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A qualitative assessment of entrepreneurship amidst COVID-19 pandemic in Pakistan

Asim Nasar^{a, *}, Muhammad Akram^b, Muhammad Rizwan Safdar^c, Muhammad Siddique Akbar^c

^a Azman Hashim International Business School, Universiti Teknologi Malaysia, Malaysia

^b Concordia University, Montreal, Canada

^c University of the Punjab, Pakistan

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ABSTRACT

This study aims to explore the support and impede factors of entrepreneurial activities amidst the COVID-19 pandemic. By using the qualitative method, 18 in-depth interviews were conducted with entrepreneurs operating micro-, small- and medium-scale enterprises. Interviews were transcribed for content analysis to generate themes using NVivo 12. COVID-19 has adversely affected the entrepreneurial activity in Pakistan was a key theme found after analysis. Three main categories were found as situations provoking business decline and their manifestation, entrepreneurial actions and reactions to COVID-19 crisis, and their futuristic plans amidst COVID-19. This research highlights issues entrepreneurs face to follow protocols of lockdown, social distancing, and operational hours. The findings of this study contribute to the scholarship of entrepreneurship and areas for the empirical investigation to develop efficient ecosystems to support entrepreneurs. This study suggests government and non-government stakeholders devise strategies for entrepreneurial revival post-COVID-19. This is probably one of the first qualitative assessment of the likely effects of the COVID-19 pandemic on entrepreneurship. It also recommends interesting related research areas and suggestions on how to empower entrepreneurs to overcome it.

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1. Introduction

COVID-19, also known as coronavirus, pandemic has drastically affected the business operations and customer behaviors and trends. Due to the quick spread of the virus, the pandemic has instant socioeconomic consequences both for developed and developing countries, and is hovering as new normal. According to the World Bank report on *Global Economic Outlook (2020)*, the COVID-19 recession has the fastest downgrades in economic growth among all global recessions. It has adverse effects on nascent entrepreneurs, especially from developing countries where government support is limited. Lockdowns and moment control orders by authorities are the major factors affecting entrepreneurial

activity. Though the situation is unrivaled; however, best practices can be learned from countries like Sweden, and more specifically, entrepreneurs, how have they sustained and scale-up their enterprises in the pandemic. Academic literature highlighted the fear factor as an essential indicator limiting the entrepreneurial activity for potential and nascent entrepreneurs (Li, 2011; Morgan & Sisak, 2016). The pandemic has also caused low demand and market stagnation where entrepreneurs face even more challenges to continue their start-up project. The business situation has accelerated the fear of failure with maximum risks of cease or minimal entrepreneurial activity.

The entrepreneurial projects have a difficult time sustaining and scale-up their operations. There are limited possibilities of switching the traditional business models to a digital one. The pandemic has made even difficult for entrepreneurs to think for change in the existing structure due to the lack of resources and capacity. As reported by the World Bank, the COVID-19 recession will be deepest since World War II, and it will create more barriers to entrepreneurs in all the fields (World Bank, 2020). As the economic consequences would last longer, entrepreneurial activities

* Corresponding author.

E-mail addresses: asimnasar@gmail.com (A. Nasar), akrammuhammad1@gmail.com (M. Akram), drizwansafdar.iscs@pu.edu.pk (M.R. Safdar), siddique.iscs@pu.edu.pk (M.S. Akbar).

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will face a downward trend regardless of their presence in a developed or developing country. However, businesses could be resilient to external shocks in emerging economies (Dahles & Susilowati, 2015; Nasar et al., 2018, 2019).

New research in the field of entrepreneurship is urgently needed to guide the entrepreneurial perspective to sustain and scale-up enterprises during COVID-19. The motivation for this study is aligned with the current pandemic which has shattered micro-, small-, medium- and large-scale enterprises. In this critical time, entrepreneurs took several actions to seek financial support, change business models, switch to digitalization, and so on. The pandemic has opened new research avenues to identify support strategies for sustaining entrepreneurial activities amidst pandemics. This research study focuses on the issues entrepreneurs face during COVID-19 in Pakistan to contribute in entrepreneurial scholarship for practitioners, academicians, and fellow researchers. It supports understanding pandemic sensitive business patterns which can support entrepreneurs in Pakistan. This paper organizes as follows: first, review of literature on COVID-19 and entrepreneurship; second, qualitative research explaining study setting and data collection using in-depth interviews; third, thematic analysis and discussion on entrepreneurs' perspective during COVID-19 in Pakistan. The last section covers the conclusion and future research avenues.

2. Literature review

The COVID-19 appeared in early 2020 and rapidly impacted societies and economies (Parnell et al., 2020; Ratten, 2020). Entrepreneurs have suffered a lot from the rules of social distancing and other adjusted operating procedures of doing business amidst COVID-19. Since entrepreneurs take opportunity to solve problems and introduce products to benefit the society, they also face critical situations to maintain their status (Williams et al., 2017). COVID-19 pandemic has furthered their pressure to deliver their business results. The businesses severely affected by the pandemic include tourism, hotels, transportation, oil and gas suppliers, restaurants, and event organizers as they did not have their contingency plans.

Some businesses quickly adapted the pandemic to sustain their business, such as restaurants offering home delivery of food, hotels open for or with quarantine services, and products selling through social media. In this way, entrepreneurship provided ideas and innovative ways to sustain and scale-up businesses amidst COVID-19 crisis. It relates entrepreneurial orientation for "firm-level behavioral characteristics of engaging in product-market innovation, promoting innovative behavior within the firm, undertaking somewhat risky ventures and being the first to come up with proactive innovations" (Wang & Altinay, 2012). Innovation and propensity to act against a risky situation like COVID-19 pandemic comes under entrepreneurs' critical role in society (Griffith, 2020; Liñán & Jaén, 2020). The concept of entrepreneurship has emerged from a society where potential and nascent entrepreneurs seek opportunity from identified problems and plan to offer solutions through a profitable venture (Sengupta et al., 2018). Social entrepreneurship has dual objectives, one for profitability and the second for addressing a social issue (Bacq et al., 2020). Thus, entrepreneurship is an appropriate approach to deal with the COVID-19 crisis for opening new business markets in diverse fields. For instance, entrepreneurs from the education sector would benefit from introducing innovative ways to deliver education amidst the pandemic. Entrepreneurs faced negative impact on their businesses due to COVID-19 lockdowns and movement control orders (Jonescu-Somers & Tarnawa, 2020). The lockdowns severely affected the economic capacities and affordability of people which has further expanded the economic disparities in the society

(Perveen et al., 2021).

Entrepreneurship requires innovative actions to pursue an opportunity in the marketplace. As stated by Lerner et al. (2018, p. 52), "central to the study of entrepreneurship is the essentiality of entrepreneurial action." Keeping in view the COVID-19 crisis across the globe, it is unclear how entrepreneurs have planned and mitigated their business risks, except a few success stories. Entrepreneurship studies published during the COVID-19 pandemic hardly explored the entrepreneurs' perspective to sustain and scale-up their enterprises during COVID-19 (Liñán & Jaén, 2020; Ratten, 2020; Salamzadeh & Dana, 2020).

Shafi et al. (2020) conducted a descriptive study to unearth the effects of Covid-19 induced lock down on the small and medium enterprises in Pakistan. Their work indicated that an overwhelming majority of the entrepreneurs were not prepared for such situation as lock down was announced abruptly. Neither, they had any plan to cope with such situation. The study further uncovered those entrepreneurs were facing financial constraints due to decline in sales and profits. They were facing disruptions in supply chains and decrease in demands along with high transportation cost. Business enterprises adopt various strategies for their entrepreneurial growth and development. For example, Shafi (2020) conducted a quantitative study to unfold the effects of cooperation on handicraft microfirms. The study concluded that cooperation with suppliers, customers and competitors mediated by innovative capability leads to sustainable development of business firms. Nonetheless in emergency situations such as lockdown and social isolation induced by Covid-19, when all the business stake holders are at a stake, such cooperation becomes difficult or impossible to such extend.

Ur Rahman et al. (2021) conducted a household study to discover the economic impacts of Covid-19 on household differentiated by socioeconomic status. This study found that household with low SES had suffered more due to corona virus and they resorted to government benefits and additional farmland income. While household with high SES resorted to their business and employment as a source of income generation. This depicts that business revival after corona pandemic can lead to more resilient economies and minimize the vulnerabilities. The business revival can generate livelihood opportunities for the people who have lost during corona pandemic. However, before formulating a policy, it is prerequisite to understand the opportunities and obstacles faced by entrepreneurs.

The current Covid-19 pandemic has had an effect on the SMEs in afflicted regions. Covid-19's impact on more than 4,800 Chinese SMEs (Lu et al., 2020). After the pandemic, small and medium businesses are in even worse shape. Another study looked at over 5,800 firms connected to the network and discovered that the Covid-19 outbreak has damaged sole proprietorships and small partnerships. The pandemic has resulted in the shutdown of enterprises due to a lack of resources (Bartik et al., 2020). The harmful effects of Covid-19 on the corporate environment are also demonstrated by commercial organizations (Seetharaman, 2020). Small and medium-sized businesses suffer as a result of forcible and involuntary business closures and operational constraints (Fairlie, 2020).

The factors supporting and impeding performance of entrepreneurial activities during the COVID-19 pandemic eclipse in the academic literature. Although developing countries have been affected more due to pandemics, it is essential to study and explore situational response and practices adapted by entrepreneurs there to cope with the COVID-19 crisis.

2.1. Research questions

With aim to better understand entrepreneurs' perspectives to overcome business challenges due to COVID-19 pandemic in Pakistan, this study has the following research questions:

- (1) Which factors support or impede entrepreneurs to sustain and scale-up micro, small and medium enterprises during the COVID-19 pandemic in Pakistan?
- (2) What are characteristics, knowledge, skills, and abilities entrepreneurs looking for when planning to sustain and scale-up business during the COVID-19 pandemic?
- (3) What essential steps have been taken with stakeholder support to cope with the COVID-19 crisis?
- (4) What are the possibilities of adjust business models during the COVID-19 pandemic?

2.2. Country context – Pakistan

With first case of COVID-19 reported on February 26, 2020, coronavirus spread instantly into many cities of Pakistan resulting in imposed nationwide lockdown in the last week of March 2020. The lockdown was then extended several times to curb the spread of COVID-19. Fig. 1 depicts the COVID-19 dashboard from 26th February to June 30, 2021. Initially smart lockdown was expanded as complete lockdown across many cities. Considering vulnerable situation of workers on daily wages, the construction industry was allowed to continue their operations in the country. Considering the moderate growth in economy before COVID-19, the Federal Government announced PKR 1.2 trillion to overcome the socio-economic impact of COVID-19 in the country. To support the economy and consumers amidst COVID-19, several other initiatives were taken such as reduction in petroleum prices and tax refunds to exporters (UNDP, 2020). Nascent entrepreneurs have been least facilitated in cash incentives except extending the time for loan payments and reducing markup rate under long term financing facility to 5 percent for all sectors (State Bank of Pakistan, 2020). The government was concerned about business failures because the unemployment rate skyrocketed after the epidemic. On the government's orders, the State Bank of Pakistan created a financing scheme for small and medium firms to pay salaries and wages at

reduced rates. This decision was made to help businesses and reduce unemployment during the current economic downturn. A survey conducted from 920 enterprises in April 2020 by Small and Medium Enterprises Development Authority (SMEDA, 2020) reported that 95 percent enterprises experienced a reduction in operations, 92 percent faced disruption in the supply chain, 89 percent got financial issues, and 23 percent reported up to 100 percent loss in export orders. Global Entrepreneurship Monitor report (2020) indicated that before COVID-19 pandemic, Pakistan's national entrepreneurship context index scored 3.95 of 10 in 2019, which was very low. Thus, the SMEDA survey indicates a worse situation faced by entrepreneurs during the COVID-19 pandemic. The Sustainable Development Policy Institute (SDPI) released its results on Covid-19's influence on Pakistan's SMEs sector. According to their findings, over half of the 3.8 million SMEs will experience a drop in sales and profitability. According to SDPI, over 0.95 million SMEs are not capable of surviving even a one-month lockdown. In addition, around 2 to 3 million SMEs will undoubtedly require financial support in order to reopen their doors following the lockdown. The current situation will not only have an impact on financial viability, but it will also disrupt the SMEs sector's supply chain (Javed & Ayaz, 2020). The devastating consequences of Covid-19 for Pakistan's small and medium businesses as a result of the country's economy collapsing (Sareen, 2020).

3. Methodology

3.1. Approach

Interview technique is well-known and commonly considered in the qualitative research approaches (Bryman, 2016; Keeley et al., 2016). A personal interview involves a researcher and the research participant. Both researcher and participant discuss a specific topic for a couple of minutes (Bryman & Bell, 2007; Zikmund et al., 2013). This study employed semi-structured interviews, generalize for a larger set of the population subject to their concerns and relevance (Dworkin, 2012). In-depth interview supports developing survey instruments, selecting survey items, and measuring them for content validity (Creswell & Creswell, 2017; Howard et al., 2016; Veronese et al., 2016). Since it does not involve particular skills, the interaction between researcher and participant helps to understand their perspective, ideas, experiences about a specific topic

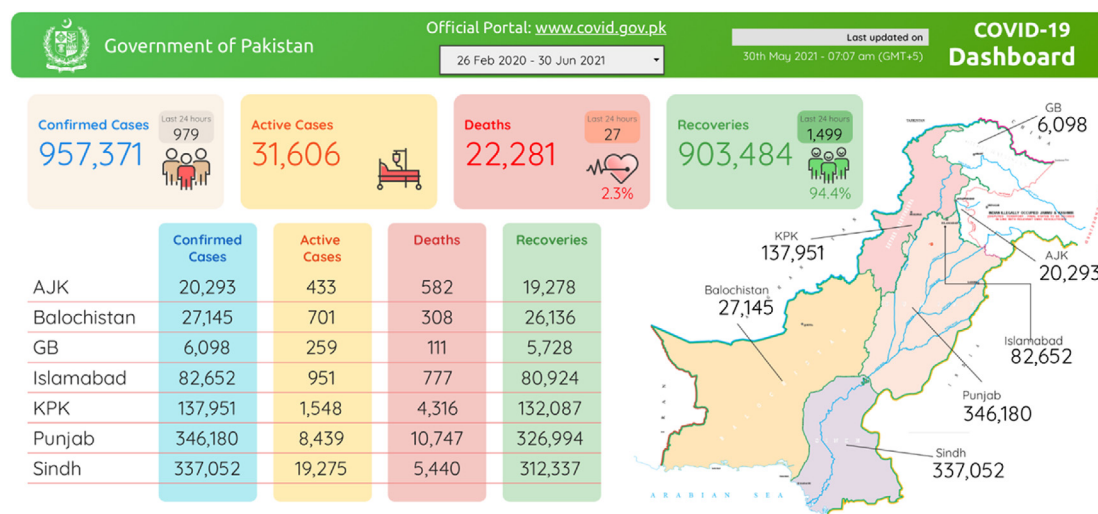


Fig. 1. COVID-19 dashboard Pakistan.
Source: www.covid.gov.pk/stats/pakistan.

(Silverman, 2015).

There are some challenges involved with the in-depth interview technique. First, the ambiguity of language – when researchers ask questions from participants, there are chances that one may not get a complete answer due to ambiguity and lack of understanding related to interviewees' specific topic (Gupta & Hilal, 2014; Pelteret, 2014). Second, interviews can go wrong – a chance of misunderstanding between interviewer and interviewee can lead towards cancelation of the interview (Johnsrud, 2016). Third, elite bias – there is the possibility that the interviewer will meet responsible participants instead of other non-elite views, which may lead to bias and little comprehension of specific topics (Jolly, 2017; Woods, 2011; Pelteret, 2014). There are several ways to overcome these challenges. For ambiguity of language, interview questions were designed in national language “Urdu” with a clear structure to minimize multiple interpretations. In this way, it helped to gather accurate and relevant answers (Brennen, 2017; Ervo, 2016; Martínez-Gómez, 2014). For controlling interviews, the interviewer was “able to respond by moving away from the topic, rephrasing the question or, in some cases, pausing or ending the interview” (Doody & Noonan, 2013, p. 6). To deal with elite bias, relevant participants were selected known as “entrepreneurs” who were owners or managing micro-, small-, medium-enterprises at the time of COVID-19 pandemic.

3.2. Data collection

The individual in-depth interviews were conducted from entrepreneurs who had started business in 2019 or earlier to ensure the enterprises were operational before the start of nation-wide lockdown due to COVID-19 pandemic in Pakistan. A purposive sampling technique was used to reach the study participants. The entrepreneurs were selected per State Bank of Pakistan's definition of micro-, small-, medium-scale enterprises with employees range from “1 to 9”, “20 to 50”, “51 to 250” respectively. Five interviews were conducted from the owners of micro-enterprises, eleven from small-enterprises, and two from medium-enterprises. During 4th December to December 27, 2020, 18 interviews were conducted with sampled entrepreneurs. Individual interviews were conducted at private places to ensure privacy and confidentiality. The interviews started with a brief introduction of the researcher and a briefing on the purpose of this study. Interview guide comprises three sections: first, introduction; second, consent form and third, open-ended questions.

Volunteer participation was agreed by the interviewees; all the interviews were audio-recorded with consent and kept confidential by assigning code to each interview. Interview questions were specific to the COVID-19 pandemic and its substantial impact on entrepreneurship. “What do you think to sustain and scale-up your business?” “what are the supportive and non-supportive factors in your business development?”. Then, specific questions asked, “how do you run or manage your business during the Coronavirus situation?” “Do you have sufficient knowledge and skills to sustain and scale-up your business during Coronavirus situation?” “how do you see people in close relationship with you like friends, family, fellows are in favor of scale-up your business during Coronavirus situation?” “what are the major challenges that you have faced before and after Coronavirus situation” “Have you ever come across any difficulties in managing your business during Coronavirus situation, how did you solve them?” “How do you see would the possibility of developing a business model to the next level during the Coronavirus situation?” “What do you think will happen to the business if you will plan for an extension in Coronavirus situation?” “What are the consequences of business failure that might stop you from scale-up your business in a Coronavirus situation?” “What

characteristics, knowledge, skills, or abilities are necessary to succeed in your current business position”? An average time taken for each interview was 35 min. The researcher compiled interview notes subsequently and transcribed subsequently. A synopsis was formulated before initiating the transcription procedures.

4. Analysis

For tracking categories and themes, written notes and transcripts were reviewed and analyzed using the content analysis technique with support of NVivo software version 12. Content analysis is a widely accepted technique in the qualitative research methods (Zikmund et al., 2013; Drisko & Maschi, 2016). Textual analysis is a systematic way to analyze the content and identify the relevant themes. This technique is used to analyze the content of body language, audio, and visual data (Harper, 2011; Zikmund et al., 2013). This study used both manual and text analysis software to identify codes, sub-categories, categories, and themes (Paulus & Bennett, 2017). Word cloud analysis was performed to identify most frequent terms within the text being analyzed (DePaolo & Wilkinson, 2014). Interview data was analyzed through NVivo thematic method approach to identify phrases and repeated words related to the questions. Thematic analysis used specific steps: first, familiar with data via reading and re-reading transcripts; second, categorizing and coding; third, themes identification (Table 2); fourth, explanatory connections and fifth, theorizing how, what and why of entrepreneurs' practices during COVID-19 pandemic. The data analysis findings appeared with valuable insights and ideas of entrepreneurs to sustain and scale-up business during the COVID-19 pandemic. Table 1 depicts the characteristics of the study participants. Table 2 presents themes and categories that emerged from the analysis of entrepreneurs' perspectives on business amidst COVID-19 pandemic. Themes and categories describe further using verbatims from participants by indicating codes such as ENT1, ENT2, ENT3 for entrepreneur-1, -2, -3, respectively.

4.1. Research findings

This study found a significant need for governmental and institutional support for entrepreneurs to sustain and develop their micro, small and medium level enterprises affected by the COVID-19 pandemic. Table 2 presents theme, main categories, and sub-categories illustrating entrepreneurial activity and preparedness to COVID-19 crisis. The analysis demonstrated participants' engagement in entrepreneurial self-actualization, opt for modern business practices using digital tools to overcome operational costs and penetrate in the new market.

4.1.1. Situations provoking business decline and their manifestation

The main category describes situation and circumstances provoking business decline and challenges to sustain a business amidst COVID-19. Entrepreneurs are in critical situation to manage their finances to continue their business operations. Major issues faced by entrepreneurs are fragile financial ability, unable to release supplier payments, declined purchase-power of customers, and uncertainty to invest more in the same business. The respondents viewed their financial situation as irreparable in near future as they simply wished to keep their businesses in running state in this uncertain situation.

“I think negatively about current situation (COVID-19 lockdowns) of extending or maintain my business in this situation. It seems impossible (for me) to maintain the current level of business because our resources are depleting day by day” (ENT-1).

Table 1
Characteristics of study participants.

Code	Age	Gender	Education	Years in business	Size of enterprise	Type of business
ENT-1	26	Male	Grade 10	22 years	Small	Restaurant
ENT-2	50	Male	Grade 10	29 years	Small	Restaurant
ENT-3	45	Male	Grade 10	27 years	Small	Grocery store
ENT-4	35	Male	Bachelor	3 years	Small	Pizza shop
ENT-5	42	Male	Grade 10	13 years	Small	Motorbike dealership
ENT-6	30	Male	Bachelor	10 years	Small	Cosmetic
ENT-7	43	Male	Grade 12	8 years	Small	Sanitary store
ENT-8	27	Male	Master	2 years	Micro	Food Café
ENT-9	27	Male	Master	4 years	Micro	Pharmacy
ENT-10	40	Male	Grade 12	17 years	Small	Motorbike dealership
ENT-11	35	Male	Grade 10	18 years	Small	Sweets and Bakers
ENT-12	30	Male	Bachelor	10 years	Small	Hardware store
ENT-13	30	Female	Bachelor	3 years	Micro	Clothing Boutique
ENT-14	37	Female	Master	4 years	Small	School
ENT-15	30	Male	Bachelor	10 years	Micro	Cloth Merchant
ENT-16	36	Male	Bachelor	4 years	Micro	Transport
ENT-17	33	Male	Grade 12	10 years	Medium	Travel agency
ENT-18	30	Male	Bachelor	13 years	Medium	Computers

Table 2
Theme, main categories, and subcategories illustrating entrepreneurial activity and preparedness to COVID-19 crisis.

Theme	Main categories	Categories	Codes
Entrepreneurial activity adversely affected due to COVID-19	Situations provoking business decline and their manifestation	Circumstances provoking business decline	• Customer affordability decline to buy products
		Sustaining of business	• Supplier demand for payments
	Actions and reactions to COVID-19 crisis	Consequences of ongoing COVID-19	• Fragile financial ability
			• Fear to invest in same business
		Personal responses	• Decline sales and profit
	Futuristic plans amidst COVID-19	Capability of entrepreneurs	• Unable to bear operating expenses
			• Disruption in supply chain
			• Reduced staff and their salaries
			• Business closure temporarily
			• Follow Standard Operating Procedures (SOPs) to operate business
		Situational responses	• Add-ons services like home delivery
			• Change in business hours
			• Adopt digital business model
			• Learn IT skills in managing business
			• Build capacity to enter in new market
		Seeking support	• Finding new business partnerships
			• Taking loan from peers to sustain business
			• Wait for government incentives and packages
			• Wait for pandemic to end
			• Seeking guidance to change business line

Hence, it urges new challenge for entrepreneurs to cope with COVID-19 crisis using limited resources.

“In this situation (of COVID-19 pandemic), it seems impossible to extend the business ... One (entrepreneur) can only think to take a new adventure (investment) when Corona (COVID-19) is over ... I have to wait till the situation is clear” (ENT-3).

As reported, COVID-19 adversely affected entrepreneurial activity. “COVID-19 has badly affected my business ... especially during the first phase of lockdown when everything was closed down, it was very difficult to sit at home and pay (salaries) to the workers. I was paying rent and salary of the staff but was getting nothing in return (sales and profit). And, when the government allowed to open the shop for takeaway (food items), people had concerns about their health and spread of Coronavirus ... so there were a very few costumers (when lockdown finish) that also affected my business badly” (ENT-4).

Hence, entrepreneurs fear to sustain or develop their businesses during COVID-19 crisis when managing operational costs have gotten difficult. Since the pandemic has shattered the affordability

and purchase power of customers, the entrepreneurs reported significant decline in the customers' turnaround at their businesses.

4.1.2. Actions and reactions to COVID-19 crisis

Entrepreneurs tried to response aptly to the COVID-19 but their limited set of knowledge and skills could not cope with the business challenges posed by the pandemic. The ongoing COVID-19 resulted in instant decline in sales and profit, lacked affordability of operational expenses, and disrupted the supply chain.

“Before COVID-19, the number of customers were increasing day by day ... we all business partners were optimistic that our business venture will flourish but due to (COVID-19) lockdowns, we were unable to pay rent PKR 80,000/- (USD500) ... we had to close the business and it is still closed” (ENT-8).

Entrepreneurs preferred to reduce staff where possible and cut down the salaries in other cases. They also temporarily closed their business due to fears of customers or staff being infected by the COVID-19. However, entrepreneurs in medicine and pharmacy business were very positive as they have seen increase in the sale of

certain products like masks, vitamins, and sanitizers.

“I faced few difficulties during the first wave of COVID-19 when government announced complete lockdown but since then my business is booming. Initially, medicine's supply chain was affected due to lockdown and unable to get required products/medicines from the companies but after a month or so, the issue was resolved. The other difficulty in smooth running of the pharmacy was ensuring the safety and security of our staff costumers. Two of our staff members got infected with COVID-19 that why I became difficult for as to smoothly run the pharmacy” (ENT-9)

Since purchase capacity of customers has severely shattered amidst COVID-19, the entrepreneurs receive limited turnaround of customers which results in their reduced sale and profit. It has posed challenges for entrepreneurs to meet operational costs. The entrepreneurs tried to manage business by following operating protocols, business operation hours, and add-on services to current business methods like home delivery, adjusted business hours, and online selling.

4.1.3. Futuristic plans amidst COVID-19

To mitigate risks and impacts of COVID-19, entrepreneurs think more about business digitalization which seems more supportive for entrepreneurs amidst social distancing. Entrepreneurs' adaptability for digital business model is still a question in Pakistan as they lack IT skills to build digital markets and online customers' base.

“We are trying to impart education via online platforms (technology), but our students are not equipped with the needed technology and resources ... so parents are not paying fees rather many of them have cancelled their children's admissions. Lockdown for the educational institutions has simply ruined our business” (ENT-14).

“I have closed my transport business and sold assets ... I am thinking to invest in IT or online food delivery business” (ENT-16).

“COVID-19 has badly affected my travel agency business ... most of the countries have stopped traveling ... I do not know what to do in this situation ... situation is still blurry for me ... I would prefer to start new business” (ENT-17).

To deal with COVID-19 pandemic, Entrepreneurs are seeking financial support, new business partnerships, and credits from peers. Most of the young and nascent entrepreneurs are seeking guidance on changed business lines and new markets. Some experienced entrepreneurs are thinking to hold their investment for pandemic to end. However, all of them were expecting government incentives and packages like tax relief or interest free loans to support their businesses.

5. Discussion

COVID-19 has shattered micro, small and medium enterprises in Pakistan. From March to June 2020, entrepreneurs faced challenges to sustain their businesses and many of them stopped operations due to no business activity. They could not afford operating expenses like salaries, utility bills, and business facility rents as Coronavirus related lockdowns by the government were limiting the customers. Such lockdowns also shattered the purchasing capacity of people in the country which was an additional factor of

minimizing the business activities at small and medium enterprises. Hence, the pandemic pushed entrepreneurs to downsize their businesses until the COVID-19 crisis is over, but prolonged situation of Coronavirus forced to shut-down many businesses or enterprises. According to SMEDA; micro, small, and medium enterprises constitute 90 percent of all enterprises in Pakistan. Around 3.8 million enterprises in the country contribute 40 percent in the GDP; 1.8 million from commercial and retail shops, 1.2 million from services sector, and 0.8 million from industrial sector (NationalSME policy, 2019). Representation of women entrepreneurship in Pakistan is nearly one percent, and most of the MSMEs belongs to informal sector (Qureshi & Mian, 2012). This study found that COVID-19 lockdown has heavily impacted the SMEs like ready-made garments, footwear, auto-parts, leather products, and surgical equipment. The pandemic has forced to reduce the production levels and hence the daily wage workers are unable to earn. Government has taken initiatives to protect businesses and entrepreneurial ventures with instructions to pay wages of workers for three months and not terminating them. The participants of study considered announcement supportive for the employees in formal sectors, but workers in the informal sector found no support and lost their jobs. Most affected businesses belong to tourism sector because tourists are unable to travel.

This study has found the interconnectedness of various impacts from COVID-19 pandemic on the small and medium enterprises and their customers. The lockdowns of small and medium size enterprises, aimed to prevent the spread of COVID-19, not only affected the business activity of such enterprises, but also caused the shut-down of many of them. The participants of this study viewed that when lockdowns pushed people to stay at home, there was a sharp decline in the turn-around of customers and the small or medium enterprises were not able to manage their operational costs. It further resulted in the lost of jobs for the employees of such enterprises. The participants of this study wished if they had the technological ability to cope with such situation of locking down their businesses. Hence, this study has found that there is a will among SME owners to consider such digital solutions for their businesses which can suit their technological literacy. Another major finding of this study was the lack of knowledge or ability to cope the SMEs with unexpected circumstances like the COVID-19 pandemic. They were not expecting such a situation when they have to shut-down their businesses for the longer period of time and when there will be limited customers' turn-around even if they try to keep their businesses functional. Hence, there is need for formal capacity building of the entrepreneurs running their enterprises in traditional or informal settings.

Research has indicated that 9 out of 10 young entrepreneurs in Asia Pacific faced negative impacts of COVID-19 on their business (Youth Co:Lab, 2020). Major challenges entrepreneurs faced due to COVID-19 include cash-constraints, uncertainty in supply chain, difficulties in managing operational expenses, and labor shortage as they migrated to hometowns. Moreover, COVID-19 crisis has restricted entrepreneurs to develop and sustain their business and placed limitations upon the entrepreneurial activity (Li, 2011; Morgan & Sisak, 2016). It is need of time to give relief, tax breaks and credit in line with national agenda of ease of doing business in Pakistan. Advocacy and dialogue sessions with nascent entrepreneurs must be initiated to promote modern techniques to sustain businesses in post-COVID-19. Enterprise protection packages should be introduced to empower entrepreneurs for switching traditional business model to the digital portals. SME policy should be revisited considering the pandemics like COVID-19.

Amidst COVID-19, the recruitment and availability of study participants were challenging due to the government-imposed lockdown to prevent the spread of coronavirus. Further

limitations were lack of scientific studies conducted in Pakistani context as the situation of coronavirus was still emerging at the time of data collection for this study. Since the data on SMEs in Pakistan is limited and not all available to access publicly, this poses complications to the design and roll-out of research studies. This study has identified the need to extensively document key factors on SMEs in Pakistan and digitizing them as open-source records publicly accessible, particularly to the researchers. It will help in entrepreneurial strategy and research. Furthermore, this study highlights future research areas with the following questions: (1) To what extent supporting factors (list all these factors) and non-supporting factors influence on sustainability and scalability of entrepreneurial enterprises, (2) Should entrepreneurs adapt new business models in the era of digitalization, being part of the post-Covid-19 economy? (3) Do entrepreneurs need special skills or knowledge to sustain and scale-up business during and post-COVID-19? (4) What strategies and development programs government should implement to develop entrepreneurs' capabilities considering the COVID-19 pandemic? Nonetheless, empirical studies would have an edge to measure and generalize findings subject to these questions. Empirical study to investigate and measure factors that significantly affected supply chain, sales and revenue of micro, small and medium enterprises would be potential future research avenue to understand the impact of COVID-19 pandemic in the developed and developing countries.

6. The way forward

Due to COVID-19 pandemic, it is critical to design economic recovery strategies that are based on inclusivity and long-term sustainability. The goals of the policy packages that have been released so far range from country to country. Some countries have made the health sector a priority in order to reduce the strain on their economy while also dealing with the negative effects. Some countries, on the other hand, have chosen to reopen their markets. It is yet too early to assess the effectiveness of these policies, since the threat of another COVID-19 wave(s). Proactive efforts and prompt decisions appear to have aided in the suppression of the virus and the support of small and medium-scale companies, as well as homes, in order to save their lives and livelihoods. According to decision-makers, Economic policy packages should also be inclusive and sustainable. Although country-specific fiscal stimulus programmes have proven to be quite beneficial, community resilience and preparedness will be even more successful. As the current pandemic has exposed the fragility of our economic, health, and emergency preparedness systems, it is critical to increase social protection because it will operate as an automatic stabilizer to assist safeguard the most vulnerable individuals.

Pakistan, like other developing countries, needs to focus more critically on the prevention is better than cure principle, and now is the time to think forward and prepare for future shocks. They cannot afford to implement effective and timely stimulus packages like many industrialized countries since their economies are already stressed and facing severe challenges due to their weaker political system, restricted fiscal space, and capital markets. SMEs should use the lessons learned from the first wave to develop a proactive plan for managing their operations during the projected spike. Because the pandemic is still going on, SMEs should follow the state's SOPs to make their business operations more smoothly. Despite the fact that the Pakistani government has given SMEs permission to open their enterprises, the SOPs must be followed. Failure to follow SOPs can result in serious implications for SMEs once more. As a result, when conducting business activities, the owners should follow these procedures.

7. Conclusion

This study delineates the struggles of entrepreneurs in Pakistan to sustain and scale-up their businesses during COVID-19 pandemic. The study findings indicated entrepreneurial activity has adversely affected micro-, small- and medium-scale enterprises in Pakistan due to COVID-19. The major factor affecting the SMEs in Pakistan was consistent government orders of locking down the small business activities which aimed to prevent the spread of Coronavirus but shattered the existence or sustainability of various SMEs. There is need to support entrepreneurs to enhance their coping abilities for digitalizing their business models amidst COVID-19 crisis. Since most of the SME entrepreneurs in Pakistan lack technological literacy, the digitalizing of business models would need to incorporate the principles of innovation for simplified solutions. Since there are 84.68 percent (183 million) cellular subscribers in Pakistan (PTA, 2021), the entrepreneurial solutions through mobile phones or smartphones can serve as a digital market space to connect the businesses and customer. Further, this study found lack in the trends of emergency preparedness and capacity building for SMEs which caused significant damage to the SMEs when Coronavirus caused the pandemic. Hence, the findings of this study compliments those of Shafi et al. (2020) that over 83 percent SMEs were not prepared of COVID-19 outbreak, neither they had any plan or strategy to deal with unexpected situation like Coronavirus pandemic. The SMEs did not have knowledge and capacity to cope their business models with the situation of social distancing and lockdowns. This pandemic could be an opportunity to redefine the priorities for SMEs with incorporation of capacity building for unexpected situations like COVID-19 pandemic. This study was conducted in Pakistan targeting entrepreneurs managing micro, small, and medium enterprises, the findings of this study cannot be generalized to other geographic or business settings. It is recommended to extend this investigation's geographic and thematic coverage to improve the generalization.

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