

A study on micro-entrepreneurs: Problems and prospects in post pandemic

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Abstract

Entrepreneurship is the means of creating new and innovative concerns. People with unique and distinct knowledge can start an enterprise with the intention of earning and employment generation. In the era of inflation, it becoming very difficult to lead a life with ease. Since government cannot give employment to every single person in the society, it has facilitated the people with lots of financial and non-financial institutions from where they can borrow and start their own concerns. Now it has seen in the society also that people are working for themselves. Lots of micro-entrepreneurs are working in the society and serving the country and other people as well. It has a huge contribution in the economic development also. Everything was going smooth and lots of people were getting their employment also. But the covid situation cause the problem in the path of success of the micro-entrepreneurs. Pandemic situation created huge problem in the work culture of industries. With the help of this present set of research work researcher tends to find out the problems faced by the entrepreneurs due to pandemic. It was found that entrepreneurs failed to maintain their financial position as they had to pay their all the fixed costs like, instalments of loans, salary, electricity bills, etc. without having constant earnings. Despite of having regular work they had to take care of all their employees' family also. As lots of people have lost their jobs, entrepreneurs also suffer from lots of consequences. After reviewing all the factors affecting the industry due to covid pandemic and analysing the situations researcher suggested that entrepreneurs should add more attractive factors and benefits in their products, so that they can attract more new customers towards their products. Also, they should change their mode of advertisement and marketing to reach their customers with more precisely.

Keywords: micro-entrepreneurs, consequences, prospects, post pandemic, challenges.

1. INTRODUCTION

Entrepreneurship is the concept of encouraging own concerns with lots of unique and innovative ideas. People who create the concern and own the concern are called entrepreneurs. Entrepreneurship has the capacity of employment generation. Every single person can work with others instruction but a very less people can create their own concern and hire others also. Now a days with lots of population and inflation government has no capacity to give employment to every person in the society. Though the government failed to give employment to every single person in the society, it has given certain facilities to the

persons who want to start their own concern. Government has given the license to many financial and non-financial institutions who can help people in the creation of business concerns. To lead a stabilise living standard people have to channelise and utilise their knowledge and capacity in such a way where they can earn a handsome profit. Along with own development an entrepreneur has the capacity to encourage employment also. It's a crucial foundation and play a vital role for livelihood and employment. It contributes at least 29% to the country's GDP and also encourages export-oriented production in the country. Micro enterprises create 11 percent employment every year in India. As the

governmental sectors have very limited scope for the job, micro enterprises are working as a ray of hope for the aspirants.

1.1: Characteristics of micro-entrepreneurs

- **Inadequate financial support:** Micro-entrepreneurs start their businesses with very less amount of fund, since formal banking institutions refuse to grant funds to micro entrepreneurs due to the lack of trust on the projects.
- **Lack of technology:** Micro entrepreneurs have very less knowledge about the technology and failed to adopt high quality tools for the standardisation of their products.
- **Lack of proper management:** an entrepreneur can start a micro-enterprise with less knowledge and capacity. But to improve the size and capacity of the enterprise, it requires proper management capacity of funds and resources. Due to which micro enterprises suffers from less earnings and reach very less numbers of customers.
- **Lack of skilled men power:** micro-entrepreneurs suffer from financial inadequacy and failed to hire skilled labours.

1.2: Importance of micro-entrepreneurship

- **Employment generation:** micro-entrepreneurs have the capacity of employment generation by creating its own concerns. To extend the services of the concerns entrepreneurs hire part time or full-time employees and labours on daily wages. Micro-entrepreneurs have been helping lots of people to stabilise their financial and social lives by giving employment. So, the establishment of more micro-enterprises are important for the society and for the economic development also.
- **Easy access of goods:** establishment of more numbers of enterprises are important to make available of services and goods in the society. When more numbers of goods entered into the market people get benefited with the higher quality goods in cheaper prise.
- **Encouragement of export:** micro-enterprises help the country to earn foreign currency in large extend. Along with the fulfilment of domestic needs it can help the country to produce import substitute and in grabbing the foreign market also.

Everything was going good and smooth in the country. But in the meantime, covid-19 created a huge problem in the lives of people. Every single person in the world affected by this great pandemic. Everywhere people had to stop their normal working conditions. Due to great pandemic (COVID-19) various preventive measures implemented to eradicate its spread. However, lockdown affected the micro-entrepreneurs the most. Due to lockdown micro-entrepreneurs had to face major problems from supply chain to its ultimate destination. Many entrepreneurs had to tackle problems arise due to global lockdown in their export-import business. The researcher simply concluded that from micro-entrepreneurs to small industries, everyone had the challenges to survive in the situation. Lots of micro-entrepreneurs had to shut down their business, had to pay salary to their employees and took care of their employees' family during lockdown. All the expenses incurred during lockdown affect their financial position to a large extend. They had to suffer from huge lose due to lack of production and wastage of short-lived raw materials. Again, along with all the expenses they had to lost their market position they used to be. After that partial market open (partial lockdown) to normal life cost from transportation, raw-material to every single being, have changed and the business model of micro-entrepreneurs get affected to some extent also.

However, every one's approach was to whether to fear from the situation or cope up with the crisis or find other ways to deal with the situation. Out of all these challenges many trends have been emerging for micro-entrepreneurs in India like digitization, multi-sector collaboration, localisation, emerging of social enterprises, etc.

Now it has been seen that people work for their own establishment. Many people with innovative ideas started their concerns by using their unique ideas and knowledge. With the grace of God and easy accessibility of financial services lots of micro-enterprises were working smoothly in the society. But the covid-19 situation created a huge problem in the path of development of people. In this study researcher wanted to find out the problems faced by the micro-entrepreneurs. Micro-entrepreneurs suffer from lack of constant earnings since people stopped to buy goods due to lack of

income sources. Due to which entrepreneurs failed to maintain their financial positions as it used to be. At the same time along with own financial position they had to pay salaries or wages to their employees and workers despite of having regular production or works. By observing the current situation and evaluating all the factors affecting the current situation researcher suggested to adopt new mode of marketing and to add new factors to attract customers.

2. Review of literature

- Francis N O & Njoku O A (2013) carried a research work with the title, “assessing factors that affect women and youth micro-entrepreneurs in Botswana 1” to find out the involvements of women and youths in encouraging micro-entrepreneurs. Also tried to examine the utilisation of government institutions’ credits in the micro enterprises. They found that women and youth entrepreneurs are mainly engaged in trade and services. Individual proprietors are also there in micro enterprises. Entrepreneurs are getting motivated to work more since they have been earning a good amount of profit through the business.
- William T S (2013) conducted a study on determination of financial literacy of micro-entrepreneurs in Davao City. The researcher conducted the study among 100 entrepreneurs and found moderate literacy rate regarding financial matters. Also found that gender differentiation cannot provide any conclusion and prediction regarding the literacy of micro-entrepreneurs.
- Olawale F (2014) conducted a study on the financial literacy of micro-entrepreneurs in South Africa. The researcher used to find out the knowledge of financial planning, book keeping, understanding of financial sources, control and analysis, financial management skill, technological soundness of entrepreneurs etc. the researcher collected all the information through a pre-structure questionnaire and found that literacy of financial and technological knowledge is very low among the micro-entrepreneurs. Also suggested that the micro-entrepreneurs should improve their literacy level.
- Michael G & Anna L P (2015), carried a study regarding the intervention at micro-entrepreneurship and small and medium-sizes firms in creation of jobs. Since in most of the low- and middle-income countries jobs are created by these small-scale industries as compared to government sectors. Lots of governmental and non-governmental interventions make efforts to increase the employment opportunities but found very less effect of these interventions.
- Gabriela C et al. (2017), in their article, “opportunity versus necessity: understanding the heterogeneity of female micro-entrepreneurs” tried to examine the difference between the capacity and the necessity of women -entrepreneurs. After the analysis of information found that the entrepreneurs who started their concerns with knowledge and capabilities are more successful than the entrepreneurs started for the fulfilment of their needs.

Research gap: there are lots of study works are done on the micro-entrepreneurship and the post pandemic situation of entrepreneurship as a whole. But the whole entrepreneurial scenario cannot describe the distinct motives of different class of entrepreneurs. Since the micro-entrepreneurs already characterised by lots of insufficiency, it requires extra attention to normalise in post pandemic. So, the researcher tends to find out the problems and challenges faced by the micro-entrepreneurs in post pandemic in this research paper.

3. Objectives of the study

In this present set of research work researcher want to carry the study by adopting the following objectives:

- To determine the problems faced by micro-entrepreneurs after the lockdown
- To find out the changes of marketing procedures after the lockdown

4. Research questions:

To achieve the objectives set for this present set of study researcher framed the following research questions:

- ☐ What are the problems facing by the micro-entrepreneurs in the post pandemic situation?
- ☐ What are the new challenges faced by the entrepreneurs?

5. Importance of the study:

Covid-19 has become a huge problem for all over the world. People from every country has been suffering from huge lose. Due to preventive measure for reducing the covid spread every-one had to changed the life style. All the concerns had to stop their work and shifted their work place to home. This lockdown has changed everyone's life style. Lots of people have lost their earning sources and jobs. During lockdown entrepreneurs had to incurred all the fixed costs along with the other social responsibilities. All these activities are hampering entrepreneurs' financial status to a large extend, since in that period they had to fulfil all the expenses without having regular earnings from their concerns. Still, everyone is suffering from the effects of the lockdown. financial management becoming difficult due to the increasing nature of expenditures, due to the failure of economic conditions. Along with individuals all single enterprises are still facing the consequences of pandemic. Most of the Micro-entrepreneurs were started their concerns by taking loans from banking or non-banking sectors. Due to lockdown effect micro-entrepreneurs were also need to maintain all the expenditures for their employees and other persons. They have also been facing huge problems in this post pandemic era. To find out the impact of post pandemic towards the micro-enterprises also important since it has an efficient role in the upliftment of the economy. This study will also help the industrial sector to improve their services to increase the earnings. Since the micro enterprises have huge contribution in the export business of the country, this study will help to determine the reasons of shortcoming of the goods in the exportation business.

6. Research methodology:

This research work is totally based on the primary data. For the proper explanation of

the information gathered descriptive research design was adopted by the researcher. The study is exploratory in nature. To achieve the objectives of this study all the information were collected from the micro-entrepreneurs working in the society. Micro-entrepreneurs like potters, cane industry runners, boutique owners etc. were interviewed and send google forms through email-id or whatsapp. Respondents were asked to fil-up the google forms and send back to the researcher's account. For the efficient result of the study researcher adopted 25 sample size. Some previous articles were reviewed by the researcher to know the differences between the previous and the present scenario of the micro-enterprises.

7. Analysis and interpretation of data:

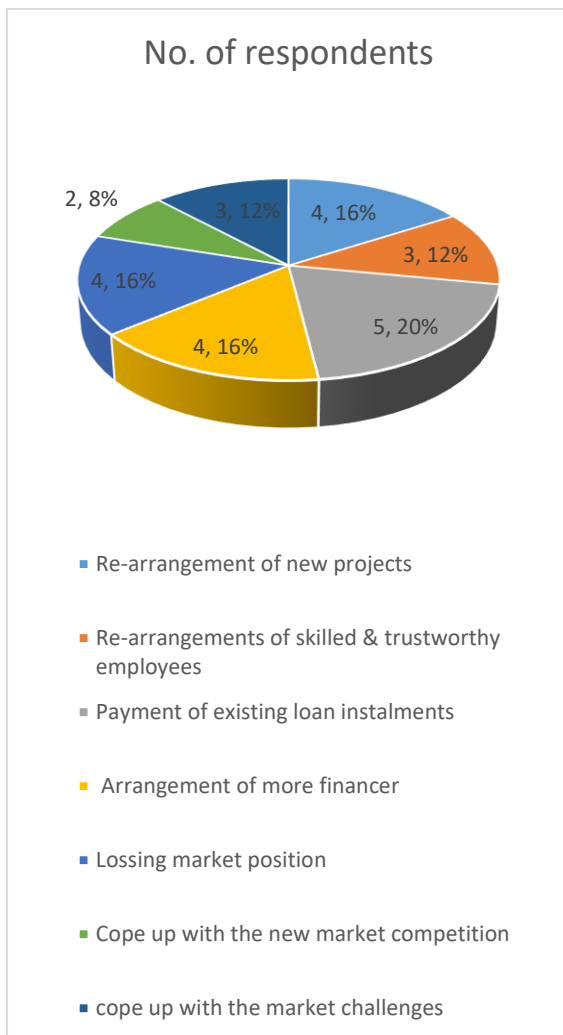
The researcher gathered the information suitable for the purposes of the study. All the information collected from the micro-entrepreneurs who have been working in the society and serving people with their ideas. The researcher showing the results with the help of following analysis and interpretation of data collected:

Table 1: *problems faced by the micro-entrepreneurs after lockdown:*

Particulars	No. of respondents	Percentage (%)
Re-arrangement of project models	4	16%
Re-arrangement of skilled and trustworthy employees	3	12%
Payments of existing loan instalments	5	20%
Arrangements of more financer	4	16%
Loosing market position	4	16%
Cope up with the new market competitors	2	8%

Cope up with the market challenges	3	12%
Total	25	100%
Source: primary survey		

Figure 1: *Diagram showing problems faced by the micro-entrepreneurs:*



Source: table 1

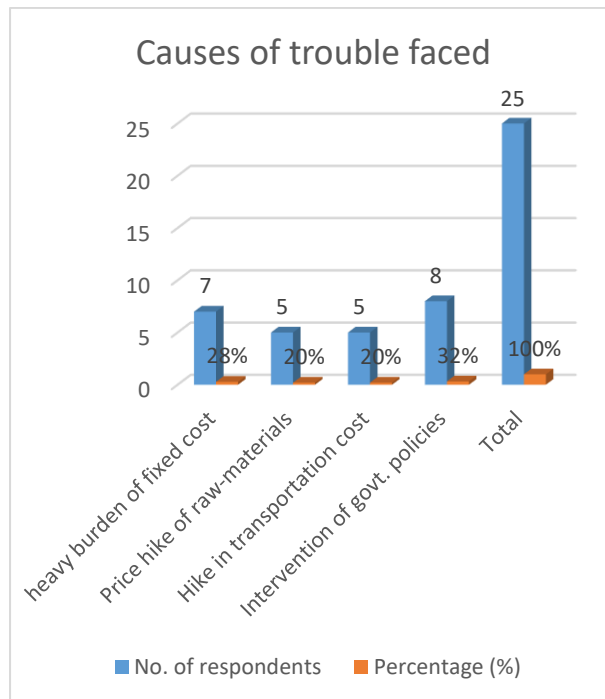
Interpretation: from the table 1, it is clear that micro entrepreneurs are facing lots of problems in the post pandemic situation which is the direct effect of pandemic. The table showing that out of 25 respondents which is the total no. of respondents, 4 respondents (16%) are facing the problems of re-arranging their new projects after the total shut down of their existing businesses due to lockdown, 3 respondents (12%) are facing the problems of arranging skilled and trustworthy employees again after the long

break due to covid situation, 5 respondents (25%) have faced the problems of repayment of existing loans, 4 respondents (16%) faced the problems to convince new financier for their businesses, since they had to spent more amount of their savings in meeting fixed costs during lockdown, 4 respondents (16%) have lost their existing market position due to lock down and now they have to fought again for establishing themselves in the market, 2 respondents (8%) had said that after lockdown many new entrepreneurs are entering the market with new product and technology. this 8% respondents are getting problems from the new and existing competitors since they have lost their existing position in the market due to long break of business, at last but not the least 3 respondents (12%) faced the problems of technological barriers. During lockdown people have changed the habits of marketing and taking services. People opt for the services which can be reached easily or most of the time prefer online services. Now the technological shortcomings are hampering a lot to the entrepreneurs who are technologically unsound in nature. Figure 1 is the total representation of table 1.

Table 2: *Causes of suffering by the entrepreneurs:*

Particulars	No. of respondents	Percentage (%)
Heavy burden of fixed costs	7	28%
Price hike of raw-materials	5	20%
Hike in transportation cost	5	20%
Intervention of govt. policies	8	32%
Total		100%
Source: primary survey		

Fig 2: Diagram showing the causes of troubles by the entrepreneurs:



Source: table 2

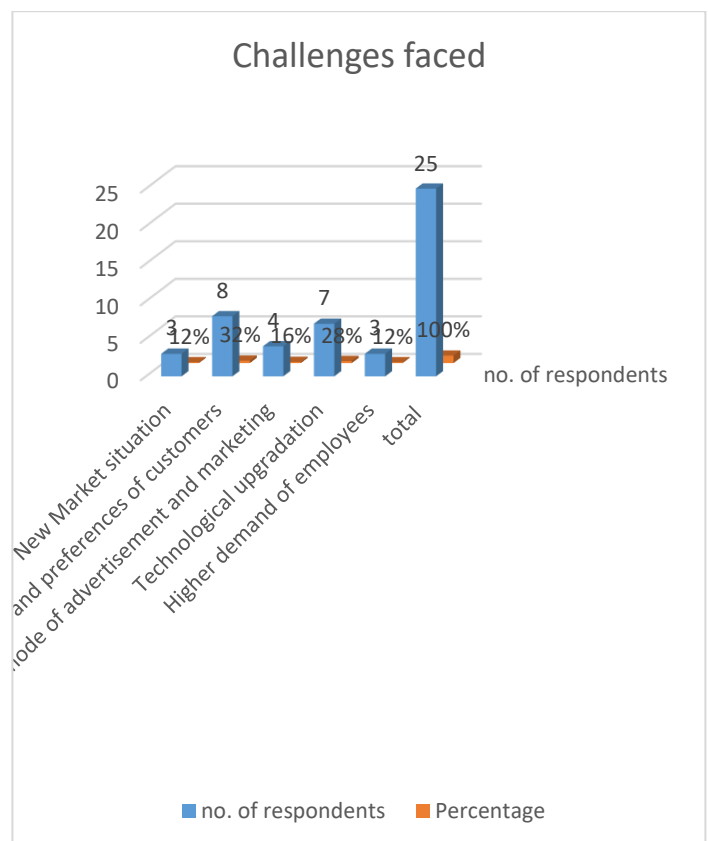
Interpretation: table 2 showing that 7 respondents, i.e., 28% of total respondents faced the problems due to heavy burden of fixed costs which they had to bear instead of having regular work, 5 respondents, i.e., 20% of total respondents faced the problems due to price hike of raw-materials, 5 respondents, i.e., 20% of total respondents are facing problems due to increase in transportation cost, which is also increasing the total cost of production. Along with all the internal cost of production, governmental intervention also increasing the cost. Amongst all the respondents 8 respondents out of 25, i.e., 32% are facing the troubles due to government obligations. Price hike in petrol diesel hampering the prices of other goods also. Ultimately these factors are affecting the production function to the selling function of the enterprises. All the entrepreneurs are bearing more cost as compared to before. Figure 2 is the graphical representation of table 2.

Table 3: Challenges faced by entrepreneurs in the market in the post pandemic:

Particulars	No. of respondents	Percentage (%)
New market situation	3	12%
New tastes and preferences of customers	8	32%
New mode of advertisement and marketing	4	16%
Technological upgradation	7	28%
Higher demand of employees	3	12%
Total	25	100%

Source: primary survey

Fig 3: Diagram showing challenges faced by entrepreneurs in the post pandemic:



Source: table 3

Interpretation: table 3 depicts the results of challenges faced by the entrepreneurs in the post pandemic situation. It has showed that out of 25 respondents 3 respondents, i.e., 12% are having the trouble of new situation of the market conditions as the present scenario of market has changes as compared to pre-pandemic, 8 respondents, i.e., 32% faced the trouble in determining the changing needs and preferences of customers, 4 respondents, i.e., 16% are getting trouble in adopting new mode of promotion and marketing, 7 respondents, i.e., 28% are facing problems due to lack of technological knowledge, now people are becoming too much dependent on online systems. So, entrepreneurs are also need to be technically sound to cope up with the present changes of the market and the society. Now rest of the respondents that means 3 respondents (12%) are getting the changes of higher demands of the employees. With the changing demands of customers in the society everything becoming very costly and to cope up with the present post pandemic situation employees are also demanding hike in their salaries and other charges. Figure 3 is the representation of the table 3.

8. Results of the study

From all the analysis and interpretation following results are found by the researcher:

- As already micro-entrepreneurs start their concerns with very less infrastructure facilities and financial services, they are suffering from unsound financial condition after the great pandemic of covid-19 due to the regular heavy burden of expenses despite of production and earnings.
- Every enterprise had to pay their customers at least some amounts of the salary for their livelihood purposes during the lockdown, which cause the deteriorating situation in the financial position of entrepreneurs.
- This great pandemic changes the living style and standard of every single person in the globe. It also affecting the consumption habits of customers and changes of consumption habits created the huge problems in the business sector. Entrepreneurs are facing the challenges of new market condition, changing mode of demands of

customers, new competitors in the market with high technology etc.

- Changing mode of market condition hampering a lot in the earnings of enterprises. To cope up with the changing situation entrepreneurs are having huge production cost and at the same time convincing of customers regarding the price hike of goods are becoming a big challenge for them.
- Entrepreneurs had to pay all the fixed cost, like salary, rent, electricity bills, loan instalments, etc. despite of having regular production and selling. These regular expenses hampered the financial status of entrepreneurs a lot and had to arranged new ways of raising funds for new projects. Debts of entrepreneurs become double as they had to manage more funds to start their new projects.
- During lockdown lots of people quit their jobs due to the fear of losing their lives and some enterprises terminate their employees due to unable to pay the salaries in absence of earnings. In the post pandemic enterprises faced the problem of new recruitment. It became difficult for some entrepreneurs to trust the employees as before. Again, due to high living cost, employment with less salary become difficult. So, to get a high-quality employee, entrepreneurs also have to offer high amount of salary.

9. Suggestion

There is a huge potentiality of micro enterprises in the market as with the increasing population and financial crisis of all over the world demand will also increase all over the world. To protect its holdings in the market the entrepreneurs should take care of some points, they are highlighted below:

- Before launching of any new product in the market entrepreneurs should investigate regarding the competitors, as many new participants are entered in the market with more speciality. They should make a SWOT (strength, weakness, opportunity & threat) analysis and regarding their competitors as now everything has changed from the prior situation. People becoming more concern regarding their consumption and buying behaviours. As the customers are becoming more concerns

entrepreneurs should produce according to the changing taste and preference of the customers.

- They should hire high quality and technically sound person. So that the person can cope up with the changing mode of marketing and can reach more customers.
- Micro-entrepreneurs should appeal to the government to favour them, at least to a certain position, so that they can create more employment opportunities and can produce more import-substitute and export-oriented goods.
- Government should arrange IT trainings for the micro-entrepreneurs to make them technically sound and capable of handling all the matters of business technically.
- To earn a high-quality revenue fund management capacity is utmost important. Best utilisation of fund can lead a successful concern in the country. So to make a concern successful best financial consultant should be hired, so that entrepreneurs would get back their investments with more surplus.

10. Conclusion

After the lockdown every single person has changed their living style and demand for high quality goods and services. Also, the financial position of people become low due to lack of earning sources. All the changes lead to the changing tastes and preferences of customers. People are becoming very conscious regarding their physical health and financial health. This causes the changes in consumption habits of customers and purchase very limited goods with high quality. As already micro-entrepreneurs suffer from lack of source of financial services, technically unsound, high competition in the market, the changing habits and demands created more problems in the micro enterprise sector. From the study the researcher found that due to changes in the financial position of people demands for goods also affected a large. Customers opt for those goods which are high quality in cheaper price and easily accessible. In the post pandemic situation competition in the market becoming higher. Lots of new entrepreneurs are entering the market with more speciality. Many people quit their jobs and started their own concerns

with the prior experience. Old entrepreneurs are suffered from technical problems. To reach the customers new mode of promotion need to be launched in this changing mode of post pandemic situation. All the changing situation cost high amount and more competition. Financial management becoming difficult as already pandemic situation cost high expenditures without earnings.

With the changing situation people are also very active in social media and becoming technically sound. So, with the help of technical system entrepreneurs can easily reach their customers. Due to the technological upgradation producing more goods and to hold more customers becoming easy as compare to before. Entrepreneurs can open new ways of marketing. With the help of online marketing many people have been earning and changed the mode of marketing. So, the entrepreneurs should learn more about the markets and about the competitors. They should make a SWOT analysis before launching any project in the market. Also, the most important thing is that the technological upgradation. People should make themselves technologically sound. So that they can bridge the gap between the offline and online mode of marketing. At last, but not the least, government should take some special steps to protect the market position of micro-entrepreneurs, as they have a vital role in the development of the economy, also creates lots of employment opportunities in the society. So, the government intervention is utmost important to protect the right of the micro-entrepreneurs and for the development of the country's economy.

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