is consistent with the broader finding that regional welfare cannot be assessed through material and physical indicators alone, because it also reflects the protection of livelihoods and human capability (Sari et al., 2023).

Limitations of the Study

This study has several limitations. It relies on a single case and one key informant, so that the findings are analytically rather than statistically generalisable and may not represent MSMEs in other sectors or in other flood-affected areas. The financial impact was reported by the owner and could not be verified against bookkeeping records, because the enterprise does not maintain formal financial statements. The observation also covered only the early recovery phase, so that the longer-term sustainability of the strategies described here remains open. Further research using a larger number of informants, comparative cases across sectors, and longitudinal observation would strengthen the evidence base.

CONCLUSION

The flood halted the operation of the Thai Tea micro-enterprise by damaging its physical assets, contaminating its raw materials, and eliminating its daily revenue. Government cash assistance of 9,900 Baht functioned as the initial stimulus that allowed the owner to repair the stall and to restock essential supplies. Recovery, however, was not produced by the transfer of funds alone. It was also associated with three further elements: the strategic allocation of the assistance to productive needs, the use of digital channels to reactivate the customer base, and the neighbourhood solidarity that supported early sales.

Post-disaster economic empowerment of micro-enterprises is therefore best understood as an interaction between state assistance and the adaptive capacity of the entrepreneur. Within the limits of a single case, the evidence suggests that policy support addressing only one of these two elements is unlikely to be sufficient for a durable recovery.

Suggestions

1. **For the Government**

   Support should not end with the distribution of emergency funds. Continuous mentoring in financial management and in disaster risk mitigation is needed so that MSME actors are better prepared for subsequent events.

2. **For MSME Actors**

MSME actors are encouraged to adopt more adaptive business strategies, including the use of digital marketing to widen market reach and the allocation of part of their profit to an emergency fund that can absorb future environmental shocks.

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