



A Study on Problems and Challenges Faced by Micro Entrepreneurs During the Pandemic (Covid-19) in Tirunelveli City

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ABSTRACT:

This study's primary goal was to illustrate the difficulties faced by micro Entrepreneur in Tirunelveli City during the corona virus pandemic. The study used secondary data analysis in accordance with a descriptive research design as its methodology. In addition, both qualitative and quantitative research methods were used to conduct this study. The secondary data analysis result reveals that both Micro and large businesses are facing difficulties. The unprecedented corona virus crisis has destroyed many businesses around the world, and it is difficult for them to survive with decreased revenue, lost jobs, slowed life, and poor marketing performance. It is even difficult for them to maintain composure and keep their business alive. The government should collaborate with affluent individuals and other non-governmental organizations to help these firms using a variety of strategies. Additionally, Micro business owners must control expectations and maintain communication with their team, vendors, banks, and clients during this terrifying corona virus outbreak. Lower costs, be transparent with employees about finances, continue marketing, find new ways to provide their product, and recover from the catastrophe.

Keywords: COVID-19, pandemic, Micro Entrepreneur, Challenges of Micro business

Introduction:

A once-in-a-century pandemic called COVID-19 had a significant negative impact on nearly every area of the Indian economy. Nearly all firms have felt its effects, but Micro enterprises in India, which make up the majority of the country's economy, have been particularly hard hit because they typically have low profit margins and little liquidity. Continue reading to find out how COVID-19 has affected India's Micro companies.

The COVID-19 epidemic is causing major disruptions to lives and livelihoods, as well as to social and economic systems around the world, and it is troubling the global economy. According to several assessments, this is the worst worldwide disaster since World War II. This virus is extremely contagious and has spread unevenly throughout the entire world without exception. However, COVID-19 is much more than just a serious health concern. It is a systemic shock with significant short-, medium-, and long-term effects. This virus has caused a significant short-term economic recession, numerous large and Micro businesses to close, tens of millions of people to lose their jobs, and other repercussions on company operations. Micro Entrepreneur can and should play a critical role in reducing the rates of unemployment, poverty, and food insecurity at any time.

Already, micro enterprises have tight profit margins. Their revenue was negatively impacted by the lockdown that followed COVID-19, which put them in the midst of an existential dilemma. The margin of Micro enterprises would decrease by 200–300 basis points, particularly for the micro-segment, according to a well-known credit rating agency. Shrinkage in margins increases the risk that businesses won't be able to meet their promises due to working capital problems. However, a Micro company loan after COVID-19 can significantly assist them in overcoming this obstacle.

Micro businesses are the foundation of any economy, and since COVID-19 has had an impact on economies all around the world, it is more crucial than ever to defend them. Since the first pandemic case was discovered in Tirunelveli, the government has implemented a number of extensive economic and health steps to lessen its effects. Micro businesses, or more frequently known here as Micro and micro enterprises as the vernacular goes, the sector has been increasing steadily over the past decade or so and are recognized by the government as an engine for economic growth and job creation.

The researcher was motivated to undertake this investigation based on the aforementioned issue statements and the dearth of appropriate findings in the relevant field. So that the research will fill in knowledge gaps and other areas, such as those where previous global research has produced mixed outcomes.

Micro Enterprises and the crisis:

Regardless of size, geography, or finance, there is no denying that the COVID-19 pandemic has increased the difficulties facing Micro businesses worldwide. According to Eggers (2020), the majority of financial studies are focused on the effects of the crisis on Micro businesses, specifically the shortage of cash and financing sources. According to studies focused on strategy, prosperous businesses during a crisis employ a strategy that is focused on both the market and entrepreneurship. Research on Micro businesses has acknowledged the significance of a crisis viewpoint. 2010 (Herbane). According to a recent assessment of the literature on Micro- and medium-sized firms (SMEs) and the financial crisis, financial difficulties account for 51% of articles, strategy accounts for 41%, and institutional environment accounts for 8%. (Eggers, 2020). In addition, based on studies about the entrepreneurial culture and the knowledge diversity of Micro businesses in the United Kingdom that were undertaken following the 2004–2012 economic crisis (Bishop, 2019), According to Kuckertz et al. (2020), consistent rules are required in order to achieve optimal entrepreneurial responsiveness. This emphasizes how crucial it is to take the crisis's temporal context into account. A new qualitative study (Kuckertz et al., 2020) on the impact of the COVID-19 epidemic on 16 firms in Germany looks at how creative startups handle the lockdown and the best strategies. They discover that many businesses use a variety of resilience-related strategies to transform crisis-induced adversity into opportunity. They contend that entrepreneurs with adaptable company models are more likely to take advantage of wider-ranging emergent opportunities. This discovery highlights the need for additional research into the crisis' temporal dimensions.

Micro Entrepreneurs challenges to adapt to the ongoing crisis:

Micro businesses are going online. It has become one of the biggest trends to emerge during the COVID-19 pandemic and has opened up numerous opportunities to address various problems. In fact, the internet continues to be a lifeline for many Micro businesses, keeping them afloat during the pandemic.

Throughout COVID-19, we have also seen a lot of Micro firms come up with inventive strategies to flourish, whether it is by entering new markets or developing new modes of product and service delivery. Large technology firms like Face book and Google are among those developing new channels for Micro businesses to interact with their clients at the same time. Employees are suffering financial losses due to lost jobs or fewer hours worked even when enterprises are open. It's crucial to keep in mind that whenever a firm closes or needs to lay off employees, it has an impact on entire communities of people who depend on revenue from jobs to support themselves and, in turn, other local businesses and organizations.

Objectives:

This study's main goal was to examine the problems faced by micro business owners in Tirunelveli City during the corona virus pandemic. The following inquiry types were used to gather information for this goal:

- Do Micro Entrepreneurs face any difficulties during the pandemic? How do they work?
- How much have these difficulties impacted their daily activities?

Significance of study:

This study highlights Micro enterprises' survival and resilience methods throughout a protracted crisis and challenge, adding to the body of knowledge on crisis management. Along with advice for policymakers and other relevant entities, the researcher has also provided suggestions for Micro firms on how to stay adaptable or competitive through plans for renewal and resilience.

Methodologies:

This study adopted a descriptive research design and a mixed methodology, which indicates that both qualitative and quantitative research methods were used to perform the study. Micro businesses that were operating in Tirunelveli City between January 2020 and December 2021, when the corona virus pandemic began, were the study's target demographic. Because the researchers employed secondary data analysis pertaining to the difficulties faced by these enterprises during the COVID-19 crisis, the data analysis technique used for the study was the descriptive analysis method and time series data analysis.

Results and Discussion:

According to the WHO assessment, the COVID-19 issue started in China in December 2019 and quickly spread to the rest of the world as a challenging pandemic. As of September 24, 2020, the disease had spread to 213 countries and territories, infected 32,298,738 people, killed 984,974, and recovered 23,820,147 patients. 7,493,617 of them are active instances, meaning patients that are infected right now (Worldometers, 2020). However, crises can be very bad for business since they undermine customer confidence, diminish brand value, corporate targets, and even bring about firm failure. According to existing literature, Micro businesses may be more susceptible to crisis situations because they are less prepared, have fewer resources, have relatively

weak market positions, and depend more on the government and other domestic authorities. During or following crises, SMEs frequently experience large losses, decreased sales volume, and failure to meet contract requirements, personnel reductions, and even closure of the company. Due to the scarcity of employment prospects during these difficult times, new startup businesses have a higher probability of surviving during crisis periods than during the expansion phase. Entrepreneurs actively sought out new opportunities and developed new directions for their businesses during crises in order to mitigate the negative effects of crises and sustain the flow of products and services as well as the public confidence of other business owners and the community at large. These results suggest that the ability of an organization to learn after a crisis is also essential to recovery. SMEs that are capable of being dynamic, innovative, and willing to learn from crisis situations recover swiftly (Boin, 2008, Saunders et al., 2014). Similar conclusions were reached by Bullough and Renko (2018), who recommended that business owners take advantage of networking opportunities and special lectures to learn from those who had overcome adversity.

Based on its socioeconomic foundation and societal makeup, Tirunelveli City might be regarded as a high-risk area. Strong social relationships and attachments with regular physical contact have evolved over time as a useful method of integrity, but are now recognized as risk factors for the transmission of COVID-19. Crowding is widespread at schools, colleges, hotels, cafes, restaurants, public transportation, market places, hospitals, and other social institutions in urban cities like Palayamkottai (Market) and Tirunelveli Down where public services are provided insufficiently. These people might find it challenging to maintain physical and social distance as an infection protection approach, which could speed up the development of the corona virus disease and affect how they do business.

Impact of Covid-19:

62% of MSME owners firmly stated that the COVID-19 outbreak had an effect on their company. 30% of respondents endorsed this viewpoint. In other words, more than 90% of MSME unit owners said that the COVID-19 outbreak had a negative influence on their company. But when asked about the various effects of the COVID-19 pandemic, approximately 11% of the business owners in the three states said that their operations were unaffected and continued as usual. This was mentioned by almost 20% of MSME owners in Uttar Pradesh, 8% in Tamil Nadu, and 4% in Maharashtra. Nearly 80% of the respondents in Maharashtra reported being impacted by the COVID-19 pandemic. Only 4 per cent said that they were running their operations normally.

More male workers than female workers appear to have lost their jobs in Tiruppur, Tamil Nadu. For labourers in Coimbatore, it was essentially the same for both sexes. In Chennai, more women than males lost their jobs. Real estate, renting and business activities, electricity, gas, and water supply, hotels and restaurants, repair of personal and household goods, and transport, storage, and communications were among the sectors where the proportion of labour employed in October 2020 compared to the pre-COVID-19 pandemic period was significantly lower for female labourers than for male labourers, with the exception of education, financial intermediation, real estate, mining and quarries. Interestingly, the proportionate decline of women labourers in health and social work was much higher at 26 per cent compared to 7 per cent for males.

All around the world, schools have been closed as a result of the COVID-19 outbreak. 89% of students around the world are thought to have had learning disruptions. Since March 16th, 2020, India schools have been closed, and it is anticipated that they will stay closed through the conclusion of the academic year. This indicates that there are more children who are not in school, with over 77% of them being primary school students. These kids are neither learning nor getting the advantages of other school-based supports including safety, health, and school meals. In short, there is a risk to the health of children. Key education metrics, which were already bad before the COVID-19 outbreak, are in danger of getting worse now.

Corona viruses estimated effects:

Response and recovery will also be more likely to be successful if they:

- Encourage policies that prioritize protecting people and their rights while preserving essential financial and economic resources;
- Identify and focus on the sectors and groups that are most negatively impacted and at risk of falling behind;
- Refrain from making investments and policy decisions that are distorted, unless specifically intended to be incentives supporting longer-term development goals; and
- Seize the chance to support long-term objectives linked to short-term objectives that support a fairer, more productive, environmentally friendly and sustainable future for Tirunelveli.

The following are some major implications of the crisis that Tirunelveli city may want to take into account as it develops and implements its own socioeconomic policy in response to COVID-19 and could affect the short- to medium-term policy space available to it:

Delivery will take longer because response and recovery significantly complicate and postpone all previously planned trajectories and targets. However, there will also be opportunities to hasten a reversal of the trend, such as by using repurposing to support MSMEs in the manufacturing sector by producing masks, sanitizers, and other supplies for health, or by making significant progress in the digitalization of services in both the public and private sectors.

COVID-19 Opportunities for Some Sectors:

Corona viruses provide benefits and prospects for various industries in the nation beyond its countless difficulties and crises. Opportunities to accelerate a return to trend will also arise from the large number of businesses experimenting with digital activities for the first time. For instance, using repurposing to support MSMEs in the manufacturing sector by producing medical equipment and supplies, or to make significant progress in the digitalization of services in the public and private sectors and greatly spur innovation.

Conclusions:

In particular, Tirunelveli City is used in this research to show the difficulties faced by micro entrepreneurs during the corona virus epidemic in underdeveloped nations. The researcher attempted to interpret, analyze, and draw fair conclusions about each Micro business challenge during the current economic crisis using various empirical reviews, WHO and other organizations reports/assessments, magazines, Micro business experiences, and other related secondary data analyses. This study reveals that operating a business during the COVID-19 epidemic is extremely difficult and has a dangerous influence on Micro firms, employee lives, and the nation's general economy. This study has some limitations, including the use of only secondary data. Given the difficulty of obtaining empirical or primary data directly from businesses during this pandemic, it would have been preferable to include primary data. It was also challenging to locate additional relevant literature for review because COVID-19 is a recent pandemic.

Businesses are not all affected equally by COVID-19 disruptions. Some were required to close, while others were deemed necessary and remained open. While some businesses could transition workers to remote work, others lacked the necessary resources. My study's findings in this section imply that if the pandemic lasts for several months, disparities will be greater.

Findings from Fairlie (2020) indicate that COVID-19 had the greatest negative impact on African-American business owners. The initial projections for black business owners in the United States for April 2020 show a dramatic decline in business activity of 41%. In May and June, black business owners experienced declines in business activity of 26% and 19%, respectively, which was disproportionately negative compared to national levels. Simulations show that the distribution of black workers across industries was partially to blame, putting black business owners at a higher risk of experiencing declines in commercial activity as a result of the pandemic. Due to COVID-19, Latin businesses suffered greatly as well, losing 32% of their active business owners in April, 19% in May, and 10% in June. Over the crucial 2-month period, Asian business owners saw a 26% decline in business activity, with further declines of 21% in May and 10% in June. For Latinos, simulation estimates also indicate unfavorable industry distributions, but the evidence for Asians is less conclusive. The loss of 36% of business activity in April devastated immigrant business owners as well. May (25%) and June (18%) saw more disproportionate losses.

While this research yields a variety of significant insights, future studies can conduct in-depth surveys in accordance with the article's findings to have a thorough understanding of the various issues/challenges faced by Micro business owners in patriarchal developing countries due to the widespread corona virus and other pandemics. Furthermore, because the study's secondary data analysis was completed just seven months after a corona case was discovered in Tirunelveli City, future researchers can focus on gendered experiences during the pandemic's later stages to look into specific changes in Micro businesses' experiences.

Consequences of the research:**Theoretical implications:**

This study identifies Micro businesses' survival and resilience strategies during a protracted crisis and challenge, adding to the body of knowledge on crisis management. In general, my findings are consistent with those of other scholars' works on this subject, and it is critical to highlight/provide recent, intriguing, and potentially fruitful areas to work on during a crisis.

Practical implications:

The paper's actual findings offer advice for Micro businesses on how to maintain flexibility or competitiveness through strategies for renewal and resilience. The researcher also provided pertinent recommendations for policymakers and other relevant bodies. The tourism and agricultural sectors are particularly vulnerable to public health crises, according to previous research (Irvine & Anderson, 2004, 2006; Jonas et al., 2011; Wilks et al., 2006). Thus, Macao needs to diversify its economy, which is heavily dependent on tourism and ancillary industries. Micro businesses must improve their ability to change directions and modify their business models.

Policy implications:

The primary category of policy relates to the licensing and regulatory requirements for Micro service businesses. Micro service businesses face fewer regulatory constraints, but these businesses are better equipped to handle a crisis. The preparedness of businesses thus suggests that extending regulatory requirements to more service sectors may also aid in crisis management. Last but not least, policies and procedures that connect Micro businesses with a wider variety of stakeholders, including experts, are required.

Suggestion for future studies:

Future studies on the effects of COVID-19 on business performance, before-and-after comparisons, and management strategies for these types of pandemics and their challenges are all necessary.

Recommendations:

The results of this study suggest that the nation's government conduct risk analysis and business stability planning in all crucial federal and regional institutions, investigate possibilities for cross-border digital trade, collaborate with domestic Micro business firms, support medium- and long-term business investments that result in resilient supply chains for essential goods and services on the market, and quicken the development of e-commerce/e-marketing systems.

The COVID-19 outbreak has a significant impact on SMEs in the nation, and the majority of studies revealed that new micro enterprises with little prior crisis experience lack comprehensive crisis management and aftershock strategies, formal documentation mechanisms, and flexible work strategies. We advise Micro businesses and their owners to think long term and adoptive crisis management strategies, fully taking into account nonfinancial factors as well as financial ones. Owners' top management as well as various levels of staff should be involved in developing crisis management mechanisms as per their needs. To continue growing and improving after the crisis, everyone should work to explore new markets, incorporate technology into their operations, produce various sanitary products until the pandemic is over, and adapt their marketing strategies accordingly. In the long run, Micro businesses may be strongly motivated to improve their resilience and renewal strategies by the desire to increase their market share and revenue.

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