



Received: 14 September 2021 | Revised: 11 October 2021 | Accepted: 20 October 2021

DOI:

Research Article

<http://kmf-publishers.com/seb/>

Microeconomic consequences of COVID-19: Swapping the bench for entrepreneur's business

Jannatul Mawa Meridha |

Department: Social work
University of Rajshahi
Bangladesh

Correspondence
Jannatul Mawa Meridha
Email: meridhaj@gmail.com

ABSTRACT

Amidst COVID-19 pandemic microeconomic activities have compressed, which is resulting in loss of employment and income, and a rise in poverty and inequality. By the same token, uncertainties are looming large in terms of macroeconomic mismanagement due to Covid-19, which is gradually decaying given the inefficiency in both consumer and small business. This study examines the way how selling ability and purchasing behavior are being reduced overwhelmingly. The number of impoverished people has increased compared to the pre-Covid period. This study has taken into consideration the impact of the COVID-19 induced economic crisis on entrepreneur income in Bangladesh. This study also explores the possible economic outcomes and how COVID-19 might evolve from its adverse effect in the upcoming future especially on income and sustains own sector by using the method developed by Lee and McKibbin (2003) and outstretched by McKibbin and Sidorenko (2006). However, this research demonstrates the scenario of the impact of Covid-19 pandemic on entrepreneur's business activities and in particular their conceptions of the comparison in consumer behavior during extreme situations. It is likely that how the pulse of the targeted marketplace will put the spotlight on entrepreneur's businesses so that they can be successful long after they launch, will be revealed in future studies.

Keywords: microeconomic, COVID-19, entrepreneur's, business, purchasing behavior

Copyright: 2021 by the authors. Licensee KMF Publishers (www.kmf-publishers.com). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).



INTRODUCTION

This report presents the results detailed analysis of data from Small Business Sector survey to inform understanding of the ways in which affects activities and in particular their conceptions of the contrast in consumer behavior during acute situations.. The overall purpose of the research study is evidence base in relation to the attitude of the consumer and buyer. Entrepreneurs are facing problems with product availability that in turn; hinder their abilities to satisfy the customer needs as a consequence of COVID-19. In my country, GDP that used to enjoy an exponential enlargement of 8.16 percent will be slowing down significantly due to the advent of COVID-19. This sector contributes about 20.25 percent in our GDP contributes on every year and engaged about 35-40 percent of our employment various industry. The prolongation of the pandemic beyond 5 months will force a majority of the small businesses to close down. This sector employs over fifty million people. The pause in economic activity that since 4 months to April brought a challenging experience for the small businesses as most of them hardly managed any financial hold up from period. After restarting, these entrepreneurs' were facing challenge that is reduced demand in market and the burden of paying for fixed costs such as rent and utilities. Even after a month of reopening, approximately all the entrepreneurs' were still running at the break-even indicate largely because of the lower amount of sales. The number of small wholesale and retail businesses in the country stands at more than 53 lakh, which is 39 per cent of the entirety business establishments. The research shows the most entrepreneurs' businesses are conceive a negative impact on sales and jobs over the next 6 months. The report will be detailed the literature reviews, the research methodology and the key findings.

Research Problem

A rational of the study offers the reasons for proceeding to address a particular problem. Research is a scientific way by which we know about any problem deeply and take steps properly to remove these problems. There are various kinds of social problem in our country on which we can research. Now a days the struggles and vulnerable conditions of small entrepreneur's business in Bangladesh are increased day by day. So it is very important to create consciousness about this problem and to remove this horrible situation. In this situation we should try to solve these problems.

In this Research, research problems are economically vulnerable particularly small entrepreneur's what faces the whole nation during lock down after gradually improving pandemic. Their position is unfavorable how effects in the forthcoming business especially on income and survive own zone.

Objectives of Research

No work can be possible to be done except specific objective. Entire research is circled with the centralization of research objective.

The objectives of this research are:

- To measure and analyze the effects of Covid-19 on entrepreneur's businesses.
- To explore the impact of the corona virus pandemic consumer behavior.
- To evaluate the government policy measures to stimulate the entrepreneur's businesses during the pandemic;
- To recommend the way forward for the improvement of entrepreneur's businesses in Bangladesh in the current context.



Rationale of the Research

The number of problem creates for pandemic in which was broken planning daily base life. This situation is greatly effect on business sector and purchasing behavior. This research mainly small business how overcomes before they had, after they have gained from own business. In my country, most of the people had changed their profession during Covid-19. Because they could not get enough profit from it. Many of them suffered different type's personal loans, rent, and bank debt and so on. The corona virus pandemic started in late 2019 and broadens to the rest of the world in early 2020. In many countries, the authorities first announced the closure of shops and cafes, which then turned into an absolute lockdown such as in India, Japan and Pakistan, consequently causing many day laborers to drop their livelihoods and become unemployed. This situation in turn placed pressure on the economy in these countries. Alike to the rest of Bangladesh region, Bangladesh's entrepreneurs considered quitting their businesses since the pandemic was thought to negatively impact their businesses which was impact on customer behavior and employee competence. This predicament was heightened by the limited studies in the country regarding the true influence of the pandemic on the organizations of entrepreneurs.

LITERATURE REVIEW

Literature review is a crucial need for every research. Without literature review research report cannot be lively and practical. To modify in this research as a practical, acceptable and time utility, I reviewed appropriate literature for this. Many journal reports, papers, internet, books are associated.

Among them some are below:

A report by Craven et al. (2020) shows the influence of Covid-19 on business and purchasing consumer behavior as a result of well known band could not overcome from this situation and minimize their

profit. This research also presents the various retailers suffer around multiples dimensions from sales and promotion to range. The finely tuned consumption of digital instrument since the start of the pandemic has been blurring the lines up between individual life and occupation and between domains such as economics and mobility. There has been a extreme spike in downloads for business and video seminar apps, 60% of US consumers stated they were spending more cash online and 40% indicated they have been purchasing more through mobile gadget since the start of COVID-19.

Miri et al. (2020) observed panic buying the whole time the pandemic. However, in some countries, individuals purchased products such as canned foods, first aid box and hand sanitizer to arrange for the signs of corona viruses such as nausea, coughing, and vomiting.

Alexander W. Bartik, Marianne Bertrand (2020) in his study found that the business still keeps up selling market rate price than higher the amount of dealing their products. In this research, No need to think about impact on since the start of COVID-19. They also shows that a large number of respondents also anticipated problems with accessing the help, citing possible issues like as bureaucratic bothers and difficulties setting up eligibility.

RESEARCH METHODOLOGY

There were 200 traders and employees participating in this Rajshahi district, Bangladesh chosen for research respondents. My main objective is to find out what problems small businesses faced during this coronation period and what caused the most stress, such as problems with the sale of rent bank loans and raw materials. This study focused on the impact of corona virus on the basis of my objective. This research report analyzes that the COVID-19 has affected the situation of small traders in Bangladesh and forced them to change their professions. The economic condition of small traders in Bangladesh has

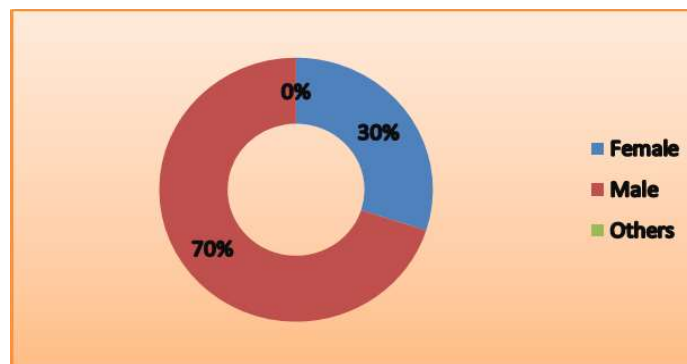


deteriorated. The consumer was purchasing attitude which have constraints caused by the decrease in demand and tighter financial resources. In my region, the most of the traders have started their small businesses relying on micro loans. Many employees have been deprived of jobs due to COVID-19 in Bangladesh. They did not get their due monthly salary. They did not obtain salary what they used to get in the past. Additionally, they did not enough jobs reasons that have been politicized by the Bangladesh government for businessmen as a matter of policy. In my study, the data has collected through simple random sampling. Simple random sampled methods are likely to be selected by all units; sampling cannot be a personal argument or bias. The method is also referred to as the following procedure: lottery system and data takes every 10th or 20th or 100th unit to sort the units by geographical alphabetical serial number. Moreover, the online platform for data collection has

been used in this study. Data collection has also been done online and considers that participants are able to feel safe. Moreover, online based business has developed during the Corona period, so some interviews have been done online the manner in which communicate with respondents such as in WhatsApp, email, and Facebook. The data of this research has been analyzed through SPSS MS Word. There is a limit to every breath. It took a long time to conduct this research interview and they were reluctant to give accurate information of the research. Finally, the recommendation is that the government should introduce specific schemes for these small traders. Encouraging them to improve, such as making them a variety of inspirational documentaries through newspaper media so that they are interested in getting back to the way they were.

DATA ANALYSIS

Doughnut: 1 Sex

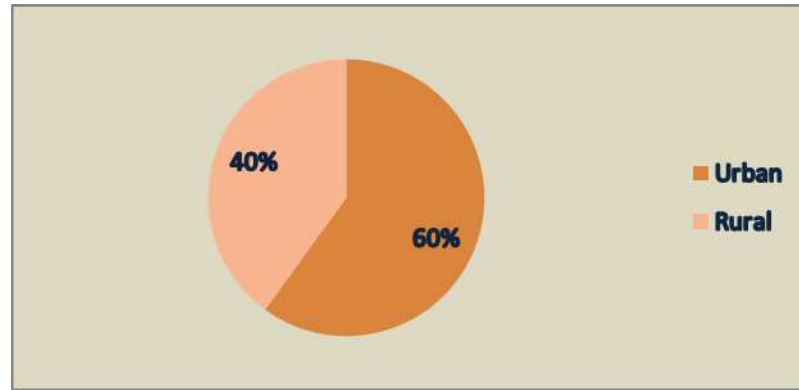


After analyzing received data from doughnut 1, the result shows the male respondent more than female. Female only 30% and male 70% are doing businesses.

Table explores the approval of the most of the respondents 70% engaged in small business.



Pie chart: 2: Company locations



The pie chart results show during COVID-19 in Bangladesh urban and rural both area entrepreneurs suffered various from of problem. In Bangladesh, we lose many of rising future. The Rural area workers are

lower only 40%. On the other hand, The Urban job holders and owners are continuing their work in COVID-19 a large majority 60% respondents.

Table: 1 Position in the company

Respondent position	Frequency	Percentage
Owner	120	60
Employee	80	40
Total	200	100%

Figure 1 shows the respondent position of company changes COVID-19 in Bangladesh. December 1, 2020. Overall, more than 60% owners survives own zone. Their ambiguity draws attention to the broader uncertainty that was current throughout the world at

the time. The number of employees is loss their position and income as well. In this area, 40% employees work tough to stay a job that is in exist company they lead simultaneously.



Table: 1 Need time for the company's selling improvement within period.

Improvement Period	Frequency	Percentage
Within 2 weeks	60	30
1 month	90	45
1 month to 3 months	10	5
More than 3 months	40	20
Total	200	100%

This table Altogether, the results illustrate that a huge number of enterprises is diminishing profit. They have to improve their conditions which are better for future business. It was difficult to gain so early. The company's selling improvement they needed within 2

weeks only 30%, 1 month to 3 months 5% as well as more than 3 months 20% of respondents. The large numbers of respondents express to overcome period from drastic situation only 45%

Table: 3 Company's present cash flow keeps up the company's procedure

Company's procedure overcome	Frequency	Percentage
Less than 1 month	78	39
1-3 months	85	42.5
4-5 months	20	10
6 months or further	17	8.5
Total	200	100%

After analyzing received data from table 5, the table describes company's present cash flow keeps up the company's less than 1 month 39%, 1-3 months 42.5%, and 4-5 months after ending covid-19 in this area. The

majority of companies given opinion 39% they have done rapidly in this crisis. In this sector, there were a few number respondents to need lower period only 8.5%.



Table: 4 Companies have the same hope as you before belonging in this area

Express situation	Frequency	Percentage
Yes	50	25
No	100	50
Maybe	50	25
Total	200	100%

Table 4 shows the respondents express concerns related to back to own position. The situation impacts to their level of trouble across company operations, sales movement, and deliver chains which cannot prevail over before existed in business 50% claim. The mean sales space across these categories aligns most closely with confusion to sales accomplishment so

that result is 25% concern of upgrading along with some numbers not sure around 25%. It is clear that sales break across these groups brings into line most intimately with difficulty to sales progress. Definitely, even small business that pointed out no supply interruption had a negative impact on sales environment.

Table: 5 Company's raw materials and entire operating price in 2020 compared to 2019

Current Raw Materials Price	Frequency	Percentage
Amplify by more than 10 percent	110	55
Enhance, but less than or equal to 10 percent	30	15
Be the equivalent as last year	30	15
Decline by less than 10 percent	15	7.5
Diminish by more than 10 percent	15	7.5
Total	200	100%

Table 5 shows the respondents give out data their raw material related price, delivery time including suddenly change market condition during the COVID-19 in Bangladesh. The huge numbers respondents said that they have paid extra 10% than normal circumstances of 55% contribute to this

research. A 7.5% respondent's claim that price was lower because sometime they getting offer from producer. The evident shrinking of descending nominal severity during the COVID-19 pandemic is moderately abnormal.



Table: 6 Business had at the closing stages of 2019

Workers Number	Frequency	Percentage
A lesser amount of 10 persons	40	20
11-50 persons	60	30
51-100 persons	40	20
101-500 persons	40	20
500 or more persons	20	10
Total	200	100%

Table 6 shows the respondents answer worker active role play since company started with them. However, the entrepreneur's business lost capability of workers in their place where they belongs during the COVID-19 in Bangladesh. A large numbers respondent that

had temporarily closed job seekers and starting point engaged 30% and lower 10% in company. Employee health concerns as the reasons for closure, along with disruptions in the supply chain being less of a cause.

Table: 7 The most significant economic problems face for business during the outbreak

Economic Problems	Frequency	Percentage
Rent	40	20
Refund of loans	90	45
Payments of bill	40	20
Other costs	15	7.5
Not precise	15	7.5
Total	200	100%

Table 7 shows the respondents did not manage financial problems during the outbreak. In Bangladesh a large proportions entrepreneur's business is based on bank loan or micro scheme from different NGOs and loans problem suffer around 45%, rent and payment of bill cause 20 %. On the other hand, cost and not exact idea about expenses 7.5% respondents. As a result, they cannot keep up run own

business during COVID-19 in Bangladesh. COVID-19 in Bangladesh would also be likely to effort to overtake on these unit charge enhances by increasing prices and, finally entrepreneur's business lead to anticipate higher inflation in the upcoming season. Table identifies the approval of the majority of 45% the respondents disturbed from refund loans.



Table: 8 Satisfied own position in pandemic situation

Expression Respondents	Frequency	Percentage
Yes	38	19
No	140	70
Maybe	22	11
Total	200	100%

Table 8 additional lights on the scenery of the COVID-19 upset. Results entrepreneur's felt that examination the massive impact on financial that the respondent's gain experience and learnt strategy during COVID-19 in Bangladesh. The expression of respondents were not positive attitude towards small business 70%, satisfied rate 19% positive together with 11% unaware about feelings.

CONCLUSION

On the basis of above conversation it can be said that. In this research, I have highlighted some necessary elements of the systems approach to the force to swapping the bench for entrepreneur's business. This piece of writing contributes significant new pragmatic analysis of the impacts of the pandemic on Small Enterprise in Bangladesh at a point where there is an great quantity of abstract papers and approach pieces on other aspects of the impact of COVID-19 but still limited proof on the impacts of the pandemic Small business mostly in developing countries like Bangladesh. One of the strategy implications of our study is necessitate addressing social safeguard steps which can help to cushion the effect on the pandemic on the Small business in Bangladesh.

The damage to the small sector in the Corona crisis is manifold. One of the losses incurred in this sector during the last one and a half years is due to disruption in the supply of raw materials, reduction in production, difficulties in transportation of goods, loss of market, layoffs etc. The people involved in the industry are also looking at all the reasons for the

news that has come out through various media including the media so far. It is possible to estimate the loss of this industry by taking into account the workers involved in the industry, the families of the workers, all the ancillary industries associated with the industrial cluster, raw material suppliers, drivers, shopkeepers, hoteliers, day laborers, peddlers. I spoke to the relevant data and stakeholders as part of a survey on how the targeted population is getting the incentive package taken by the government and its benefits to overcome the damage caused by COVID-19. Considering the importance of small, cottage and medium industries in the national economy, there is no alternative but to give special priority to the most backward regions and the most affected industries in the Corona epidemic. Therefore, the government should not end its responsibility by announcing the amount of incentive money and incentives. Institutions or individuals in charge of the government have to take special responsibility so that the money of the government and the people reaches the industrial entrepreneurs who have been harmed in a proper and orderly manner.

REFERENCES

- Alessa, A. A., Alotaibie, T. M., Elmoez, Z., & Alhamad, H. E. (2020). Impact of COVID-19 on Entrepreneurship and Consumer Behaviour: A Case Study in Saudi Arabia. *Journal of Asian Finance, Economics and Business* Vol 8 No 5 (2021) 0201-0210.
- Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L., Luca, M., & Christopher Stanton, C. (2020). The



- impact of COVID-19 on small business outcomes and expectations. *Proceedings of the National Academy of Sciences* Jul 2020, 117 (30) 17656-17666; DOI: 10.1073/pnas.2006991117
- Brent, H., Prescott, M. B., & Sheng, X. S. (2020). The Impact of the COVID-19 Pandemic on Business Expectations. Working Paper 2020-17a August 2020.
- Islam, M. N. (2007). *Social Research*. Tasmia Publication
- Islam, A., & Rahman, A. (2020). How vulnerable are the small businesses?. *The daily star*. Available at: <https://www.thedailystar.net/opinion/news/how-vulnerable-are-the-small-businesses-1989493>
- Jennifer, B. (2020). *Assessment of COVID-19's Impact on Small and Medium-Sized Enterprises: Implications from China*. Santa Monica, CA: RAND Corporation. <https://www.rand.org/pubs/testimonies/CT524.html>.
- Kamari, B. (2020). *Micro & Macro Economics*. Course No-S.C.3. Patna University.
- Khalil, T. (2020). The impact of COVID-19 on small businesses. *The daily star*. Available at: <https://www.thedailystar.net/lifestyle/news/the-impact-covid-19-small-businesses-1942713>
- Kader, A. W. (2020). 37pc employees in small businesses lost jobs: survey. *The daily star*. Available at: <https://www.thedailystar.net/business/news/37-pc-employees-small-businesses-lost-jobs-survey-1981653>
- Maritz A, Perenyi, de Waal, G, & Buck, C. (2020). Entrepreneurship as the unsung hero during the current COVID-19 economic crisis. *Australian perspectives. Sustainability*, 12(11), 4612.
- Oyewale, A., Adebayo, O., & Kehinde, O. (2020): *Estimating the Impact of COVID-19 on Small and Medium Scale Enterprise: Evidence from Nigeria*. International Institute of Tropical Agriculture (IITA), Nigeria