

The Effect of Covid-19 Pandemic Among Local Small Medium Enterprises: A Case of Johannesburg, Region G

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Abstract: This study is orientated around impact assessment and small, medium and micro enterprises (SMMEs) and focuses on small and medium enterprises (SMEs) in the township. The main aim of the study was to investigate the effects of the Covid-19 pandemic on selected SMME's in region G12, Joburg South, City of Johannesburg. Small businesses are more vulnerable during economic downturns, partly because they have fewer resources with which to react to changing circumstances. Additional shocks from Covid-19 are putting additional strain on South-African SME's, who are already dealing with a declining economy. As a result of the lockdown, many small businesses have seen their revenues collapse, and the majority has had to cut back on company spending in order to stay alive. SMEs struggled to stay afloat because they were forced to close-down their businesses. Covid-19 epidemic appears to have increased fear and uncertainty among people, leading in new behaviours and beliefs. Various measures were taken to limit the effects of the outbreak. Using surveys, the study identifies the effects of Covid-19 on SMEs in Region G12. A literature review and desktop analysis were considered to understand the conceptual framework and the developments around the SMEs. The analysis found that the Covid-19 epidemic has a huge impact on SMEs. The study shows that the coronavirus pandemic has a range of consequences on the economy, notably on SMEs, on both the supply and demand sides. The Covid-19 outbreak caused a slew of problems and barriers for small and medium-sized businesses. In addition, supply networks were interrupted, leading in shortages of components and intermediate items. The effects are magnified when workers are laid off and firms are unable to pay salaries. The study concludes with a set of recommendations for mitigating pandemic outbreaks on small businesses.

Keywords: Covid-19, Effect, Pandemic, Region G, Small and medium enterprises

1. Introduction

There is an overwhelming global response to the Covid-19 virus with regards to the food sector, and small and medium enterprises (SMEs). The effects of Covid-19 have resulted in widespread and severe increases in global food insecurity, particularly on low-income households in South Africa. Global pandemic (Covid-19) exposed SMEs to a variety of obstacles and can even put their lives in jeopardy. The Covid-19 epidemic has had an impact on all economic sectors and organizations causing a slew of problems and barriers for small businesses. In South Africa and throughout the world, SMEs have been highlighted as productive drivers of inclusive economic growth and development. The South African government consider the SME's sector as one of the key enablers in achieving its goals of increased job creation, poverty reduction, and more equal wealth distribution. The South-African government, on the other hand, recognizes the value of a strong and dynamic SME sector. This is evidenced by

its dedication to SME promotion and support, which aims to increase the number of new businesses while also providing an enabling environment for their survival and growth. Globally, governments established interim institutions and developed programmes to increase access to vital resources for SMEs. In order to ease liquidity constraints, many countries have introduced measures towards the deferral of tax and such were, social security payments, debt payments, rent and utility payments. In this paper we adopted the seven measures of Covid-19 impacts on small businesses identified by Wang and Kang (2021) for the Small Business Pulse Survey (SBPS) undertaken in 2021. The respective measures are applied for the discussion of the results.

2. Methodological Approach

A qualitative data is used by means of semi-structured telephone interviews were used to gather opinions as well as experiences from business owners within region G12 about the effects of the

Covid-19 pandemic. Desktop research played an important role for conceptualising the content, whilst the participant observation also kept us informed through media release and newsroom. The interviews helped gain insights and different perspectives from business owners on the effects of the Covid-19 on their small, medium and micro enterprises. A questionnaire was distributed to business owners around Region G12 in Ennerdale and Lenasia South. The business owners in Ennerdale and Lenasia South received the questionnaires via email. The business owners received the questionnaires on the 22nd of September 2021 and were returned on the 30th of September 2021. Sending out questionnaires via email seemed cost effective; the process of obtaining critical data will be streamlined by sending out email questionnaires.

The questionnaire comprised of five sections with 22 questions with likert scaling and a column question consisting of a "Yes or No" questions. The first section posed questions to understand the background information of the respondents. The second section focused on the communication strategies employed by the SMEs. The third section looks at the impact of Covid-19 and employment. The third section looks at the impact of Covid-19 and business. The last section deals with the challenges and future changes. The sampling frame of this study covers businesses operations in region 12 of the City of Johannesburg. A total of 6 township SMMEs were sampled. The questionnaires were distributed by WhatsApp and email. Respondents were given a few days to review the questionnaire. All interviews were conducted in a manner which adheres to the Covid-19 regulations.

3. Theoretical Framework

The sections below provide an overview for understanding the context of the SME. This section explains the term pandemic and presents an overview of the profile of SMMEs in South Africa.

3.1 Pandemic

In 2009 WHO declared a pandemic several weeks after the criteria for the definition of a classical pandemic had been met (Kelly, 2011). The International Epidemiology Association's Dictionary of Epidemiology defines a pandemic as "an epidemic occurring worldwide, or over a very wide area, crossing international boundaries (Porta, 2008). The term pandemic is used to describe diseases that are new,

or at least associated with novel variants of existing organisms (Morens, Folkers & Fauci, 2009). A pandemic usually affects a larger area. The Covid-19 pandemic is not the first pandemic that occurred across the world, there many pandemics that occurred and affected our economy. Notable pandemics include tuberculosis, Spanish flu, HIV/AIDS, SARS and Covid-19 (Wingfield, Cuevas, MacPherson et al., 2020). Women and men are affected differently by pandemics and outbreaks. Following catastrophes, impacted communities would require assistance to regain their operations as quickly as feasible in order to fully fulfill family food security demands and recover resilience (Mzini, 2020).

3.2 Small and Medium Enterprises

The definition for SMMEs encompasses a very broad range of firms (The DTI, 2008). SMEs range from informal, own-account enterprises to formal, employment-creating firms (Bhorat, Asmal, Lilenstein & Van der Zee, 2018). The informal sector comprises almost exclusively of SMEs; those classified as survival entities have very little growth potential and are less likely to hire staff (The DTI, 2008). SME refers to the combination of very small businesses/own-account, micro-businesses, Medium-sized businesses. Own-account SMMEs are almost always informal and survivalist in nature (Bhorat et al., 2018). The very small businesses are established as traditional family businesses employing between 6 and 20 employees (Du Toit, Erasmus & Strydom, 2010). These firms can take the form of street trading enterprises, backyard manufacturing and services, and occasional home-based evening jobs (Berry, von Blottnitz & Cassim et al., 2002).

In terms of the South African context, the National Small Business Amendment Act 2004, defines micro-businesses as businesses with five or fewer employees and a turnover of up to R100,000 ZAR. Medium-sized businesses usually employ over a hundred people (Berry et al., 2002). Small businesses often operate in niche and can provide something different from standardized products and services offered by large companies (Harel, 2021). In Table 1, the authors present the profile of SMMEs and SME sector in South Africa.

SMEs are strongly represented in sectors such as tourism and transportation, as well as fashion and food where short delivery times are of essence (OECD, 2020).

Table 1: Profile of SMMEs and SME Sector in South Africa

Profile of SMMEs in South Africa	SME Sector in South Africa
Owner Only	Mining and quarrying
Micro (1-4)	Manufacturing
Small (5-9)	Electricity, gas and water
Medium (10-49)	Construction
SMME overall (50+)	Wholesale trade
	Retail trade
	Motor trade
	Accommodation and catering
	Transport
	Real estate & business services
	Community, social and personal

Source: Seda, 2016

3.3 Legislative Framework

Government policy on South African SMME development was initially documented in the 1995 White Paper on SMME development. The context of SMME's is regulated by the National Small Business Act 102 of 1996. The Act seeks to develop guidelines for state organs in order to encourage small business in the Republic; and to provide for things ancillary thereto. Further the SMME's are led by the Department of Trade and Industry formed in June 2019. The Department's strategic objectives are to:

- Facilitate economic transformation to promote industrial development, investment, competitiveness, and job creation;
- Build mutually beneficial regional and global relationships to advance South Africa's trade; and
- Facilitate the transformation of the economy to promote industrial development, investment, competitiveness, and job creation (South African Government, 2021).

4. Literature Review

Much of the related literature focused on post-disaster recovery from natural disasters. Studies were conducted to assess the business functions that are affected the most, and the strategies that were introduced to minimise the impact thereof. Impact studies are crucial for to measures of Covid-19 impacts, derive practical steps or strategies to strengthen the resilience of the SMMEs in Africa

during and post Covid-19 (C4G, 2020). Marshall and Schrank (2014) identified the most important attributes of a business in building SME resilience, including: emergency planning, financial situation, and previous disaster experience. For example, there is a clear and common view that leadership and management, the core competence of staff, and effective planning are what most contribute to a business's resilience (Wang & Kang, 2021).

The study undertaken by Wang and Kang (2021) adopted seven measures of Covid-19 impacts on small businesses from Small Business Pulse Survey (SBPS): "Overall," "Shifting," "Revenue," "Close," "EmpNum," "EmpHour," and "Expectation". Their study addressed how Covid-19 impacted small businesses the regional factors related to small business's vulnerability and resilience (Wang & Kang, 2021). Their results demonstrated significant disparities in impacts across regions and over time. Harel (2021) also conducted a study which looked at the impact of the Coronavirus Disease 2019 on the revenues of small businesses operating in industrial sectors. The study aimed to establish the extent to which these businesses changed or adjusted their business activity during Covid-19. The findings show that the revenues of most of the small businesses in industrial sector were not adversely affected by the pandemic. Another study conducted by Humphries, Neilson and Ulysea (2020) assessed the challenges faced by small businesses during the Covid-19 crisis and how these businesses have responded, or plan to respond, to growing economic uncertainties.

A similar study was undertaken by Catalyst for Growth (2020) to explore the SMME owners' perception of

the impact of Covid-19 on their businesses. The study was purposely undertaken in the first few weeks of the lockdown in South Africa and other African countries, comprising of entrepreneurs from South Africa, Uganda, Kenya, Tanzania, Zimbabwe, and Morocco. Their study adopted a quantitative and qualitative research design. The quantitative research aimed at understanding the impact of Covid-19 on the business operations of SMMEs across Africa. The C4G Covid-19 White Paper survey was run from 20 March until 21 April 2020. The survey was sent to over 2,000 entrepreneurs on the C4G platform, and to other incubators that are active on the C4G platform (C4G, 2020). The qualitative data highlighted the key interventions to help SMMEs cope with the uncertain and rapidly changing business environment.

5. Results and Discussion

The following section presents the results of the survey undertaken from the business owners selected in Johannesburg Region 12. The names of the participants are not used so to protect interviewee confidentiality.

5.1 Profile of the Business Owner

All the respondents were asked questions related to their age and educational background. The results are presented in Table 2. The participants comprised of five males (83.3%) and one (16.6%) female. All (100%) respondents are between the age group of 30 to 49 years. The results show that few of the respondents had tertiary education (33%) while the majority had general education (16.6%) and secondary education (50% per cent). Education is the backbone in creating a productive and sustainable economy. The literature reviewed also shows that there are extensive opportunities available to SMEs wishing to enter the education sector.

5.2 Profile of the Businesses

All the respondents were asked to identify the location and place of business operation and number of years in the business operation. The participants in this study reside and operate their businesses in their homes in Lenasia (50%) and Ennerdale (50%) situated in Region G, Johannesburg. When asked

Table 2: Summary of Sample Profile

Value	Frequency (6)	Percentages
Gender		
Male	5	83.3%
Female	1	16.6%
Age		
Less than 30	3	50%
30-39	2	33.3%
40-49	1	16.6%
50-59	-	-
Highest qualification attained		
Standard 8/ Grade 10	1	16.6%
Matric/Higher Certificate	3	50%
National Diploma	2	33.3%
Bachelor's Degree	-	-
Number of years in the business operation		
1-2 years	1	16.6%
3-5 years	1	16.6%
6-10 years	2	33.3%
11-15 years	1	16.6%
16-20 years	1	16.6%
over 20 years	-	-

Source: Authors

about the number of years in the business operation and the results varied where only two (33.3%) had long service in the business.

5.3 Overall and Shifting

Overall, represents small-business owners' subjective assessment of the overall negative impact (Wang & Kang, 2021:532). The results show characteristics of own-account business operations subjected to minimal geographic client base. Shifting is asked in the questionnaire to establish if the SMEs shifted business to the production of other goods or services. The results indicate that three (50%) of the respondents pursued with the original; and some (33.3%) opted for new income stream. One (16.6%) of the operator indicated that the business replaced original income stream with new income stream, whereby sanitizing material were sold and manufacturing essential items such as face masks. Sanitizing materials were witnessed in the street corners of Lenasia and Ennerdale. This also included delivering products (braai meat) and sanitizing material to clients' homes.

5.3.1 Communication

The results also show that the respondents successfully adapted their businesses by communicating with customers via social media/digital platforms

such as WhatsApp and telephone orders. Social media has a positive impact on small and large businesses; it allows businesses to build a brand for the product or service they are offering. Social media platforms improve the progress of SMME's; it allows interaction between the business as well as the customers. The social media platforms of these six enterprises are currently still functioning.

5.4 Revenue

A prolonged loss of revenue always leads to an inevitable loss of jobs as businesses liquidate and close (C4G, 2020). The respondents were asked to indicate the status of their financials before and after the lockdown. The results presented in Table 3 shows that the participants' revenue was not much affected, as they did not seek for loans or incurred in debts.

5.5 Closure of Business

A question posed determined if the SMEs considered closing their business during lockdown. The responses in Table 3 show that the majority (83%) of the SME did not consider closing their business. Small businesses serve the end consumer through face-to-face interactions. Many businesses across the world temporarily closed while some never reopened their businesses.

Table 3: Financials Before and After the Lockdown and Close of Business

Value	Frequency (6) and Percentages	
	Yes	No
How were your financials before and after the lockdown? Did they change?		
Did not have any debt	1 (16.6%)	5 (83.3%)
Soft loans (informal lenders, family or friends)	-	6 (100%)
Business overdraft	1 (16.6%)	5 (83.3%)
Unpaid supplier invoices	1 (16.6%)	5 (83.3%)
Business credit card	1 (16.6%)	5 (83.3%)
SARS debt	-	6 (100%)
Business loan from the bank	-	6 (100%)
Business revolving credit	-	6 (100%)
COVID-19 and closure of business		
Have you ever considered closing the business?	1 (16.6%)	5 (83.3%)
Impact on Employees		
Is your business currently considering layoffs, or has already done some because of the epidemic?	3 (50%)	3 (50%)
The results indicate that the six (100%) enterprises didn't have any debt		

Source: Authors

5.6 EmpNum

The respondents were asked to identify the number of employees in the respective establishment and its categories. The responses indicated that their workforce comprises of full-time and part-time employees, including 33 males and 21 females altogether. They do not have any casual or disabled employees.

5.7 EmpHour

This measure assesses the decreases or declines in revenue, employment size, and working hours (Wang & Kang, 2021). The question posed established if the six businesses considered layoffs during lockdown period. The results in Table 3 indicate that some businesses (50%) considered staff layoff during lockdown. Small businesses laid off a substantial portion of their employees (Humphries, Neilson & Ulysea, 2020:2). Business owners also had to implement flexible working hours for their employees because of the curfew that was given to the country by President Ramaphosa. Whilst operating during lockdown, business owners had postponed certain business activities such as deliveries and sit-ins at their establishments.

5.8 Expectation

"Expectation," measures the length of time in months that small-business owners expected before recovering to the same business level as last year (Wang & Kang, 2021). Business owners (100% of the sample) had lots of difficulty since the Covid-19 pandemic started; there are number of factors that contributed negatively on business operations. The respondents thought that their businesses would not recover during 2020, however the easing lockdown steadily increased their sales. It was indicated that they had to apply for a license to operate during lockdown. However, they remain at the same size or exit due to pressures within the sector. The next section provides a brief outline of the impact of Covid-19 on SMEs operations.

6. Effects of Covid-19

The Covid-19 pandemic has highlighted to be an inclusive threat to all business sectors. The pandemic may have an immediate risk, near-term risk, and long-term risk (Parilla, Liu & Whitehead, 2020). The economic or environment factors may also

influence the rate of survival. Two immediate risks are identified below, namely: transmission channels and employment with employee earnings.

6.1 Transmission Channels

The coronavirus pandemic affected the supply and demand side of the economy (OECD, 2020). On the supply side, SMEs often have a limited number of suppliers leading to shortages of parts and intermediate goods. On the demand side, consumers postponed the demand for non-essential goods due to loss of income. The fall in domestic demand directly hits domestic suppliers as (OECD, 2020). Sectors, such as tourism and transportation, liquor sector are particularly affected due to lockdowns and quarantines. Chinese lockdowns led to shortages of key inputs and disrupted production worldwide. While we see European consumers cutting back on clothing demand leading to cancellations of orders and delayed payments for apparel suppliers across Asia (Adian, Doumbia et al., 2020). These effects are compounded by layoffs since the firms were unable to pay salaries.

6.2 Employment

SMEs account for over 50% of employment across the globe (OECD, 2020). Among SMEs, small firms employ fewer than 20 workers and become vulnerable to demand and finance shocks (Adian, Doumbia et al., 2020). It is noted that the crisis would not lead to liquidation, although the impact on retail, cultural and leisure industries may be large. The lockdown period of more than six months had significant job losses especially among microenterprises. In the United States, of the 20 million jobs lost in April 2020, 11 million came from small and medium sized businesses. While New Zealand saw a 4% decline in jobs in small businesses in March and April 2020 (C4G, 2020).

6.2.1 Employee Earnings

The world's job security was and remains under threat where lower-income workers and minority business owners are particularly vulnerable to the crisis. The literature review shows that there was a drop on employee earnings firm size. Younger employees risk losing out most since they are employed on part-time basis. Enterprises had to make immediate cuts to the staff level. In Canada, it was reported that women-owned businesses laid off a disproportionately higher share of

their workers (OECD, 2020). To aid this shortfall, the South African Government created specific measures and benefits to assist small businesses through the Unemployment Insurance Fund and the Temporary Employee/Employer Relief Scheme (South African Government, 2021). Although not all small enterprises would qualify for these measures due to various registration and legal reasons (C4G, 2020). Based on the above identified risks, it can be said that the SMEs face chronically low levels of productivity (López-Calva, 2021). SMEs have been more severely affected by demand shocks than large firms in general (Adian et al., 2020). The study found that the SMEs may have less resilience and flexibility in dealing with the costs these shocks entail. SMEs have limited resources and it may be difficult for many to re-build connections with former networks (OECD, 2020). These firms struggle just to remain in business and need substantial support if they are ever to grow to become employment creating firms. On the other hand, formal SMMEs may have the internal capabilities to compete but may be crowded out due to obstacles faced in their broader business environment (Bhorat et al., 2018).

7. Overview of Covid-19 Measures for Small Business Relief

The support for SMEs recovery depends on investments in both resilience and productivity (Humphries, Neilson & Ulysea, 2020). Support to struggling businesses is a central part of governments' economic relief strategies throughout the pandemic (López-Calva, 2021). Interim policies were released to support SMEs. Table 4 provides an indication of the measures applied by different

countries to support SMEs, comprising of themes such as Labour, Deferral, Financial instruments, and Structural policies. The execution of these measures required applicant (SMEs) to demonstrate a direct link of the impact or potential impact of Covid-19 on the business operations (OECD, 2020).

In terms of South Africa few measures were undertaken for assisting SMEs. This included the wage subsidies, Income/corporate tax, social security and pension contributions, debt moratorium, direct lending to SMEs, and new markets.

7.1 Labour

Similarly, governments provided wage and income support for employees temporarily laid off, or for companies to safeguard employment. In many cases, countries have introduced measures specifically focused on the self-employed (Brussewich, Dabla-Norris & Khalid, 2020).

7.2 Deferral

This includes income/corporate tax, social security and pension contributions, and Debt moratorium. SME are typically more credit constrained than larger businesses (Cao & Leung, 2020).

7.2.1 Income/ Corporate Tax (SARS Tax Relief Measures)

South Africa announced emergency tax measures on 25 July 2021 to respond to the continuing Covid-19 pandemic. In order to qualify for the emergency tax measures the SMEs had to be tax compliant (South African Revenue Service, 2021). The introduction

Table 4: Measures Used by Different Countries (South Africa)

Labour	(Partial) redundancies	Wage subsidies		Self-employed	
	-	√		-	
Deferral	Income/corporate tax	Value Added Tax (VAT)	Social security and pension contribution	Rent/utilities/local tax	Debt moratorium
	√	-	√	-	√
Financial Instruments	Loan guarantees	Direct lending to SMEs		Grants and subsidies	
	-	√		-	
Structural Policies	New markets	Teleworking/digitalisation	Innovation	Training and redeployment	
	√	-	-	-	

Source: OECD, 2020:34

of a tax subsidy of up to R750 per month for the four months for private sector employers who have employees earning below R6 500. This subsidy is provided under the current Employment Tax Incentive in South Africa. The lockdown hit hard in the alcohol sector as they remained closed for a long time. Tax compliant businesses (alcohol sector) were required to apply to the SARS for deferrals of up to three months for excise duty payments. The tax relief for PAYE is available to qualifying businesses for the three (3)-month period from 1 August 2021 to 31 October 2021 (South African Revenue Service, 2021). The U.S. Congress passed The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which included 350 billion dollars to fund the Pay-check Protection Program (PPP). The PPP was designed to support small businesses by extending forgivable loans (Humphries, Neilson & Ulyssea, 2020).

7.2.2 Social Security and Pension Contributions

A number of countries enabled deferral of social security contributions and pension payments, given the wide differences in social security and pension systems, measures differ widely (OECD, 2020).

7.2.3 Debt Moratorium

In some cases, tax relief or a moratorium on debt repayments have been implemented (Brussevich et al., 2020). In South Africa, a Debt Relief Fund aimed to provide relief on existing debts and repayments, and to assist SMEs during the period of the Covid-19 state of disaster. The Ministry has set up a centralised registration system (www.smmesa.gov.za) where all those in need of financial aid will register and be screened (OECD, 2020). In Nigeria, for instance, the government has demanded that small businesses be granted a one-year moratorium on all principal repayments (OECD, 2020).

7.3 Financial Instruments

Access to finance is a key constraint to SME growth, it is the second most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries (World Bank, 2018). Governments enhanced direct lending to SMEs, where new loan instruments have been set-up. Existing instruments for disaster relief were opened-up for SMEs affected by the Covid-19 crisis. Innovative processes were undertaken by extending the group of potential beneficiaries, simplifying and speeding up procedures to receive loans, and offering more favourable terms and reduced interest rates (OECD, 2020:34).

Several countries are provided grants and subsidies to SMEs and other companies to bridge the drop in revenues (Brussevich et al., 2020). The study undertaken by Wang and Kang (2021) found that most businesses anticipated problems when they planned to seek funding through federal assistance programmes.

7.4 Structural Policies

Structural policies comprise new markets, teleworking/digitalisation, Innovation and training and redeployment. These policies aim to address urgent short-term challenges, such as the introduction of teleworking, but also contribute to strengthening the resilience of SMEs in a more structural way and support their further growth (Brussevich et al., 2020).

7.4.1 Measures to Find New and Alternative Markets

Countries increasingly used non-banking financial support intermediaries in their policy support mix. These institutions are established to monitor the impact of the crisis on SMEs and enhance the governance of SME related policy responses (Brussevich, Dabla-Norris & Khalid, 2020). China encouraged large enterprises to cooperate with SMEs, by increasing their support in supply chains, in terms of loan recovery, raw material supply, and project outsourcing (OECD, 2020). In South Africa, the Business Growth or Resilience Facility aims to enable continued participation of MSMEs in supply value-chains, in particular those who manufacture (locally) or supply various products that are in demand, emanating from the current shortages due to Covid-19 pandemic (OECD, 2020). Many SMEs find it harder to adopt teleworking (Brussevich et al., 2020), new sales channels and other digital solutions that may help mitigate the impact of the outbreak and containment measures. This support may lead to have a solid base for economic recovery and growth after the Covid-19 pandemic (C4G, 2020).

7.4.2 Measures to Support Teleworking, Digitalisation and Innovation

Some countries have taken actions to help SMEs adopt new work processes, speed up digitalisation and find new markets. These policies are of particular importance, since SMEs may be less able to adopt such new technologies and methods. At the same time, supporting adoption of new technologies and practices may enable them to strengthen their post-crisis competitiveness and ability to address

the challenges posed by megatrends (OECD, 2020). Also, some countries are taking measures regarding procedures for public procurement and late payments (Brussevich, Dabla-Norris & Khalid, 2020).

7.4.3 Measures to Support Training and Redeployment

Enabling SMEs to maintain access to skills during the crisis, as well as develop further skills, constitutes an important aspect of the required structural policy response to the crisis (OECD, 2020). Measures related to working time shortening, temporary layoff and sick leave were introduced targeted directly at SMEs (Brussevich et al., 2020).

8. Way Forward

The year 2020 has been an unprecedented situation. SMEs faced financial constraints than in normal times (Adian, Doumbia, Gregory et al., 2020). The ability of small businesses to be adaptable and flexible is paramount to their capacity to absorb and respond to a crisis (Wang & Kang, 2021). Some small businesses remained resilient. Pandemic situations require institutional experience of dealing with previous pandemic and epidemic crises (Wang & Kang, 2021). Many forms of strategies can be employed to ease the risks associated with the pandemic. A six-step Covid-19 Business Continuity Plan was developed by the ILO to mitigate the impact of Covid-19.

8.1 A Six-Step Covid-19 Business Continuity Plan

For disastrous events, public policy instruments are of utmost important for precautionary planning in order to shield the region against crisis, for mitigating the worst impacts, and for transforming and re-orientating the region to recover (Wang & Kang, 2021). The following are the six steps needed to establish organisation's business continuity plan (BCP):

- Step 1: Identify your key products or services.
- Step 2: Establish the objective of your BCP.
- Step 3: Evaluate the potential impact of disruptions to your enterprise and workers.
- Step 4: List action to protect your business Use the 4Ps framework to do this.
- Step 5: Establish contact lists.
- Step 6: Maintain, review and continuously update your BCP (International Labour Organization (ILO), 2020).

The strategy is designed to support small and medium sized enterprises (SMEs) during the Covid-19 crisis. A six-step Covid-19 Business Continuity Plan allows SMEs to understand and know their service provision on their services. They need to have full understanding of the future prospects of their business in terms of the income they generate, amount of clients demanding them; and cost of non-delivery: negative financial, productivity and reputational consequences. With the state of a pandemic the application of the BCP will enable them to achieve the profit margins. Small businesses need to think beyond their limits. The BCP also allows them for assessing the duration of the pandemic and be able to determine resources required and the suppliers, partners and contractors needed to conduct key operations. The BCP also allows to list action to protect your business. The risks involved may affect the whole SME network, the people, processes, profits and partnerships. Risk plan is essential in this regard. Communication plays an important role in any business operation. The BCP enables business owners to make sure that they have accurate and update lists of all your key stakeholders, especially during the level 1 phase.

9. Conclusion and Recommendations

The novel coronavirus 2019 affected a large number of SMEs on a global scale. SMEs are important for economic and social reasons, given the sectors role in employment. The study has found that the literature on SME has increasingly paid attention to the socioeconomic characteristics of the small businesses that impact their ability to cope with and recover from hazard events. The results provide rich implications for practices and public policymaking. The results demonstrate significant differences across SME niche areas and over time at the initial stage of the Covid-19 outbreak. Covid-19 has caused an unprecedented impact on the health and economic well-being of the SME. High mortality rates incidents directly impacted business operations, as there were restrictions on the customer base, resulting in unplanned layoffs. The study also found that the assistance from the government is critically important to the survival of small businesses from natural disasters.

The study found that global governments initiated structured programmes for complementing laid off employees. Government support schemes and regional industrial structures are important factors for the recovery and resilience rates of Chinese regions (Wang & Kang, 2021). Arguably those, for whom the stimulus packages were primarily aimed, were generally unable to access these resources. A number of problems were identified that shows South-Africa was dealing with SME development long before the Covid-19 pandemic occurred. There are still numbers of effects food security have on the country as a whole. SMME's should there find solution to deal with the effects Covid-19 brought on their small enterprises as well as adapt to running their business operations along with the Covid-19 regulations.

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