

IMPACT OF COVID 19 ON MSME SECTOR IN INDIA

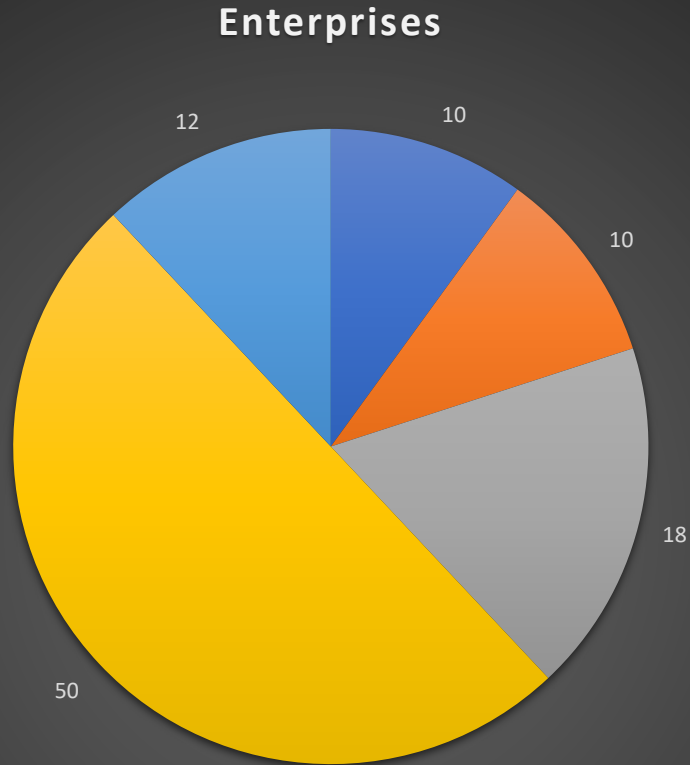


INTRODUCTION

- ❑ MSME stands for Micro, Small, and Medium Enterprises. In accordance with the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006, the enterprises are classified into two divisions.
- Manufacturing enterprises – engaged in the manufacturing or production of goods in any industry. Like- Printing, Ayurvedic products, beedi/ cigarette manufacturing, and other tobacco products.
- Service enterprises – engaged in providing or rendering services. Like- Publishing, Hospitals, Restaurants, Hotels, Education, Training, Software services.
- ❑ MSME has been considered as one of the major pillars of Indian economy. This sector contributes 8 per cent of the country's GDP. The MSMEs provide employment to about 60 million persons through 26 million enterprises.

- ❑ Originated from Wuhan in China on December 2019 to the first case in India on 30 January 2020, Coronavirus has engulfed the whole world.
- ❑ On looking upon the magnitude of situation most of the countries has imposed lockdown and social distancing norms, India being on of them. Although the steps taken by government are apt and for the safety, but it has led to the catastrophic mismanagement of the whole economy.
- ❑ In India Coronavirus has attacked all systems like transport, entertainment, retail and stock market has witnessed unpredictable large drops still the major hit is witnessed by MSME sector.
- ❑ According to a survey covering 5000 MSMEs, conducted by the All India Manufacturers' Organization (AIMO) has revealed that 71% of the businesses weren't able to pay salaries in March. The survey further revealed that a whopping 43% would shut shop if panic extends beyond eight weeks. Considering the stoppage of economic activity over the past few weeks, it is unfathomable that a vast number of MSMEs will be choked, perhaps to the point of permanent closure.
- ❑ Government of India has taken some countermeasures to tide over the pandemic such as Aatma Nirbhar Bharat package, low interest loan rates, stimulus packages but lot of efforts still needed to cover up the losses of MSMEs.

A STUDY BY ILO (INTERNATIONAL LABOUR ORGANISATION)



- Stopped operations previously but currently running again
- Temporarily stopped due to C0vid 19 cases in business
- Temporarily stopped due to reduced orders
- Temporarily stopped due to instruction of authorities
- Permanently stopped

- This study is conducted by ILO, on 15 May 2020 in which they have conducted a global COVID 19 enterprise survey to check how enterprises are affected by pandemic
- In this survey 7 countries were included. Countries are Indonesia, Peru, Myanmar, Colombia, Ghana, Tunisia, Bolivia, and Pakistan.

OBJECTIVE

- ❑ To study the impact of COVID 19 and lockdown imposed due to this pandemic on micro, small and medium level enterprises (MSME) in India.
- To assess how COVID 19 has affected the operations of MSMEs.
- To know the effect of pandemic on workforce of small businesses.
- To identify the steps government can take to address the problems MSMEs are facing.

METHODOLOGY

- ☐ Secondary data was collected from the internet using search engines like Google scholar, PMC and PubMed.
- ☐ Articles and papers appeared in the search are further narrowed down based on how recent the research is?
- ☐ Sources used in the research are selected based on some criteria, first is source should be authentic and renowned and the second is source must be in line with the purpose of literature review based on the objective of the article.
- ☐ Only those articles which are peer reviewed are taken in this paper.
- ☐ Key words that has been used to locate different articles are *MSMEs, economy, COVID, entrepreneurship, business operations, finance* etc.

LITERATURE REVIEW

Title of Paper	Authors	Year of Publication	Data Size	Key Findings
The impact of Covid-19 on small business outcomes and expectations in the United States.	Alexander W. Bartik, Marianne Bertrand, Zoe Cullen, Edward L. Glaeser, Michael Luca, and Christopher Stanton.	2020, Working paper 20-102	7,511 enterprises	41.3% enterprises were temporarily closed, 1.8% permanently shut down, 55.5% still operational
Masters of disasters? Challenges and opportunities for SMEs in times of crisis.	Eggers, Fabian	2020	69 manuscripts	Issues faced by MSME are lack of funding, complex loan processes. Demand target business are more likely to survive, Combination of EO and MO can help MSME to fight this crisis.
Can India stay immune enough to combat COVID 19 pandmeic. An economic query.	Bijoy Rakshit, Daisy Basishta	2020	Article	Sectors affected due to crisis are agriculture, supply chains, manufacturing sector, service sector, international trade and education. Lowered GDP growth projections, MSME, the most affected sector
Impact of COVID 19 on small and medium enterprises in Pakistan.	Maryam Anas Ganale, Farhan Zafar, Nadia J. Seth	2020	920 enterprises	95% of enterprises affected by pandemic, , 48% of has laid off employees. After lockdown that 60% of enterprises will continue with current business. Main issues SMEs are facing are supply chain disruptions, financial crisis, issues in selling their product or service, conveyance, inventory issues, import and export

The Impact of COVID-19 Crisis on Medium-sized Enterprises in Serbia	Isidora Beraha1*, Sonja Đuričin1	2020	50 MSMEs	56% of MSMEs are affected by pandemic,11% are not at all affected, rest are expecting negative growth in coming times but not yet affected. 56% of total enterprises are aware about relief package by govt., 33% are partially familiar and 11% are not familiar with the regulation.
Covid 19 and MSMEs: A Revival Framework	Sipahi, E	2020	Evaluation research	Framework should provide Financial aid, also collateral free loans, correct implementation of government directives, also establish a digital platform for learning new skills
Reactions of small to medium enterprises in masvingo, zimbabwe to covid 19: implications on productivity .	Takupiwa Nyanga, Herbert Zirima	2020	7 enterprises, 10 responedents by convenient sampling	SMEs has to close down because they don't come under essential services, SMEs has to lay off their employees because enterprise was not able to pay wages. Enterprises joined digital platform to sell their products online.
From slowdown to lockdown: Effects of the COVID-19 crisis on small firms in India	Udayan Rathore, Shantanu Khanna	2020	361 enterprises	Firms which were functional at 75% utilization rate, post lockdown it fell to just 11% in which 55% of the firms have stopped operations completely. 14,230 out of 27,265 workers were employed before the lockdown. 45% firms are operating on their own savings and informal channels. Less trust and awareness regarding aatma nirbhar package

DISCUSSION

- ❑ The economic disruptions due to COVID 19 has left the MSME sector in India in severe damage. Various global rating agencies like S&P stated that Indian economy is in deep trouble, expected growth to fall by 5% this fiscal year.
- ❑ The most common problems MSME are facing right now are supply chain disruptions, lack of availability of funds, complex loan processes, unable to pay wages, lay off employees, manpower shortage, bankruptcy etc.
- ❑ The enterprises which are not into essential goods production have to close down their businesses permanently.
- ❑ Increased urban-rural migration.

STEPS GOVERNMENT AND ENTERPRISES SHOULD TAKE

- ☐ Government should aware the target population about the stimulus packages and schemes that has been launched.
- ☐ Enterprises should shift from conventional way of doing business to more advanced way.
- ☐ Shift to demand based business.
- ☐ Collaboration between enterprises and government.
- ☐ Government should engage more with enterprises for decision making.
- ☐ Training programs and Digital learning.

CONCLUSION

- ❑ MSME proven as the most significant domain of Indian economy yet facing extreme economic downturn due to the COVID 19 pandemic and if government will not take appropriate measures situation can worsen more.
- ❑ Government has to focus more on digital learning, technological advancement, bringing innovation and specially focus more on make in India.
- ❑ Banks and other funding agencies have to become have to focus more on easing the loan taking processes.

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The background image shows two women sitting on the floor, looking at a document. The woman on the left is wearing a blue and white striped sari. The woman on the right is wearing a red sari and is holding a baby wrapped in a blue cloth. Both women are wearing multiple bangles. The document they are looking at has some text and small illustrations. The overall scene suggests a community health worker program in a rural setting.

STRENGTHENING COMMUNITY HEALTH WORKER PROGRAMS

- **NAME OF THE COURSE :** STRENGTHENING COMMUNITY HEALTH WORKER PROGRAMS
- **DURATION OF THE COURSE :** 15 hours
- **PLATFORM :** Digital platform edX
- **OFFERED BY :** Harvard University
- **BRIEF DESCRIPTION OF THE COURSE :** This course highlights the importance of community health workers in a healthcare system and how they are foundation of primary level of healthcare. It also highlights the guidelines provided by WHO for every country to adapt for the betterment of community health workers. Three case studies of three different countries, Ethiopia, Bangladesh, and Liberia are taken in this course. This course also reflects the opposition and challenges faced by community health workers and by system as a whole and how to deal with opposition. The role of community health workers in distribution of equitable healthcare services. It explains the role government plays in integrating the healthcare services and how government regulates, monitor, reform the programs.

OBJECTIVES OF THE COURSE:

- To understand the role and importance and role of community health workers.
- To understand the challenges faced by the community health workers.
- To understand the core concepts in community health as a part of primary health systems.
- How to advocate for community health worker programs with key stakeholders.
- How to build coalitions to support government-led programs

LEARNING METHODOLOGY:

Thematic videos, case studies, reading material, practice exercises, discussions, objective type test and quiz after each session.

COURSE CONTENT

S.No.	WEEK	CONTENT
1.	WEEK 1	• Assignments- 12 questions • Section wrap up- 3 questions
2.	WEEK 2	• Assignment- 9 questions • Section wrap up- 4 questions
3.	WEEK 3	• Assignment- 2 questions • Case study- 1 question • Section wrap up- 2 questions
4.	WEEK 4	• Assignments- 6 questions • Case study- 1 question
5.	WEEK 5	• Assignment- 10 questions • Section wrap up- 1 question
6.	WEEK 6	• Assignment- 7 questions • Case study- 7 questions

KEY LEARNINGS

■ WEEK 1

- Roles and responsibilities of community health workers. With the interviews of community health workers themselves from the countries, Ethiopia, India, Liberia, Bali, Mexico, Nepal, Rwanda, and Uganda.
- History of community health worker programs
- WHO guidelines for community health worker programs

■ WEEK 2

- Case studies of Ethiopia, Bangladesh, and Uganda.
- Evolution, impact of community health worker programs in these countries.

■ WEEK 3:

- Role of governments in the health system and the benefits of government leadership of community health worker programs.
- Specific challenges faced by governments.

■ WEEK 4:

- Factors that have historically inhibited partners and funders from fully aligning behind government-led programs, as well as strategies these groups are using to change the status quo.
- Identify and compare/contrast specific solutions governments have employed to overcome barriers to alignment and build coalitions to support their programs.

WEEK 5 & WEEK 6

- System approach to problem solving.
- interconnectedness of health systems and the linkages between each of the health systems areas as they relate to community health worker programs
- Systems approach to problem-solving can enhance design decisions and alleviate implementation challenges that arise in community health worker programs
- Adaptive management

■ **SUBMITTED BY:**

- Purnima Rathore
- Roll no. 0965
- MBA HM-24
- Hospital & Health Management