



The Reform Initiatives

Merupakan lembaga riset kebijakan yang bernaung di bawah PT Semesta Infomedia Indonesia, berkedudukan di Jakarta.

TRI fokus pada penelitian kebijakan terkait Ekonomi, Fiskal, Kesejahteraan Sosial, Desentralisasi, Lingkungan Hidup & Perubahan Iklim, Tata Kelola Kebijakan yang Baik, Politik & Elektoral, Penegakan Hukum, Ekonomi Digital, serta Usaha Mikro Kecil dan Menengah (UMKM).



Zainul Abidin

Research Associate The
Reform Initiative (TRI) -
Media and
Communications Officer
Wahid Foundation

Warung Madura: Consumptive Remittances and the Fragility of Village Economies

Executive Summary

The proliferation of Warung Madura in major Indonesian cities has become a symbol of the resilience and work ethic of the Madurese people. This analysis views the phenomenon as a complex manifestation of diaspora economics, extending beyond mere small-scale business. Relying on social capital, kinship networks, and an unyielding spirit, Warung Madura have expanded and endured amid the onslaught of modern retail capitalism. However, behind this success in urban areas lies a paradox that reveals deep vulnerabilities in the home villages, particularly in Sumenep Regency.

This analysis finds that remittances sent by migrants, while boosting consumption and physical development, tend to be consumptive in nature and fail to drive productive investments. The massive migration of young people also creates a regeneration crisis in the agricultural and fisheries sectors, threatening food security and local economic sustainability. Furthermore, new social disparities emerge, where access to migration networks becomes the primary determinant of social mobility, creating a divide between connected families and those left behind.

1. History and Characteristics of Warung Madura: A Diaspora Economy

1.1 History

Numerous sources agree that the first Warung Kelontong Madura (Madura grocery stalls) appeared in Jakarta in the 1990s and early 2000s. These businesses were pioneered by migrants from Sumenep Regency, East Java, who were seeking business opportunities in the capital. They generally settled in the Tanjung Priok area of North Jakarta, which became the initial hub for the Madurese migrant community. Interestingly, their initial business was not a grocery store; these pioneers started by selling wooden building materials brought from Kalimantan. The shift from selling wood to operating a general grocery store demonstrates their high flexibility and adaptability, as well as their ability to identify underserved market gaps. From there, Warung Kelontong Madura began to multiply in various regions across Indonesia, especially on the island of Java.

This business model evolved into the grocery stalls we know today. The explicit use of the name "Madura" in "Warung Madura" represents the identity and origin of the owners. This naming has become a kind of informal brand that identifies the stalls with a unique work ethic, service, and business model.

While many credible sources point to Jakarta as the starting point for Warung Madura, some other views mention Surabaya. Certain parties in Surabaya believe that the city was the initial center for the spread of Warung Madura, given its geographical proximity to Madura Island, which makes Surabaya the "second city" for the Madurese people. They argue that the authentic model and design of Warung Madura can be found there. However, this perspective does not entirely contradict the claim about Jakarta. Both claims can be understood as part of a complex genealogy. It is possible that grocery stores owned by Madurese people existed in Surabaya earlier, in line with historical migration patterns to East Java. Nevertheless, the phenomenon of "Warung Madura" as a structured business model with strong branding, consistent 24-hour operations, and a clearly identifiable pattern of expansion most likely developed and went viral in Jakarta during the 1990s and 2000s. In other words, Jakarta is where this phenomenon "got its name" or "became a brand," while Surabaya is its historical hub.

1.2 Characteristics

Warung Madura, which can now be easily found in every corner of major cities like Jabodetabek, Yogyakarta, Malang, Surabaya, Bali, and even smaller towns on Java, is not just an ordinary grocery store. Its public identity is formed by a series of unique and consistent features. One of the most prominent is its operational hours, which are known to be 24 hours a day, often without a single day off. This has even led to a joke among the public that the store will only close when the apocalypse happens, and even then, it will only be for half a day. This business model is not limited to one or two stalls but is a widespread characteristic throughout Indonesia.

Beyond that, Warung Madura also has distinctive physical features, such as green shelves filled with drinks, instant noodles, or other basic necessities; roadside gasoline sales with flickering lights; a transparent glass refrigerator; and horizontal cigarette displays at the outer storefront. Although not as large as a modern convenience store, these stalls are known for selling a wide range of goods at affordable prices. This phenomenon has existed since the initial migration of the Madurese community to Jakarta in the 1990s, and over time,

their success has drawn attention, especially for their ability to survive and even flourish amid the pressure from modern retail giants like Indomaret and Alfamart.

1.3 The Vital Role of Social Capital and Family Networks

The success of Warung Madura is inseparable from the central role of social capital, particularly kinship networks. The establishment and operation of a stall often heavily depend on family and relative connections. When a new migrant arrives, they are openly welcomed and assisted by fellow Madurese people, a strong display of solidarity born from primordial bonds. While some studies suggest that Madurese migrants' trust in local communities abroad tends to be low, this trust is very high and intense among fellow Madurese migrants.

The norms of honesty and mutual cooperation are the main pillars underlying their business activities. This narrow but intense network, which can be described as "familistic," creates a sufficient level of trust to allow for informal transactions, such as capital loans among relatives without the need for banking formalities. This is a unique and effective business logic that is difficult for other business models to replicate.

The 24-hour operational model, a hallmark of Warung Madura, is made possible by an efficient and adaptive collective work system. The stallkeepers, who are often a husband-and-wife team, implement a flexible shift-sharing system to ensure the stall stays open around the clock. Additionally, there is a worker rotation system, where workers abroad can work for several months before returning to their hometown for a holiday, with their position filled by another relative. Initial capital often comes from internal loans, such as from relatives or friends who have already found success. This system allows for expansion without reliance on formal banking institutions that may be difficult for small communities to access. This model also shows a hidden dependency. Although it seems efficient, the system is highly reliant on the continued supply of labor and capital from kinship networks, which could become vulnerable if this circulation were to stop.

1.4 Position Between the Informal Economy and Modern Retail Capitalism

Rather than competing directly, Warung Madura and modern retail stores like Indomaret or Alfamart often coexist, filling different market segments. Modern retail focuses on convenience, a structured product range, and locations on main roads. In contrast, Warung Madura operates in densely populated areas or small alleys, serving urgent needs and customers with limited purchasing power who require items sold individually.

The table below compares the business models of both, reinforcing the argument that Warung Madura is not a competitor but a business entity with a different operational logic that coexists with the larger economic system.

Key Indicator	Warung Madura	Modern Retail (Indomaret/Alfamart)
Operational Hours	24 hours, almost without a break	Standardized, not always 24 hours
Capital	Social capital (family/kinship networks)	Financial capital (corporations)

Service	Personal, familiar, allows "credit"	Standardized, without personal interaction
Goods Sold	Flexible, sells in loose quantities	Standardized, focuses on large packaging
Location	Small alleys, densely populated areas	Main roads, commercial areas
Price Flexibility	Can be negotiated, unexpected discounts	Fixed prices
Payment System	Cash, QRIS, credit	Cash, card, digital, QRIS

This table shows how Warung Madura is able to survive and coexist by filling market gaps not served by modern retail. They don't fight against retail capitalism but rather become a part of the broader economic ecosystem, proving the resilience of the micro-economy amid the onslaught of the big market.

1.5 A Symbol of the Diaspora Economy: A Blessing or Economic Fragility?

This phenomenon extends beyond the success of a micro-business. Warung Madura is a real manifestation of the Madurese community's diaspora economy, particularly from Sumenep. This term refers to an economic system centered on migration, the strengthening of ethnic networks, and the flow of capital (remittances) back to the homeland. It is a circular system that connects urban centers with villages in Madura.

Their strength in competing with modern retail does not lie in a similar business model but in their ability to fill market gaps that are not served. While modern retail targets the mass market with standardization, Warung Madura serves the urgent needs of the community, offering flexible services, sales of individual items, and even a "credit" system for loyal customers. This shows that they do not fight a frontal battle against retail capitalism but operate within a different market niche, an adaptation strategy that allows them to coexist and not be easily displaced.

A critical question at the core of this entire phenomenon is: Is the success of Warung Madura abroad a blessing for the villages of origin, or is it a symptom of hidden local economic fragility?. The existence of these stalls is clear proof of persistence, but at the same time, it also reflects conditions in the home villages that may not be able to provide decent economic opportunities, forcing the productive-age population to migrate. This report will delve into this paradox in the following sections, highlighting how strength on one side can be a source of fragility on the other.

2. Remittances Are Consumptive and Cause a Crisis of Local Sector Regeneration

The flow of remittances, or money sent from migrants in the city, visibly has a positive impact on the villages of origin in Sumenep. This money directly increases purchasing power, boosts consumption, funds education, and is often used to build or renovate luxurious homes, which become a symbol of the migrants' success. A small portion of remittances is

even allocated for the development of communal infrastructure like mosques and village roads.

However, a deeper analysis reveals a hidden fragility: the majority of remittance use tends to be consumptive. This is not merely a choice but a reflection of the lack of promising productive investment opportunities in the villages. People rationally choose to spend money on things that provide immediate and visible benefits (homes, social status) rather than investing it in the agricultural sector, which has high risks and unstable market prices.

This dependence on remittances creates a cycle: migration to get money, money is spent on consumption, and no productive capital is left to build the foundation of the village economy. This is the main cause of the fragility.

Another impact of the Warung Madura migration phenomenon is the crisis of regeneration in the local sectors. The massive migration, especially of productive-age youth, has led to a labor shortage in the agricultural and fisheries sectors in Sumenep villages. The low interest of young people in farming is due to minimal welfare guarantees and unstable market prices. Data shows that the Gini Ratio (income inequality index) in Sumenep Regency is relatively low, which seems to indicate that economic inequality is not high. However, this aggregate data does not always capture the micro-level dynamics occurring within the community.

Sociologically, it shows that a deeper social gap has emerged as a result of migration. Families who have access to migration networks and remittances can "climb the social ladder" significantly, visible through better home ownership or the ability to perform the Hajj pilgrimage. Meanwhile, families who do not have access to these networks are left behind in a subsistence economy. The informal migration pattern facilitated by "tekong" (relatives or friends) creates an exclusive circuit of welfare, where social status is no longer determined by land ownership but by "success" abroad. This creates two different economic realities within one village.

3. The Paradox and Critique of the Warung Madura Work Ethic

The Madurese community's work ethic—persevering, unyielding, and tireless—is a manifestation of cultural values that uphold "self-respect". For them, work is a form of worship, and their greatest fear is not losing possessions but losing a job. This spirit is the key to their success abroad.

However, working 24 hours a day with limited rest can be seen as a form of self-exploitation, whether conscious or not, especially if the profits gained are "not much," often only enough to "make a living," pay off debts, and send children to school. The debate over 24-hour operational hours is not just about business regulations but also a philosophical battle between two economic models. On one side, there is modern retail capitalism that wants to standardize working hours. On the other, there is the work ethic of the grassroots community, based on culture and the urgent need to survive. Criticism from netizens and community leaders suggests that these limitations are considered to favor big industry and ignore the social-economic reality of small communities.

Ultimately, the success of Warung Madura in urban areas does not automatically solve the problems in the villages. Warung Madura is a symbol of persistence amid macroeconomic challenges, but it is also a reflection of the failure of the village economy to provide decent and stable employment. Without real economic transformation in the villages of origin, this

phenomenon risks becoming a "welfare illusion," where villages appear prosperous due to remittances, but are actually fragile due to their dependence on an external economy.

Without a genuine transformation of the village economy, this phenomenon could perpetuate a cycle of dependency. Village youth who see their parents successfully "surviving" in the city through a 24-hour stall will repeat the same pattern: migrating, working tirelessly, and sending money home. The village remains stagnant, while the city becomes a place for the accumulation of cheap labor and capital. In the long term, this pattern weakens the potential for village regeneration because its productive workforce is drained elsewhere. What appears to be a story of individual success is, in reality, a story of collective failure to build a self-reliant and equitable economic base.

Furthermore, the 24-hour stalls born from the Madurese work ethic seem to challenge the logic of formal capitalism, but at the same time, they reinforce the face of capitalism itself. By providing non-stop labor, they support the urban culture of instant and fast-paced consumption. When city consumers can access daily goods at any time, they rarely realize the social and health costs borne by the workers behind them. It is at this point that the paradox becomes sharp: the stall, seen as a symbol of independence, is also helping to maintain a system that continues to pressure them.

4. Do Remittances Truly Strengthen Sumenep's Economic Foundations?

On a macro level, remittances do contribute to economic growth and physical development in the villages. However, on a micro level, the dominant consumptive use and lack of investment in productive sectors (agriculture, fisheries) show that the local economic foundation is not getting stronger; it is becoming more vulnerable. Remittance money only acts as a "lubricant" for a consumptive economy, not an "engine" that drives self-sufficiency.

The Warung Madura model is a highly effective survival mechanism, thanks to its unique social capital. However, this model cannot be replicated as a solution for village development. Its basis is external migration, not the strengthening of the internal economy. This model solves the problem of unemployment in the villages by "moving" the people, not by creating jobs within the villages themselves.

If the migration trend continues, the biggest risk is a regeneration crisis in the agricultural and fisheries sectors, which are key sectors in Sumenep. This threatens long-term food security and the sustainability of the village economy. Villages will lose their productive workforce and local knowledge in the primary sector.

The Warung Madura phenomenon is a mirror of uneven development. The existence of these stalls is a symptom, not the disease. The disease is the inability of the village economy to provide decent and stable employment. Warung Madura is simply the Madurese community's response to this failure with extraordinary adaptation and resilience. Without strategic intervention, this phenomenon risks becoming a welfare illusion: the village appears prosperous, but its economic foundation is actually fragile.

This welfare illusion becomes even more real when remittances are seen as a "prop" without being followed by a strategy for diversifying the village economy. Grand houses and new motorcycles bought with money from working abroad are often used as indicators of success, even though there is no structural transformation to support the sustainability of the local economy. When remittances stop due to illness, old age, or changes in work conditions

in the city, the village will become fragile again, lacking an internal economic engine that can support its life.

Furthermore, the dominant consumptive pattern of remittances creates intergenerational injustice. The generation that migrates bears the burden of extreme work, while the next generation grows up dependent on money transfers, without the capacity to manage the village's potential. The regeneration crisis in the agricultural and fisheries sectors is not just about lost labor, but also about the loss of traditional knowledge, social networks, and local wisdom that have been at the core of village resilience.

At this point, the question that should be asked is not just how large the remittances are that flow into Sumenep, but whether those remittances are building the village's productive capacity or perpetuating a fragile economic pattern. Warung Madura can be seen as a small laboratory of the Madurese community's resilience: it survives with the logic of migration and tireless hard work. But at the same time, it confirms that there is no sustainable way out without bold state policies that balance development between the village and the city.

If Sumenep wants to escape this paradox, then remittances should not stop at consumption. They must be directed toward productive investment: agricultural cooperatives, marine product processing, village energy, or other sectors that strengthen the local economic base. Without that, Warung Madura will remain a heroic symbol, but also a symbol of failure: a stubborn cultural resistance that ultimately surrenders to an unfair economic logic.

Reference:

1. Asal-usul Warung Madura yang Buka 24 Jam Sehari - detikFinance, accessed September 11, 2025, <https://finance.detik.com/berita-ekonomi-bisnis/d-7319888/asal-usul-warung-madura-yang-buka-24-jam-sehari>
2. Fenomena Warung Madura yang Fenomenal - Universitas Airlangga, accessed September 11, 2025, <https://unair.ac.id/fenomena-warung-madura-yang-fenomenal/>
3. Diaspora Madura : Social Capital Analysis in the Business in ... - Neliti, accessed September 11, 2025, <https://www.neliti.com/publications/180426/diaspora-madura-social-capital-analysis-in-the-business-in-informal-sector-of-ma>
4. Bisnis syariah masyarakat Madura Diaspora : tradisi lokal dan model pengembangan ekonomi syariah masyarakat Madura di Indonesia dan Malaysia - CV Tirta Buana Media, accessed September 11, 2025, <https://tirtabuanamedia.co.id/shop/buku-ekonomi/ilmu-ekonomi/bisnis-syariah-masyarakat-madura-diaspora-tradisi-lokal-dan-model-pengembangan-ekonomi-syariah-masyarakat-madura-di-indonesia-dan-malaysia/>
5. Dinamika Persaingan Ritel: Warung Madura Melawan Hegemoni ..., accessed September 11, 2025, <https://poltekkeskemenkes.id/warung-madura-vs-minimarket.html>
6. Modal Sosial Pedagang Toko Kelontong Madura di Perantauan, accessed September 11, 2025, <https://ejournal.unesa.ac.id/index.php/paradigma/article/download/56391/44357>
7. solidarity of madura immigrants in overseas desa - Sebuah Kajian Pustaka: - fisip unmul, accessed September 11, 2025, <https://psd.fisip-unmul.ac.id/index.php/psd/article/download/19/8/>
8. Aspek modal sosial : peluang dan tantangan warung madura di kota tangerang selatan, accessed September 11, 2025, https://www.researchgate.net/publication/384325873_ASPEK_MODAL_SOSIAL_PELUANG_DAN_TANTANGAN_WARUNG_MADURA_DI_KOTA_TANGERANG_SELATAN
9. Analisis Manajemen Bisnis Warung Madura, Bikin Ritel Modern Ketar-ketir - Ekonomi, accessed September 11, 2025, <https://ekonomi.republika.co.id/berita/sqfhdz490/analisis-manajemen-bisnis-warung-madura-bikin-ritel-modern-ketarketir>
10. Laporan Penyelenggaraan Pemerintahan Daerah Tahun 2023 - Bappeda - Kabupaten Sumenep, accessed September 11, 2025, <https://bappeda.sumenepkab.go.id/publikasi/files/SAKIP%20KABUPATEN/LPPD/2023/LPPD%202023%20Perubahan.pdf>

11. Etos Kerja Pedagang Etnis Madura Perantau Di Pasar Natar Ditinjau Dari Etika Bisnis - Jurnal Unived, accessed September 11, 2025,
<https://jurnal.unived.ac.id/index.php/er/article/download/3304/2927/>
-

Associate Partner Publication



Naskah telah dipublikasikan di **Beritabar.co**
pada tanggal, 11/09/2025 dalam versi Bahasa Indonesia

<https://beritabar.co/warung-madura-remitansi-konsumtif-dan-rapuhnya-fondasi-ekonomi-desa/>