

AN EXPLORATION OF CHALLENGES FACED BY SMALL-MEDIUM ENTREPRISES CAUSED BY COVID-19: THE CASE OF SOUTH AFRICA

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ABSTRACT

Purpose: *This article attempts to source for the arguments and views of the entrepreneurs who are the brains behind the SMEs to understand the challenges faced by the Small-Medium Enterprises (SMEs) arising from the present Covi-19 pandemic.*

Design/methodology/approach: *This article uses a conceptual analysis strategy as a research method and tool to interrogate various documents which are relevant to this discourse.*

Findings: *The paper confirms that the Covid-19 pandemic has created a highly contaminated environment in which SMEs can no longer thrive without being financially assisted. Conversely, the existing regulations and rules in South Africa were done in poor consultation with the SMEs and hence are failing to have their buy-in. This approach ultimately missed out the targeted SMEs because a huge percentage of SMEs in South Africa are still underdeveloped with ostensible need to be empowered in skills, knowledge and finances.*

Research limitations/implications: *While the findings of this article are persuasive they cannot be readily generalised because the core key focus was SMEs within the borders of SA. Clearly, the situation, conditions and circumstances of individual countries differ and some do so radically and as such it will not be wise to generalise. Besides, an ongoing evaluation process should be embarked upon to keep full track of the development of COVID-19.*

Contribution/value-add: *This study contributed to the current understanding of how Covid-19 pandemic has escalated the challenges faced by SMEs in South Africa. The holistic analysis of this article proposes an integrated approach that views Covi-19 pandemic challenges within a multilevel framework and efforts which can mitigate SMEs financial crisis and attribute to their primary importance to one level or another.*

Keywords: Challenges of SMEs, Impact of Covid-19 Pandemic on South Africa, Government debt relief Intervention for SMEs.

INTRODUCTION

With the advent of technology, the speed of communication has rendered the world to be just like a global village for the mere reason that the events happening in any part of the world are within minutes made topical world over. The demise of the economy in 2008/2009 become in minutes a world phenomenon with devastating repercussions that threw the world into a financial crisis. A crisis that resulted in the loss of millions of jobs in the small businesses enterprises. As far as South Africa was concerned the economic crisis dealt a heavy blow to SMEs because the majority of the young people who were employed by the country's SMEs lost their jobs (Rob et al., 2020). The economic revival of the SMEs in the country had hardly been complete when the

latest pandemic called COVID-19 emerged with devastating consequences. Again, this meant huge financial losses to the struggling SMEs, the obvious outcome was further job losses.

As we look back to the 2008/2009 global recession, it is clear that a new era in the way SMEs in South Africa operated was introduced as a new companies Act 2009 was promulgated, but only implemented in 2011. New challenges came to the surface with the implementation of the new Act and this badly affected the country's SMEs (Rankhumise & Chiloane-Tsoka, 2012). The new Act ushered in more rigid laws that left the SMEs with little room to maneuver because in capitalist countries business thrives in an environment of free trade and less restrictions.

Unfortunately, the advent of COVID-19 has led to the demise of many SMEs which were still struggling to overcome the effects of the 2008/2009 global economic recession. No question, this affected the economy badly as the SMEs had in the past been contributing more than 20% to the country's gross domestic product (GDP) and paying about 6% of corporate taxes (Stats, SA: 2017). In addition, the SMEs were known to employ 47% of South Africa's workforce (Stats, SA: 2017) and this is by all standards a big contribution towards the reduction of unemployment and poverty in the country. It should be noted that after the 2008/2009 global economic crisis, the remaining SMEs in South Africa tried hard to reinvent themselves by reorganizing their businesses and also attracting skilled foreigners to resuscitate and revitalize their operational methods and approaches to the way business must be managed. This led to SMEs emerging as a viable business proposition when compared with the big businesses which registered an escalating rate of economic failures ranging in the bracket of around 70% between 1-5 years of their business operations (Fatoki, 2018). When this occurred, Pityana (2019) was the first to acknowledge the important and critical role of the SME sector was playing in growing South Africa's economy. On the other hand, Harrington and Kew (2018), posit that the 2017 was a difficult year for South Africa as the economy was projected to growth at 0.7% but that was not achieved. The result was that unemployment rose to its highest levels since the advent of democracy as it was recorded at 27.6% with an expanded rate of slightly in excess of 40%.

Looking at the emerging statistics, the youth unemployment rates and those of underemployment went above 65%, and were still predicted to be rising as high as 80% in some areas. As a consequence, South Africa was down-graded to junk status of BB+ by the Standard and Poor' (2017) global agencies. Despite all these negative news the economy actually grew by 1.3% during the last quarter of 2017 which experienced the highest growth rate as the economy expanded by 3.1% (Stats SA, 2017). The reason for the economy to grow as it deed was the substantial rise in the level of early stage of entrepreneurial activity (TEA) which increased from 2016 (6.9%) to 2017 (11%).

Harrington and Kew (2018) in Global Entrepreneurship Monitor (GEM) report point out that they find it difficult to explain the escalation of growth rate in the fourth quarter, as it appears in the Total Entrepreneurial Activity (TEA), notwithstanding the recession. In other words, the TEA has returned to the high levels experienced in 2010 and 2011 during the Soccer World Cup era when people were actively pursuing new business opportunities. Conversely, from a variety of reports this seemed possible as there was much thrill around entrepreneurship and start-ups as well as youth programmes, funding and development, corporate involvement and global conferences held in South Africa. Pityana's (2019) report affirms the argument that the SMEs sector as reported by (GEM, 2018) was buoyant and contributed much to the desired result in an economy in dire need of emancipation.

This paper therefore addresses two fundamental research questions:

1. To explore through literature review and document analysis the challenges faced by SMEs during the abrupt emergence of Covid-19
2. To critically and robustly interrogate the government interventions meant to assist SMEs to recover and also to survive the introduced lockdown or business shut down legislation. Furthermore, the article was triggered by emergence of global outcry against Covid-19 which has impacted negatively on SMEs generally and in particular on South Africa.

LITERATURE REVIEW AND THEORETICAL PERSPECTIVE

The previous setback resulting from the 2008/2009 market crash had gave rise to an economic situation of instability globally, but cannot be compared with the impact of the current dilemma called Corona virus (COVID-19) because it totally stopped the functioning of the SMEs in particular and business in general. Kamp (2020) places the issue beyond question when mentioning that the global economy has hit a sudden stop implying that the repercussions of COVID-19 are worse than those of the global financial crisis of 2008/2009. While Act 2009 was promulgated and only implemented 2011 and had adverse effects towards the SMEs and severely affected them to such an extent that some of them faced closure, (Chiloane-Tsoka & Rankhumise, 2012), however, COVID-19 has completely stopped the SMEs functioning. Clearly, COVID-19 is very deadly than anything seen in the past and the world health organisation, (2020) defines it as an infectious disease that is caused by a new virus whose nature is not yet fully understood, hence, it has no cure. COVID-19 is a disease that causes respiratory complications (like the flu) with symptoms such as coughing, sneezing, fever, and in more severe cases, difficulty in breathing (The world health organisation, 2020). It is a disease that is able to spread to others through acts of touching contaminated surfaces like door-handles or object that have been contaminated with the virus. However, it only attacks when people use their contaminated hands touch their eyes, nose, or mouth, or kissing, eating contaminated foods (World health organization, 2020). We know that a person has COVID-19, when the person exhibits the following symptoms: itching throat, dry throat, dry cough, high temperature, shortness of breath and loss of taste and smell.

That said, its implications toward the SMEs is something that was investigated by this article, more so that the pandemic impacts negatively on the operations of SMEs as the workers must keep a social distance of a meter or more. This measure was implemented to avoid close contact within the work place. The alternative was to allow workers to work from home as a temporary solution. In this article, it is argued that such measures are not good for the survival of the SMEs as their work entail that workers must function in an interdependent manner so as to be effective and productive. The work of the SMEs is mostly based on working with tools in an environment where almost everything is integrated. Meaning that the physical plant site, tools and workers are expected to operate in one common environment.

Unfortunately, the introduced measures only yield the undesired results which are destroying the SMEs instead of rescuing them. Presently, the SMEs are experiencing poor yields that shows no profit due to the consequences of shut down and lock down effects. In most countries of the world and including South Africa, for example, the Presidents and their executives have taken harsh strategic measures of deploying the police and the army to see that people stay at home. This was thought to be the only effective manner to curb the pandemic of the COVID-19 dilemma (Citizen of the 24/03/20, & Sunday Times of the 27/03/2020). Amongst others, the following measures were taken, namely; the shutting-down of most businesses except

the essential ones and this is coupled with Locking-down of the homes of the citizens except of those individuals who are deemed to provide essential services. Essential services are described as: nursing, electricity, removal of refuse, manning of traffic, policing, agricultural production, filling stations and other indispensable amenities.

COVID-19 pandemic outbreak has taken the world by storm and rendered the social and economic livelihoods of millions a disaster never experienced in living memory. There has a global outcry as a result the of COVID- 19 as places like the Sub Saharan African region with whose SME sector is doing business with China which has dubbed the epicenter of the pandemic. For example, with China shutting down its manufacturing centres and also closing its ports, almost the whole world became adversely affect economically as various commodities produced mainly by China became scares. China has in recent times become the main industrial hub of the world with the result that China has become an economic power house in competition with the likes of Japan and United States of America.

The Theoretical Platform

In the [https://en.m. Wikipedia, org](https://en.m.wikipedia.org) accessed on (29/04/2020) the popular evolutionary theory of the survival of the fittest as propounded by authors like Darwin (1864) and Russell (1868), is discussed at length. Although this theory is appealing to the adherents of free trade and free market who believe in cut-throat competition, unfortunately the theory can't hold water in an environment of dominated by the COVID-19 pandemic. The COVID-19 pandemic has created a highly contaminated environment in which SMEs can no longer thrive without being financially assisted. On the contrary, the theory of the SWOT as enunciated first by Albert Humphrey in the 1960s and 1970s and presently adopted by many writers of books, papers, articles, dissertations, theses and research reports of different kinds, it is appropriate for adoption as a tool to use in the analysis of the SMEs.

According to https://rapidbi_com>swot analysis accessed on the (29/04/20202) the acronym SWOT stands for the internal strength and weakness of a company/firm and as against the environmental opportunities and threats that are faced by the company/firm. Therefore, the implication is that the actual strengths and the weaknesses of the SMEs must be investigated so as to be clearly understood within the prevailing conditions and circumstances. The same should be done with the threats and opportunities provided by the environments in which the SMEs operates. All these issues are deliberated upon in the subsequent sub-headings. What comes next is a discussion of the methods used to collect data in this article.

The Prevailing Conditions Affecting in the SMEs Sectors in the World

The new pandemic has brought with it the push and pull factors whose effects were hitherto unknown especially towards the SMEs because instead of bolstering the economies of many countries like Mauritius which depend heavily on tourism, the pandemic had on the contrary adversely affected these countries by dampening the mood of the tourists worldwide, (Dombrowski, 2020). In peaceful times, the tourism sector plays a huge role by contributing both directly and indirectly towards SMEs economic wellbeing. To make matters worse, COVID-19 has led to Hotels and air flights being closed down almost everywhere in the world and the main aim being to restrict the pandemic from spreading. A graphic example is the American and Italian situations where the pandemic has killed thousands of people and also affected many SMEs who usually employ millions of people who accounts for about 50% of the total private

sector workforce and contribute trillions of dollars towards their nation's economy. For instance, the SMEs in America are regarded as the lifeblood of local communities and are very vital to the economy. In other words, SMEs are fundamental as well as critical because they provide jobs and economic growth to local economies (D'Amours, 2020). The pandemic has resulted in most Americans feeling its impact by being deprived access to coffee shops, restaurants, gyms, and pet stores as they are now all closed. In addition, the author (D'Amours, 2020) further reports that franchising has lost close to 26,500 small businesses due to COVID-19 alone.

Nowadays, China is regarded and also seen as the world industrial site; and many manufactured goods in many countries carry the label made in China. It is a trite fact that COVID-19 is a disease that started in China and according to Zhang (2020) report, the Chinese SMEs are now struggling to survive with bankruptcies being the order of life because of the prolonged epidemic impact. The Chinese SMEs are experiencing challenges that hampers their business operations and dislocate their supply chain affecting the upstream firms mainly in the area labor shortages, while downstream firms face more serious challenges related to supply chains and consumer demand. According to the narratives by the author, disruptions in logistics are an important factor while the overriding goal of containing the pandemic, which is being carried out with excess alacrity. COVID-19 has landed a heavy blow on Chinese SMEs, with huge differential effects across sectors and regions, (Zhang, 2020).

With regard to Italy, most of its business industries are manned by the Chinese and their movements were previously not monitored hence the dramatic rise in COVID-19 in the country with devastating outcomes. To this end, Taylor (2020) points out that the SMEs in Italy took a heavy punch wherein 72% of the 6000 firms surveyed had reported that they have experienced a drop in demand or problems along the supply chain and/or transport and logistics. The same author argues that this situation has led to one third of SMEs experiencing a fall in revenue which they estimate to be greater than 15%. Additionally, 18% of the firms in Italy have estimated that their revenue has decreased to be between 5-15% (Taylor, 2020). That said, the most affected firms were those in transport (98.9%) due to the downfall in demand, then tourism (89.9%), fashion (79.9%), and agro-food (77.7%) (Taylor, 2020). On the contrary, in Finland 300 SMEs were surveyed and gave their projections regarding the impact of the pandemic as 80% of those surveyed). One third of these respondents indicated that they anticipated a negative impact on their business in the short term.

As far as the Korean federation is concerned, a published survey of its SMEs which are usually engaged in import/export are experiencing problems because of the 191 firms surveyed, 71.8% said they expect to be affected by the outbreak COVID-19. While more than half of these firms reported that they were unable to meet delivery dates due to factory closures in China. As already pointed out China is the engine of the industrialised world in the sense that most of goods in the world bore a label made in China. Similarly, in Poland, the published results indicated that 30% of SMEs feared a decrease in sales and worker availability because of the increased costs and reduced sales. To make matters worse, 27.5% of respondents stated that they are already encountering cash flow problems.

To recap, the United Kingdom has indicated moderate fears at this early stage of the advent of COVID-19. However, it is clear so far that the COVID19 pandemic had a devastating impact on the Small and medium enterprises on the overall score with respect to the global economies. No doubt that the worst is still to come before there is light beyond the tunnel. Even the rich have no place to run to except to stay put in their own homes like everybody because COVID-19 does not discriminate. Ironically, the COVID-19 pandemic has led to improved

service delivery in both the rural and informal settlements of South Africa. The graph below indicates how COVID-19 is slowly but surely spreading its wings into the world (Figure 1).

RISING CURVE

Cumulative confirmed Covid-19 cases

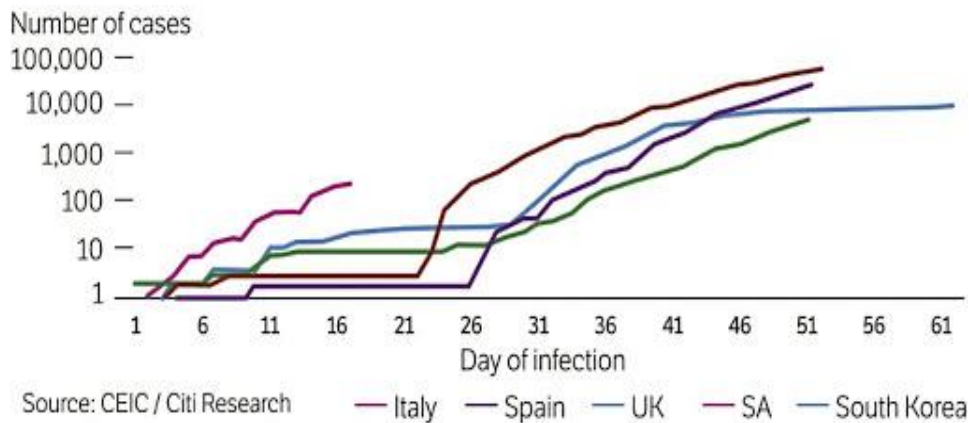


FIGURE 1

GLOBAL REPORTS ON CUMULATIVE CASES FOR CORONA VIRUS SINCE MARCH TO APRIL 15, 2020 INCLUDING SA

The Impact of COVID -19 on the African Continent

The African continent is very rich with an assortment of minerals, fertile soil, good temperature, plenty wildlife, beautiful forests, flowing rivers and peaceful inhabitants whose philosophy is ‘a human being is a human being through other human beings’ which means ‘Umntu ngumuntu ngabantu’ or ‘motho ke motho ka batho’ (Mathipa et al., 2020). While the Africans were practicing Ubuntu and became accommodative, the European powers found an opportunity to colonise Africa and ended establishing the so-called Berlin Conference of 1884 where they agreed that “...henceforth every annexation of territory in Africa was to be officially notified to the powers, and no annexations were to be recognised unless accompanied by effective occupation (Boyce, 1969). The Berlin Conference expedited the scramble for Africa and fueled the colonisation of the continent. What is not taken note of is that even after the African states gained their independence the desire by the superpower to carve Africa into zones of influence has never stopped.

Nowadays, China has also joined in the scramble and has spread its wings in almost every state in Africa through dishing out reasonable direct foreign aid investments, different assistance schemes and other related benefits. All these activities has exponentially increased trade between China and the African continent. Thus, as already pointed out, COVID-19 had emanated from China and came into Africa due to trade relationships and other economic ties between Africa and China. In other words, COVID-19 came to the African continent as a result trade, tourism, sports, and educational opportunities and many other commodities which have hitherto resulted in the world becoming a global village.

That said, the World Bank Economic Report (2020), claims that the “*economies in Sub-Saharan Africa could lose between \$37 billion and \$79 billion in output losses in 2020 due to COVID-19*”. This is huge blow to an emerging African economy which is still in its teething stage and therefore very timid and vulnerable to such measures as of shut down or lockdown as

meant to stop the spread the COVID-18 pandemic. For instance, the agricultural sector that employees large number of the population in the Sub Saharan Africa, could experience acute food shortages that could eventually contract between 2.6% and 7%. To forestall the calamity, the World Bank Group and the International Monetary Fund have called for a “bilateral debt standstill,” as a measure of intervention which is proactive by nature. The bilateral debt standstill is meant to arrest in some way the magnitude of the COVI-19 which has assumed the proportions of a bush fire that is fast engulfing the SMEs sector thus threatening their very existence. The available literature suggests that COVID-19 has had a huge negative effect on sectors like Tourism and hospitality industry, manufacturing, agribusiness, services and Fast moving consumer goods on the entire world but Africa has been hard hit comparative speaking. To put the whole matter in perspective, in Uganda for instance, tourism is the major source of foreign exchange and it constitutes 7.7 percent of the country’s GDP and employs close to 700,000 people (Kamulegeya, 2020).

To put it in simple terms, the outbreak of COVID-19 in China has thrown the entire Sub Saharan Africa into a regional economic crisis that has resulted in disrupting trade involving export and import commodities and countries affecting significant value chains in form of foreign direct investments, foreign aid remittances, tourism revenues and capital flights. The World Bank, (2020) economic analysis reports also illustrate that COVID-19 is anticipated to adversely affect agricultural production contracting between 2.6% and 7% as result of trade blockages, and food shortages due to substantial declines of as much as 25%. Implying that the African agribusiness sector’s existence is being threatened by the shut down as a consequence of the pandemic that has increasingly got out of control. Of course several governments in Africa are doing their best, however, their deteriorating fiscal positions and increased public debt, not much room exists for redirecting their meagre fiscal resources to address the COVID-19 crisis.

No question, Africa alone cannot contain the disease and its impacts, therefore, there is urgent need for the industrialised countries to come to its rescue through such measure as amongst the others the temporary official bilateral debt relief agreements meant not only to combat the pandemic but also to preserve the macroeconomic stability in the region (World Bank, 2020). It is incumbent upon the developed countries to cooperate and team up with the developing ones in a partnership that would bring about creative and innovative solutions to the economic crisis brought by COVID-19 pandemic. This means that the SMMEs that are operating as street vendors, Spazas, restaurant, Salon, beauticians and so on should be assisted financially as well-being empowered with new values, knowledge and skills plus attitude to do things differently than before. The problem that need immediately attention is of documenting and regulating all the SMEs as most of them are not documented or registered and as such cannot be covered by the Relief Fund. The introduction of a Relief Fund was a measure put in place to curb loss of income while in lockdown and shut down due COVID-19. Regrettably, in Africa as is the case the world over, this virus (COVID-19) brought with it severe and lasting effects on employment and production. Farro, (2020) captures the plight the Small businesses when he points out that the SMEs make up 98% of the companies in SA, and this makes them to be the most vulnerable entities when shutdown and lock down are introduced.

The Impact of COVID-19 on South Africa

The lockdown that was announced widely canvassed by the State President Mr. Cyril Ramaphosa on the 24th/03/2020 to take effect on the 26th/03/2020 has affected both individuals and businesses alike. Instructively, Rob et al. (2020) draws our attention to the fact that,

estimates point to the fact that the small business sector accounts to a sizeable cash-on-hand per month for employees who rely heavily on it for their survival. While this is the case, the economic crisis facing South Africa due Moody's (2020) severe cut on South Africa's credit rating from BAA3 to BA1 were exacerbated by the advent COVID-19 with its lockdown measures. All these draw backs have contributed in ushering a bleak economic future for South Africa.

To stress the point, the downgrade has come at the time when the country is grappling with recession that had a massive economic devastation as the country's stock market fell on Monday 30th 2020 to a record low level that resulted the rand weakening as much as 2.9% against the dollar while the bond yields surged (Mboweni, 2020). Bloomberg (2020) lamented that the South African economy was already at risk of recession and that the impact of the virus on China and Europe would constraint domestic growth and that alone would cripple the economy further as the country's trade partners are globally situated. For example, the tourism industry has suffered a great loss due to the pandemic and this is a severe blow when considering the fact the sector's direct employment accounts for 4.2% of total employment in the South African economy and this is attested to by the Stats, SA (2019). Furthermore, tourism's indirect contribution to total employment stood at 9.2% according to Mthethwa and Sefolo, (2019). The tourists who come to South Africa contribute more to the country's GDP in a manner that the global restrictions on travelling would immensely dent the industry. This is a bleak picture that would add to the economic recession as the pandemic has left many Small and Medium enterprises with severe losses.

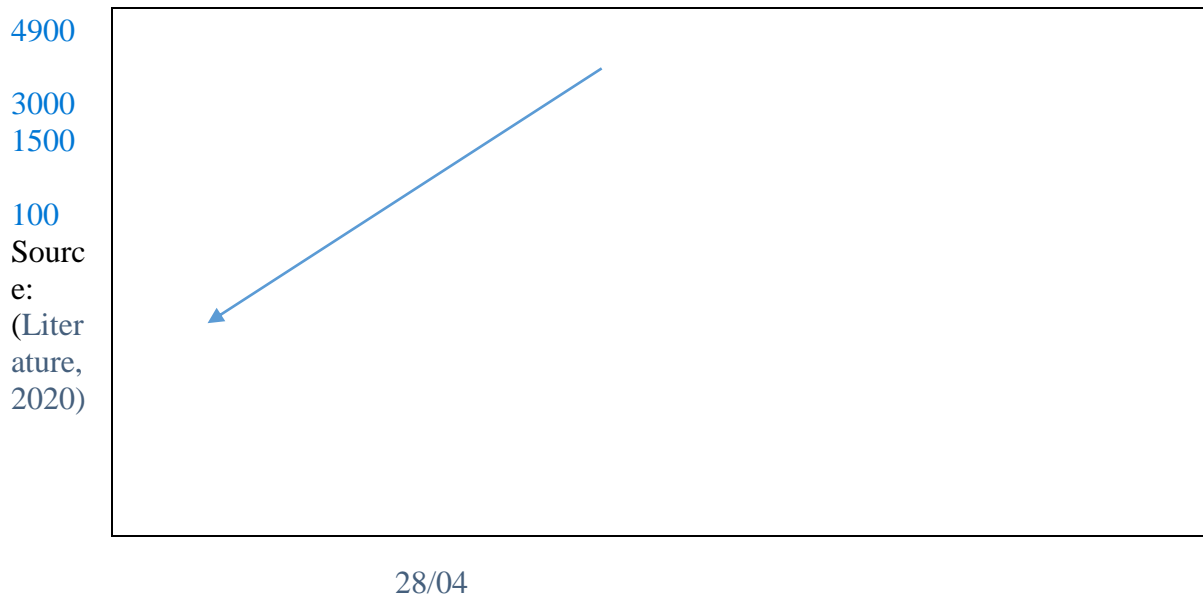
That said, Harrington et al (2018) highlights the need for policy intervention directed towards supporting and practically mentoring new start-ups to buttress the struggling SMEs. As of now many voices have surfaced in which some owners of the SMEs see them as creators jobs and can employ many people, others are now saying the Small and medium businesses are not profitable, and they cite problems like lack of finance. Lack of profitability could arise from selling items of low levels of quality due to poor business skills. This can be exacerbated by poor ideas that are not marketable and or a lack of access to suitable markets which may be related to the fact that many new businesses are established in areas that are grossly overtraded. In such situations, there is tough competition which may result in extremely low margins that cannot sustain the business.

The above arguments may at some stage in the future enjoy the attention and or even the support of some scholars in the field of research. Presently, what is important to note is that the SMEs are heavily challenged in their business operations due to the COVID-19 pandemic. The problems of the SMEs have not been fully acknowledged and also debated, hence, the aid from government in the form of interventions has been minimal and as a result has not yielded any positive or progressive outcomes. Therefore, attention must still be directed at the SMEs in this regard if progressive outcomes are to be realised in this sector (Figure 2).

In conclusion, the advent of COVID-19 had a worldwide disruptive influence on the digital economy due to many countries shutting down business like during the Second World War when nothing appeared to be safe from bombs that rained day and night. Seen in this fashion, the spread of the coronavirus dealt a deadly blow to a South African economy that was already under recession and also reeling from power shortages. The shutdown was described by President Ramaphosa (2020) as literally little that the government could do but the only option was just to counter act such a global attack through lockdown. Indeed, COVID-19 has left the

world in shock and in disarray plus in tatters in as far as health and economic policies are concerned. It will take time, effort and patience before things around settle down to normality.

Cumulative number of confirmed coronavirus cases (COVID-19) in South Africa as of April 28, 2020



**FIGURE 2
DEPICTS THE CURRENT STATUS OF INCREASING COVID-19 IN SA AND ITS
IMPACT NATIONWIDE.**

METHODOLOGY

From the abstract it is clearly spelt out that this is a conceptual article that is not based on any empirical study. Data used for this article was drawn from books, articles, newspapers, theses, dissertations, dictionaries, magazines, reports and also from the internet. The authors acknowledges that due to its newness not much is known about COVID-19, thus, not much available scholarly research has been done yet. However, the different views contained in extant literature assisted to enrich and broaden the arguments, views and ideas in this article. In other words, this article is based on a comprehensive study of available and relevant literature on issues involved with entrepreneurship in regard to the SMEs.

Mathipa et al. (2017) posit “The content analysis method is used to investigate and interrogate information contained in a variety of sources. In support, Davis (2007) states that “*Hermeneutics is the research activity of interpreting whatever in target situation is seen, heard or sensed*”. As a point of departure, we see, hear and sense the devastating repercussions of the COVID-19 pandemic the world over. It is this scourge that the present article aims to venture a solution as a form of contribution. Mathipa in Mathipa, Netshitangani and Matlabe (2017:127) instructively points out that “the analytical method was mainly used to spearhead this investigation, precisely because it, more than anything else, specialises in the analysis of text for purposes of enhancing our understanding of the written word”.

To sum up, Higgs (1995:12) is of the view that "...hermeneutics is no longer regarded as being confined to our study of historical text and dialogue-it can also be applied to our understanding of contemporary literature and scholarly works". As authors our guiding indicators in this article were the investigation question of how to contribute possible solutions that would make the SMEs not to be over-run and overpowered by the COVID-19 pandemic that is creating havoc throughout the world. Lastly, what measures can be recommended to empower the SMEs to manage to weather the raging storm of the COVID-19 pandemic.

The research questions are varied in nature because the main idea is to find out what could the best strategy be to assist the SMEs to survive the effects of the COVID-19 pandemic.

In this context, the first question is:

1. Are the regulations and rules governing the SMEs promoting and nurturing their wellbeing under all situations?
2. The second question is: Can a bank dedicate to financing the SMEs as is the case with the Land Bank be a good option to adopt?
3. The last question is: Are all SMEs known and documented by the government authorities for purposes of providing effective assistance to all without exception?

RESEARCH FINDINGS

Regarding the first research question that states: Are the regulations and rules governing the SMEs to promote and nurture their wellbeing under all situations? We can easily come to the conclusion that the majority are being left out because they are unknown and are also undocumented. The government has a tendency to embark on sporadic measures to deal with deep rooted questions of an economic nature involving institutions like the SMEs as though they are not vital to the economic survival of the Country. The research found out that the existing regulations and rules were done in poor consultation with the SMEs and hence are failing to have their buy-in. The existing regulations and rules also appear to be designed unfortunately for only SMEs of developed countries and to a small measure to developing ones. This approach is missing the point or the target because most parts of South Africa are still underdeveloped with SMEs needing to be empowered in skills, knowledge and finances.

The second question interrogated whether all SMEs are known and documented by the government authorities for purposes of providing effective assistance to all without exception. The findings revealed that this present approach of inviting all SMEs to apply for financial assistance in a quest to remain operative misses the point because some needy SMEs are owned by illiterates whose businesses are not registered even though they employ a good number of workers who are now stranded due to the lockdown. According to President Ramaphosa (2020) Debt Relief aims to assist small businesses that were experiencing financial challenges as a direct result of Covid-19.

The paper uncovers that the Covid-19 pandemic impacts negatively on the operations of SMEs as the workers must keep a social distance of a meter or more. Whereas this approach attempted avoid employees' social distance at the place of work by allowing workers to work from home as a temporary solution. This kind of measure is not sustainable for the survival of the SMEs as their work entail that workers must function in an interdependent manner so as to be effective and productive. The work of the SMEs is mostly based on working with tools in an environment where almost everything is integrated. Meaning that the physical plant site, tools and workers are expected to operate in one common environment.

By and large, the lockdown measure is detrimental to the SMEs business processes given that it has been proven to yield the undesired results which are destroying the SMEs instead of rescuing them. Presently, the SMEs are experiencing poor yields that shows no profit due to the consequences of shut down and lock down effects. In most countries of the world including South Africa, for example, the Presidents and their executives have taken harsh strategic measures of deploying the police and the army to see that people stay at home. This was thought to be the only effective manner to curb the pandemic of the COVID-19 dilemma (Citizen of the 24/03/20, & Sunday Times of the 27/03/2020).

Several countries advocated for online business processes as a way to avert the Covid-19 prevalent infection rate, nonetheless, the article demonstrates that several SMEs entrepreneurs do not have the technological knowledge to transact online business. For this reason, internet services were found not user friendly. This is supported by our results that disclosed that 87% of the respondents indicated that they could not run their businesses from home as mandated by the SOP requirement for Lockdown which made it difficult support and pay employees during lockdown.

Finally, the entrepreneurs responded that funding requirements in their view were rather equivocal or perceived as grants when they were actually loans. This was misleading to them. Seriously so, was that there was no funding available for foreign owned small businesses. The waiting period from the day of application to the time of funds disbursement was practically too long and thus, widening the GAP and causing distress (Survey, 2020).

CONCLUSION

Although the pandemic called COVID-19 has originated in China, presently it is has become a world disease that needs concerted efforts of all the nations of the world. Throughout the world the SMEs are currently seen as economic drivers and job creators and they need to be given the support they require to function as they are expected. The SME sector contributes immensely towards GDP of countries and is recognised as a poverty alleviator. COVID-19 has caused many countries and nations to introduce lockdown measures that have left their SMEs hard pressed.

COVID-19 has effected many countries, but the focus of this article has be narrowed to investigate the plight of the SMES in South Africa.

The literature was drawn from books, articles, newspapers, theses, dissertations, dictionaries, magazines, reports and also from the internet. The authors acknowledges that due to its newness not much is known about COVID-19, thus, not much available scholarly research has been done yet. However, the different views contained in various sections of this article have enriched and broadened its arguments, views and ideas. The emphasis was on the sufferings and challenges SMEs faced due to COVID-19 within the context of South African business environment. Furthermore, attention was given to the way the Debt relief intervention measures were implemented. This included an assessment of the effective application of the UIF to the beneficiaries which has of now succeeded to assist a good number of deserving workers.

Furthermore, much still needs to be done to feed the starving multitudes, to look after the sick who are placed in quarantine. COVID-19 is a double edged sword that is capable of infecting the care givers and cause death to both sick and their care givers. In other words. The

care givers find themselves also in danger of being infected while trying to save the lives the sick.

Finally, while the findings of this article are persuasive they cannot be readily generalised because the core key focus was SMEs within the borders of SA. Clearly, the situation, conditions and circumstances of individual countries differ and some do so radically and as such it will not be wise to generalise. The last point that deserve noting is that an ongoing evaluation process should be embarked upon to keep full track of the development of COVID-19. In other words, this research undertaking should be viewed as one of many that will follow.

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