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Exploring the Effects of Covid-19 and its Aftermath on Small Business: Special Reference to Young Entrepreneurs of Bilaspur City

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Abstract: The Great Lockdown and accompanying principles, such as social-discrimination restrictions and demand swings triggered by constantly varying health and economic conditions, have had a significant impact on small enterprises and new projects. However, the COVID-19 epidemic has not only forced the closure of many firms, but it has also paved the way for new generations to enter the world of small companies. Many businesses were compelled to terminate staff as a result of the shutdown and terrible economic conditions. This resulted in a massive increase in unemployment around the world, as well as a near-zero chance for new and fresh talent to break into the corporate world, as no organisations were hiring employees or new talent. Indeed, extensive research and studies conducted during the epidemic revealed that current personnel of organisations and institutions were not fully compensated. Many people began to focus their interests toward starting a business at this period. New youthful entrepreneurs have been seen coming up with innovative concepts and turning them into successful firms. There has been little research on young entrepreneurs, thus this paper examines the consequences of the Corona Virus Outbreak (Covid-19) on small companies conducted by young people. The scope of this study is limited to the city of Bilaspur in the state of Chhattisgarh, where questionnaires were collected from small business owners. The study emphasizes the relevance of socio-cultural influences in altering our consciousness, attitudes, and behaviours in order to handle pandemic situations in a more humane and productive way.

Keywords: Covid-19, Young Entrepreneurs, Small Business, socio-cultural influences

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1. Introduction:

The world is in the midst of Covid-19 pandemic outbreak which is unusual and has brought the nations to severe health and economic shocks. Due to its highly contagious nature one has experienced how it feels to live in isolation and to maintain social distancing. These activities have the potential to have disastrous implications for global economies. To put it another way, effective disease containment necessitates a country's economy ceasing to function normally**.**

It is a saying that History repeats itself and it was clear alarm that the pandemic world has faced (such as influenza, cholera, dengue fever, smallpox, swine flu, HIV/AIDS, SARS, H7N9, Ebola,) earlier shall

comeback with its mutated nature in the form of Novel Corona Virus (Covid-19). All of these natural disasters have passed from one animal to another or from one human to another. Geographical factors, disease migration, novelty, severity, population immunity, infectivity, and contagiousness have all influenced the nature of these epidemics. Human behavioural patterns, which are the consequence of their culture, which is created over generations and according to time and space elements, also influenced people's responses. In many of these epidemics, the people's culture, which is a product of ecology, is overlooked. As a result, efforts to overcome such situations have not achieved their maximum level of accomplishment.

The havoc caused due to the outbreak adversely threatened the health of the people due to which every nation’s Government had to take decision of global lockdown. And this led to severe loss in economy and danger of heading towards recession and economic breakdown was getting higher with every day upcoming. The global shutting down of stores, markets and businesses has slowed down the economic development which is quite abnormal and prodigious. Factories, industries, shops, stores, godowns, manufacturing units and every form of business were locked due to highly contagious corona-virus outbreak. Every individual, every family and the world as a whole was so devastated and broken with its day after day increasing detrimental consequences. Unfortunately, there were many closures that turned out to be irreversible and such businesses had to experience the dreadful by shrinking down the GDP to almost 7.3% in 2020-21 (Provisional National Income by National Statistical Office) with the fourth quarter a rise of 1.6%.

Due to great unemployment and no means of income people started shifting their interests from working as an employee to turning an employer or better to say start-ups, small business and self-employment. Indians are said to be full of talents and innovative ideas due to which foreign MNCs hire Indian Brain. So, taking the advantage of the crisis and turning the weakness to opportunity many young entrepreneurs came up amidst this pandemic. Many government Schemes and programmes have been initiated by Government of India to aid small scale business and startups. Make in India concept has also helped the hopeless to come up again with better initiatives.

On the 15th of August 2015, Honourable Prime Minister Shri. Narendra Modi announced the 'Start-up India' programme, which was later flagged by Finance Minister Shri. Arun Jaitley on the 16th of January 2016. The government hopes to provide financial, economic, social, and environmental assistance to innovative firms and ideas through this effort. This is an unmistakable sign of how critical start-ups are to the country's economic development A start-up is a small business that is usually run and controlled by its founders. by its founder(s) that provides a product or service that is not available elsewhere in the market or that the founder believes is unique present in a less-than-ideal or inefficient manner Emerging opportunities can sometimes give rise to start-ups during times of crisis. It's critical to remember channel a startup's idea in the proper path, eventually bringing it to fruition.

The Indian startup ecosystem now has 26 Unicorns with a total valuation of about $80 billion, as well as 31 'Soonnicorns' with the potential to become Unicorns by 2020. 1,894 firms were launched last year, with nearly half of them receiving investment. the outbreak of new coronavirus, or COVID-19, quickly depressed the enthusiasm of both companies and investors

COVID-19 has had a negative influence on growth, particularly in the first half of fiscal year 2020. Sectors that require a large number of people, such as manufacturing, may confront more hurdles. Adversity, on the other hand, can be a fantastic opportunity. By the end of 2019, Indian start-ups had contributed roughly $11 billion to the Indian economy, demonstrating great job-creation potential. Economic growth and a strong GDP growth rate have resulted in a slew of policy benefits for entrepreneurs, including tax breaks, simplified business setup, financial assistance, tinkering labs, a Rs 10,000 crore fund, and the government's determination to improve India's ranking in the Ease of Doing Business Index.

It is crucial to retain the spirit of persistence and perseverance that drives businesses. "Successful entrepreneurs and small-business owners are brutal pragmatists, effectuators, and resource exploiters" - Pittz & Liguori. We want to encourage small business owners to improve collaborative efforts.

Maintaining a watchful eye on the demands and wishes of clients is perhaps the most important determinant of success for entrepreneurs and small business owners. This perspective is even more critical in times of radical change, because established business models will be eliminated and new opportunities will be created. It's understandable that focusing on identifying and exploring new options while bemoaning the loss of revenues, customers, and perhaps even critical personnel is difficult. However, with their small businesses' survival on the line, entrepreneurs must exercise their resilience muscles and adopt a mindset of opportunity awareness.

Effects of Covid-19 on Startups:

The value of investments in India has dropped from $1.73 billion in March 2019 to $0.33 billion in March 2020, implying an almost 81.1 percent fall. The number of companies sponsored has decreased by a total of 50%, to 69 firms in March 2020, compared to 136 firms in March 20195. According to additional sources, a number of participants have already withdrawn from the conclusion of existing investment rounds anytime between mid-February 2020 and the end of March 2020. Thus, for many, one of the major challenges confronting start-ups is capital acquisition, which has contributed to cash-flow issues. Not only has the lock-down hampered daily business operations, but it has also forced several start-ups to prepare for contingency measures such as personnel reductions and salary cuts.

By the end of 2019, Indian start-ups had contributed roughly $11 billion to the Indian economy, demonstrating great job-creation potential. Economic growth and a strong GDP growth rate have resulted in a slew of policy benefits for entrepreneurs, including tax breaks, simplified business setup, financial assistance, tinkering labs, a Rs 10,000 crore fund, and the government's determination to improve India's ranking in the Ease of Doing Business Index. Flipkart, one of India's first start-up successes is now worth $20 billion. One-third of young people indicated entrepreneurship as the most attractive career option. But, income insecurity in these extraordinary times will surely leave a mark on a young person's life.

India initiatives have not been able to handle the economic impact of the COVID-19 crisis. Businesses were ill-prepared to deal with a calamity of this scale, according to an analysis by the finance ministry.In the aftermath of stronger Covid-19 limitations and anxiety about the future economic outlook, demand for non-essential items has dropped by at least 50%. As a result, many businesses are incurring significant losses. Due to a lack of statistics, estimating the true rate of self-employment in India, which was 51 percent in 2013-14, is difficult. The majority of Indians have always been self-employed, owing to the country's predominantly agrarian economy. Many academics, policymakers, and the government have recently suggested that self-employment is the answer to India's unemployment problems.

Searching for opportunities in the middle of a crisis, dexterity is essential.

Some new-born innovators and start-ups grew more opportunistic during the epidemic, turning their businesses into some type of "repurposing" and channelling established skills, abilities, people, and networks to emerging new demands.

From start-ups and individuals making and distributing face masks and shields to local taxi start-ups growing into food distribution rms, the essence of innovation is always slow, but at the same time crucial for sustainability and adaptation to our "new normal."

It's critical to understand how small company owners, start-ups, and self-employed people are faring during the shutdown. The majority of these businesses operate at the intersection of the formal and informal economies. People who work in these fields have been mostly omitted from discussions on the pandemic's economic impact.

Objectives:

1. To know the effects of Covid-19 on small business and young entrepreneurs of Bilaspur city of Chhattisgarh.
2. To know various problems faced by small business owners of Bilaspur city of Chhattisgarh.

2. Review of literature:

As of the end of October 2020, COVID-19, which was labelled a global pandemic by the World Health Organization (WHO, 2019), has infected over 45 million people and killed over a million people (ECDC, 2020). The frenzied endeavour to stop COVID-19 from spreading from person to person resulted in community lockdowns and business closures (Akpan et al., 2020a).

In the aftermath of the global pandemic, several technologies that were previously regarded non-essential by small firms become critical.(Ting et al., 2020) Many companies of all sizes have adopted technologies like Zoom virtual meetings and other approaches. (Ting et al., 2020; Webster, 2020) These technologies allow remote management of operations and projects, as well as conducting business meetings. (Vaccaro et al., 2020). (Puddister & Small, 2020; Vaccaro et al., 2020).

Small firms are seen as a significant growth driver in the economy (Henrekson & Johansson, 2010; OECD, 2009). Despite the challenges small firms have in encouraging innovation, Harel et al. (2019a) note out that a significant portion of small enterprises in industry sectors are actively engaged in various sorts of innovations.

In their paper "Start Ups; Let's Start Them Up - An Inside View in the Indian StartUp Scenario," Dr. C Shekhar Upadhyay and Dr. Priyanka Rawal (2017) stated the potential of startups is huge, whether it is about the interest of ability. The climate in India is to blame for such a feeble development in terms of new firms in the country. For the perfect development of new enterprises and their dedication, new firms should be formed and encouraged.

Dr. N. Santosh Ranganath and Prof. Kopalla Venugopal (2020) wrote in "Covid-19 Pandemic induced lockdown effect on startups and reforms" that agricultural countries like India have more delicate monetary and social textures, and the current situation will make them languishing over chaotic areas and transient work even more. A global slowdown looks to be inescapable at the moment. Regardless, the extent and duration of the drop will be determined by a number of factors.The effects of government arrangements will depend on the success of steps adopted to prevent the spread of COVID-19. to aid families in financial distress and to alleviate liquidity challenges in start-ups

According to S. Mahendra Dev and Rajeswari Sengupta (2020) in "Covid-19: Impact on the Indian Economy The unavoidable impact to the economy will most likely be far more unpleasant than present assessments. The administration must balance the need for pay with the need to maintain financial stability. The current equilibrium appears to be reasonable, but the administration must find a better solution. Governments may also play a key role in the successful implementation of other financial operations.

3. Research Methodology:

The study is based on both primary as well as secondary sources of data. The research was done by conducting survey through structured questionnaire that were distributed and collected manually (offline) and online through google forms. Due to the period of lockdown and social distancing norms many respondents were communicated through telephonic conversations Total 50 respondents from Bilaspur city were selected during the month of June 2021 just after the second phase or second wave of corona virus pandemic.

4. Analysis and Result:

Even though there have been many studies and researches rapidly expanding on small business and

entrepreneurship but very few have explored the effects on Bilaspur city. Using the basic demographic characteristics of young entrepreneurs running small business and questions relating to Covid-19 effects were asked to the respondents.

a. Age:



Figure 1

It was observed after the survey that out of 50 respondents 40% were in the range of 26-30 years and 4% were under 20. It is clear that most youth who are at an age of getting employed are going for startups and small business. Even under 20 years respondents are equally active and motivated to enter in the market with their skills and talents.

b. Gender:

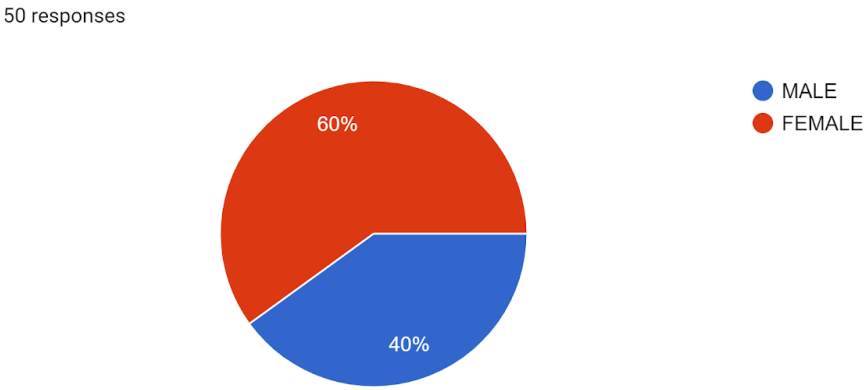


Figure 2

Out of 50 respondents 60% were women, which is very much clear that women are heading towards getting self employed, becoming more skilled and taking decisions independently. Education and awareness has helped women a lot to be strong and empowered. During Covid-19 lockdown women came up with different home driven and small scale business in order to support the family income.

c. Year of Starting the business:

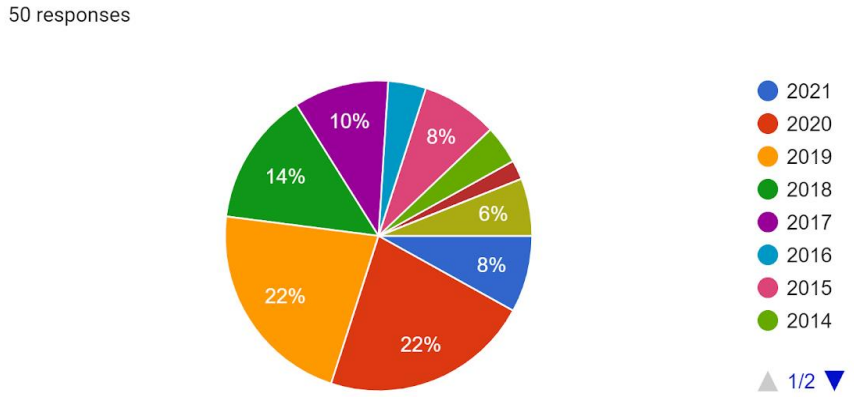


Figure 3

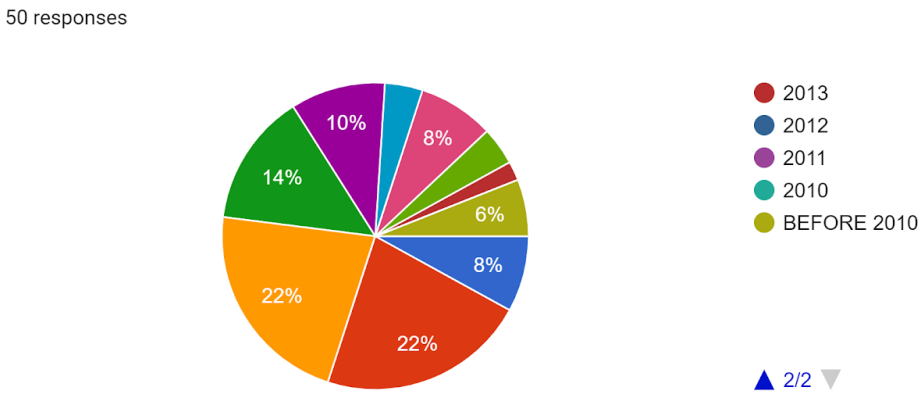


Figure 4

The data above shows that most of the respondents have started their business in the year 2019-2020, the year of pandemic.

d. Type of Small Business You Are Involved In: (Goods & Commodities, Service Sector)

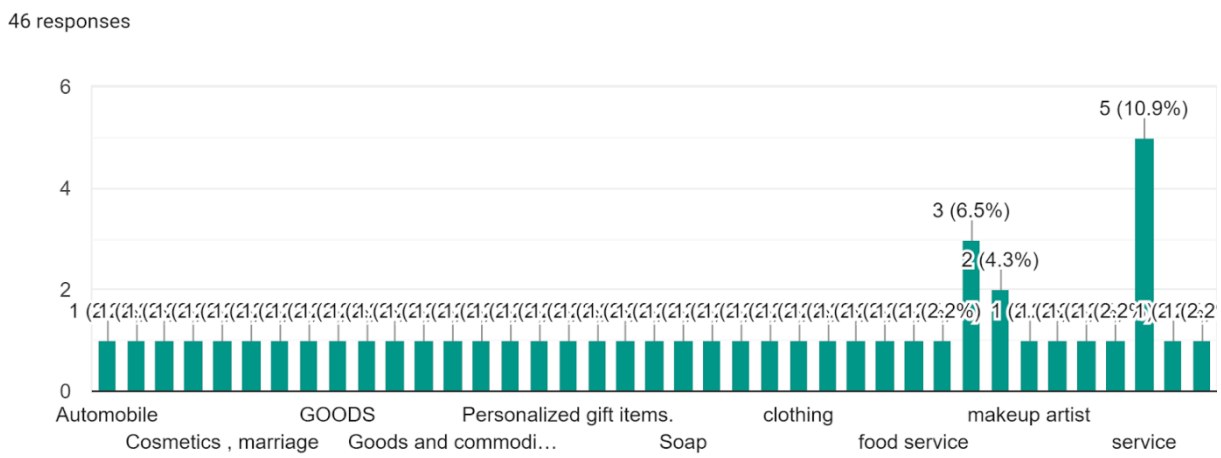


Figure 5

There were number of business that respondents belonged to but most of the small businesses that were surveyed were related to service sectors that included influencer, photographer, social media influencer, make-up artists,social workers, councellor, home tuitor etc. Apart from these the business persons that came along were related to businesses like beauty products, art and crafts and handicraft makers, gift shops owner, general store owners, printing shop owners, clothing and boutique store owners, automobile shops etc.

e. Means of Running Business:

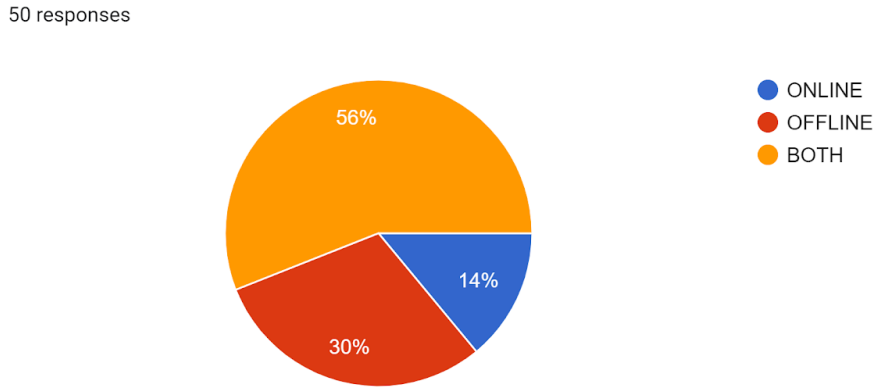


Figure 6

Internet is now everyone's cup of tea and hence there were 56% respondents from total of 50 respondents who reported that they conduct business in both online and offline modes. This became easier for them to provide their users the goods or services during the Covid-19 outbreak as they could easily contact their customers through emails, websites or whatsapp.

f. Your Business Reach:

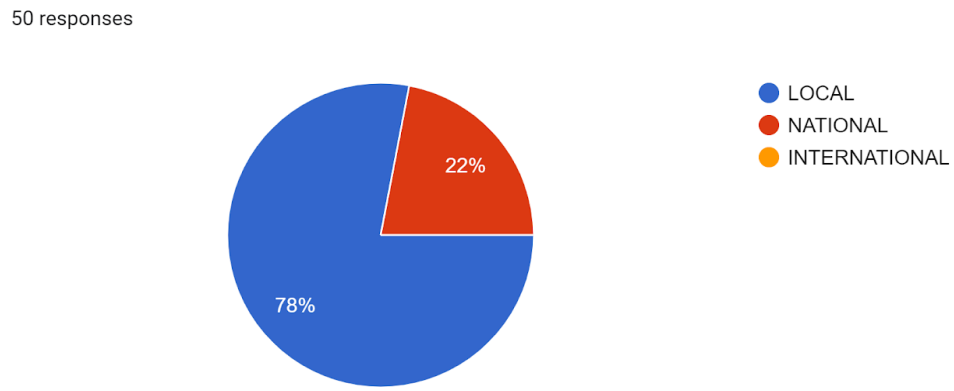


Figure 7

Most of the business due to its small nature is only limited to local markets supporting the saying "Vocal for Local" or support local business**.**

g. Has Your Business (In Any Way) Affected During This Covid-19 Pandemic?

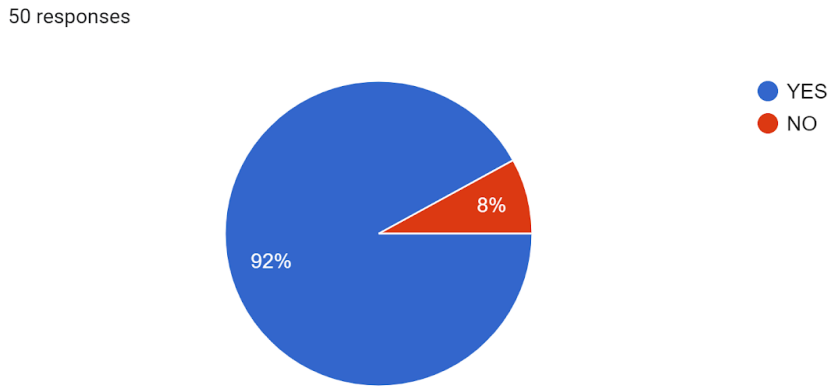


Figure 8

It is quite obvious that Covid-19 has definitely affected the business but the need for asking this question was that many respondents started their business during the lockdown and some have even experienced better feedback even after the disturbances due to Covid-19. Some have also seen positive effects.

h. Has Your Business Income Level Observed Any Changes During The Covid-19 Pandemic?

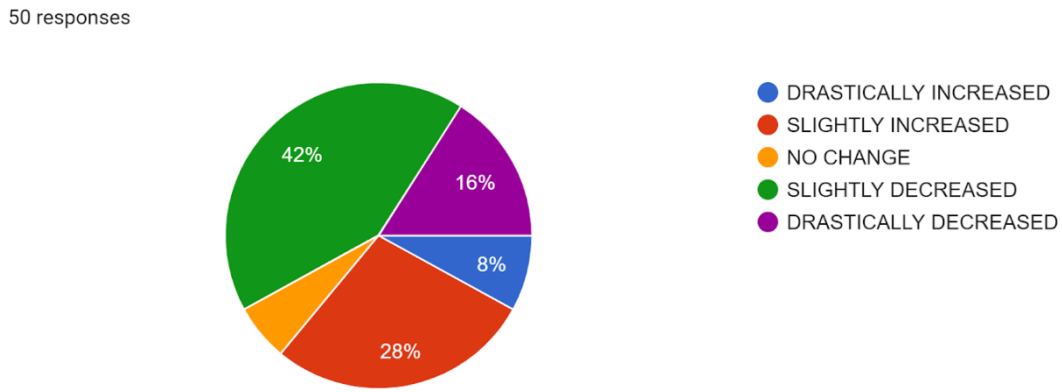


Figure 9

Income level of respondents got quite affected and saw a slight downfall (42% out of 50 respondents) and some also faced drastic downfall (16% out of 50 respondents). But some businesses have also reported that there was some positive increase in income level (28%) and 8% reported that they were very satisfied with their profits.

i. Are You Planning to Run This Business on a Long Term?

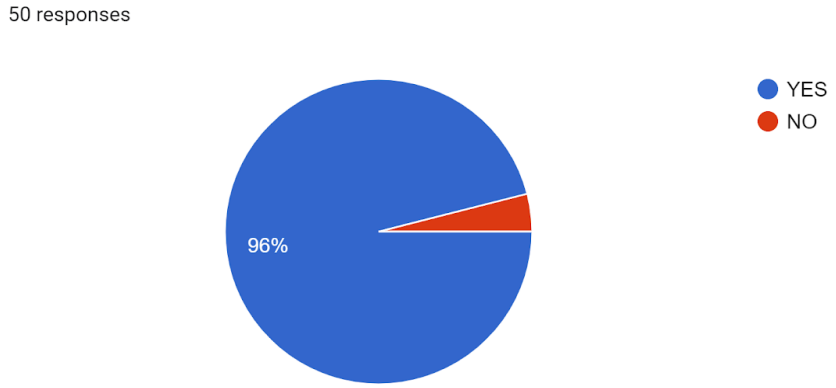


Figure 10

Almost every respondent reported that they shall continue their business in the future i.e. 96% out of 50 respondents.

j. Please Choose the Most Significant Business Problem You Faced or Facing During the Pandemic?

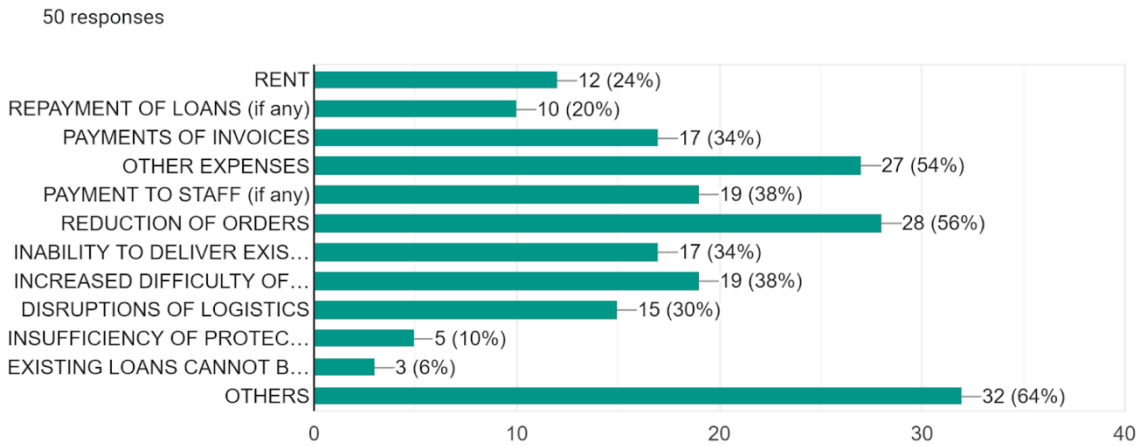


Figure 11

Talking of the most significant business problem faced by the respondents, they reported that there were problems related to decrease in number of orders, payments of invoices, rent, other expenses**.**

k. Do You Think Most Businesses of Your Kind Have Same Expectation As Yours?

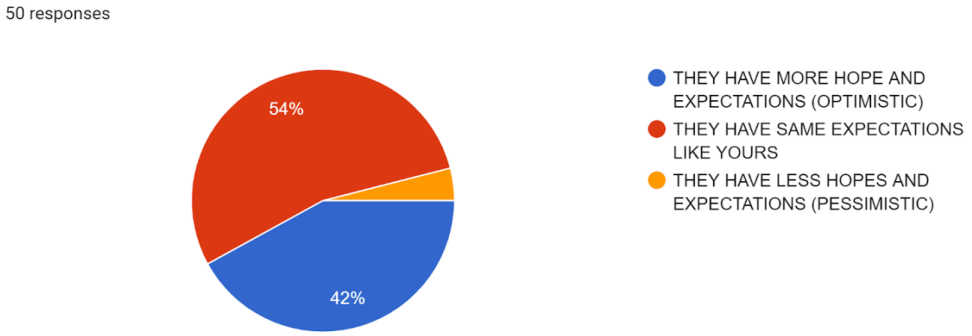


Figure 12

On asking this question the respondents felt that every other similar business person has same expectations as theirs (54%) and very few (4%) were pessimistic and some reported that business similar to their have more hopes compared to them or are more optimistic (42%).

l. What Is the Expected Time for Your Business Recovery?

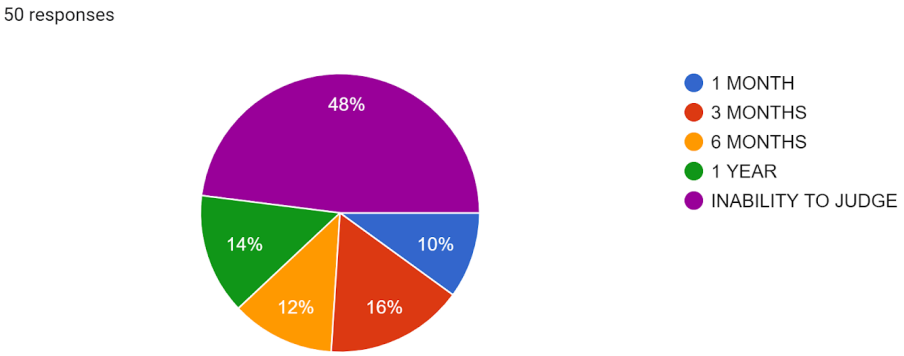


Figure 13

For many respondents the expected timing could be 1 month (10%), 3 months(16%), 6 months(12%), 1 year(14%) but most of them were unable to judge (48%).

m. What Are The Main Means You Are Currently Considering To Deal With The Shortage Of Funds?

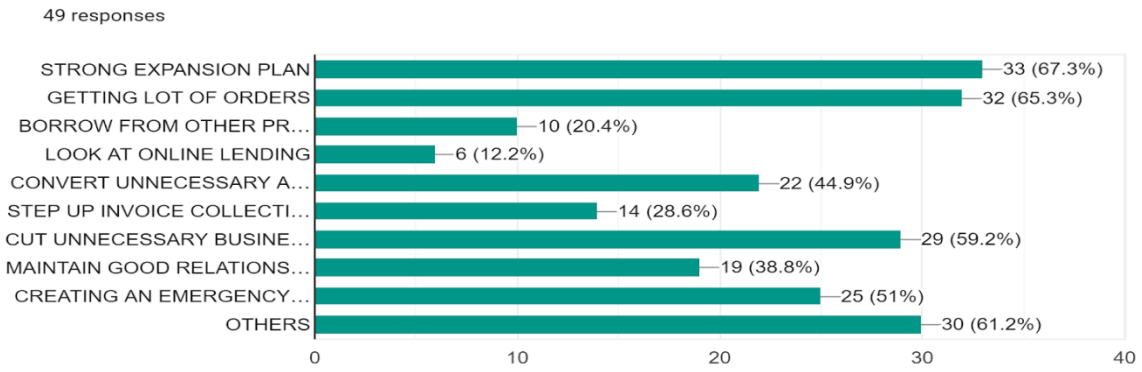


Figure 14

For dealing with the shortage of funds the respondents said they shall opt for strong expansion plan, getting lots of orders, cut unnecessary business expenses, maintain good relations with lenders, creating emergency funds to cope up with Covid 19 effects and many more as their strategies.

n. What Are the Main Means You Are Currently Considering to Deal with The Shortage of Raw Materials?

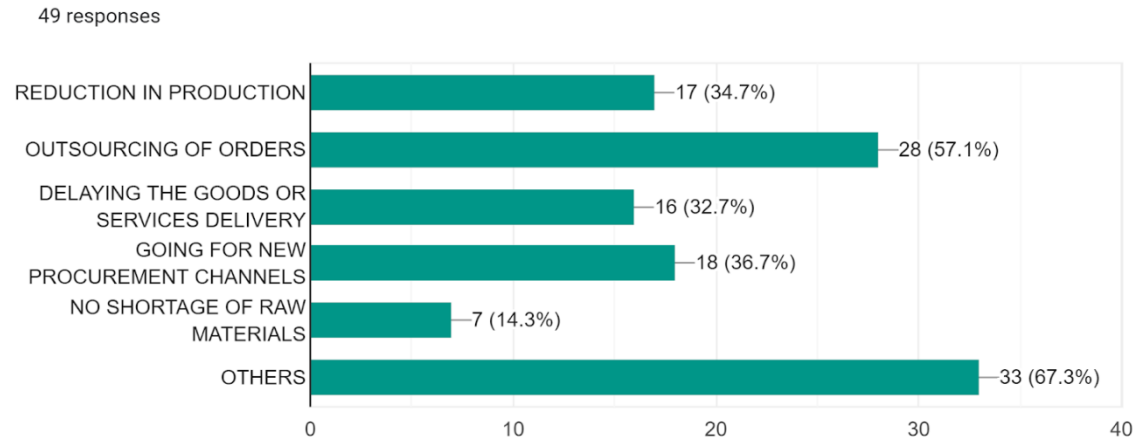


Figure 15

The respondents on asking how are they managing the shortage of raw materials they reported that reduction in production (34.7%), opting for outsourcing services (57.1%), and going for new procurement channels (36.7%) were their basic strategies. Apart from these there were other strategies or methods according to their respective needs (67.3%) that were opted by the respondents**.**

o. What Are the Different Promotional Measures / Marketing Strategies Taken By You For Your Business Expansion During Covid?

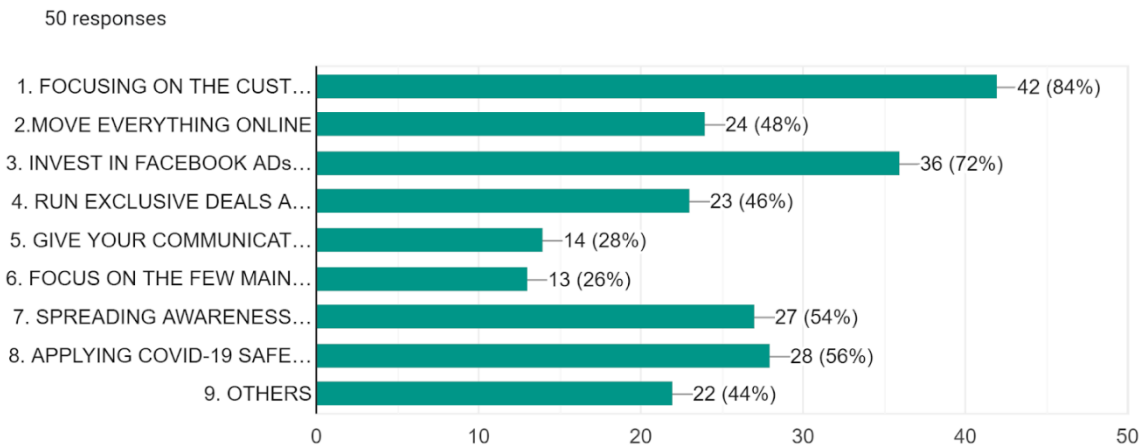
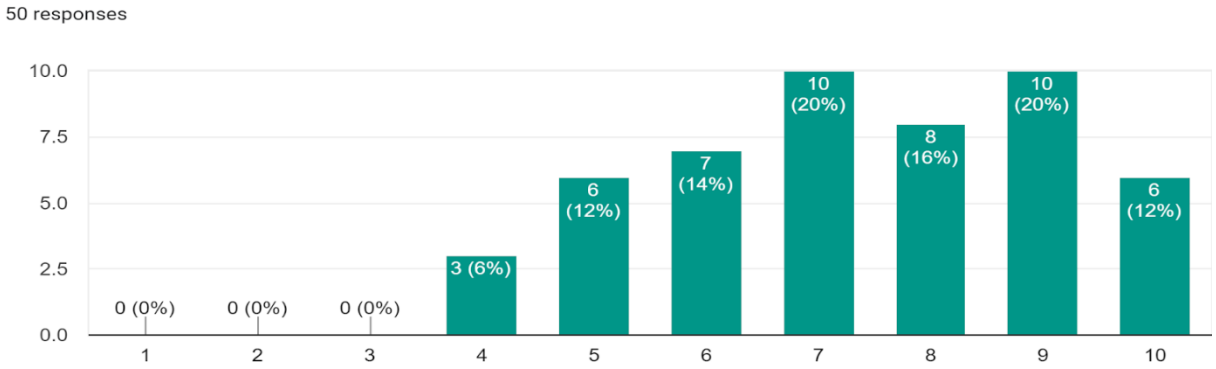


Figure 16

There were different marketing promotional strategies and measures opted by businesses and respondents believe that focusing on the existing customers (84%), investing in facebook and instagram ads (72%), applying covid safety measures from manufacturing till final delivery of the products (56%), run exclusive deals and offers, spreading awareness through giveaways charities and discounts (54%) and many others (44%).

p. Level of Anxiety: Please Rate Your Own Feelings About (COVID19) On the Following Scale, From A Minimum of One to A **Maximum Of 10:**



The anxiety level of business owners is quite high due to the devastating effects of covid-19 on market and business world.

q. Level of Fear: Please Rate Your Own Feelings About (Covid19) On the Following Scale, From A Minimum of One to a Maximum Of 10:

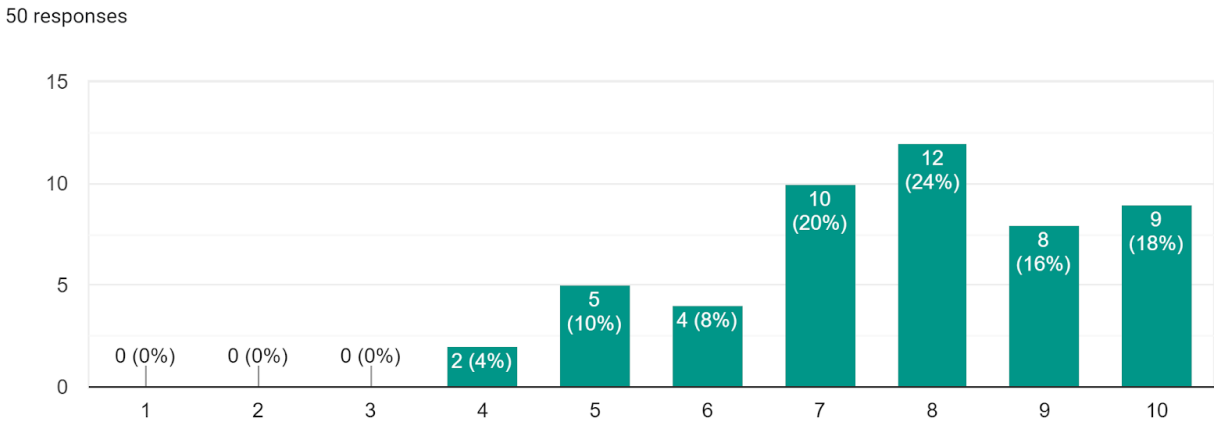


Figure 17

Out of rating of 10, 24% of respondents i.e 12 out of 50 respondents had a feeling of fear in them.

r. Level of Concern: Please Rate Your Own Feelings About (Covid19) On the Following Scale, From A Minimum of One to A Maximum Of 10:

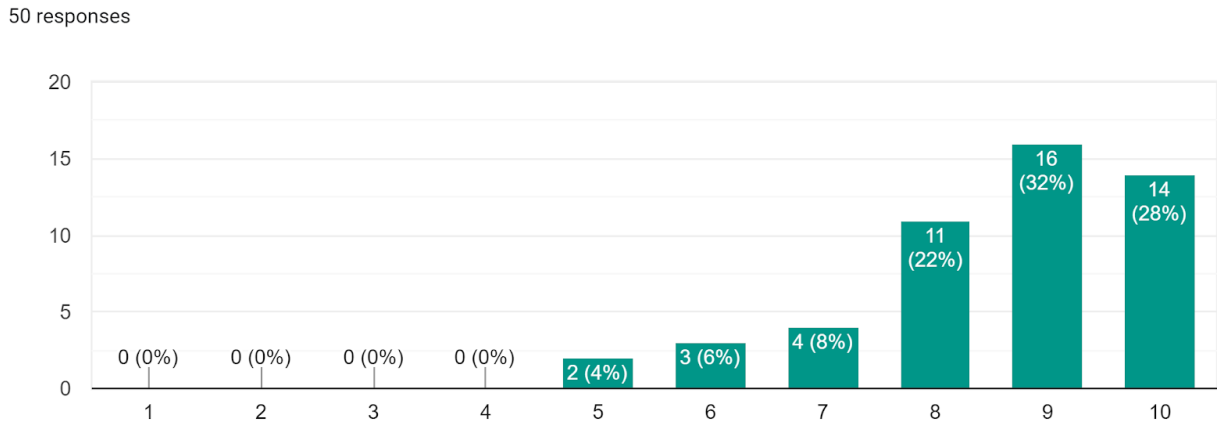


Figure 18

Coming to the concern regarding their business most of the respondents (32% i.e 16 out of 50) gave 9 out of 10 (10= Very much concerned, 1= Not at all concerned)

s. Level of Optimism: Please Rate Your Own Feelings About (Covid19) On the Following Scale, From A Minimum of One to A Maximum Of 10:

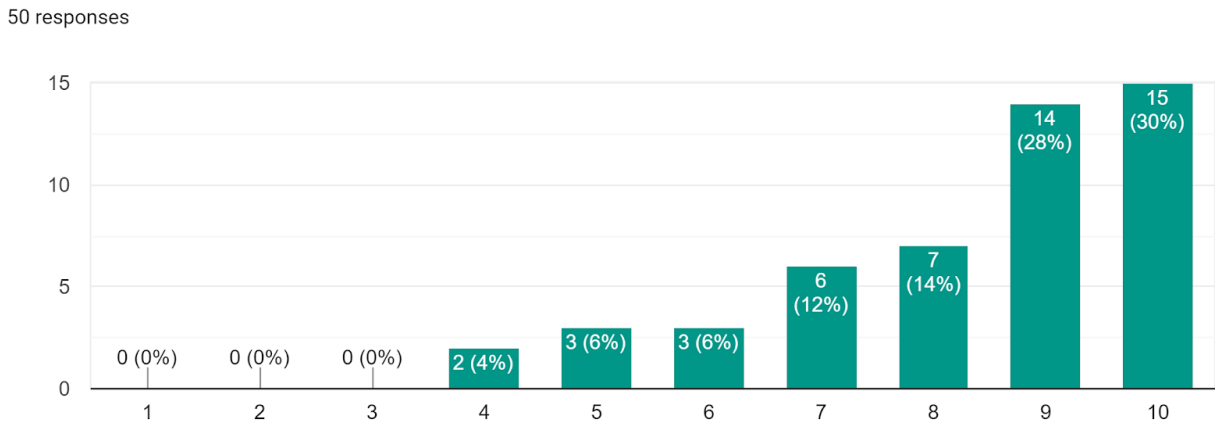


Figure 19

15 respondents out of 50 were quite optimistic (10= very much optimistic/positive, 1= not at all optimistic/ negative) and positive regarding their business growth amidst the presence of covid -19 effects.

t. Is Your Business Aided with Any Governmental Scheme?

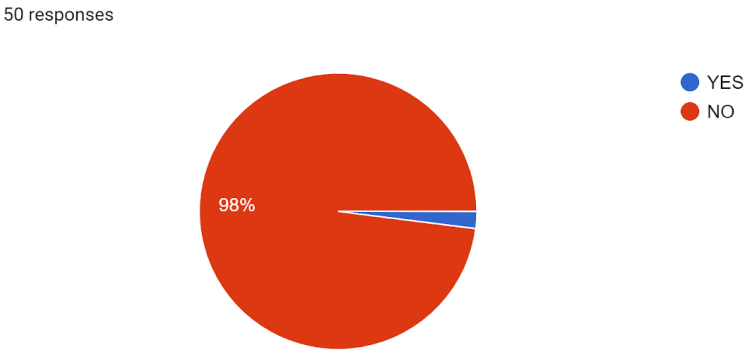


Figure 20

Only 2% out of 50 respondents were aided with some Governmental Scheme for their smooth business practices. And 98% respondents rely on self-created funds, bank loans, etc.

u. Are You Aware of The Initiative "Start Up India" By Indian Government?

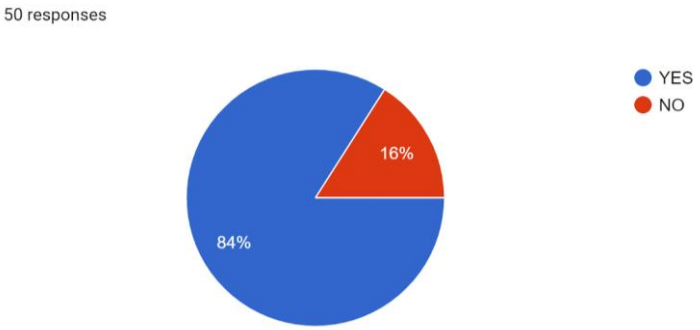


Figure 21

84% of total respondents are aware of Start-up Initiative by Indian Government as most of them are young, educated and active. Those who are unaware (16%) are mostly women who are less knowledgeable or educated.

v. Do You Promote Women Empowerment?

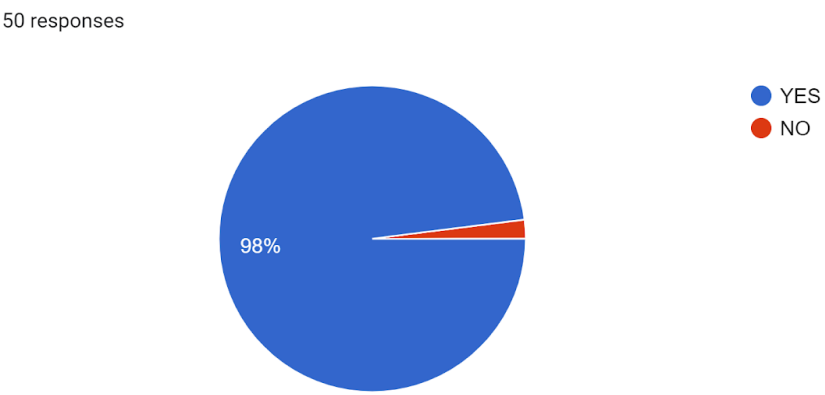


Figure 22

Since from the above data regarding gender that depicts 60% female respondents it is clear that they all support women empowerment. When asked to the men the same question it was a positive reply and

quite impressive of them that they support women empowerment as well. It is a good sign in terms of social development that has come up only because of education and awareness.

5. Discussion:

The data gathered above demonstrates how small firms and young entrepreneur startups fared during the coronavirus pandemic. Losing jobs was not the only cause of business decline; losing hope, falling into depression, becoming hopelessly perplexed, going bankrupt, and becoming penniless were much more painful and difficult to bear. During the failing stage, it was discovered that all young entrepreneurs had cracked the company's success code for survival strategy. They chose a variety of creative business ventures that they enjoyed and were relevant to their skills. They innovated by opening bakeries, cafes, picture studios, boutiques, art-craft, and jewellery stores. Not only did many unemployed men and women discover latent abilities to help support the family income after witnessing the zeal with which these young entrepreneurs joined the economic sector, Social media influencers through Facebook, Whatsapp, Twitter, and Instagram were one of the new concepts that turned out to be a fantastic line of business through service. Many female entrepreneurs came up with a variety of business ideas, and with the help of the internet, they were able to attract a large number of clients and market their businesses. It was also obvious from the statistics that consumers are aware of government plans and activities aimed at small and medium-sized businesses, such as the Start-up India initiative. Not only that, but women's empowerment and business practises have benefited greatly from increased knowledge and education. On the other hand, it was also observed that people in the industry continue to be fearful of the losses that may resurface if the situation worsens.People have had a lot of problems with things like goods delivery, raw material procurement, inadequate transportation, poor finance and funding, increased loan payments, client turnover, personnel turnovers, and so on. Businesses have survived the period of darkness by applying innovative and preventive procedures as well as suitable sanitization equipment. Despite the many issues that small businesses and start-ups have faced, they have remained hopeful and confident about the future success of their businesses by adapting to the coronavirus's effects and planning for any future obstacles and consequences.

6. Conclusion:

Keeping everything aside from the one-of-a-kind Corona Virus outbreak, which has fundamentally altered the cycle of life. All of the most unexpected and frightening decisions possible were made by economies all around the world to combat a sickness that was rapidly spreading and causing massive death and economic damage. WHO and many other likely organisations took many attempts to balance the losses so that recession would not occur, but this was not practicable. The idea of closing down every area of the economy is quite unsettling, especially after every industry, every firm, from a tiny vendor to a multinational corporation, was put on hold for about a year. It seemed as if a year had been removed from everyone's lives. The unemployment rate increased to 20.9 percent in the April-June quarters of 2020, which is pretty worrying. However, somewhere along the line, the desire to make money collided with the desire to help others. Many graduates and postgraduates with technical or management degrees are now working to turn their abilities and creative minds into goods. The Covid-19 outbreak has not only shattered confidence and dragged many into misery, but it has also revealed a way forward for small businesses and entrepreneurs who may use these chances to fund themselves. The study also shows that many young entrepreneurs launched their businesses during or shortly after the Coronavirus pandemic, which proved to be advantageous for them. However, we cannot be certain when the situation will improve, but we can be certain that the economies will be transformed. Following the pandemic "Keeping people linked is important," the motto reads. Keeping people safe" During the current crisis, we must do all possible to keep people safe. Preparation for the post-covid era is required (Kalogiannidis, 2020)

7. Limitations and Future Scope of the Study:

During the interviews, data from startup owners, small business owners, and young entrepreneurs was

collected, and the findings were based on only one owner per business.

Future study could broaden the circle of participants in the study in each company so that replies can be compared.

Additional or upcoming study should provide a broader sample of enterprises, including MSMEs, and other sectors, as well as a larger study area, such as more districts. This would help researchers to see if there are discrepancies between industries and whether geographic location has an impact.

Furthermore, it would be fascinating to compare the effects and implications of the COVID-19 epidemic to those of previous economic crises and recessions. And not only this one more question that should build up on future researches is that "Was it a Good time to start up a business or not?"

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