



**THE IMPACT OF COVID-19 ON THE SMALL AND MEDIUM ENTERPRISES IN  
DEVELOPING COUNTRIES - THE CASE OF MALAWI.**

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Abstract

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COVID-19 has caused unprecedented disruptions among (micro) small and medium enterprises (SMEs or MSMEs) in developing countries like Malawi. Guided by the definition of SMEs – which is dependent on specific country context – this study will concentrate on SMEs considering a wide range of definitions globally and narrowing it down to Malawi.

Although the predicted massive deaths due to COVID-19 never came to pass in most developing nations, the restrictions and measures put in place to avoid further spread of COVID-19 impacted on the SMEs greatly.

The researcher looked at impact of COVID-19 on SMEs in Lilongwe, the capital city of Malawi using quantitative method.

The study confirmed that the SMEs were affected heavily by COVID-19 which resulted into low sales for a long period; the SMEs employed some methods to survive COVID-19, and most respondents acknowledged that there was need to come up with the new strategies to survive future pandemics. Although the respondents were aware of the interventions put in place to help SMEs cope with COVID-19, not all of them benefitted from such interventions.

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## 1. INTRODUCTION

Developing countries were grappling with significant challenges even before the COVID-19 pandemic emerged. These developing countries, including Malawi, were already facing persistent issues such as poverty, inadequate healthcare systems, limited access to education, and high levels of unemployment.

According to the United Nations (2020), the recent global health crisis, popularly known as COVID-19, only worsened these pre-existing challenges, revealing and magnifying the inequalities and vulnerabilities that exist in the world.

As the pandemic spread across countries, the already marginalised populations—including low-income households, informal workers, and those living in rural areas—were affected. Among the rural communities in Malawi, for instance, predicting the widespread disruptions was predictable considering that the households are dependent on little everyday economic activities.

Due to lockdowns which most governments implemented, there was disruption of essential services, loss of income, and increased health risks in these communities. Moreover, the pandemic highlighted the lack of resilience in health systems, as many were ill-equipped to handle the surge in cases, leading to inadequate care and increased mortality rates. For instance, in Malawi, makeshift COVID-19 clinics included the Bingu National Stadium in Lilongwe which many argued was not a good idea considering the stadium's proximity to residential areas which mean more populations were put at risk with such decisions but it was seen to be a solution to the lack of health care infrastructure.

The United Nations (2020) further emphasised that the crisis served as a stark reminder of the urgent need for comprehensive social safety nets and equitable health policies in developing countries. The inequalities exposed by the pandemic called for a concerted global effort to address the root causes of these challenges, ensuring that recovery efforts prioritize the needs of the most vulnerable populations. As nations navigated the path to recovery, it was crucial to build more resilient systems to withstand future shocks and foster inclusive growth.

It should also be appreciated that the pandemic further increased the impact of disparities as it created more challenges for the communities and households which were already struggling. For instance, poor households were more likely affected by the pandemic than the middle-income households who earn a living through other means other than small businesses. This is common in most developing countries where the gap between the poor and the rich is so huge.

Specifically, COVID-19 negatively impacted Small and Medium Enterprises (SMEs) due to widespread business closures, layoffs and resulting economic hardships. In most countries, policy makers and researchers have developed models that include various components which can be used for dealing with such negative impacts. Economists have studied the macro-level economic impacts of the pandemic on small and medium businesses. This includes the impact of government interventions, such as shutdowns on their finances and labour market conditions. The questions that have always arose in such situations were that people would be greatly affected by the closures more than the disease itself.

Through further research, scholars have sought to understand how businesses are adapting to the COVID-19 related changes in the economic environment. This includes examining the ways in which businesses are adjusting their operations and service delivery to cope with COVID-19. As it is argued, humans use existing knowledge and experiences to deal with a new phenomenon which has been the case with COVID-19.

In the context of the COVID-19 pandemic, developing countries often face unique challenges and disadvantages compared to their developed counterparts when it comes to implementing adaptations that rely on new technologies. For instance, the adaptation and utilisation of new technologies, such as online markets and logistical services, have become crucial for businesses to maintain operations, reach customers, and ensure the delivery of goods and services during the pandemic.

One key challenge faced by developing countries is the digital divide, which refers to the gap in access to and adoption of digital technologies between different populations. In many developing countries, limited internet connectivity, inadequate infrastructure, and low levels of digital literacy among segments of the population can hinder widespread adoption of online markets and e-commerce platforms. This digital divide increases the disparities in accessing

important services, conducting business transactions, and participating in the digital economy, especially in rural areas (Morris, J. et al, 2022)

Moreover, the cost of technology adoption and infrastructure development presents a huge barrier for businesses in developing countries. Investing in digital solutions, such as setting up e-commerce platforms, establishing secure online payment systems, and implementing efficient logistical services, can place a financial strain on SMEs with limited resources. High capital costs, ongoing maintenance expenses, and the need for specialized skills to manage digital technologies can constrain the ability of businesses in developing countries to adapt swiftly to the changing business landscape. (Morris, J. et al, 2022)

This study was conducted in Malawi, a country with the complexities and challenges commonly faced by many developing countries. Malawi serves as case study due to its unique socio-economic landscape and the pressing issues that resonate with similar nations in the Global South.

For instance, like many other developing nations, Malawi grapples with persistently high levels of poverty, with a significant proportion of its population living below the poverty line.

The recent reports by United Nations (2020) confirm that most Malawians lack access to basic necessities, such as clean water, adequate healthcare, and quality education. Furthermore, the country's infrastructure remains underdeveloped, with limited access to reliable transportation, electricity, and communication systems. These infrastructural deficits became more pronounced during the COVID-19 pandemic as stakeholders were considering the strategies to deal with COVID-19.

The COVID-19 pandemic introduced a new challenge for developing countries like Malawi. Unlike previous pandemics or health crises, COVID-19 affected the economy and other social structures.

Additionally, the response to COVID-19 placed a huge strain on Malawi's already fragile health system, which was ill-prepared to manage a crisis of this magnitude. The diversion of resources towards pandemic response efforts left other critical health services neglected, further endangering the well-being of the population.

In the context of these challenges, understanding the impact of COVID-19 in Malawi provides valuable insights not only into the specific circumstances of the country but also into the broader realities of developing nations facing similar struggles.

This study aimed at shedding light on how these complexities shape the lived experiences of individuals and communities during a global pandemic especially among the SMEs who are the subject of this study.

### **1.1 The research background**

Prior research and literature have highlighted the important role of Small and Medium-sized Enterprises (SMEs) which many agree serve as a foundation of economies in both developed and developing countries. As such, ensuring the survival and sustainability of SMEs is a top priority for many economies in the developing world.

During times of crisis, such as the COVID-19 pandemic, SMEs face unprecedented challenges that threaten their operations and viability. While it is important for governments in developing countries to take proven measures to support SMEs during crises, research by Nguyen et al. (2024) found out that strategies developed by the SMEs themselves were equally important in adapting to and navigating through future pandemics.

Although not systematic, one important area that needs SMEs to perfect is risk management and contingency planning. Through observation, most SMEs displayed their knowledge of strategies that aim at contingency planning to deal with potential disruptions and enhance their ability to respond to unexpected events such as COVID-19.

It is also important to understand that efforts in empowering SMEs to innovate and adapt their business models can help enhance their ability to withstand shocks and uncertainties brought about by pandemics and other crises.

### **1.2 The purpose and objective of the study**

This study was aimed at finding out how COVID-19 affected SMEs in developing countries, the case of Malawi.

The following were the objectives of this study:

- To find out the impact of COVID-19 pandemic on SMEs in Malawi
- To find out the survival techniques by SMEs during the COVID-19 pandemic
- To find out if there are strategies proposed to survive future pandemics
- To find out if the government and other stakeholders put in place interventions to help SMEs to cope with COVID-19.

In addressing the objectives of the study, the researcher answered the following main question: How were SMEs impacted by the COVID-19 pandemic in Malawi? In responding to that question, it is also important to examine the following: What strategies did SMEs use to survive the COVID-19 pandemic? What new strategies have been proposed to survive future pandemics? What were the interventions by the government of Malawi to help SMEs cope with COVID-19?

### **1.3 Case Study: Malawi**

Malawi, located in Southern Africa, has a population of approximately 21.48 million and most of the people are the youth in households which have 4.4 occupants on average (NSO, 2018).

According to the available data by United Nations Committee for Development Policy, Malawi is among the Least Developed Countries (LDC). The criteria used to rank these countries includes gross national income (below \$1,018), human assets index (HAI), and an economic and environmental vulnerability index (UNCTAD 2021).

On March 20, 2020, former President Peter Mutharika declared a state of disaster which was followed by restriction of public gatherings and public events, closure of schools at all levels, border closure and suspension of international flights. Public Health rules were established with the aim of preventing, containing and managing COVID-19. The first COVID-19 case in Malawi was confirmed on April 2, 2020 (UNICEF, 2020)

This study focused on SMEs located in Lilongwe, the Capital City of Malawi. However, the study encountered several limitations. The first limitation was that the study did not include SMEs from all 28 districts of Malawi. For instance, the FinScope (2012) survey revealed that the vast majority of SMEs in Malawi (85 percent) are situated in remote areas.

It should be appreciated that including SMEs from the 28 districts could have validated important findings. For instance, rural SMEs may operate in different industries, face unique challenges, and employ alternative business models compared to their urban counterparts who are exposed to good practices and might have benefitted from the observations of larger enterprises. This diversity would be best captured if a larger area of study was explored.

However, had the researcher decided to include more participants from the other districts, it could have been difficult to interact with them face to face. The nature of the study required that interaction since the researcher's presence is very important in listening to the stories and experiences of participants which would lead to credible interpretation when presenting the findings.

Most importantly, the researcher's choice to focus on Lilongwe was influenced by the availability of individuals who volunteered to assist in coordinating the interviews at no cost. These individuals, being based in Lilongwe, provided logistical support and local knowledge that proved invaluable in the research process. Their willingness to contribute their time and expertise for free not only reduced the financial burden on the researcher but also facilitated smoother coordination of the study within the Capital City.

Their support ensured efficient communication with SMEs in Lilongwe and helped overcome potential challenges associated with organising interviews since all interviews were conducted in the environment in which SMES trade. Ultimately, their voluntary assistance played a crucial role in streamlining the research activities and maximizing the study's effectiveness within the chosen geographical scope.

#### **1.4 Research structure**

The research has five chapters presented as follows:

- Chapter one includes the research background, the purpose and objective of the study, the background of case study Malawi, the research question, and the structure of the study.
- Chapter two includes theoretical framework which informs the research. The literature also includes the contemporary debates of COVID-19 both globally and locally.

- Chapter three has defined and described qualitative method, sampling technique and data collection technique.
- Chapter four includes presentation of results, data analysis, and discussion.
- Chapter five is the recommendation and conclusion

## **2 THEORETICAL FRAMEWORK**

### **2.1 Introduction**

This chapter reviews literature and theories related to small and medium enterprises SMEs (which is used inter-changeably with MSME). The literature includes definition of SME, stages of SME growth, roles of SMEs in an economy, SMEs in Malawi, global COVID-19 debates and COVID-19 debates in Malawi.

### **2.2 Definition of SMEs**

OECD (2017) says “there is no standard international definition of small and medium-sized enterprise since SMEs are defined differently in the legislation across countries, because the dimension ‘small’ and ‘medium’ of a firm are relative to the size of the domestic economy.”

Keskgn et al (2010) favour the European Union’s definition of SME that focuses on a number of employees to be fewer than 250 employees. This category is further divided into micro enterprises, small enterprises, and medium sized enterprises. Keskgn et al (2010) further clarify that micro enterprises all encompass self-employed individuals who operate independently without any employees.

The International Finance Corporation (IFC) (2012) defines SMEs in smaller economies as firms with less than 20 employees. According to this definition, the IFC (2012) provides guidance that it is essential to categorize businesses based on their number of employees, total asset value, and annual sales or turnover.

Majanga (2015) says most SMEs are owned by individuals or a small group of individuals who are involved in the ownership and control of such small business entities.

### 2.3 Stages of SMEs growth

Understanding the stages or phases of SMEs growth is crucial for several reasons, as these stages have a bearing on how viable the business can be and indeed whether a business can survive all threats after some stages.

If analysed, it is evident that SMEs follows some trajectory and each stage has its unique features which then entails the challenges and opportunities to be anticipated.

Nieman et al (2003), identified stages a business passes through in the process of its growth. This process includes incubation stage, start-up stage and the actual success based on various input into the business. As confirmed by Majanga (2015), lack of access to finance has been cited as a huge challenge for SMEs. Predictably, this only worsened during the COVID-19 pandemic as newer SMEs scrambled for financial resources to boost their businesses.

Churchill and Lewis (1983) say the growth stage, the business matures and might face challenges requiring mergers to survive. Lastly, the final stage might see sales and profits decreasing. In this regard, businesses that quickly react and innovate would know how to manage crisis at every stage of their businesses.

Since there are already some challenges every business faces at every stage, new strategies for SMEs survival are important as COVID-19 has added to the existing challenges which are constant whether there is a pandemic or not.

Understanding these growth stages is important within the context of this study, as it allows for a deeper examination of the various factors that may impact the survival and expansion of SMEs. This understanding provides the foundation for the researcher to gather data that considers a broader spectrum of influences contributing to the success or failure of MSMEs in Malawi, beyond the predictable COVID-19 pandemic which may be exaggerated by the interviewees for their own reasons.

By appreciating the stages of growth for MSMEs, the researcher can effectively guide the data collection process to encompass diverse elements that may have influenced the outcomes of these enterprises. While the impact of the COVID-19 pandemic has been predicted as a primary cause of SME failures during this period, it is imperative to recognise that, under

normal circumstances, numerous other factors play significant roles in shaping the success or not of these small businesses.

This acknowledgment is especially pertinent, as attributing failure solely to the impact of the disease may disregard the complexity of factors, both internal and external, which may affect SMEs success. By thinking beyond COVID-19, the researcher remained focussed on designing the study to ensure that indeed the study was more focussed on the objectives rather than the other factors.

## **2.4 Role of SMEs in economy**

According to the World Bank (2022) the growing need to accommodate the estimated 600 million jobs, the growth and sustainability of the SMEs should be prioritized.

A number of studies suggest that the size and importance of the SME sector varies from country to country. Berry (2007) says although SMEs have been recognized in developed countries recently, developing countries have always seen this significance since the 1970s.

This can be understood as indicating that SMEs are significant in the economy due to their role. This significance is particularly clear in developing countries, where opportunities for individual development and empowerment may be limited. Considering these arguments, it should be appreciated that local communities would usually rely on SMEs for livelihood.

In this context, SMEs would prove to provide avenues for employment and entrepreneurship, offering individuals the chance to improve their economic circumstances and contribute to the overall development of their communities.

The growth and success of SMEs are important in developing countries, making a strong case for the role SMEs play in driving economic development. However, the emergence of the COVID-19 pandemic has raised arguments that this growth has been significantly disrupted. The pandemic has presented some challenges for SMEs, affecting their sustained development and potentially impeding the positive impact they have on local economies. This disruption has underlined the fundamental importance of understanding the unique challenges faced by SMEs during crisis situations and devising strategies to support their recovery and future growth (Bartik et al., 2020).

The effects of COVID-19 on the expansion of SMEs in developing countries underscore the importance of these enterprises in driving the economy. According to Garcia-Martinez (2023), given their significant impact on the economy, it is important to understand how SMEs can be promoted.

The importance of SMEs in the modern world continues to grow as highlighted by the World Bank (2022) which argues that the new ideology of neoliberalism and globalisation underscores the significance of SMES being catalysts for sustainable business environment particularly in developing nations. Reflecting on the World Bank's analysis, it has been observed that there is a notable shift in focus from large-scale industries to SMEs within developing economies, as they offer advantages such as easy adaptation considering that SMEs would operate with lower capital which would lead to cheaper production.

According to Masalira & Msweli (2013), the SME sector is recognised as an economic base with the ability to drive economic growth. Finding ways of advancing SMEs will lead to more achievements especially economic empowerment among vulnerable groups.

There is no doubt therefore that developing countries have focussed much on poverty alleviation which has necessitated the introduction of activities that indirectly aims at promoting SMEs.

In Malawi for instance, The National Economic Empowerment Fund (NEEF) focuses on enhancing the country's economic development by offering a variety of loan products to MSMEs. Its objectives include boosting employment by supporting enterprises capable of creating jobs and fostering entrepreneurial spirit among youth, women, and other groups that can contribute to socio-economic growth. (NEEF, 2024)

The concern during the COVID-19 pandemic was that most of the SMEs would close their businesses. However, despite the pandemic indeed impacting on SMEs, it is important also to note the other factors that contribute to the survival of SMEs.

As posited by Bowler et al (2006) the survival of SMEs depends on the number of years they have been in business. But researchers, who have investigated why SMEs fail in Malawi found

out the economic, regulatory and social factors as the causes (Wanjohi, 2010). Similarly, Marlow and Patton (2005) argue that accessing financial resources is crucial for SMEs survival.

Indeed, COVID-19 is a new situation which has led to interventions by governments and most of such interventions proved costly among SMEs especially since the success of most of the SMEs is dependent on how quickly the goods and services are turned over. This view is shared by Gourinchas (2020) who states that the success of self-employed businesses relies heavily on the regularity of purchases and supply complemented by spending behaviours of the potential buyers. Yet, as some interventions during COVID-19 proved, closing of businesses was the main strategy which meant people had nowhere to do their businesses. Since most buyers were left with little disposable income because of the lockdowns among others. The larger population that depends on daily earnings to buy goods and services were not able to do so.

## **2.5 SMEs in Malawi**

Various literature suggests that the definition of SMEs varies based on the economic context. In Malawi, the official definition of micro and small enterprises (MSEs) is determined by factors such as employment and annual turnover (Government of Malawi, 1999).

Malawi Government's commitment to promote small enterprise activities started in the 1970s with the establishment of institutions supporting the growth, existence and survival of MSMEs in Malawi. During the same period, membership and advocacy organisations also grew (Lora, 2016).

According to Lora (2015) Malawi has seen a number of programmes implemented by government to support SMEs development. These programmes include the Small Enterprise Development Programme (SEDP) (1993 to 1996) and the Entrepreneurship Development and Employment Creation Programme (EDEC) (1997 to 2000) which were supported by the United Nations Development Programme (UNDP).

The structures put in place led to formulation of policies which include Small and Medium Enterprise Policy (SMEP) approved by Government in 1998; and the Micro-finance Policy approved in 2000 (Government of Malawi, 1999).

The 2019 Malawi FinScope MSME Survey estimated nearly 1.6 million SMEs in the country, collectively employing approximately 1.8 million people and this sector contributed a significant number of employees who relied on this sector for their livelihoods (FinScope, 2019).

Regarding financing, Chilima (2022) revealed that most SMEs primarily rely on informal credit mechanisms, contributions from relatives and loan associations.

The Government of Malawi acknowledges the significant role of SMEs in the economy. Recognizing their potential to alleviate poverty, the sector has increasingly been the focus in development policies (Government of Malawi, 2002). This focus is reflected in the Malawi Poverty Reduction Strategy (MPRS) Paper, which highlights SMEs as key contributors to pro-poor growth.

It was observed by Mhone (2019) that the majority of SMES (over 90 percent) were not registered by the Registrar General. He argues that such SMEs do not want to register to avoid the fees which such registration may attract. Due to this situation, the Government of Malawi is putting in place measures to enable SMEs to embrace the policies being developed and trade legally. However, it is important to consider introducing waivers to SMEs during emergencies and create awareness so that individuals involved in small businesses should appreciate the importance of trading legally.

In general, during a pandemic, waivers would play a crucial role by providing support to individuals, businesses, and communities facing the challenges. These waivers serve as a key tool for mitigating the impact of pandemics and facilitating a coordinated efforts and response to ensure that the well-being of society is enhanced.

## **2.6 Global COVID-19 Debates**

The disruptions that affected the entire world have led to debates that confirm the devastating effects, prevention and containment of COVID-19, and recovering from the effects of COVID-19 which are relevant to the SMEs which are the subject of this study.

Some pandemics happened in the past which interrupted people's social and economic well-being. Just like COVID-19, these past pandemics spread regularly (Piret & Boivin, 2021). Just

like these past pandemics, COVID-19 has led to significant economic, health, and social challenges across the globe (Abrams & Szeffler, 2020). In its preliminary stages, COVID-19 was widely viewed as a Chinese problem, then an Italian problem but it eventually became everybody's problem (Beck, 2020).

In response, governments put in place measures that would prevent the spread of COVID-19. But as some scholars noted at the time, the emergency measures put in place were bound to have a direct impact on the economy. For instance, Gali (2020) predicted that the measures would lead to production and sales being impacted in multiple sectors, potentially causing partial or complete collapse during emergencies.

According to Adam and Alarifi (2021) COVID-19 preventive measures disrupted the supply and demand system for goods, leading to economic slowdowns in multiple countries. It is important to note that even economically stable countries were not ready for this kind of crisis. Baldwin and Weder (2020) say in Europe, the instruments and institutions developed by the euro area over the past decade were not intended for the kind of crisis experienced, which is different from the shocks to a single country. As Hasanat et al. (2020) say, the effects of COVID-19 Pandemic affected every sector. For example, most of the SMEs that were affected by COVID-19 failed to fulfil their financial obligations and pay employees' salaries (Robinson & Kengatharan, 2020). It is therefore not surprising that several SMEs that could not find innovative ways of surviving the pandemic resorted to closing as noted by Bartik et al (2020) that some businesses halted their operations and have remained closed since the early months of the outbreak.

Although Gourinchas (2020) believes that the restrictions were not the reason for recession but panic and people's behaviour, Gonipath (2020) says efforts to contain the spread of the disease through these measures have an impact on economic activity by reducing capacity utilization and disrupting supply chains. The inability to access necessary parts domestically or internationally, particularly from key suppliers like China leads to increased business costs and a negative productivity shock, ultimately reducing economic activity.

Since COVID-19 has unprecedented effects on most countries, there have been suggestions by scholars on how to deal with the situation to ensure that businesses, and most importantly citizens, are not hugely affected by the pandemic in future.

To address the effects of COVID-19 in China, Huang et al (2020) say that various fiscal policies along with monetary and financial policies, were implemented. Initiatives included VAT exemptions for small businesses, government subsidies for airlines to resume international flights, a significant credit injection from the banking sector, and financial support measures like reduced interest rates and specific credit lines for SMEs to restart production.

Some have proposed implementing a stimulus package to facilitate the recovery of businesses affected by COVID-19. According to Sandberg (2020), injecting stimulus into the economy after a prolonged economic depression will assist vulnerable groups. However, during a crisis, businesses that are innovative still survive.

According to Adam and Alarifi (2021) “the term ‘innovative practices’ refers to the effective implementation of new solutions to challenges faced by SMEs, which include effective implementation of new ideas in relation to the organisation’s product, services, or processes; new marketing mechanisms; or new administrative practices for work amelioration and upgraded performance.” This is the reason Freeman (2004) confirms that the distinct SMEs performance is an outcome of the effective implementation of innovations. As most SMEs embraced the change and devised techniques to cope with COVID-19, one of the most important innovations that has changed the SMEs landscape is the use of digital platforms to do business.

## **2.7 COVID-19 debates in Malawi**

Gentilini et al (2020) says Malawi, just like Zambia and Zimbabwe, had not put in place measures to mitigate the effects of COVID-19. There was a lot of resistance regarding lockdown measures in Malawi because most people believed it was not necessary. As observed by Mehtar et al (2020) the resistance was partly because most people thought it was proper.

The declaration of lockdown was challenged in the courts and the justification was that the already suffering populations will suffer further (Baulch et al, 2020). For instance, the sentiments among rural populations as reported in the media was that the disease was for the rich since most of the rural populations were grappling with more challenges more punishing than COVID-19.

Instead of a complete lockdown, the Government of Malawi relaxed some restrictions which allowed businesses to continue, and citizens' movement was no longer restricted (IMF, 2020)

Just like a number of countries, there were key policy responses to COVID-19 in Malawi, for instance the fiscal policy implemented spending measures such as hiring more healthcare workers. Additionally, tax waivers were granted on essential imports, and an Emergency Cash Transfer Programme was implemented. The policy also called for support to SMEs, with banks and micro-finance institutions expected to restructure SME loans and provide a debt service moratorium until June 2021 (IMF, 2020).

As it was noted, the pandemic presented an opportunity for SMEs to register their businesses and get informed about tax issues. At the time, it was learnt that tax compliance window was an important undertaking that promoted taxpayer compliance, enhancing tax transparency, generating additional revenue, and reducing the tax burden on compliant taxpayers.

More importantly, cash transfer proved to be a popular intervention too. Although cash transfer was one of the interventions targeting vulnerable households, there was no transparency in the way households were identified and the actual money that went to beneficiaries. As it was reported later, there was abuse of funds that were supposed to benefit people during the pandemic.

But as it has been observed, the magnitude and rapid implementation of these initiatives will heighten the potential for corruption, including fraud and embezzlement (Amundsen, 2020). Some of the risks include political manipulation, favouritism, and patronage. It is therefore important to sustain the gains of the cash transfer by eradicating the negative practices that would offset the gains registered.

### **3 RESEARCH METHODOLOGY**

#### **3.1 Use of qualitative approach**

The selection of a qualitative approach for this research study was driven by the nature of the research questions, which necessitated an in-depth exploration and understanding of

participants' experiences, perspectives, and insights regarding COVID-19 and the interventions put in place to mitigate its effects.

Many scholars contend that research questions play a pivotal role in determining the appropriate approach for addressing the questions. As highlighted by Teddlie and Tashakkori (2009), the research questions serve as the compass that directs the choice of research methods, ensuring that the methodology aligns with the objectives of the study and the type of knowledge being sought.

In this context, the researcher sought to explore the shared experiences of MSMEs in Malawi during the COVID-19 pandemic. The researcher favoured a qualitative approach because it facilitated a deeper understanding of these experiences by MSMEs.

According to Cresswell and Cresswell (2018), qualitative research affords a researcher an opportunity to engage with the participant in order to understand their experiences. This view is also shared by Brinkmann and Kvale (2005) who assert that when research focuses on human experiences, qualitative methods are particularly well-suited for generating the desired knowledge or information.

Others like Fossey et al. (2002) say qualitative approach helps in fully understanding phenomena happening in the natural environment of the participant. This entails that what the participants experience will be used to make meaning of their lived experiences and the researcher is central to the process of interpreting the information generated through interviews.

The richness of the researcher's interpretation of the participants' experiences is largely attributed to the high quality of the data collected. The interaction between the researcher and the participants, which takes place in a natural environment, plays a significant role in enhancing the credibility and depth of the data. This dynamic context facilitates open communication and fosters a more authentic exchange of insights, ultimately leading to a more clearer understanding of the participants' perspectives.

According to Cresswell and Poth (2018) qualitative approach is empowering to the participants who share their stories and the natural setting minimises power relationships that may exist. A

similar view is held by Kumar (2019) who says qualitative approach reduces the power gap between the researcher and participant.

Among the qualitative methodologies, the phenomenological approach is well-suited for this study, as it seeks to gain a comprehensive understanding of the impact of a phenomenon by describing and analysing participants' experiences which are shared with the researcher. Delve and Limpaecher (2022) say this strategy helps a researcher to isolate the phenomenon's important elements by focusing on the participant's experiences and as much as possible, the researcher is not influenced by his or her own notions of such experiences.

The proponents of phenomenological approach focus on what participants have in common. For instance, Cresswell and Poth (2018) say the information is collected from participants with similar experiences.

To effectively employ the phenomenological approach, the researcher considered several key aspects of this approach. For instance, Cresswell and Poth (2018) state that "one of the features of a phenomenological study is the exploration of a specific phenomenon with a group of individuals who have all experienced that phenomenon." In this study, the researcher focused on COVID-19, whose impact warrants further exploration, particularly among MSMEs.

### **3.2 Sampling technique**

Palinkas et al (2015) say the appeal to use purposive sampling lies in its capacity to select participants who possess valuable insights and in-depth knowledge pertinent to the phenomenon being researched.

Specifically, the study focused on MSMEs who were affected by COVID-19 in Lilongwe, Malawi. According to Cresswell and Poth (2018), it is essential to select participants thoughtfully to ensure that a shared understanding can be developed based on their collective experiences of the phenomenon under investigation. Cresswell and Cresswell (2018) agree arguing that the idea behind qualitative research is to purposefully select participants who will best help the researcher understand the problem.

In qualitative research, determining an appropriate sample size is not a straightforward task. According to Cresswell and Cresswell (2018), the sample size is contingent upon the specific

research design; for example, phenomenological studies typically involve 3 to 10 participants. Creswell and Poth (2018) further note that the selection process is influenced by the concept of homogeneity, with sample sizes ranging from 3 to 4 individuals up to 10 to 15.

For the current study, the researcher selected 40 participants, each representing a distinct MSME trading in various goods, items or services. Although the larger sample size deviates from the common and traditional qualitative norms, the participants were considered homogeneous due to their shared classification as MSMEs doing their business in Lilongwe, Malawi.

Despite the appropriateness of the qualitative approach, Hammarberg et al. (2016) note that it is often viewed with skepticism due to its reliance on small samples, which may not represent the broader population.

Critics argue that the method lacks objectivity and that the findings can be influenced by the researcher's personal experiences or opinions. However, the researcher aimed to mitigate these perceived biases by selecting Lilongwe, the capital city of Malawi, as the study area and carefully choosing participants from 40 different specialisations in trade. This strategy helped to enhance the credibility of the results since all the responses from the 40 participants were analysed and common experiences were identified.

In the end, the researcher was guided by Creswell and Creswell (2018) who emphasise the need for a researcher to focus on learning the meaning that the participants hold about the problem or the issue, not the meaning that the researcher brings to the research or what is already found in literature already published by earlier researchers.

### **3.3 Data collection technique**

With a qualitative methodology, the focus was on capturing data that would be important in explaining the research questions. In this case, the researcher's intention was to understand the experiences of the MSMEs. Such experiences would be easily appreciated through interaction which the researcher initiated using un-structured interview.

To gather data that offered the understanding of the participants' perspectives, research interviews were employed. According to Kvale (1996), qualitative interviewing is rooted in the

art of conversation, with the researcher adopting a role of an attentive inquirer and the participants sharing their narratives and viewpoints in response to questions by the researcher.

According to Kumar (2019) interviews enable the obtaining of in-depth information although the criticism is the likely bias due to the framing of questions or how the information collected is interpreted. However, the interview was informed by the research questions which meant the type of questioning was of little consequence as the aim was to gather the important information.

Cresswell and Cresswell (2018) say during face-to-face interaction between a researcher and a participant, unstructured and open-ended questions are ideal to generate the views or opinions being sought. It is argued that in qualitative interviewing, the emphasis is not only to extract factual information but rather, it centres on engaging in a meaningful dialogue with the participants, allowing them to explain their thoughts, experiences, and emotions. This process involves active listening, thoughtful probing, and creating a space where participants feel comfortable expressing their perspectives.

The interview with participants took place in the environment where the MSMEs do their business. According to Cresswell and Cresswell (2018) the majority of researchers concur that data collection should occur in the context where participants encounter the issue or problem being studied.

However, interviews can pose challenges, particularly for participants who may feel uncomfortable, even with prior consent. It has been observed that ethically, researchers who consistently seek ongoing consent throughout the interview process tend to establish stronger connections with participants. According to Allmark et al (2009) it is ideal that researchers should consider using a model of continuous (or process) consent rather than viewing consent as occurring once, at signature, prior to the interview.

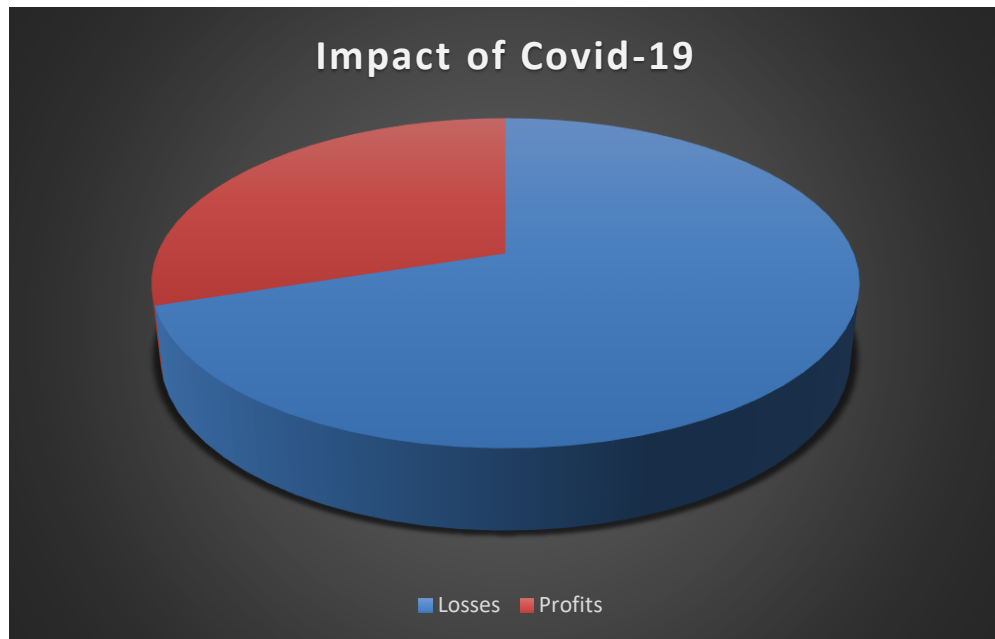
#### **4 DATA ANALYSIS AND DISCUSSION**

In this chapter, the results will be presented, data analysed and a discussion will be done to clarify the findings.

## 4.1 Presentation of results

The following are the results of the study after analysing the data from the respondents:

### 4.1.1 Impact of Covid-19 pandemic on SMEs



**Figure 3: Impact of Covid-19**

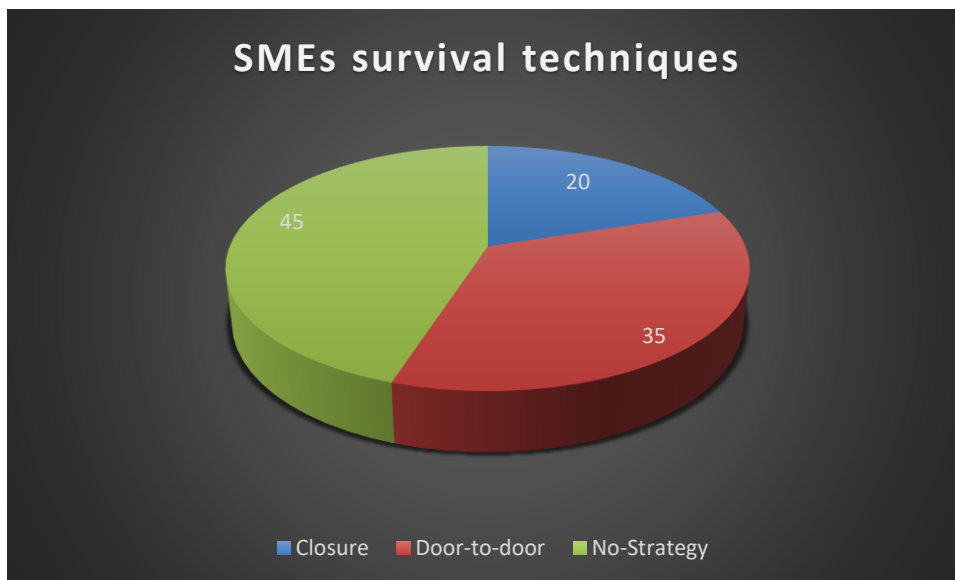
70 percent of the SMEs reported that they made losses compared to the pre-COVID-19 period.

*“I made losses during the COVID-19 pandemic because of the restrictions by the Government. I remember when outdoor events were banned, most of the people who had weddings and engagement ceremonies cancelled their events. Although most of them had already paid a deposit, I had used my own resources to buy materials hoping that I would recover the money after hosting the events. After the Government had relaxed the restrictions, most of the clients had left the City while others completely changed plans and went ahead to hold their weddings with only family members invited and my services were not sought,”* says a 32-year-old female event planner from Lilongwe.

However, 30 percent of the respondents indicated that they had made profits during the COVID-19 pandemic than any other time in the past.

*“They say one person’s misfortune is another one’s blessing. Although I am not celebrating that my fellow SMEs were affected by the COVID-19 pandemic, I benefitted from COVID-19. The membership of the Fitness Club jumped from 60 members to 150 members. Infact, I changed the approach as the majority of new members – most of whom were aged – opted to do exercises from their homes so I eventually became a door-to-door trainer. I believe that once citizens learnt that COVID-19 was more of a lifestyle disease, the demand for my services grew because of how the COVID-19 messages were circulating – those who were fit had more chances of recovering from COVID-19,”* says 30-year-old trainer from Lilongwe.

#### 4.1.2 Survival techniques employed by SMEs



**Figure 4: SMEs survival techniques**

The respondents reported that there were a number of techniques that they used to survive during the COVID-19 pandemic. 20 percent of the respondents temporarily closed their businesses to avoid paying operational costs like rent, electricity and water bills.

*“The operational costs remained the same while the sales dwindled. This meant I was no longer making profits. I had hope that someday, the situation would change therefore it was necessary to temporarily close my business and save the capital that I had,”* said a 28-year-old male respondent who is in Fashion and Textile industry.

While other SMEs closed temporarily, 35 percent of the respondents opted for door-to-door services.

*“When we noticed that the sales were going down, we had to find a way to survive. Since we have made it a point to collect mobile numbers of some of our customers, we did a survey and most of them indicated that they were afraid to go outdoors for fear of contracting COVID-19. They suggested that if we were to introduce door-to-door services, it would be great. So, we started door-to-door services, the customers were sending requests through mobile phone and we would collect the items. This was something we had not thought about before COVID-19 pandemic,”* says a 33-year-old male attendant working for a Courier Service.

However, 45 percent of the respondents said they had no survival strategy since their businesses were self-sustaining.

*“I did not have any survival strategy because even before COVID-19 pandemic, we were already in survival mode. We do not anticipate huge profits, some of the people in the similar business like mine are happy with the money they make. I would like to tell you that being a barber is a unique talent, we have managed to maintain the clients we have had, it is difficult for them to identify a new barber. Most of them are used to our hands so they feel comfortable coming back to us all the time. And again, the rent we pay is not huge, it is affordable. The problem with our business is that we cannot opt for door to door since we expect clients to find us here and if we are away for few hours, we lose a lot,”* says a 27-year-old male respondent who is a barber.

### **4.1.3 Strategies to survive future pandemics**

100 percent of the respondents agreed that there should be strategies in place so that SMEs can survive future pandemics. The strategies include registering with government agencies to

benefit from stimulus package, easy access of credit facilities, collaboration with fellow SMEs doing similar business and taking part in digital literacy programmes so that those SMEs in service industries (food and beverages and others) can still provide the services without the physical clients in their premises:

*“We have learnt some lessons from the pandemic that is why we have some ideas in mind. A lot of things must be done differently even in times when there is no pandemic. It is obvious that embracing digital platforms for business has proved effective elsewhere. For instance, I sell some dresses in my shop but I do not have a website or Facebook page, it would be easy if I knew how to handle my business page where I can post the items I am selling and I can deliver to them, I might not need to pay rent as it is possible to operate from home,”* says a 26-year-old lady who sells imported clothes.

However, some respondents indicated that if registered, it would be easy for them to collaborate:

*“We are losing a lot because we are not registered therefore it is difficult to collaborate. If registered, we can easily generate a data base which would inform us about fellow SMEs who are doing a business like ours. We learnt during the pandemic that a lot of people who were organised have their own saving groups and easily accessed loans at a lower interest. We also learnt that since there were restrictions on movement, those who were organised gave each other opportunities for instance, providing services in an area where they were although those seeking services had initially inquired from another person who were not close to that area,”* said a 26-year-old female respondent who owns a Beauty Parlour.

#### **4.1.4 Interventions to help cope with Covid-19**

100 percent of the respondents said they heard about the interventions by the government, banks and other stakeholders but they did not benefit from such interventions:

*“I have heard that some measures were put in place to help those doing business during the pandemic. What I heard from my colleagues was that since I do not pay any tax, I am not recognised by the Government therefore it would be difficult to benefit. I was reluctant to find out more from the authorities because I could be arrested, I have*

*not paid any tax before and I have my own ways of importing the beverages that I sell here, I am comfortable that way,”* says a 43-year-old respondent who sells beverages.

However, some of the respondents said they were fully registered and they pay tax but most of the interventions were shrouded in controversy:

*“I have no idea how the beneficiaries were identified and who was involved in selecting the beneficiaries. Of course, we are many of us but any kind of intervention by Government does not give us confidence. It is a waste of time to expect anything from Government that is why we must find our own way of surviving. Maybe they make noise to impress international partners and donors but there is nothing that we see on the ground, those who benefitted were lucky perhaps,”* says a 40-year-old lady who runs a Recreation Centre.

## **4.2 Discussion of results and interpretation**

According to Kumar (2019), “one of the features of qualitative research is the adherence to the concept of respondent concordance which means that there should be an agreement between the information provided by participants and the researcher’s interpretation, presentation and conclusions.”

In this context, as suggested by Cresswell and Cresswell (2018), the interpretation involved summarising the overall findings, comparing the findings to the literature, discussing personal views of the findings which eventually reveal the lessons learnt.

The study found out that COVID-19 in Malawi had an impact on SMEs; some of the SMEs used techniques to survive the pandemic; there is need for strategies to cope with future pandemics and there were some interventions by the Government and other stakeholders although the SMEs interviewed did not benefit from such interventions.

### **4.2.1 Impact of Covid-19 pandemic on SMEs**

The majority of SMEs indicate that their businesses suffered because of the restrictions and other measures that the Government had put in place. Specifically in Lilongwe where the study

took place, the security agents were enforcing the restrictions while others who defied the orders were arrested. As predicted in the early days of the pandemic by Gali (2020) “the measures would have direct effect on production and sales in many sectors, where activity will collapse partly or completely during the emergency, either as a result of supply disruption (due to the unavailability of inputs, labour or otherwise) or a fall in demand (due to the forced change in consumption patterns resulting from health-related measures).”

The restrictions and measures impacted the SMEs trading in markets that were closed by 5:00 P.M and night businesses like restaurants, pubs and night clubs where food items and beverages are usually sold. Although night clubs and pubs were open until 10:00 P.M, the roadblocks that were put in place restricted night travel while those who had no reason of travelling beyond 10:00 P.M were arrested and charged.

The service industry suffered greatly because most people spent more time at home and they kept themselves busy with some activities which were previously done by SMEs who provided the services. Specifically, the business that suffered included those providing cleaning services, waste collection services, laundry business and restaurants.

Although in general COVID-19 affected SMEs, others benefitted from the pandemic. These include SMEs providing health and wellness services, phone repair services, electronics, mobile phone accessories, pharmacy, furniture production, computer refurbishing, TV installation, Internet installation and used electronics. It is evident from the list of SMEs providing the services that the restrictions and measures put in place compelled most households to invest in items that provide home entertainment, pharmaceutical products to protect themselves from contracting COVID-19 while those at risk of contracting COVID-19 resorted to exercising more than ever before. There were also many households who demarcated rooms where members of the household could work from since many people were working from home. This explains why those in furniture, electronics and Internet installation SMEs made some profits.

#### **4.2.2 Survival techniques employed by SMEs**

The respondents reported that there were a number of techniques that they used to survive during the COVID-19 pandemic.

The SMEs that closed their businesses wanted to avoid paying operational costs like rent, electricity and water bills. It must be emphasised that SMEs that closed their businesses wanted to protect their capital and start again in future. For most SMEs who closed their businesses, the reason was to minimise on the operational costs which include rent, salaries, electricity and water bills. Studies that were done elsewhere proves that closing of businesses was a lesser evil. For example, as Robinson and Kengatharan (2020) found out, most of the SMEs that were affected by COVID-19 failed to fulfil their financial obligations and pay employees' salaries.

35 percent of the SMEs in this study opted for door-to-door services to maximise their profits. It can be agreed that out of the crisis, the SMEs found a way of remaining in business taking advantage of the situation rather than focussing much on the negative effects of COVID-19. It is also noted that most of the SMEs who opted for a door-to-door services utilised digital platforms to build a customer base and increase awareness among the prospective clients and customers about the products and services on offer.

#### **4.2.3 Strategies to survive future pandemics**

The respondents suggested a number of strategies to survive future pandemics. These include registering with government agencies to benefit from stimulus package, easy access of credit facilities, collaboration with fellow SMEs doing similar business and take part in digital literacy programmes.

It is generally agreed that SMEs that are not registered are not known by the government therefore it would be a huge challenge to be considered for programmes targeting SMEs especially during a pandemic. The government may not be interested to work with unregistered SMEs. The SMEs that are not registered and are not taxed rob the Government of the much-needed revenue. This is reflected by Masalira & Msweli (2013) that the "existence of SMEs directly aids the state government by way of contributing towards the consolidated fund through tax payments based on the businesses' annual profits, mitigation of national poverty, and as an economic empowerment vehicle for previously disadvantaged people." When there is a crisis, the Government will be obliged to assist the SMEs as it becomes a reciprocal gesture considering how both will benefit from each other. However, Government's reluctance not to assist unregistered SMEs can be justified since most SMEs run away from voluntary remitting of taxes and remain unregistered to maximise their profits. Previous researchers

indicate that registration procedures are tedious and it is one of the reasons why SMEs collapse even before they start (Wanjohi, 2010).

Most respondents agreed that if they were registered, they would easily collaborate and still make profits. For not being registered, SMEs who are involved in similar business do not each other therefore it is not easy to collaborate.

#### **4.2.4 Interventions to help cope with Covid-19**

There are a number of interventions by the Government and other stakeholders which the SMEs are aware of but have not benefitted from such interventions. The respondents said that despite a number of external stakeholders who ought to work closely with SMEs – such as SMEDI – there was no communication which indicated that they were planning to assist. This is contrary to what Chrisman & McMullan (2004) and Mason & Brown (2013) findings who say that external support targeting SMEs proved beneficial. The researchers say “it is acknowledged that governments, advocates, and different agencies and institutions offer external support to SMEs to save their lives, boost their growth, stimulate innovation, and enhance their capabilities by increasing managerial capabilities and improving marketing skills, thereby ensuring they make a greater business contribution to the national economy.”

But as it has been observed in similar interventions, government officials tend to benefit more than the intended beneficiaries. For instance, Mwalyambwire and Sambakunsi (2022) say “Covid-gate scandal’, as it was called, represented a typical case of government funds being diverted for private goods instead of much needed public goods.”

#### **4.3 Recommendation**

The COVID-19 pandemic profoundly affected the MSMEs in Malawi. Nonetheless, COVID-19 also presented these businesses with a unique opportunity to rethink and innovate their operational strategies to thrive in various economic conditions.

The reality is that pandemics and similar crises have historically been a part of the business landscape, necessitating adaptability among MSMEs not only in Malawi but among both developed and developing countries.

As the study has found out, one of the challenges facing the MSME sector in Malawi is the high rate of unregistered businesses. The study has revealed that many SMEs operate informally, which significantly limits their access to government support, financial assistance, and other beneficial interventions from stakeholders. This was particularly evident when the Government of Malawi introduced measures to mitigate the impact of COVID-19 which meant most unregistered entities were not considered for the bailout package.

To address the challenge of unregistered businesses, it is essential to conduct further research aimed at identifying the specific bottlenecks that hinder SMEs from registering in Malawi. Understanding these barriers is crucial for developing targeted strategies that will encourage more SMEs to formalise their operations which would mean benefitting from the Government of Malawi and other financial services providers who are important stakeholders.

It should be appreciated that encouraging registration among MSMEs presents a win-win scenario for both the businesses and the Malawian government. A growing number of registered MSMEs would not only increase government revenue through taxes and formal business contributions but would also enhance the overall health of the economy.

It should be noted that stronger MSMEs contribute to job creation, local community development, and innovation. Furthermore, a robust SME sector provides the government with the resources it needs to fund development projects and improve infrastructure, ultimately fostering economic stability and growth.

In addition to these benefits, registered SMEs will gain access to critical support mechanisms that they might have missed during the COVID-19 pandemic. Access to financial resources, training programmes, and government initiatives is essential for their resilience and long-term sustainability especially in readiness of future pandemics.

Therefore, it is crucial to implement comprehensive awareness campaigns that educate MSMEs on the benefits of formal registration and the processes involved.

Moreover, policymakers should consider simplifying the registration process and reducing associated costs to make it more accessible for MSMEs. This could include streamlining paperwork, providing financial incentives, or establishing local support centres to guide MSMEs through the registration process. By taking these actions, the government can foster a conducive environment for SMEs, ultimately leading to a more vibrant and resilient economy

capable of withstanding future challenges. Government agencies like Malawi Revenue Authority should be actively involved in creating awareness to increase the tax collected but at the same time empowering the SMEs who might want to access financial loans which is at the moment not possible because such MSMEs do not satisfy registration requirements.

The challenges posed by the COVID-19 pandemic underscore the need for a renewed focus on supporting the SME sector in Malawi. By addressing the barriers to registration and creating a supportive ecosystem for SMEs, stakeholders can facilitate their growth. This, in turn, will enhance the broader economic landscape, making it more resilient to future shocks.

#### **4.4 CONCLUSION**

This study delved into the significant impact of the COVID-19 pandemic on MSMEs in Malawi, emphasizing both the challenges faced and the adaptive strategies employed by these businesses.

The study addressed key questions regarding the pandemic's effects, survival strategies adopted by MSMEs, proposed strategies for future pandemics, and government interventions aimed at mitigating the impact of COVID-19.

The findings reveal that the pandemic disrupted the operations of many MSMEs due to government-imposed restrictions and a decline in consumer demand. However, some businesses were able to navigate successfully by leveraging door-to-door service models and digital platforms, demonstrating resilience in the face of adversity.

This adaptability is crucial, as it illustrates the ongoing importance of MSMEs in contributing to economic development, even during challenging times.

Despite the interventions put forth by the Malawian government and other stakeholders to support SMEs, a significant number of businesses did not benefit from these initiatives, due to their unregistered status. This poses a substantial barrier, restricting access to crucial resources and support during emergencies.

The necessity for MSMEs to formalise their operations becomes evident, as registration not only opens doors to government assistance but also fosters a reciprocal relationship where

the government can rely on registered businesses for revenue generation and economic growth.

Looking to the future, the study underscores the need for strategic planning to prepare for potential pandemics. Proposals from respondents highlight the importance of formal registration, collaboration among SMEs, access to credit facilities, and participation in digital literacy programmes. Such measures can enhance resilience, ensuring that MSMEs are better equipped to withstand future crises.

Finally, while external support for SMEs is recognised as beneficial, effective communication and equitable distribution of resources must be prioritised to ensure that the intended beneficiaries receive the support they need. Addressing systemic issues that lead to inefficiencies and misallocations within government interventions is vital for rebuilding trust and strengthening the SME sector in Malawi.

In summary, the experiences shared by MSMEs during the COVID-19 pandemic provide valuable insights and lessons that must be leveraged to enhance their future resilience, emphasizing the crucial role that both government and MSMEs will play in navigating and overcoming challenges in the evolving economic landscape.

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## 6. APPENDICES

### 6.1 Respondents' profiles

Respondent (Proprietor)	Age	Gender	Type of Business	Years in Business (correct as of 2022)	No. of employees	Source of capital
R1	30	Male	Health, wellness and fitness	5	10	Bank Loan
R2	28	Male	Internet Café	4	8	Savings
R3	50	Female	Vegetable Seller	10	Self-employed	Village Bank Savings
R4	33	Male	Phone Repair Services	12	5	Savings
R5	45	Female	Cleaning Services	14	6	Savings
R6	58	Female	Second-hand clothes	2	Self-employed	Savings
R7	26	Female	Imported clothes	4	Self-employed	Loan sharks
R8	42	Male	Welding	10	Self-employed	Savings
R9	25	Male	Electronics	4	4	Savings
R10	39	Female	Kitchenware	6	Self-employed	Bank Loan
R11	40	Male	Mobile phone accessories	7	Self-employed	Savings

R12	48	Female	Waste Collection Services	10	12	Inheritance
R13	22	Female	Mobile Money Agency	4	Self-employed	Savings
R14	29	Male	Photo Studio	12	4	Savings
R15	32	Female	Event Planning and Management	2	15	Savings
R16	45	Female	Animal Feed Production	5	22	Bank Loan
R17	55	Male	Art Products (Painting/ sculpture)	14	Self-employed	None
R18	28	Male	Fashion/Textile	16	10	Bank Loan
R19	33	Male	Clearing Agency	7	6	Savings
R20	36	Female	Pharmacy	2	8	Bank Loan
R21	43	Male	Beverages	8	13	Loan sharks
R22	44	Male	Agri-business	10	Self-employed	Bank Loan
R23	38	Female	Furniture Production	12	30	Bank Loan
R24	27	Male	TV Installation	3	Self-employed	None
R25	24	Male	Tailoring	2	Self-employed	None
R26	35	Male	Computer Refurbishing	5	Self-employed	None

R27	36	Female	Tutoring and Education	7	Self-employed	None
R28	60	Male	Laundry business	20	6	Inheritance
R29	30	Male	Internet Installation	8	5	Savings
R30	26	Female	Beauty Parlour	3	3	Village Bank Savings
R31	34	Female	Bed and Breakfast	13	14	Bank Loan
R32	25	Male	Used Electronics	4	Self-employed	Savings
R33	30	Female	Restaurant	4	4	Savings
R34	40	Female	Recreation Centre	6	16	Savings
R35	23	Female	Grocery Store	3	Self-employed	Inheritance
R36	33	Male	Courier Service	2	25	Bank Loan
R37	38	Female	Travel Agency	10	8	Savings
R38	22	Male	Tour Guide	10	Self-employed	None
R39	28	Male	Mobile photography	4	Self-employed	Savings
R40	27	Male	Barbershop	5	Self-employed	None

## 6.2 Interview questions

### Introduction:

My name is Tadziwana Wilfred Mbewe, I am conducting research to fulfil the requirements of Bachelor's Degree in International Business at Häme University of Applied Sciences (HAMK), Valkeakoski Campus Finland.

The aim of this research is to find out the impact of Covid-19 among SMEs in Malawi. Before we start the interview, let us go through the consent form together and if you are willing to respond and participate, you will sign for me the consent form. If you have any question, please ask and if necessary, I can clarify anything that is clear before we start the interview.

1. What is your name?
2. How old are you?
3. Are you an employee or you own the business?
4. How long has this business operated?
5. Explain how Covid-19 affected your business?
6. Are you aware of government interventions that were introduced to help businesses like the one you are running?
7. How do you want the government to help during the pandemic?
8. Did you consider credit facilities from the banks, loan sharks or village bank during the pandemic?
9. What were the strategies that you used for your business to survive during the pandemic?
10. Have you devised any strategies that you intend to use if there was another pandemic?
11. Is your business registered?
12. Have you ever thought of collaborating with SMEs in similar business?

## 6.3 Consent form



### Consent to Participate in a Research Study

#### Adult Participant:

##### General things for participants to know

You are being requested to take part in this study. To participate in this study is voluntary. You may choose not to participate, or you may withdraw your consent. Your names will not be revealed in this study. Details about this study are discussed below. It is important that you understand this information so that you can make an informed choice about being in this study.

##### What is the purpose of this study?

The main purpose of this research to find the impact of Covid-19 on Small and Medium Enterprises in Malawi. The study will also find out the survival techniques by SMEs during the Covid-19 pandemic; strategies proposed to survive future pandemics and find out if the government and other stakeholders put in place interventions to help SMEs to cope with Covid-19.

##### How long will the interview last?

The interview will last between 45 minutes and 1 hour but you may stop the interviewer if you feel that the interviewer is taking longer than you anticipated.

##### What are the possible benefits from being in this study?

This study is designed to benefit SMEs to know more about the impact of Covid-19. Specifically, there could be some strategies to be used in future when there is a pandemic.

##### Who is sponsoring this study?

**This research is self-sponsored and it is part of the academic requirement to fulfil the attainment of Bachelor's Degree in International Business. The researcher will not provide any incentives to you for participating in this study.**

##### Participant's Agreement

I have read the information provided above. I have asked all the questions I have at this time. I voluntarily agree to participate in this research study.

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Signature of Research Participant

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Date

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Printed Name of Research Participant

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Signature of Researcher/Coordinator

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Date

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Printed Name of Researcher/Coordinator

## **6.4 Thesis Data Management Plan– MBEWE**

### **1 Management and storage of research data**

The research data obtained from interviews has been securely stored and managed, following ethical guidelines. Interviewees were duly informed that the data would be used specifically for the purpose of the thesis, and their consent was obtained.

### **2 Processing of personal data and sensitive data**

All collected data, including personal and sensitive information, has been carefully included in the thesis appendix. To ensure confidentiality, interviewees were anonymized using initials (e.g., R1 for Respondent 1), and their consent was obtained through a formal consent form, thus ensuring the researcher's control over the collected data.

### **3 Ownership of thesis data**

Thesis Data as it was generated through the use of structured and specific questioning techniques. While the University may possess the right to use the data if necessary, the primary ownership remains with the researcher.

### **4 Further use of thesis data after the work is completed**

Upon obtaining final feedback from the supervisor, the thesis data will not be utilized further. However, permissions may be granted for the use of the data by individuals or entities seeking to conduct similar research in the future.