

AN ANALYSIS OF COVID-19 IMPLICATIONS FOR SMEs IN THE EMERGING MARKET

Vishwa Hamendra Prasad^{*}, Nikleshwar Datt^{**}, Vishal Sharma^{***}

^{*} Corresponding author, School of Accounting & Law, Fiji National University, Ba Campus, Fiji
Contact details: School of Accounting & Law, Fiji National University, Ba Campus, P. O. Box 737, Ba, Fiji
^{**} School of Mathematical and Computing Science, Fiji National University, Ba Campus, Fiji
^{***} School of Accounting & Law, Fiji National University, Ba Campus, Fiji



Abstract

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This paper aims to determine the impact of the coronavirus disease (COVID-19) on small and medium enterprises in Fiji, which are at risk of crisis. The COVID-19 pandemic exaggerated almost all nations and made small and medium-scale enterprises (SMEs) very vulnerable (Higgins-Desbiolles, 2020). This study recommends policies to stakeholders by reviewing the situation of SMEs in Fiji after the surge of the COVID-19 pandemic. Replies from SME owners were collected and analyzed using descriptive analysis and appropriate graphs. According to the findings, SMEs in Fiji have experienced negative consequences of COVID-19 in the way of shortages of supplies, carriage disruptions, decreased demand for products and services, decreased earnings and sales, inadequate operations, and lockup and staff layoffs. The impact of COVID-19 on SMEs is still being studied, which helps with proactive preparation for the fourth wave of the outbreak (Ashford et al., 2020). The use of samples and quality data set collected using the instrument adds value to the study's findings and their uniformity. The current body of knowledge in Fiji's SME sector strengthened the analysis of the sector's crisis consequences, which has previously gone unnoticed.

Keywords: COVID-19, SMEs, Demand, Fiji

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1. INTRODUCTION

Natural disasters disturb the external environment, causing economic indicators to trend downward (Auzzir et al., 2018). Pandemics is an alternative source of vagueness, causing economies and enterprises to fail. Many countries suffer economic, business, and other national events as a result of an earthquake-like calamity (Oliva & Lazzarotti, 2018; Aftab & Naveed, 2021). Whereas outbreaks such as SARS, cholera, and pandemics like influenza and coronavirus (COVID-19) have serious consequences for economies and industries, small and medium-sized firms (SMEs) are particularly vulnerable (Hai

et al., 2004; Saunders-Hastings & Krewski, 2016; Shafi et al., 2020).

Organizational operations are reliant on the outside environment due to the requirement for resources such as labour, raw materials, and capital. Pfeffer and Salancik (2003) propose that the environment's configuration has a significant impact on organizational structure and strategy. This theory also proposes ways to mitigate some of the negative repercussions (Cuervo-Cazurra et al., 2019). If a company's vital reserve is linked to the supply chain, which has been impacted by the current pandemic, the company must have suffered significant losses owing to non-operationalization. The resource dependence

theory is a foundation for the SME sector and its external concerns, such as a pandemic. As a result, this paper examines its viewpoint.

A crisis presents obstacles for businesses, which can manifest as both opportunities and threats, depending on both entrepreneurs and governments (Higgins-Desbiolles, 2020). There is also a risk that some governments would use the COVID-19 pandemic to further fundamental inequities and cement market capitalism as the dominant international model, jeopardizing long-term development (Ashford et al., 2020).

Front-line workers and middle managers are examples of internal stakeholders (MacGregor & Sheehy, 2020). Sustainable management and responsible corporate reporting are all necessary for an effective and efficient entrepreneurial response (Petera et al., 2017). As a result, sustainability plans and emergency management, which make use of combined developments, would be multi-stakeholder models and cross-sector partnerships (van Tulder et al., 2016; van Tulder & Keen, 2018).

Small and medium-sized firms in emerging nations have failed or closed because of the lockdown. Fiji is a developing country that had an unexpected increase in COVID-19, which had a noteworthy impact on SMEs. The expansion of COVID-19 has just underlined its destructive effects on the worldwide economy, huge companies, and SMEs. It has damaged people's lives and put their economic events in jeopardy (World Bank, 2020a).

The negative effects of COVID-19 on SMEs in Fiji make it an important issue for research. The country's pandemic consequences must be assessed to distribute policy accordingly. As a result of the severe impact of COVID-19 on SMEs in Fiji, it is necessary to analyze the negative implications of design policies and revival plans.

The purpose of this article is to use exploratory and descriptive analysis to determine the effects of COVID-19 on SMEs in Fiji. It also intends to offer measures for better managing the economy's downturn, as well as revival strategies for the country's afflicted SMEs.

The crisis leads to two important research questions:

RQ1: How do SMEs address the COVID-19 pandemic challenges in Fiji?

RQ2: What are the sustainability issues and recommendations that similar businesses in a developing nation can derive?

These questions are addressed by consolidating the literature, legislations, analytical framework, and investigating case study, which offers an innovative perspective concerning addressing the COVID-19 challenges in the SMEs and sustainability concerns in Fiji.

The study is structured as follows. Section 2 reviews the relevant literature, including information and data on the Impact of epidemics and pandemics on SMEs, and then provides background to the Impact of COVID-19 on SMEs in Fiji. Section 3 presents the research methodology, which indicates the description of the study methods we used, including how we chose our samples and gathered data. Section 4 covers the findings and discussions. Section 5 contains a discussion of the research's theoretical contribution, its application in real-world settings, and a suggestion for further study.

2. LITERATURE REVIEW

2.1. Impact of epidemics and pandemics on SMEs

Despite the government's best efforts, all jobs created before COVID-19 will be lost. This will cost taxpayers a lot of money. Barrero et al. (2020) believe that measures that facilitate reorientation and reskilling have significant benefits. According to the research, policies that allow for productive reallocation can help to alleviate supply limitations while also complementing the role of fiscal and monetary policy in demand stabilization.

There have been many such epidemics and pandemics in the past few decades before the abrupt increase of coronavirus towards the end of 2019. These have harmed the economic environment and operations of businesses (Hai et al., 2004; Saunders-Hastings & Krewski, 2016; Shafi et al., 2020).

Following this worldwide health catastrophe, it became vital to deploy some technology that small businesses did not view as essential to keep the economy running and prevent a complete shutdown of the global economy (Ting et al., 2020). Since then, a lot of companies of various sizes have used technology like Zoom virtual meetings and other techniques (Ting et al., 2020; Webster, 2020).

As towns were sealed off by various levels of government to stop the COVID-19 epidemic from spreading, these technologies became one of the means of survival. The conduct of business meetings without any direct physical touch between the participants or the administration of processes and projects remotely (Puddister & Small, 2020; Vaccaro et al., 2020).

The outbreak and the ensuing lockdown, on the other hand, have hastened and heightened the impact that technology can have on some firms' business strategies. Additionally, many SMEs have been successful in implementing innovative methods to modify and improve their business models (Puddister & Small, 2020; Vaccaro et al., 2020). Examples include virtual video platforms like Zoom used for personal training, tuition, and client consultation, as well as restaurants that have adopted takeout and delivery alternatives supported by online meal ordering (Puddister & Small, 2020).

SMEs are sensitive to diseases and pandemics. Any uncertainty that harms the national economy detracts from the success of SMEs. According to the literature, unpredictable conditions cause problems for small and medium businesses by disrupting supply chains and lowering demand for their products and services. COVID-19 is currently causing a global business problem. With its rapid and widespread reach, it has harmed global economic progress. According to the World Bank's (2020c) study, COVID-19's rapid introduction has triggered a worldwide recession, with no single country escaping its negative consequences. The World Bank predicted a 5.2% contraction in 2020. It also implies that small and medium-sized firms have been affected by the outbreak, which has long-term consequences for businesses. These figures demonstrate the impact of COVID-19 on small and medium-sized businesses.

The current COVID-19 pandemic has had an impact on the SMEs in the impacted areas. Lu et al. (2020) examined the influence of COVID-19

on over 4,800 Chinese SMEs. They found that small and medium businesses had suffered because of the pandemic. Businesses are facing issues such as labour scarcity, a decline in demand, and a reduction in the workforce. Another study looked at over 5,800 organizations connected to the network and discovered that the COVID-19 pandemic has hurt sole proprietorships and small partnerships the most. The pandemic epidemic has caused in the shutdown of businesses due to a shortage of resources (Bartik et al., 2020). The detrimental effects of COVID-19 on the corporate environment are also evident in Seetharaman's (2020) analysis of business organizations. Small and medium-sized businesses suffer because of forceful and involuntary business closures and operational limitations. Fairlie (2020) observed that many small firms were shuttered in the first month of restrictions in a related context to the COVID-19 impact on SMEs. For the second month, several other businesses were shuttered with extended constraints.

2.2. Impact of COVID-19 on SMEs in Fiji

Over the previous two decades, Fiji has made significant progress in decreasing poverty. Between 2002 and 2013, the consumption-based poverty rate dropped from 40% to 34%. Similarly, while rural poverty remained high at 44%, urban poverty decreased from 35% to 26% between 2002 and 2008. However, the urban poverty percentage climbed from 26% to 30% between 2008 and 2013, whereas rural poverty declined from 44% to 38% (World Bank, 2020b). A growth in rural-to-urban migration contributed to urban poverty, although it did not account for the entire rise.

However, because of COVID-19, Fiji is currently considered one of the riskiest economies. The characteristics of economies that are more vulnerable to the COVID-19 pandemic have been discovered, and three stand out in the case of Fiji:

- *Heavy dependency on external revenues.* Countries that rely heavily on tourism earnings have been affected particularly severely because the travel and tourism industry has effectively shut down and will take a long time to recover due to enduring health concerns.

- *Large informal sector.* Because it is generally less protected and entails working in the most hazardous conditions, the informal sector is hit by the crisis. Furthermore, they are difficult to reach through government assistance programs.

- *High concentration of SMEs.* Countries with a higher share of employment in SMEs are more vulnerable since SMEs have low cash-to-asset ratios and find it difficult to keep employees on their payroll. The informal economy accounts for around half of the total economy (World Bank, 2017).

Small and medium businesses account for 18% of the gross domestic product (GDP). As a result, COVID-19 is projected to have a greater, larger, and longer impact on Fiji than on peer countries. Furthermore, the disruption of supply chains and labour will exacerbate the slowdown due to the remote nature of the Pacific Island Countries (PICs) in general. Fiji is without a doubt one of the

hardest-hit countries in the Asia-Pacific by COVID-19 in terms of job losses and output proportional to the size of the economy. COVID-19 is more dangerous in countries with a large informal economy, a high-level proportion of small and medium-sized firms, and a heavy dependence on external receipts. Fiji excels in all these areas: informal sector employment is estimated to be at least 50%, SMEs account for 18% of GDP, and tourism contributes to two-fifths of the country's GDP. As a result, Fiji must devise short-, medium-, and long-term strategies to combat the pandemic's effects.

The wholesale and retail trade, automobile maintenance, and motorbikes are anticipated to be the next hardest-hit industries. While they only account for roughly 8% of GDP, they employ 17% of the population. This sector, on the other hand, will be harmed by lower collective demand; on the other hand, the stoppage in remittances would leave people with limited purchasing power. Given the relatively slow rise in new consumer credit (1.9%) in the year to March 2014 and the drop in net value-added tax (VAT) revenues, consumption indicators are already poor (-19.2%). Furthermore, registrations for both new (-30.8%) and used (-58.0%) automobiles declined within the same period (World Bank, 2017).

Access to finance had been a challenge for SMEs in Fiji even prior to the pandemic: only 19% of the total estimated demand for credit was met (Reserve Bank of Fiji, 2020). As the crisis continues, this is likely to deteriorate. Tourist inflows began to slow at the beginning of 2020, and increased economic worry caused by the spread of COVID-19 reduced demand for services. Furthermore, even when the lockdown is lifted for an extended period, the public is likely to maintain social distancing measures around the world; as a result, travel, gatherings, and eating out will be restricted (World Bank, 2020c).

2.3. Shock effects of the pandemic

COVID-19 has led to several shocks simultaneously, severely hurting businesses, particularly micro-, small and medium-sized enterprises (MSMEs).

1. *Lockdown shock* represents concerted supply and demand shocks.

2. *Demand shock* that transcends lockdown.

3. *Supply shock* due to the decline in labour supply (health, childcare, lower productivity).

4. *Financial shock* triggers bankruptcies and leads to a deterioration in access to finance.

5. *Uncertainty shock* leads to costs of deferred investments and consumption.

Because these shocks are expected to increase unemployment, policymakers face a huge dilemma. Even the most productive and healthy businesses are not immune. Furthermore, mass layoffs will be troublesome during the economic recovery phase since it will be costly for businesses to find, rehire, and train people. As a result, the government's primary goal should be to protect healthy businesses and productive jobs. In developing nations like Fiji, this entails safeguarding SMEs, which make up more than 95 per cent of all businesses, according to the World Bank (2020c).

3. RESEARCH METHODOLOGY

An empirical examination of the actual effects of COVID-19 on SMEs in Fiji is provided in this section. In this research, a descriptive study based on a quantitative method with primary data collecting is conducted to empirically examine the effect of COVID-19 on SMEs. Because of the continued ambiguity surrounding the epidemic and the lack of available data, exploratory or descriptive research must be conducted. The characteristics of the current state of the SME sector are statistically assessed in the descriptive research. In this paper, descriptive statistics are used to investigate a small number of outcome variables that are COVID-19's effects on SMEs. These questions are addressed by consolidating the literature, legislation, and analytical framework and investigating a representative sample case study. Questionnaire surveys and direct interviews are also used. The use of this questionnaire in the context of Fiji has a fundamental justification. Studies and data indicate that the COVID-19 epidemic has an almost identical type of impact on SMEs everywhere (Bartik et al., 2020).

The SMEs sector in Fiji makes up the whole research population. Fiji is a group of 330 islands located in the southern Pacific between Vanuatu, Samoa, and Tonga. Fiji is centrally located in the South Pacific, and its centrality in communications, trade, and distribution networks makes it convenient for many international and regional organizations to base their headquarters in Suva, the capital city. The total population of this study is made up of SMEs in Fiji. Services, manufacturing, food buying/selling, and SMEs are all part of the industry. The pandemic took its toll on the entire industry. The final sample of roughly 170 SME owners in Fiji's Western Division, which COVID-19 severely impacted, was selected via non-random sampling from the indicated population. According to the understanding of SMEs' subject matter and the situation in the Western Division of Fiji after the sudden outbreak, the purposive sample technique identifies the set of targeted enterprises from the entire population. Purposive sampling allows the researcher to choose the most relevant audience for the issue based on his or her understanding and assessment of the subject. Because of the severe impact of COVID-19, the Western Division of Fiji, where SMEs operate, was chosen as the target sample. Cities and towns like Sigatoka, Lautoka, and Ba have been hit hard.

Semi-structured interviews are our qualitative empirical study's primary data collection technique. Indeed, interviews allow us to uncover data and check the novelty of the phenomenon studied (Grawitz, 2001). Data collection was carried out over two months, from June to July 2022. In total, 20 interviews with an average duration of 40 minutes were conducted within the analyzed companies. The interview guide was organized around five main themes: 1) presenting the interviewee's profile and the company; 2) discussing the effects of the crisis on the business; 3) presenting the phases of resilience; 4) outlining

the key actions at the core of resilience; and 5) discussing the lessons learned from the crisis.

The interviews that are done are transcribed for in-depth study. Senior managers and intermediate managers, the two hierarchical levels, were interviewed. However, because we are aware that resilience exists in all organizational structures, we have chosen chief executive officer (CEOs) from all areas. In order to process the gathered data, we selected a thematic content analysis (TCA) methodology. The purpose of this step (content analysis) is to summarize, code, process, and evaluate the qualitative data in order to draw final study results (Andreani & Conchon, 2005).

As a result, we worked on the code in stages. First, we organized the data gathered into texts by transcribing research interviews using Microsoft Word Transcribe. After that, we coded the data to create a thematic grid. It enabled us to separate the respondents' speech into analytic units (words, phrases, themes, etc.) and organize those units into categories that were established in accordance with the study's goal.

Finally, we discussed possible explanations and requested feedback from the interviewees regarding our findings. They were verified, and then we presented our final findings. Twenty Fijian enterprises from various industries make up our sample. Even after the COVID-19 crisis' detrimental effects, these businesses nonetheless managed to survive, especially after the imprisonment that occurred in Fiji between March 2020 and April 2021. The information pertaining to our sample is summarized in the table below (see Table 1).

Due to the three main causes, the rural areas are totally ignored in the sample size. Purposive sampling was used in this study to choose a relevant target sample from urban regions where there were several reports of COVID-19 infections and a lockdown was in effect. In order to serve the objective of the research, the sampling technique first enables the selection of the most appropriate audience from the overall population. Businesses in rural parts of Fiji are not considered to be a prospective audience for a sample, secondly, they were not required to take strong protective measures against COVID-19 and there were relatively few cases from these locations that were documented. Only major cities and towns in the Western Division of Fiji are counted for the final sample with the purposive technique. Finally, this study's limitations during data collection include time, resource, and accessibility restrictions. So, this study is delimited to the major city and towns affected by the coronavirus and easily accessible SMEs operating in these areas. Comparable limits were enforced by the government as policy measures, and COVID-19 has equally hurt many firms in the selected city and town. As a result, the outcomes of a few selected SMEs in the same area can be generalized due to the similar contextual setting of the entire population. For the purpose of gathering data, questionnaires were mailed to SMEs' owners. The completed questionnaires were returned by 141 participants, achieving a response rate of 82.94%. The other statistics related to the questionnaire are presented in Table 2.

Table 1. Sample characteristics

<i>Interview</i>	<i>Activity</i>	<i>Work force</i>	<i>Interviewees</i>	<i>Duration of the interview</i>
I1	Food distribution	173	Manager	30 minutes
I2	Pharmaceutical	10	Pharmacist	35 minutes
I3	Fuel distribution	18	Management accountant	32 minutes
I4	Clothing/Footwear	92	Director	30 minutes
I5	Tourism	79	Director	31 minutes
I6	Banking	73	Manager	32 minutes
I7	Insurance	9	Insurance agent	30 minutes
I8	Electrical/Electronics	53	Accountant	31 minutes
I9	Information technology	9	Accountant	33 minutes
I10	Real estate	7	Real estate	32 minutes
I11	Legal/Lawyers	8	Lawyer	33 minutes
I12	Construction-hardware companies	338	Manager	32 minutes
I13	Food manufacturing	157	Accountant	30 minutes
I14	Poultry	143	Manager	32 minutes
I15	Bookshops/Stationaries	5	Manager	35 minutes
I16	Recycling/Waste collection	10	Accountant	30 minutes
I17	Automotive/Spare parts	37	Director	35 minutes
I18	Steel	47	Director	30 minutes
I19	Sawmills	37	Director	32 minutes
I20	Quarries	200	Accountant	31 minutes

4. RESULTS AND DISCUSSION

The descriptive analysis is carried out with a graphical representation of the response percentages to each factor, utilizing data from 170 respondents. Table 3 shows the detail of responses to specific instrument questions along with relevant response percentages. After that, a full graphical analysis with appropriate graphs is offered.

The first analysis is relevant to SMEs' experiences following the COVID-19 epidemic. The percentage of people who responded in favor of any of the listed effects on their business owing to COVID-19 is shown in Figure 1 below.

Figure 1 demonstrates that the government of Fiji imposed a lockdown on 65% of companies after declaring COVID-19 a pandemic. The second most common business experience is a drop in demand for products and services. For 62% of the total SMEs in the sample, demand for their products and services has decreased. People were obliged to stay in their houses throughout the lockdown, lowering demand for products and services supplied in marketplaces beyond their basic needs.

Owners of inelastic demand products such as rice, flour, potatoes, onions, milk, and tobacco products account for 16% of respondents who have chosen to enhance demand for their products and services.

Table 2. Responses distribution

<i>Cities/Towns</i>	<i>Questionnaires-SMEs</i>	<i>Response rate</i>
Lautoka	43	37
Nadi	47	40
Sigatoka	26	20
Ba	34	29
Tavua	20	15
Total	170	141

Table 3. Responses details by items

<i>Survey items</i>	<i>Responses</i>	
	<i>Number</i>	<i>%</i>
Reduced salaries or wages	101	72
Increased wages or salaries	2	1
Reduced employees or hours of work	79	56
Hired additional employees	0	0
Employees laid off/Terminated	63	45
Increased employee's hours of work	0	0
Government-mandated closure	91	65
Difficulty in moving goods and services	73	52
Increase in demand for goods and services	23	16
Decrease in demand for goods and services	87	62
Neither increase nor decrease in demand for goods and services	31	22
Shortage of supplies/inputs	47	33
Received government grant to pay employees	21	15
Never received government grant to pay employees	120	85
Increase in sales	12	9
Decrease in sales	123	87
Neither increase nor decrease	6	4
Increase in profit	9	6
Decrease in profit	125	89
Neither increase nor decrease	7	5

Note: Sample size –141.

Thirty three percent (33%) of respondents reported a supply shortfall due to transit disruptions and lockdowns. Similarly, during the lockdown period following the COVID-19 outbreak, 52% of enterprises had issues moving their goods due to supply chain interruption.

Figure 1. SMEs COVID-19 pandemic experiences analysis



The interviewees indicated the issues they experienced during the pandemic due to restrictions in placed by government:

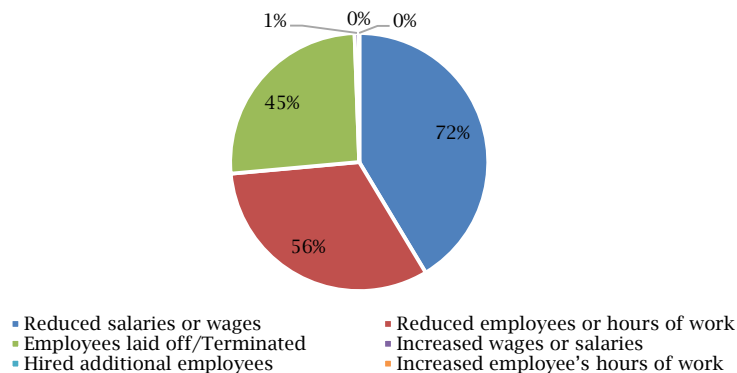
“Our organizations have had to individually, collectively, and organizationally redesign their management practices as a result of the COVID-19 health catastrophe. To recover from the nightmare, there is an opportunity to reimagine work, help people, and alter our businesses” (I9).

“Temporarily putting the operations on halt and designing the relevant policies and procedures to

operate the business. Liaising with the appropriate health authorities and stakeholders on the urgent matters and issues in place...” (I4).

The following pie chart, Figure 2, relates to analyzing changes in employment practices: 45% of the businesses either terminated or laid off their employees; 56% reduced their working hours; 72% of the companies reduced the salaries and wages of their staff after the outbreak of COVID-19, having a significant impact on the operations of the businesses.

Figure 2. Analysis of changes in employment practices



The interviewees mentioned how the internal operations of the business was changed to ensure that business continues with its operations:

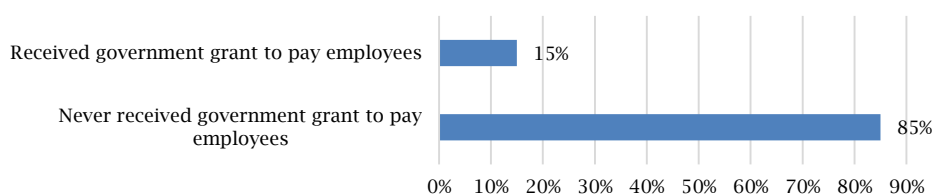
“Our professional environment has been completely upended by this catastrophe, which has an impact on everyone’s personal, professional, and family lives” (I4).

“Operated factory with skeleton staff (40%), COVID-protocols were implemented to allow business operations” (I13).

The percentage of enterprises that have used government loans to finance their salary payments

is shown in Figure 3 below. The percentage of enterprises that have not benefited from government loans to cover their salary payments is represented by the other bar. According to the bar chart, 85% of enterprises did not take out a government loan to pay their staff during this time. At the same time, 15% of enterprises have taken out loans or received grants to pay their employees’ salaries during periods of low economic activity.

Figure 3. Grant and loan availability



Due to changes in business operation and what difficulties the employees were facing:

“Most of our employees are at home throughout the confinement period, which has several benefits (Autonomy, time savings, less exhaustion and expenses associated with home-work journeys, enhanced harmony between work and non-work, etc.)” (I6).

“Office staffs work from home, and production staff has reduced or shift hours. Where a single product was produced in a day, two or more was produced with the decrease in quantity with whatever staffs were available” (I13).

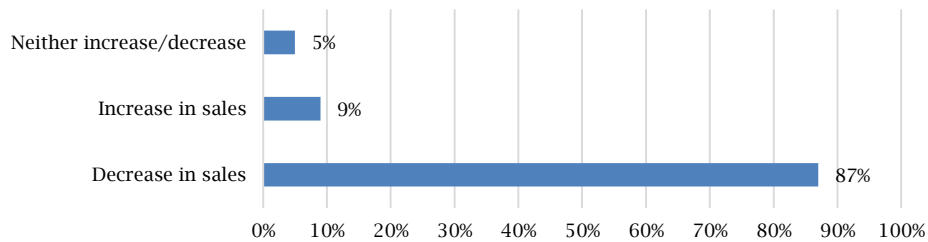
The final part of the analysis constitutes the analysis of the period. Figures 4 and 5 show

the breakdown of sales turnover and profits, respectively.

The bar chart depicts how businesses have been hit hard by the COVID-19 spread in terms of sales reductions over the last few months. Overall, corporate sales have decreased by 87%. On the contrary, company sales have climbed by 9%. These could be SMEs that sell medical equipment and other necessities. COVID-19 did not affect 5% of enterprises that have maintained their level of sales turnover.

These might be the businesses of products with inelastic demand like flour and rice.

Figure 4. Sales analysis



The interviewees indicated how business sales was affected and what measures was taken to sure revenue generation:

“Daily group-wide meeting across four countries with key personnel’s” (I18). “Plan a team to arrange timetables for productions, staff pickups & drop-offs, and communicate with external stakeholders on how to operate the business” (I20).

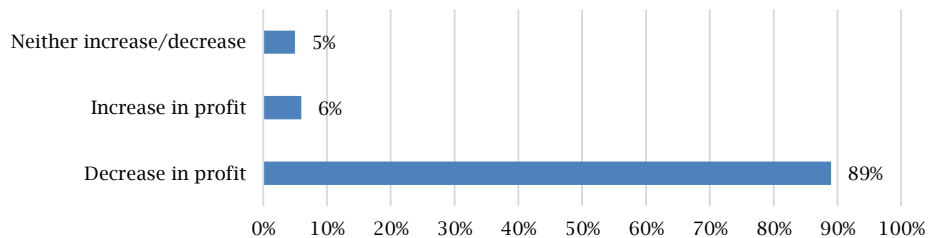
“New procedures implemented to ensure safe operations, as well as safety of staff, are maintained” (I1). “Increase productivity — staff had difficulty after not working for several weeks. Transport and split shift requirements affected available time. Find alternatives for material delays” (I4).

Because of the low level of economic activity, 89% of enterprises have seen their profits drop. Profits have climbed in 6% of firms, while profits

have remained stable in 5% of enterprises. SMEs that provide medical services and supplies have kept their profits. During the COVID-19 spread era, even a couple of these companies can make more money.

It prioritizes issues based on answer percentages after descriptive analysis. The first challenge that SMEs face is an 89% decrease in profits. This is followed by an 87% drop in sales. 85% of SMEs did not obtain government assistance. With 72% of respondents, the fourth-ranked issue is compensation or salary reduction. The government-ordered closure of the company is placed fifth. With a response rate of 62%, the decline in demand for products and services is the sixth-ranked issue. Reduced work hours are placed seventh with 56% of respondents, while the difficulty in transferring products and services is ranked second with 52%.

Figure 5. Profit analysis



With the advent of the COVID-19 crisis, some companies studied have adopted risk management techniques to anticipate potential risks better, assess them and define control measures to simulate various incident scenarios to be analyzed and thus guarantee business continuity.

“Staff health was the priority and standard operating procedures were updated to minimize any

risk (I3) following standard operating procedure and safety precautions from the Ministry of Health” (I5).

“Do through risk assessments probability impact, prepare recovery and continuity plan, Keep business flexible, Make resource more assessable” (I1). “The company provided free masks, sanitizer, face shield to their staff” (I6).

"The business makes sure that cash flow is not affected. Even with reduced turnover, the business has not defaulted a single payment to date" (I10).

In their analyses of COVID-19's influence on small and medium firms, Lu et al. (2020), Bartik et al. (2020), and Shafi et al. (2020) came to same conclusion. It demonstrates that COVID-19 has about the same effect on SMEs in many world areas, which is in line with research findings and other publications. The findings of layoffs are consistent with the limited studies conducted shortly after the COVID-19 epidemic. In his research, Bhatti et al. (2020) also noted that unemployment in the SME sector tends to rise after the COVID-19 epidemic. Businesses have overwhelmingly approved the layoffs policy, even though the lockdown has harmed operations (Sareen, 2020).

As a result, there is insufficient material developed this year to assess the concerns of SMEs in Fiji or throughout the world as a result of the unexpected COVID-19 spike. As a result, the conclusions of this study are ground-breaking in the context of Fiji's SMEs. Additional research studies on additional aspects and the influence of COVID-19 on the SME sector can be conducted. Because SMEs and the national economy are intertwined, analyzing their current status based on the survey prompts a swift course of action to resuscitate both. The World Bank and the International Monetary Fund, as well as a few Fijian government organizations, have issued a set of proposals to help the country's economy rebound from decreased COVID-19 cases.

Intelligent lockout policies can handle supply chain issues, firm closures, and sales turnover declines caused by lockdowns, and they have been implemented in many nations throughout the world. The Fijian government stepped forward in this time of need to help SMEs with a grant from the Fiji Development Bank.

The interviewee indicated how they managed to survive during the pandemic:

"Backup policies and procedures have been designed should there be any crisis in the future" (I1).

"Competition has increased and buying power of consumers has reduced. We are preparing ourselves for more competition" (I2).

"Better planning is done to cater to unforeseen circumstances, and the digital transformation implemented allows for easier means of doing business" (I5).

5. CONCLUSION

Because disasters and shocks occur frequently in Fiji, the government may consider providing direct compensation to MSMEs. According to research, paying viable firms/sectors with grants right away during a crisis can have far-reaching positive consequences. This approach also has the advantage of potentially covering informal firms, those who are not taxed, and those who do not benefit from banking incentives or subsidies.

The conclusions of this study are followed by policy recommendations for the government and SMEs management. The steps listed as recommendations are the work's practical implications for stakeholders. Financing programs, youth entrepreneurship loans, competent staff retention, liquidity augmentation with more short-term loans, and proactive preparation for an unpleasant future are only a few of the recommended strategies for the SME sector's resuscitation. Academicians now have more evidence about the subject and can expand their studies to different divisions of Fiji as a result of this study.

No amount of government assistance, no matter how generous, will be enough to ameliorate the economic consequences of the COVID-19 epidemic. The government must also implement measures to address long-term tendencies that are threatening inclusive growth and the achievement of the Sustainable Development Goals (SDGs). The Fiji National Employment Policy (NEP) was enacted by the government in 2018. COVID-19 presents a chance to hasten its implementation to stimulate the economy through supply and demand-side policies.

The government might look for ways to make finance more environmentally friendly. Green bonds can be used to fund spending, and private funding can be mobilized for green investment through targeted and transparent guarantees. Climate risk disclosure in banks' investment and lending portfolios could also be made mandatory.

Finally, because the effects of climate change do not stop at national borders, international cooperation and support are critical. Regional economies can band together to create a medium-term strategy. High-income countries might also enhance financial aid to low-income and vulnerable populations to help them cut emissions and rebuild the catastrophe fund drained by the COVID-19 crisis.

In this paper, specific policy proposals for state authorities and SMEs are made for the sector's sustainability, revival, and expansion following the reduction of the severe COVID-19 impact seen in the early months.

The study's limitations and practical consequences include small sample size and accurate instrumentation. The results were based on information given by senior staff through questionnaires. The scope of future research could increase to include more people from each company, allowing for cross-referencing the answers.

Future research should also cover a broader sample of enterprises as well as startups in different sectors, like the commercial, state-owned entities, and not for profit organizations, as well as small businesses in the communities. By doing so, it would be feasible to ascertain whether there are discrepancies among the various industries and whether location has an effect. It would also be interesting to contrast the COVID-19 pandemic's effects and implications with earlier instances of recession and economic crisis.

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APPENDIX A. QUESTIONNAIRE — ACADEMIC RESEARCH

An analysis of COVID-19 implications for SMEs in the emerging market

Dear Participant,

We are administering this questionnaire for our research project. Kindly note your responses will be used for research write-up, however, your identity will remain confidential.

You are free to decline to fill out the questionnaire. However, the researchers would be grateful if you could please fill in the form and answer all questions.

Kind regards,

Dr. Vishwa Hamendra Prasad (Staff of Fiji National University)

Mr. Nikleshwar Datt (Staff of Fiji National University)

Mr. Vishal Sharma (Staff of Fiji National University)

1. Please indicate in which geographical area your business is located.

- Lautoka
- Nadi
- Sigatoka
- Ba
- Tavua

2. From your perspective what challenges did your business face during COVID-19?

- Reduced employee hours of work
- Increase wages or salaries
- Hired additional employees
- Employees laid off/terminated
- Reduced wages and salaries
- Increase employee hours of work
- Others (please specify):

3. Did your organization receive financial assistance during COVID-19?

- Received loan or grant to pay employees
- Never received loan or grant to pay employees
- Others (please specify):

4. Did your organization's sales turnover was affected during COVID-19?

- Neither increase/decrease
- Decrease in sales
- Increase in sales

5. Did your organization's profit was affected during COVID-19?

- Neither increase/decrease
- Decrease in profits
- Increase in profits

6. Would you like to make any further comments about the impact of COVID-19 in your organization?

Many thanks for your cooperation!

Your Designation (Job Title): _____ Signature: _____

APPENDIX B. INTERVIEW CHECKLIST FOR COMPANIES

Organizational characteristics

Profile of Participant

What is your level of education?

University diploma _____ Bachelor's degree _____ Master's degree _____
Other (specify; include certifications if any) _____

1. Describe the profile of your organization.

- type of organization _____
- type of business _____
- market of the products & services _____
- Number of employees _____
- complexity of activities _____
- Any other special features and characteristics _____

2. How did COVID-19 pandemic impact your business?

3. How did you rethink or modify your business processes during the COVID-19 pandemic?

4. Can you provide examples of crisis management plans that your company adopted in:

- 1) Operational _____
- 2) Financial _____
- 3) Legal _____
- 4) Others _____

5. What were your companies plans, procedures and resilience measures with respect to:

- 1) Activation of crisis unit _____
- 2) Changes in working methods _____
- 3) Digital transition _____
- 4) Corporate social responsibility _____
- 5) Re-organization of departments _____
- 6) Risk management _____

6. Finally, please can you tell some of the lessons your company learnt from the crisis.

