



## “Impact of Covid-19 on Micro Small and Medium Entrepreneurs and challenges faced by entrepreneurs - A study w.r.t. Bengaluru Urban and Rural District.”

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**Abstract-** Entrepreneurial qualities and skills are essential for industrial development as well as eradication of poverty by means of self employment and employment to others (Lokhande, M.A. 2006). Downtrodden entrepreneurship is a recent phenomenon which has identified as a significant tool of empowering socially, economically discouraged and depressed class. Rich have benefitted more than the lower castes and acquired prominence in several quarters (Varshney, 2007). For centuries backward classes were deliberately kept away from education, knowledge and culture on religion grounds (Wankade, 1999). Downtrodden in India have been the victims of the neglect and exploitation for thousands of years which have made them the poorest, oppressed and deprived. Though the downtrodden are capable of generating both jobs and income and this attempts to reduce socio economic divide but the neglect shown by the society is a history and very unfortunate. Downtrodden are marginalised section of the society having historically been poor, deprived of basic human rights and treated as social inferiors in India (Radhakrishna Gowda, et al.)

Dalits and downtrodden have run and managed number of traditional and cottage industries such as handicrafts, pottery, leather work, tanks and bridges construction for centuries. The skilled are automatically transferred from one to another generation. Now downtrodden are aspiring to the higher level of entrepreneurship. Despite a lapse of considerable time the downtrodden in our country are pulled down by upper castes where still traditionality is strictly observed and the life is continued to be worst and are unable to join the mainstream. Constitution guarantees equality of one and all but skill the life of untouched, depressed and socially ignored is unfortunately worst. The life of SCs, STs, OBCs and minorities in both the districts under study has not been improvised and only a marginal creamy layer of these communities might have been benefitted.

Covid-19 has damaged the hopes of downtrodden entrepreneurs. 9 out of 10 of India's 63.3 millions MSMEs have restarted operations after lockdown necessitated by Covid-19 but only 1 in 4 is producing at least 50% of capacity, largely on account of poor demand, logistical issues and their own financial problems (Saubhandra Chatterji, 2020). MSMEs take at least 7-8 months to recover from the impact of Covid-19 pandemic and the recovery rate of an enterprise will depend on factors like rates of digitalisation and the sector in which it is operating (Arjun Singh, 2020).

Keeping in mind the issues like discrimination, discouragement devoid of opportunities and historical pull down by the appear castes an attempt is made to study the impact of Covid-19 on downtrodden entrepreneurs and other challenged faced by them.

**Keywords: Covid-19, Downtrodden, Discrimination, Development, Prosperity, Poverty, Equality.**

### I. INTRODUCTION:

Micro Small and Medium Enterprises (MSMEs) are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of our country. This sector has emerged as more vibrant and dynamic of the Indian economy over the last five decades. The sector of MSMEs not only provide employment to many at comparative lower cost than large industries but also help the regions of rural and backward areas and thus plays a catalyst role in reducing regional imbalances. Development is a broad concept entailing the raising of human capabilities. (Sen, 1999). Entrepreneurship development has played very significant role in attaining the aim of self employment in specific and industrial development as a whole. Economic development is broadly dependent on successful entrepreneurship (Devendra Naik, B. 2017). For inclusive growth entrepreneurship development among downtrodden people is very much necessary. The effective implementation of development programme for downtrodden is the need of the hour especially in the post globalised era. Prolonged poverty leads to the growth of unwanted consequences and poverty in any corner of the globe leads to danger of prosperity of the entire globe. Today the younger generation of downtrodden with traditional talent and skill can contribute to the nation development. Downtrodden entrepreneurs despite progress faces discrimination

and have social and economic indicators for below the national average. This group of entrepreneurs should be given priority since they are devoid of education information and necessary motivation.

## II. REVIEW OF LITERATURE

Sanjna et al. (2015) Spoken about Mahar community that shows the common phenomenon of believing without belonging. Mahars are largely influenced by Ambedkar ideology and Buddhism as a religion identity, and continue practice Hinduism without alternative livelihood options. The upper caste people continue to lookdown the SCs particularly Buddhist since they are from Mahar community. The author suggested that their movement should have strong influence on social economic and political.

Beoal S. K. (2017) viewed MSMEs contribute immensely to the Indian economy through creating employment, production, innovation development and enriching entrepreneurship in India. The author further expresses that MSMEs faces the unduly delayed payments, labour shortage, absence of timely credit, limited capital and low managerial ability.

John Stanty (2019) states that there is no “secret formula” for success and entrepreneurs come from a variety of difficult backgrounds, ages and fields but they are united by acumen and tenacity.

Jyothi Rani et al. (2010) stated in their study that lack of family support and non co-operation of the male counterparts, psychological barriers, weak bargaining position, absence of experience, knowledge and awareness, harassment, difficulties in getting loan, absence of awareness of credit facilities etc., were key difficulties faced by the women entrepreneurs.

### Objectives

- (1) To study the socio economic demographic profile of downtrodden entrepreneurs.
- (2) To analyse the impact of Covid-19 on downtrodden entrepreneurs.
- (3) To analyse the financial, marketing, managerial, society's attitude challenges faced by downtrodden entrepreneurs.

### Hypotheses

- (1) Socio-economic demographic profile of downtrodden entrepreneurs is not supporting the study.
- (2) Downtrodden entrepreneurs are not impacted by Covid-19.
- (3) Covid-19 entrepreneurs are not facing any challenges.

## III. RESEARCH METHODOLOGY

The present study is conducted covering both the districts of Bengaluru Urban and Bengaluru Rural district. The study uses descriptive analyses which stresses more on the qualitative data the interpretation. Right simple were approached for the purpose of data collection. Primary data was gathered in a natural setting through well drafted questionnaire which was administered as schedule.

**Universe** - The study is confined only to Bengaluru Urban and Bengaluru Rural district covering a sample of total 600.

**Sources of data** - The primary data was gathered by administering a questionnaire which was administered as schedule in order to save time and to avoid non response. Secondary sources include journals, books and different websites.

**Sample of the study** - Using the formula suggested by Bill Godden the sample of the study was decided.

SS = infinite where population is > 50,000

SS =  $Z^2 \times (P) \times (i-p)/c^2$

Z = Z value A (e.g. 1.96 for a confidence level)

P = Percentage of population picking a choice, expressed as decimal B.  
 C = Confidence interval, expressed as decimal.  
 (e.g. 0.04 = +/- 4 percentage points)  
 AZ values (Cumulative Normal Probability Table)  
 1.645 = 90% Confidence level  
 1.96 = 95% Confidence level  
 2.576 = 99% Confidence level  
 SS =  $3.8416 \times 0.5 \times 0.5 / 0.0016 = 0.9604 / 0.0016$   
 = 600.25 or 600.

**Sampling technique** - 400 sample taken from Bengaluru Urban since there is more number of MSMEs and 200 sample taken from Bengaluru Rural district.

**Statistical tools** - Hypotheses has been tested by using chi-square and compared with co-efficient of contingency. ANOVA quantitative is performed to measure the variation and to judge and draw inferences about whether the same samples have been drawn from populations having the same mean.

**Table - 1 : Socio-economic characteristics and awareness level**

Characteristics	$x^2$	TV 0.05	df	result $x^2$	"c"	Result of "c"
Gender	17.0	5.991	2	Significant	0.16	Low Degree
Marital status	10.36	5.991	2	Significant	0.22	Low Degree
Education	64.79	21.02	12	Significant	0.49	High Degree
Caste	15.33	12.592	6	Significant	0.15	High Degree
Sources of seed capital	64.85	15.507	8	Significant	0.31	Low Degree
Mode of transportation	45.17	18.307	10	Significant	0.26	Low Degree
Sources of support	31.38	15.507	8	Significant	0.222	Low Degree
Type of industry (Manufacturing, service etc.)	98.90	9.488	4	Significant	0.37	Low Degree
Manufacturing activity	30.63	8.869	18	Significant	0.22	Low Degree
Service activity	130.54	41.337	28	Significant	0.42	High Degree
Effectiveness of EDP	21.76	18.307	10	Significant	0.18	Low Degree
Age	19.5	12.592	6	Significant	0.18	Low Degree

Source: Authors compilation

Note :  $x^2$  = Chi-square

"c" = Square root ( $x^2 / x^2 + N$ )

Where c = contingency co-efficient

$x^2$  = Chi-square calculated value

N = Number of reservations

When the value of "c" is equal or near to 1, it means there is high degree of association between attributes, contingency co-efficient will always be less than 1.

**Table - 2 : Impact of Covid-19 on downtrodden entrepreneurs (Garett Ranking Technique)**

Ranks	Scale & Score value of ranks									
	Scale value	I	II	III	IV	V	VI	VII	Total Score	Mean Score Rank
<b>Problems</b>		79	66	58	50	43	35	22		
<b>Supply chain discription</b>	f	120	95	89	98	72	51	75	600	
	fx	9480	6270	5162	4900	3096	1789	1650	32347	53.9 IV
<b>Labour turn over due to inability to get work</b>										
	f	99	110	105	95	70	43	78	600	
	fx	7821	7260	6090	4750	3010	1505	1716	3212	53.58 V

**Continuous touch with legislation**

f	105	83	110	115	59	48	80	600		
fx	12600	5478	6380	5750	2537	1680	1760	36185	60.3	II

**Finding balance and achieving a healthy mindset**

f	115	85	100	110	61	35	94	600		
fx	9085	5610	5800	5500	2623	1225	2068	31911	53.18	VI

**Managing the work environment**

f	124	118	80	100	55	45	78	600		
fx	9796	7788	4640	500	2365	1575	1716	32880	54.8	III

**Collapse of demand and liquidity due to lockdowns and sealdowns**

f	130	125	84	58	63	85	55	60		
fx	15600	8250	4872	2900	2709	2975	1210	38516	64.29	I

**Customers unable to get their requirement**

f	57	85	93	110	120	90	45	600		
fx	4503	5610	5394	5500	5160	3150	990	30307	50.51	VII

Source : Authors compilation

**Note :** x - Scale value

f - Number of downtrodden entrepreneurs

fx - Score value

**Table - 3 : Per cent Position and Garrett values**

Sl.No.	$100 (R_{ij} - 0.5)/N_j$	Calculated value	Garrett Value
1.	$100(1-0.5)/7$	7.14	79
2.	$100(2-0.5)/7$	21.42	66
3.	$100(3-0.5)/7$	35.71	58
4.	$100(4-0.5)/7$	50.00	50
5.	$100(5-0.5)/7$	64.28	43
6.	$100(6-0.5)/7$	78.57	35
7.	$100(7-0.5)/7$	92.85	22

**Table - 4 : Financial challenges faced by downtrodden entrepreneurs**

Financial challenges faced	SA	A	SWA	DA	SDA	T
Limited working capital	60	30	9	4	5	108
Absence of tangible security	48	28	4	3	4	87
Complicated procedure of bank loans	38	31	8	2	3	82
Negative attitude of banks	54	31	7	5	6	103
Poor knowledge of filing	35	22	2	3	3	65
Ignorance of banking procedure	41	23	2	2	4	72
Delayed payments	53	22	3	2	3	83
Total	329	187	35	21	28	600

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, SWDA - Somewhat Agree, DA- Disagree,

SDA - Strongly Disagree

**Hypotheses**

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

### ANOVA Table

Source of Variation	SS	d.f.	MS	F-ratio	5% F-limit (from the F-table)
Between the sample	10522.2831	(5-1)=4	10522.2831/4 = 2630.5707	2630.5707/23.0476 = 114.36	
Within the sample	691.4280	(35-5)=30	691.428/30 =23.0456		(4,30) =2.69
Total	11213.7111	(55-1)=34			

Source : Field Survey

### ANOVA Analysis

The calculated value being 114.36 higher than the TV = 2.69 @ 5% level of significance with df = V1 = 4, and V2 = 30 fails to accept H0 and accepts H1. Therefore it is concluded here that there exist significant variation in the data.

**Table - 5 : Marketing challenges faced by downtrodden entrepreneurs**

Drivers of marketing challenges	SA	A	SWA	DA	SDA	T
Cut throat competition	66	40	3	5	7	121
Delayed collection bills	45	25	2	3	4	79
Difficult in capturing market & make popular of products	61	34	2	2	2	101
Poor knowledge of marketing management	45	25	1	4	5	80
Lack of transportation facility	38	24	3	3	3	71
Inadequate advertising & publicity	41	25	2	2	3	73
Lack of sufficient stock of products	40	28	1	2	4	75
Total	336	201	14	21	28	600

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, SWDA - Somewhat Agree, DA- Disagree, SDA - Strongly Disagree

### Hypotheses

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

### ANOVA Table

Source of Variation	SS	d.f.	MS	F-ratio	5% F-limit (from the F-table)
Between the sample	11716.1631	(5-1)=4	11716.1631/4 = 2929.0407	2929.0407/32.3479 = 90.548	
Within the sample	970.4375	(35-5)=30	970.4375/30 =32.3479		(4,30) =2.69
Total		(35-1)=34			

Source : Field Survey

### ANOVA Analysis

The calculated value being 90.548 higher than the TV = 2.69 @ 5% level of significance with df = V1 = 4, and V2 = 30 fails to accept H0 and accepts H1. Therefore it is concluded here that there exist significant variation in the data.

**Table - 6 : Managerial ability challenges faced by downtrodden entrepreneurs**

Management related challenges	SA	A	SWA	DA	SDA	T
Lack of proper planning	50	38	6	7	10	111
Lack of control	45	32	4	6	7	94
Lack of proper knowledge of business management	53	36	3	7	9	108
Lack of decision making skill	46	35	7	4	6	98
Lack of communication skill	50	32	4	5	8	99
Lack of motivation skill	38	31	6	7	8	90
Total	282	204	30	36	48	600

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, SWDA - Somewhat Agree, DA- Disagree, SDA - Strongly Disagree

### Hypotheses

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

### ANOVA Table

Source of Variation	SS	d.f.	MS	F-ratio	5% F-limit (from the F-table)
Between the sample	8940	(5-1)=4	8940/4 = 2235	2235/8.28 = 269.92	
Within the sample	207	(30-5)=25	207/25 =8.28		(4,25) =2.76
Total	9147	(30-1)=29			

Source : Field Survey

### ANOVA Analysis

The calculated value being 269.92 higher than the TV = 2.76 @ 5% level of significance with df = V1 = 4, and V2 = 25 fails to accept H0 and accepts H1. Therefore it is concluded here that there exist significant variation in the data.

**Table - 7 : Challenges faced on account of Society's attitude**

Drivers of society's attitude	SA	A	SWA	DA	SDA	T
Society's attitude towards downtroddens made them to be unequal	65	40	6	6	7	24
The attitude of society not only made them unequal but also more than to suffer due to lack of confidence	70	42	5	4	7	128
Lack of confidence develops fear of committing mistakes which affects their business	68	38	5	5	5	121
The family members do not stand besides their entrepreneurial endeavor	61	35	4	3	6	109
Society ignores the downtrodden and reluctant to stand beside their entrepreneurial endeavor	66	40	5	2	5	118
Total	330	195	25	20	30	600

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, SWDA - Somewhat Agree, DA- Disagree, SDA - Strongly Disagree

## Hypotheses

H0	There exist no significant variation in the data	Reject
H1	There exist significant variation in the data	Accept

## ANOVA Table

Source of Variation	SS	d.f.	MS	F-ratio	5% F-limit (from the F-table)
Between the sample	15370	(5-1)=4	15370/4 =3842.25	3842.25/4.5 = 853.89	
Within the sample	90	(25-5)=20	90/20 =4.5		(4,20) =2.87
Total	14280	(25-1)=24			

Source : Field Survey

### ANOVA Analysis

The calculated value being 853.89 higher than the TV = 2.87 @ 5% level of significance with  $df = V1 = 4$ , and  $V2 = 20$  fails to accept H0 and accepts H1. Hence it is concluded here that there exist significant variation in the data.

### Limitations

- 1) The sample taken is not large to the nature of study.
- 2) The study gives lengthy cross sectional data and lengthy and detailed study may be conducted to give better insights into the data.
- 3) Covid-19 presented some problems on account of lockdowns and sealdowns and transportation and communication posed marginal problems.

### Survey findings:

Table-1 presents socio-economic demographic characteristics of downtrodden entrepreneurs. To understand socio-economic characteristics and awareness level, a hypotheses has been formed and the same has been statistically tested with Chi-square and coefficient of contingency is compared with the stated formula given in the table-1. Based on table-1 it can be easily inferred that there is an association between the mentioned characteristics and awareness.

Table-2 highlights the problems faced by downtrodden entrepreneurs on account of Covid-19. Innumerable problems are faced by downtrodden entrepreneurs. Against the background of facing problems an attempt has been made to identify the problems faced by respondents. Based on the collected data through questionnaire the respondents faced the problems as mentioned in the Table-2. It is observed from the table-2 that major problems faced by respondents is collapse of demand and liquidity due to lockdowns and sealdowns as indicated by its highest mean score value 64.19, this is followed by, continuous touch with legislation, managing the work environments supply chain disruptions, labour turnover, finding balance and achieving a healthy mindset and customers unable to get their requirement. To find the Garrett ranks per cent position table-3 is given. Garrett values are taken from Garrett table based per cent position of ranks.

Table-4 highlights data about financial challenges faced by downtrodden entrepreneurs. These challenges vary from limited working capital to society's attitude. 329 respondents strongly agree over the statements stated in the table followed by 187 agree, 35 stood neutral, 21 disagree and 28 standby disagree. ANOVA test fails to accept H0 and accepts H1.

Table-5 reveals information about marketing challenges faced by downtrodden entrepreneurs. 336 respondents expressed strongly agree over the statements followed by 201 agree, 14 neutral, 21 disagree and 28 strongly disagree. ANOVA statistical test fails to accept H0 and accepts H1 and hence it is concluded about the presence of significant variation in the data.

Table-6 speaks about the challenge of managerial ability. 282 respondents strongly agree over the statement expressed in the table followed by 204 agree, 30 neutral, 36 disagree and 48 strongly disagree.

ANOVA test fails to accept H0 and accepts H1 and hence it is concluded that there exists, significant variation in the data.

Table-7 highlights data on society is attitude towards downtrodden entrepreneurs. 330 respondents strongly agree followed by 195 agree, 25 neutral, 20 disagree and 30 strongly disagree. ANOVA fails to accept H0 and accepts H1 and hence it is concluded here that there exist significant variation in the data.

#### IV. CONCLUSION

After the lockdown relaxation declared by the government of Karnataka, innumerable MSME entrepreneurs are unable to restart their units on account lack of working capital, labour demand and fall in the demand for goods and services. Entrepreneurs belonging to downtrodden category are facing innumerable challenges in their business activities. The major problem that arised is about finance which is causing lot of hardships to the downtrodden entrepreneurs. The need of the hour is to encourage the entrepreneurs in all business activities. Downtrodden are capable of despite facing some problems run and manage the MSME units better now-a-days than previous. The younger downtrodden entrepreneurs should be recognized, trained properly. The downtrodden entrepreneurs due to lockdown are expecting a loan waiver so that they may continue further.

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