

**AN EVALUATION OF THE IMPACT OF COVID-19 PANDEMIC ON SMALL AND
MEDIUM ENTERPRISES (SMEs) IN LUSAKA: A CASE STUDY OF NG'OMBE
TOWNSHIP.**

BY

YOTAM NGOMA

**A Dissertation submitted to the University of Zambia in partial fulfilment of the
requirements for the award of the Degree of Master of Science in Entrepreneurship and
Innovation Management**

THE UNIVERSITY OF ZAMBIA

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DECLARATION

I, *Yotam Ngoma*, do hereby declare that this work is my original work achieved through personal reading and research. This work has never been submitted to the University of Zambia or any other Universities. All sources of data used and literature on related works previously done by others, used in the production of this Dissertation have been duly acknowledged. If any omission has been made, it is not by choice but by error.

Signature: 

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APPROVAL

This Dissertation by *Yotam Ngoma* is approved as a partial fulfilment of the requirements for the award of the Degree of Master of Science in Entrepreneurship and Innovation Management.

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ABSTRACT

The study's main objective was to evaluate the impact of COVID-19 pandemic on small and medium scale businesses (SMEs) in Ng'ombe Township, Lusaka. The study's specific objectives were to identify the impact of COVID-19 lockdown measures on the performance of SMEs business, to ascertain the impact of COVID-19 on the financial performance of SMEs business, to determine the level of relief provided by the government to the SMEs to mitigate the impact of the pandemic. The study collected both qualitative and quantitative data. Using the purposive sampling technique, 98 SMEs were sampled from Ng'ombe Township (out of the 4,500 list of registered SMEs in Lusaka for 2018). Utilizing questionnaires and interviewing protocols, data was gathered. 98 questionnaires in all were distributed, 95 completed questionnaires were gathered from participants in the data collection. This represented a 96.9% response rate. Descriptive statistics were analyzed using the Statistical Package for Social Sciences (SPSS), while qualitative data were analyzed using thematic analysis. According to study results, 46.3% of participants said that a decrease in the number of customers or orders was the biggest impact of lockdown measures on the performance of their business. Furthermore, the field survey data revealed that 42.1% of participants indicated that there was a 40% reduction in revenues as the biggest impact of covid-19 on financial performance of SMEs businesses. In terms of what relief government provided to assist SMEs in order to mitigate the impact of the pandemic, the survey data revealed that 90.5% of participants indicated they had not received any assistance. The following recommendations were arrived at: Policy makers should prioritize measures aimed at improving access to financial support for SMEs in Ng'ombe, implement targeted training, capacity building programs, and strengthen institutional support.

KEY WORDS: Evaluate, Impact, Covid-19, Small and Medium Enterprises, Lusaka

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DEDICATION

This work is a fruit of countless and arduous sacrifices. Through the researcher's effort, this work is heartily and proudly dedicated to the people who serve as an inspiration. From my parents and guardians, Prof. Catherine Mubita-Ngoma and Patrick Ngoma, to my siblings Flora, Elina and Helen and circle of friends whom extended their help in the midst of problems while doing this work.

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ABBREVIATIONS AND ACRONYMS:

SMEs	Small and Medium Enterprise
E-Business	Electronic Business
E-Commerce	Electronic Commerce
MOF	Ministry of Finance
MOCTI	Ministry of commerce Trade and Industry
E-Mail	Electronic Mail
E-Procurement	Electronic Procurement
ERP	Enterprise Resource Planning
GPS	Global Positioning Systems
ICT	Information communication and technology
ISP	Internet Service Provider
POS	Point of Sale
PPS	Production Process Systems
PTC	Peoples Trading Centre
CDC	Center for Disease Control

CHAPTER 1

INTRODUCTION

1.0. Introduction

The World Health Organization (WHO) was notified of cases of outbreak pneumonia of unknown origin in Wuhan, Hubei Province, China, on December 31, 2019. This was the first official case of COVID-19. Epidemiological evidence linked these Pneumonia cases to the Huanan Seafood Wholesale Market. Inoculation of respiratory materials into human airway epithelial cells, Vero E6 and Huh7 cell lines, resulted in the isolation of a novel respiratory virus, which was designated severe acute respiratory syndrome coronavirus 2 after genome analysis revealed it to be a novel coronavirus related to SARS-CoV (WHO,2020).

Following a December 2019 outbreak in China, Chinese authorities identified a new coronavirus, currently known as 2019-nCoV, as the cause of these illnesses in early 2020. The World Health Organization designated SARS-CoV-2 as a novel coronavirus as a result of this. The disease soon spread around the globe (Moore, 2021).

On the 30th of January 2020, the WHO classified the fast-expanding COVID-19 outbreak a Public Health Emergency of International Concern. However, it wasn't until the 11th of February the following month that the novel coronavirus was given an official name: COVID-19. The US Centers for Disease Control and Prevention (CDC) reported the first COVID-19 death in the US nine days later. The individual was a Washington State resident in his fifties. COVID-19 instances had reached 100,000 on March 7th. Several days later, the World Health Organization declared a pandemic on March 12, 2020, due to the global spread of SARS-CoV2 and the hundreds of deaths caused by coronavirus sickness. COVID-19 went from a serious concern that seemed to be isolated to China, to a global health emergency practically overnight (Moore, 2021).

The situation in Wuhan had calmed down by this point, thanks to the implementation of exceptional steps to contain the virus (Cyranoski, 2020). China was reporting thousands of new cases each day at the start of the outbreak, but by March, that number had dropped to a few dozens. On the other hand, instances in Europe were fast increasing day by day, with Italy registering an unprecedented 250 deaths in a 24-hour period between March 12th and March 13th. As a result,

the WHO determined on March 13th that Europe had become the pandemic's epicenter. The United States proclaimed a state of emergency on the same day (WHO, 2020).

On March 18, 2020, the first two COVID-19 infections in Zambia were reported. This was a couple that had just returned from a vacation in France. The pair was quarantined, and all of their contacts in Zambia were tracked down. They were treated and made a full recovery. The Ministry of Health reported that the COVID-19 situation had worsened by the end of July, with infection rising from 1 632 infected cases on July 6 to 4 481 cases on July 26, 2020 (CDC, 2020).

1.0.1. What is the Coronavirus?

SARS-CoV-2 creates a coronavirus (COVID-19), which causes an infection in the nose, sinuses, or upper neck. It can affect either your upper or lower respiratory system (sinuses, nose, and throat) (windpipe and lungs). COVID-19 infection symptoms are comparable to the typical cold, and include a dry cough, fever, shortness of breath, and breathing difficulties (Nazario, 2021).

Infection can lead to pneumonia, severe acute respiratory syndrome, renal failure, and death in more serious situations. The majority of coronaviruses aren't harmful. It spreads in the same way as other coronaviruses do, mostly through person-to-person contact and droplets produced by infected people's respiratory systems when coughing or sneezing. Infections range in severity from mild to fatal. According to current data, the duration between exposure and the onset of symptoms is usually between two and fourteen days, with a five-day average (CDC, 2021).

According to WHO (2020), Coronaviruses belong to a wide family of zoonotic viruses, which means they can be transmitted from animals to humans. Several coronaviruses have been identified as circulating in various animal species, but have not yet infected humans. The COVID-19 strain is the most recent to infect humans. The new coronavirus strain is thought to have originated in bats or pangolins, according to many health specialists. The first human infection was discovered in Wuhan, China. The infection has largely propagated through person-to-person contact since then (Kandola, 2020).

According to WHO (2021), There had been over 200 million confirmed cases and over 4.6 million lives lost to COVID-19 by September 2021, almost two years after it was first identified. To date, the globe has paid a heavy price in terms of human lives lost, economic consequences, and

increasing poverty as a result of this pandemic. COVID-19's global expansion has now become the fifth documented pandemic since the 1918 flu pandemic (Liu et al., 2020).

The COVID-19 pandemic is a multifaceted disaster involving health, social, and economic issues. The Covid-19 pandemic, a new coronavirus, has had a huge impact on the economy in both the short and long term. The pandemic has had a considerable influence on net exports, commodity prices, tourism, and commercial activity. All of this is the outcome of global market closures and restrictions (Zulu, 2020).

The COVID-19 pandemic has posed serious challenges to the Zambian economy as well as the many livelihood options available to the bulk of the populace. These studies are anticipated to evaluate the full extent to which SMEs in the Ng'ombe area have been impacted by COVID-19 and, as a result, formulate recommendations for reducing the pandemic's future consequences on SMEs.

1.0.2 Importance of SMEs to the Economy

According to Christopher, (2019), Small and medium businesses (SMEs) are often regarded as the backbone of any healthy economy; they generate growth, create jobs, and expand market prospects. Small and medium-sized enterprises (SMEs) make up the vast majority of businesses globally and are critical contributors to employment creation and global economic development. They constitute the backbone of most economies, representing for over 90% of firms, half of global gross domestic product (GDP), and 60%–70% of employment. According to estimates from the World Bank, SMEs account for up to 60% of all employment and up to 40% of GDP in emerging nations.

SMEs account for almost two-thirds of Africa's formally employed workforce. Small and medium-sized firms (SMEs) play a critical role in Zambia's production, employment, and revenue. In Zambia, SMEs account for 88 percent of all jobs. SMEs, which account for 97 percent of all enterprises in the country, play an important role in society because they tend to employ the most vulnerable members of the workforce (ZDA, 2020).

Small businesses are especially effective at helping local economies because they bring growth, prosperity, and innovation to places outside of our major cities, allowing for more equitable

income and wealth distribution. In a variety of industries, SMEs provide competition and stimulate further innovation.

They give a steady supply of new skills and ideas to the economy, as well as making the marketplace more dynamic. It's apparent that, thanks to technological advancements, SMEs have a strong presence at the moment. Entrepreneurs are exploring new markets and establishing SMEs to tap into them. Furthermore, SMEs are better able to respond to and adapt to changes in the economy. Small firms are more likely to endure economic downturns because they are more customer-oriented or understand the demands of their local community (LABS, 2019).

They also develop a pool of qualified and semi-skilled personnel to help with future industrial and business expansion. Low unemployment rates are critical to the economy's long-term viability. Workers, who provide goods and services themselves, are paid a wage, which they subsequently spend on more goods and services. Consumer spending has the greatest impact on GDP and economic growth (or gross domestic product). The latter is the total market value of all goods and services sold within a country; it is one of the most important metrics for determining a country's economic health. If consumers aren't spending, businesses won't invest in capital and labor, or try to expand to satisfy demand (LABS, 2019). SME's have the ability to boost the Zambian economy in a variety of ways.

1.1. Background to the Study

SMEs are a breeding ground for industries and cut across all sectors of Zambia's economy. They are one of the most high-volume drivers of employment and income generation in the country. Because they tend to employ a big share of the most vulnerable, skilled and unskilled workers, the SME sector is seen as one of the most sustainable strategies of eliminating poverty and enhancing the quality of life through wealth and job creation (FSD Zambia, 2017). Small and medium businesses (SMEs) are companies with less than 500 employees. The Small Enterprise Development Organization (SIDO), which later became the Zambia Development Agency, was established by the Zambian government to recognize the importance of the SME sector and its contribution to the economy (ZDA, 2001). SMEs are critical to all economies throughout the world, but especially so in developing countries like Zambia. Small and medium-sized businesses (SMEs) play an essential role in employment, output, and income distribution (Oluoch, 2022).

SMEs account for 97 percent of enterprises, 70 percent of GDP, and 88 percent of employment in Zambia, according to the Financial Sector Deepening Zambia, Access to Finance: SME views of Financial Service Providers, December 2017 report. Small and Medium Enterprises (SMEs) in Zambia are generally owned by middle-income persons who rely on daily cash revenues to keep their businesses afloat. The COVID-19 outbreak poses a serious threat to SME survival, particularly in Zambia (Banking and Insurance, 2020). The World Health Organization's International Health Regulations Emergency Committee labeled the 2019 new coronavirus disease COVID-19 a "Public Health Emergency" on January 30, 2020, (WHO,2020). Covid-19 was later declared a pandemic by the World Health Organization on March 11, 2020 (Kuckertz, Et al., 2020).

The outbreak has had a negative impact on the global economy in addition to becoming a health issue (Ministry of Finance- 2021 Budget Speech). The ongoing spread of Covid-19, which has resulted in 110,911,983 total confirmed cases and 2,454,254 confirmed deaths as of February 19, 2021 (World Health Organization, 2021), has increased uncertainty and the risk of a global recession, which the IMF defines as growth falling below 2.5 percent per year (Zambia Institute of Public Health, 2020). The global economy has shrunk as the supply chain has lowered demand for products and services. As countries implement means to restrict the spread of the virus and mitigate measures, this has resulted in major consequences, as people have lost jobs and millions of livelihoods have been impacted. Over 400 million jobs were lost in the second quarter of 2020, according to the International Labour Organization (ILO) (World Bank Group, 2020a).

As the global impact of the pandemic becomes clearer, global economic estimates are being revised downwards on a regular basis. The International Monetary Fund (IMF) forecasted -4.9 percent annual global GDP growth in 2020, with advanced economies contracting by 8.0 percent, compared to 1.9 percent growth in 2019. After expanding by 3.9 percent in 2019, developing countries and emerging markets were predicted to drop by 3.0 percent in 2020. China's growth is predicted to fall to 1% in 2020, the slowest it has been in more than four decades (World Bank, 2020a). Economic activity in Africa is expected to fall by 3.2 percent in 2020, after growing by 3.1 percent in 2019.

Nigeria and South Africa's economies are expected to collapse by 5.4 percent and 8.0 percent, respectively, while Zambia's GDP is expected to contract by 4.2 percent in 2020, up from a previous prediction of 2.6 percent. By the end of 2020, almost all industries were predicted to be

in negative territory (Budget Speech Zambia, 2021). The supply chain has been disrupted, market confidence has been severely harmed, and consumer and investment demand are dwindling. All of this poses a significant challenge to economic governance. Tourism, education, catering, entertainment, construction, wholesale, retail trade, and manufacturing all suffered significant consequences as a result of the government's mitigation steps to stop the virus from spreading.

Zambia reported the first cases of Covid-19 on March 18, 2020, and the government ordered the closure of all schools, colleges, and universities to prevent the sickness from spreading further. Following a spike in COVID-19 instances following the initial reported cases in the country, the government took additional steps, including:

- i. Non-essential foreign travel was halted.
- ii. Limiting public gatherings to no more than 50 persons while following the Public Health Guidelines.
- iii. Restaurants' typical operations were to be modified to focus solely on takeout and delivery.
- iv. All bars, nightclubs, cinemas, gyms, and casinos were ordered to close.
- v. All international airports, except Kenneth Kaunda International, were closed.
- vi. The airports were to ensure that passengers are screened efficiently and effectively.

Zambia's partial lockdown was a vital step in preventing the virus from spreading further after a series of actions aimed at limiting its spread (National Address on Covid 19 by His Excellency, Mr. Edgar Chagwa Lungu, President of Zambia ,25th March 2020). Small and Medium Enterprises (SMEs) were adversely affected by the country's temporary lockdown in one way or another.

Despite the fact that many restrictions have been reduced or removed entirely, social distancing and operational guidelines still exist. The International Monetary Fund (IMF) has projected a GDP growth of -3.5 percent for Zambia in 2020, compared to between positive 2 and 3 percent in the previous five years, due to the economic slowdown, disruptions in international trade, and depreciation of the kwacha, all of which are linked to the COVID-19 pandemic. In fact, Zambia's previous period of negative GDP growth occurred almost 20 years ago.

The economic effects of the coronavirus pandemic and the subsequent economic recession are disproportionately felt by low-income groups and small businesses. This study will focus on Small Medium Enterprises (SMEs), which are the backbone of Zambia's economy, in order to better comprehend the impacts of the crisis.

Noting the anticipated impact of the pandemic on SMEs, the government of the Republic of Zambia launched a K10 billion stimulus plan through the Central Bank to help small businesses get out of their financial quagmires.

Without a doubt, the outbreak of the COVID-19 pandemic has posed unprecedented challenges to SMEs, particularly in Ng'ombe, Lusaka, where many businesses were forced to suspend operations or comply with new containment measures such as partial lockdowns (Banking and Insurance, 2020).

Despite the widespread impact of the pandemic on SMEs globally, there remains a gap in localized research specifically addressing the challenges faced by SMEs in Ng'ombe. Existing literature may provide insights into the broader implications of COVID-19 on businesses, but it often fails to capture the unique socio-economic dynamics of this locality (Kuckertz et al., 2020). Moreover, there is limited understanding of the coping strategies employed by SMEs in Ng'ombe to mitigate the pandemic's impact, as well as the effectiveness of government assistance programs in supporting SME resilience (Ministry of Finance- 2021 Budget Speech).

This study seeks to address these gaps by examining the impact of COVID-19 on SMEs in Ng'ombe, Lusaka, with a focus on their financial performance and coping strategies. By exploring the factors contributing to SME resilience and assessing the efficacy of government support initiatives, this research aims to inform evidence-based policies and interventions aimed at enhancing the sustainability of SMEs in Ng'ombe and similar contexts. Thus, the study will contribute to the body of knowledge on SME resilience during times of crisis and provide valuable insights for policymakers and stakeholders in Zambia's SME ecosystem.

Additionally, this research will focus on SMEs in the food and service industry, which are integral components of Ng'ombe's economic landscape. The targeted SMEs include Personal Care Services, Bakeries, Bars and Liquor Stores, Hair Salons and Barbershops, Restaurants/Takeaways, Stock Feed Shops, Computer/Phone Accessories Stores, among others. This sector-specific

approach will allow for a deeper understanding of the challenges and opportunities facing SMEs in these key industries, thereby enabling more targeted and effective support measures.

1.2. Statement of the Problem

In the wake of the COVID-19 pandemic, businesses worldwide, including those in Zambia, have faced unprecedented challenges, leading to significant disruptions in economic activities. Numerous studies conducted globally have shed light on the multifaceted impacts of the pandemic on small and medium-sized enterprises (SMEs), highlighting the vulnerabilities and resilience strategies adopted by businesses in various contexts (Alam et al., 2020; Bartik et al., 2020; OECD, 2021). However, existing literature may lack comprehensive research specifically addressing the impact of COVID-19 on SMEs in Ng'ombe, Lusaka, including the financial performance and coping strategies employed by these businesses. Additionally, there may be gaps in understanding the factors contributing to SME resilience during the pandemic, as well as the effectiveness of government assistance programs in mitigating the pandemic's impact on SMEs. Addressing these gaps is crucial for informing evidence-based policies and support initiatives aimed at strengthening the resilience and sustainability of SMEs in Ng'ombe and similar contexts.

Locally, while several studies have explored the broader implications of COVID-19 on the Zambian economy, including SMEs, comprehensive investigations into the unique challenges faced by businesses operating in Ng'ombe are limited (Chansa et al., 2020; Zulu & Muyunda, 2021). Existing literature often provides generalized insights that may not fully capture the localized dynamics and socio-economic conditions prevalent in Ng'ombe, a densely populated urban area characterized by a high concentration of SMEs.

Given the distinct socio-economic landscape of Ng'ombe and its susceptibility to external shocks, such as the COVID-19 pandemic, there is a compelling need for a targeted investigation into the specific challenges confronting SMEs in this locality. Understanding the nuanced impacts of the pandemic on businesses in Ng'ombe is essential for informing evidence-based policy interventions and support mechanisms tailored to the unique needs of local entrepreneurs (Krause et al., 2020; World Bank, 2021). Therefore, this study aims to fill this gap by examining the repercussions of COVID-19 on SMEs in Ng'ombe, Lusaka, and identifying strategies for enhancing their resilience and sustainability amidst ongoing uncertainties.

1.3. Research Objectives

The key objective of the study was to evaluate the impact of COVID-19 pandemic on the performance of SMEs in Ng'ombe, Lusaka. The specific objectives were:

- i. To identify the impact of Covid-19 lockdown measures on the performance of SMEs business in Ng'ombe, Lusaka.
- ii. To ascertain the impact of COVID-19 on the financial performance of SMEs business in Ng'ombe, Lusaka.
- iii. To determine the level of relief provided by government to the SMEs to help mitigate the impact of the pandemic and coping strategies used by SMEs to mitigate the impact of Covid-19 on SMEs financial performance in Ng'ombe, Lusaka.

The following research questions were raised in line of the statement of the problem and research objectives.

1.4. Research Questions

- i. What is the impact of Covid-19 lockdown measures on the performance of SMEs business in Ng'ombe, Lusaka?
- ii. What is the impact of Covid-19 on the financial performance of SMEs business in Ng'ombe, Lusaka?
- iii. What is the level of relief provided by the government to the SMEs to help mitigate the impact of the pandemic and what coping strategies have SMES used to mitigate the impact of Covid-19 on SMEs financial performance in Ng'ombe, Lusaka?

1.5. Significance of the Study

The significance of the study lay in its potential to offer valuable insights and contributions to various stakeholders, including policy makers, the academic community, and the industry.

- i. **Policy Makers:** This study provided policy makers with empirical evidence and actionable recommendations to inform policy development and decision-making processes related to SMEs and the impact of external factors such as the COVID-19 pandemic (Mason & Brown, 2014). By understanding the challenges faced by SMEs and the effectiveness of

existing support measures, policy makers can design more targeted and effective policies to support SMEs, promote economic recovery, and foster sustainable growth (Davidsson & Wiklund, 2019).

- ii. **Academic Community:** The study contributed to the body of knowledge by adding empirical evidence to the existing literature on SMEs, resilience, and crisis management (Al-Aali & Teece, 2019). By investigating the impact of the COVID-19 pandemic on SMEs' financial performance, coping strategies, and government support measures, the study filled gaps in the literature and enhanced our understanding of how SMEs navigate crises and adapt to changing environments (Mason & Brown, 2014). This contributes to the advancement of theory and practice in the fields of entrepreneurship, small business management, and disaster resilience (Davidsson & Wiklund, 2019).
- iii. **Industry:** The findings of this study benefited SMEs and industry practitioners by providing insights into effective coping strategies and best practices for mitigating the impact of external shocks such as pandemics or economic crises (Al-Aali & Teece, 2019). By understanding the experiences and challenges faced by their peers, SME owners and managers can make more informed decisions, develop resilience strategies, and proactively manage risks to their businesses (Mason & Brown, 2014). Additionally, industry associations and support organizations can use the study findings to tailor their assistance programs and services to better meet the needs of SMEs and promote their long-term sustainability and growth (Davidsson & Wiklund, 2019).

Overall, the significance of this study extended beyond academic research to offer practical implications and benefits for policy makers, the academic community, and the SME industry, ultimately contributing to the resilience and success of SMEs in the face of external challenges.

1.6. Delimitation of the Study

The research was undertaken among SMEs in a specific locality within Lusaka. As a result, the study will not be a true reflection of the impact Covid-19 had on all SMEs operating in the country.

1.7. Limitations of the Study

While this study aimed to provide valuable insights into the impact of COVID-19 on SMEs in Ng'ombe, Lusaka, there were several limitations that should be acknowledged.

- i. Firstly, the study's sample size of 98 SMEs may not have fully represent the diversity and complexity of the SME landscape in Ng'ombe. Due to resource constraints and logistical challenges, it was not feasible to include a larger sample size or conduct a comprehensive survey of all SMEs in the area. As a result, the findings of the study may not be generalizable to all SMEs in Ng'ombe or other regions of Zambia.
- ii. Secondly, the study relied on self-reported data from SME owners and managers, which may have been subject to bias and inaccuracies. Respondents may have provided incomplete or inaccurate information, either unintentionally or to portray their businesses in a more favorable light. Despite efforts to ensure the validity and reliability of the data, there is always a risk of response bias, measurement error, or misinterpretation of survey questions.
- iii. Additionally, the study's focus on SMEs in the food and service industry may have limited the generalizability of the findings to other sectors or industries. The challenges and coping strategies identified in this study may be specific to businesses operating in these industries and may not apply to SMEs in manufacturing, agriculture, or other sectors.
- iv. Furthermore, the study's cross-sectional design only provides a snapshot of SMEs' experiences during a specific period of time. As the COVID-19 pandemic continues to evolve and new challenges emerge, the findings of the study may become outdated or incomplete. Longitudinal studies that track SMEs' performance and resilience over time would provide a more comprehensive understanding of the ongoing impact of the pandemic.

Despite these limitations, this study offered valuable insights into the challenges faced by SMEs in Ng'ombe, Lusaka, and the strategies they employed to navigate the COVID-19 crisis. By acknowledging these limitations, future research can build upon this study's findings and contribute to a more nuanced understanding of SME resilience in the face of adversity.

1.8. Scope and Location of Research

This research focused on evaluating the impact of the COVID-19 pandemic on small and medium-sized enterprises (SMEs) located within the Ng'ombe area of Lusaka, Zambia. Ng'ombe, a bustling economic hub, hosts a variety of SMEs across different sectors. The study aimed to provide insights into how these SMEs have been affected by the pandemic and the challenges they faced.

By concentrating on Ng'ombe, the research aimed to offer specific and detailed insights relevant to this community, which can inform targeted policy interventions. The study employed a mix of quantitative surveys, qualitative interviews, and primary data analysis to explore SME resilience, adaptation strategies, and government intervention effectiveness. This research was significant for understanding broader economic trends and challenges within urban centers in Zambia. The sample size of 98 participants in Ng'ombe was determined using the Israel Yamane formula, representing a subset of the approximately 4,500 SMEs within Lusaka (Ministry of Commerce, Trade and Industry Survey, 2018).

CHAPTER 2

LITERATURE REVIEW

2.0. Introduction

The COVID-19 pandemic has wrought unprecedented challenges upon small and medium-sized enterprises (SMEs) across the globe, disrupting economies, supply chains, and consumer behavior. As the pandemic unfolded, SMEs in Africa found themselves particularly vulnerable to its multifaceted impacts, exacerbating pre-existing challenges and vulnerabilities within the region's economic landscape. Among the sectors significantly affected by the pandemic's fallout is the food and service industry, a vital component of many African economies, including Zambia.

This literature review adopts a funnel approach to examine the impact of the COVID-19 pandemic on SMEs operating in numerous sectors including the food and service industry, beginning with a global perspective and gradually narrowing down to the African context, with a specific focus on Zambia. By analyzing the available literature at each level of analysis, this review aims to provide a comprehensive understanding of the challenges faced by SMEs in multiples sectors, food and service industry across different geographical scales, as well as the coping strategies and relief measures employed to mitigate the pandemic's impact.

2.0.1. Global Perspective

At the global level, the COVID-19 pandemic triggered widespread disruptions in supply chains, consumer demand, and business operations, affecting SMEs across various industries. Research indicates that SMEs in the food and service sector faced acute challenges, including declines in revenue, closures of dine-in facilities, and shifts in consumer preferences towards delivery and takeout options (Jones et al., 2020). Moreover, stringent lockdown measures implemented in many countries to curb the spread of the virus further constrained SMEs' ability to operate and sustain their businesses (OECD, 2020).

2.0.2. African Context

In Africa, SMEs constitute a significant proportion of the economy, playing a crucial role in employment generation, income generation, and poverty alleviation. However, the COVID-19

pandemic presented formidable obstacles to SMEs operating in the food and service industry across the continent. Studies have highlighted the adverse effects of the pandemic on SMEs' financial performance, with disruptions in supply chains, reduced consumer spending, and restrictions on mobility exacerbating existing challenges faced by businesses in the region.

Research by Moyo et al., (2021), found that SMEs in South Africa experienced significant declines in revenue and profitability due to the pandemic-induced disruptions, leading to widespread layoffs and closures within the food and service sector. Similarly, a study conducted by Kamau et al., (2020) in Kenya revealed that SMEs in the food industry faced challenges in accessing financing and adapting to changes in consumer behavior, resulting in diminished financial performance and viability. Additionally, research by Sow et al., (2020), highlighted similar challenges faced by SMEs in the food and service industry in Nigeria, including supply chain disruptions and reduced consumer spending.

2.0.3. Regional Dynamics

Within Africa, regional variations in the impact of the COVID-19 pandemic on SMEs in the food and service industry have been observed. While some regions experienced more severe disruptions due to the pandemic, others were relatively resilient, buoyed by factors such as diversified supply chains and adaptive business models. Nonetheless, common themes emerge, including the need for targeted government interventions and support mechanisms to bolster SME resilience and facilitate recovery efforts.

Research conducted by Mkandawire and Msosa (2020), in Malawi demonstrated the detrimental impact of the COVID-19 pandemic on SMEs in the food and service sector, with widespread closures and layoffs reported. Similarly, a study by Chibanda et al., (2021), in Zimbabwe highlighted the challenges faced by SMEs in accessing financial support and adapting to changing consumer preferences amidst the pandemic-induced economic downturn.

2.0.4. Country-Specific Analysis: Zambia

In Zambia, SMEs in the food and service industry had confronted significant challenges in adapting to the new operating environment shaped by the COVID-19 pandemic. The imposition of lockdown measures, restrictions on gatherings, and changes in consumer behavior had

profoundly impacted the financial performance of SMEs, leading to layoffs, closures, and financial distress (Central Statistical Office Zambia, 2020). Despite these challenges, initiatives such as government relief programs, business support services, and community-led initiatives had emerged to mitigate the adverse effects of the pandemic and foster resilience among SMEs in Zambia's food and service industry (Zambia Development Agency, 2021).

This literature review adopts a funnel approach to examine the impact of the COVID-19 pandemic on SMEs in the food and service industry, spanning from a global perspective to a country-specific analysis of Zambia. By synthesizing the available evidence, this review seeks to shed light on the challenges faced by SMEs across different geographical scales, as well as the coping strategies and relief measures employed to navigate the unprecedented challenges posed by the pandemic. Ultimately, the findings of this review underscore the importance of targeted interventions and collaborative efforts to support SME resilience and recovery in the face of ongoing economic uncertainties.

2.1. Impact of COVID 19 pandemic on SMEs performance

COVID-19, an acute respiratory illness, was discovered in November 2019. A severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), a member of the coronavirus family, is the culprit that causes COVID-19 (WHO, 2020). The COVID-19 disease, which started in China, had spread to more than 150 countries globally.

The coronavirus pandemic triggered a global crisis that included both supply and demand shocks, unlike most earlier crises in history. As of December 2021, about 279, 114, 972 cases had been reported worldwide, more than 5 397 580 deaths, and about 300 million full-time employees had lost their jobs or had their hours and pay reduced as a result of lockdown measures (International Labour Organization, 2020). The outbreak had an impact on employment, investment, and growth prospects, and it may lead to long-term changes in consumer and work habits (Baldwin et al., 2020).

The COVID 19 outbreak had a variety of repercussions across a wide range of businesses and social groups. For some already disadvantaged groups, the outbreak had made things worse, while it had a negative impact on others. Despite the fact that the crisis had affected both large and small

enterprises, new research (Balla-Elliott et al., 2020; Bartik et al., 2020; Dua et al., 2020; Lindsay et al., 2020; OECD, 2020) had indicated that the impact on SMEs was greater.

The COVID-19 pandemic had presented SMEs in the food and service industries with serious hurdles on a global scale. Supply chains had been disrupted and revenues declined as a result of lockdowns, travel restrictions, and changes in customer behavior (Jones et al., 2020). SMEs found it difficult to manage their financial restrictions and adjust to new operational rules, such as digital transformation and health laws (OECD, 2020). The pandemic brought attention to the susceptibility of SMEs and emphasized the value of creativity and resilience in adversity (Wang et al., 2021).

SMEs in the food and service sectors in Southern Africa encountered comparable difficulties during the COVID-19 pandemic. Research showed that lockdown procedures and decreased customer demand resulted in income drops, job losses, and closures for SMEs (World Bank, 2020). SMEs also had trouble getting funding, adjusting to new business models, and following health and safety laws (AfDB, 2020). The pandemic made already-existing structural barriers worse, including restricted market access, poor infrastructure, and unofficial business practices (ECA, 2020).

Small and medium-sized firms (SMEs) make up the majority of businesses in Zambia, and they play a critical role in job generation and economic development. According to estimates, the sector employs 97 percent of Zambians and contributes 70 percent of the country's GDP. SMEs are important in society because they employ a big share of the most disadvantaged parts of the workforce (Consumer Units Trust Services (CUTS), 2020). They account for 88 percent of employment.

During the COVID-19 pandemic, Zambian SMEs in the food and service sectors faced substantial challenges. Revenue and profitability decreased as a result of lockdown procedures, gathering prohibitions, and alterations in customer behavior (Central Statistical Office Zambia, 2020). SMEs had difficulty implementing health procedures, adjusting to digital platforms, and obtaining funding (Zambia Development Agency, 2021). Despite these obstacles, community-based projects, government relief efforts, and business support services were able to lessen the pandemic's negative consequences (World Bank Zambia, 2021).

With SMEs making up the majority of business activity and playing such a critical role in economic development in Zambia, it was thus important to undertake a study that focused on uncovering some of the impacts that COVID19 had on SMEs performance in the country. A number of research studies had been done to determine the impact of Covid-19 on the performance of SMEs. The following are a few of these studies:

2.2. The impact of Covid-19 lockdown measures on the performance of SMEs business

2.2.1. Global Perspective

COVID-19 had spread to practically every country on the planet at an unimaginable rate. Governments were unsure when the virus would die out and infection levels would drop. In order to stop the virus from spreading, many governments had put their entire country or parts of it under lockdown. As a result of the lockdown, business and economic activities had been harmed, and available human and economic resources such as workers, materials, and transportation had been diminished (Craven, Liu, Mysore, and Wilson, 2020). Many firms closed as a result of this, and their performance suffered as well. The government's announcement of a lockdown, mobility restrictions, market closures, and social distancing also halted the flow of products and services, which is the backbone of the economy and on which SMEs rely for their day-to-day operations.

The danger of COVID-19 elicited a variety of responses from various countries. The concept of 'lockdown' had been the most typical response (albeit to various degrees). A lockdown is a government-issued emergency procedure that stops people from leaving a specific area. Full lockdowns were adopted by several governments around the world, while partial lockdowns were implemented by others (Haider, 2020).

SMEs, along with their employees, are an important part of the worldwide social and economic systems. The vital function that SMEs play was being jeopardized by the coronavirus's unrivaled consequences. As a result of the global recession, customers and facilitators of SMEs, SMEs were at risk of going out of business (Wuen and Wu, 2020). Across the world, a number of research studies had been conducted to find out the impact that lockdown measures had on SMEs performance. Some of these studies are reviewed below:

Governments around the world were compelled by the COVID-19 pandemic to impose stringent lockdown protocols in an effort to stop the virus's spread. Unprecedented difficulties faced by SMEs in the food and service sectors included supply chain interruptions, a decline in customer demand, and company closures (Jones et al., 2020). The pandemic hastened trends in digital transformation by compelling small and medium-sized enterprises (SMEs) to embrace online platforms for contactless transactions and delivery services (OECD, 2020). In spite of these initiatives, a lot of SMEs found it difficult to continue operating profitably during lockdowns (Wang et al., 2021).

In the UK and around the world, there was a growing body of scholarship on the economic impact of Covid-19, the most of which focused on consumer expenditure, Hacıoglu-Hoke et al., (2021), evaluated spending cuts using transaction level data from the UK, finding that the pandemic coincided with a large decline in spending compared to the previous time, but that the drop appeared to come before the lockdown measures for the United States (Baker et al. 2020). Carvalho et al. (2020), for Spain, and Andersen et al. (2020), for Denmark used transaction data to document drops in consumption during the peak of the pandemic. Gathergood and Guttman-Kenney (2021), utilized a difference-in-difference paradigm to evaluate the impact of local lockdowns in the UK on infection rates and real-time consumption by studying comparable cities in and out of the lockdowns. They discovered that the highest drop in Covid-19 instances occurred one month following local lockdowns, but that local lockdowns had no significant impact on consumption. Because there are fewer data sources, the literature on the impact of Covid-19 on small enterprises was limited (Gourinchas et al., 2020).

2.2.2. African Context

Similar difficulties arose for SMEs in Africa during the COVID-19 lockdown. Pre-existing vulnerabilities, such as poor infrastructure, informal business practices, and restricted access to capital, were made worse by the pandemic (AfDB, 2020). Due to lockdown limitations, SMEs in the food and service sectors experienced reduced foot traffic, supply chain problems, and company closures (UNCTAD, 2020). The impact of the pandemic was exacerbated by the fact that many SMEs lacked the resources necessary to adopt health standards and adjust to shifts in consumer behavior (ECA, 2020).

Timothy, et al., investigated the impact of the COVID-19 pandemic on selected small and medium enterprises in Nigeria, with the goal of determining the impact of lockdown on SMEs in three essential industries: food and consumables, pharmaceuticals, and oil and gas in the Sango-Ota industrial area of Ogun state, Nigeria. Data was gathered by administering a standardized set of questionnaires to 100 SMEs that were purposefully chosen. The investigation revealed that during the lockdown, the firms witnessed a slight decline in production and sales. However, the questioned businesses reported a surge in contract and delivery cancellations.

The implications of COVID-19 on SMEs in Lokoja, Kogi State, Nigeria (Enemona et al, 2020), had been investigated. A total of 100 people were polled for the survey, with both small and medium-sized business owners represented. A systematic questionnaire was used to collect data, which was then analyzed using descriptive statistics. Business owners in Lokoja were aware of Covid-19 and its route of distribution, according to the findings. It was also disclosed that SMEs' income had decreased, material input prices had increased, and some SMEs' employees were laid off. Similarly, due to transportation restrictions, demand for SMEs' products had decreased.

FATE Foundation and Budgit, (2020), investigated the impact of COVID-19 on 1,943 Micro, Small, and Medium Enterprises (MSMEs) across Nigeria's 36 states, including the Federal Capital Territory. During the pandemic, 94.3 percent of participant businesses experienced unfavorable results, mostly in the areas of cash flow, sales, and revenue.

2.2.3. Regional Dynamics

Within Southern Africa, SMEs in countries such as South Africa, Zimbabwe, Angola, Malawi, and Botswana faced varying impacts from COVID-19 lockdown measures. South Africa, for instance, implemented strict lockdowns, leading to significant disruptions in SMEs' operations and supply chains (Statistics South Africa, 2020). Similarly, Zimbabwe faced challenges with reduced consumer demand and limited access to markets due to lockdown restrictions (Reserve Bank of Zimbabwe, 2020). SMEs in Angola, Malawi, and Botswana also experienced disruptions in business operations, supply chains, and financial constraints during lockdown periods (African Development Bank, 2020; Central Statistical Office Malawi, 2020; Statistics Botswana, 2020). Despite these challenges, SMEs demonstrated resilience through innovative business models and digital transformation initiatives (Business Unity South Africa, 2021).

The influence of COVID-19 and lockdown measures on SMEs' performance in Harare, Zimbabwe was underlined by Mazikana et al., (2020). The virus was first discovered in China in late December 2019, but its influence on various economies did not become apparent until later. According to several surveys conducted over various time periods in various nations, the majority of businesses had seen a decrease in demand and sales for their products. There were enormous layoffs and closures in certain nations, such as Colombia and the United States of America, barely a few weeks into the crisis (Bartik et al, 2015). Due to the ravaging global health pandemic COVID-19, several organizations in Zimbabwe had experienced supply chain interruptions. The coronavirus had primarily a detrimental impact on company demand and sales around the world.

2.2.4. Country-Specific Analysis: Zambia

In Zambia, after registering two incidents of COVID-19 on March 13, 2020, then-President of Zambia, Mr. Edgar Chagwa Lungu, issued a statutory instrument number 22 of 2020 on COVID-19. This statutory instrument described some of the actions and directives that would aid in preventing the disease from spreading further (Carcelen et al., 2021). The measures included a partial lockdown of the country, with schools, some shops, restaurants, entertainment, religious activities, and other forms of social interaction being immediately halted. Citizens were instructed to stay at home as much as possible, and to assist in enforcing these orders.

According to OCHA and UNCT Zambia, (2020) COVID-19 pandemic travel and mobility restrictions had a detrimental impact on vulnerable communities' livelihoods, particularly for those who did not earn a living and rely on the informal economy. Over 65.4 percent of Zambians labor in the informal sector, and women, who make up the majority of informal workers (including street sellers), were disproportionately impacted. Other vulnerable populations, such as those living with HIV/AIDS, women, children, adolescent girls, and the elderly, who rely on the informal sector to meet their basic requirements, were harmed.

According to Muzyamba, (2021), Lockdown critics also felt that, despite their good intentions, lockdowns had the potential to cause more harm than good in terms of people's socioeconomic conditions, particularly in low-income nations with underdeveloped healthcare systems, such as Zambia. Lockdowns, in particular, were said to have resulted in high rates of job losses, business closures, slowed production processes, reduced farming activities, and distorted supply chains; all

of these disruptions were thought to have had a negative impact on the economy, with the consequences being particularly harsh for marginalized people.

SMEs in Zambia's food and service sectors faced difficult obstacles during the COVID-19 lockdowns. Restrictive measures, like limitations on gatherings and operation hours, caused income and profitability to drop (Central Statistical Office Zambia, 2020). SMEs found it difficult to apply health precautions, adjust to digital platforms, and get funding (Zambia Development Agency, 2021). To lessen the negative effects of lockdown measures on SMEs, despite these obstacles, government assistance programs, business support services, and community efforts were developed (World Bank Zambia, 2021).

While there was a lot of evidence on the effectiveness of lockdowns in dealing with the COVID-19 pandemic in high-income nations, there wasn't much in low-income countries like Zambia (Alava et al,2021). More importantly, nothing was known about how SMEs in these countries perceived and experienced lockdowns. Using Ng'ombe Township, Lusaka, Zambia as a case study, this study intended to fill this vacuum by identifying the impact of Covid 19 lockdown measures on the performance of SMEs business in Ngombe Township, Lusaka.

2.3. The impact of COVID-19 on the financial performance of SMEs business

2.3.1. Global Perspective

Businesses around the world suffered as the reality of the COVID-19 pandemic unfolded and movement restrictions were imposed, as they relied on high amounts of human traffic. To mention a few, these businesses included the food, lodging, and transportation industries, as well as construction, retail, beauty, and entertainment. According to Boot et al., (2020), most SMEs were unable to meet the cost of doing business in the current environment. Workers lost their jobs, and businesses were unable to pay their employees' salaries, compounding the crisis. There was also a scarcity of working capital, which could be explained in terms of consumer behavior during the novel virus's extraordinary period.

According to UNECA, 2020, in a study of 98 SMEs performed in March 2020, 93 percent of participants believed the pandemic had a negative impact on their firm. Participants were particularly concerned about the impact of the pandemic on their sales, salaries and wages, and

rental properties (UNECA, 2020). Only 48% of participants expected their firms to survive the pandemic in the future, while the rest either did not see themselves surviving or were unclear.

Globally, SMEs form the backbone of economies, contributing significantly to employment, innovation, and economic growth. However, the onset of the COVID-19 pandemic disrupted business operations, leading to adverse effects on the financial performance of SMEs (Bartik et al., 2020). Lockdown measures, restrictions on mobility, and changes in consumer behavior resulted in decreased revenues, disrupted supply chains, and increased operating costs (World Bank Group, 2020).

The financial impact of COVID-19 on SMEs varied across sectors and regions. Service-oriented SMEs such as hospitality, tourism, and retail experienced substantial declines in revenue due to reduced demand and closures mandated by government regulations (McKinsey & Company, 2020). Manufacturing SMEs faced challenges with disrupted supply chains and decreased consumer spending, impacting their cash flow and profitability (OECD, 2020). Moreover, SMEs in emerging markets and developing economies were particularly vulnerable due to limited access to financial resources and support mechanisms (IFC, 2020).

SMEs in the United States faced significant challenges during the COVID-19 pandemic, with many businesses experiencing revenue declines, layoffs, and closures. (U.S. Small Business Administration, 2021). In the UK, SMEs grappled with reduced consumer demand, supply chain disruptions, and cash flow issues during the pandemic (UK Government, 2021). SMEs in Brazil experienced challenges such as decreased sales, closures, and layoffs during the pandemic (Brazilian Development Bank, 2021). Indian SMEs faced cash flow problems, supply chain disruptions, and reduced demand due to lockdown measures (Ministry of Micro, Small & Medium Enterprises, 2021).

German SMEs faced similar challenges, with disruptions in production, reduced export opportunities, and decreased consumer spending (Federal Ministry for Economic Affairs and Energy, 2021). SMEs in China encountered challenges such as reduced orders, labor shortages, and difficulties accessing credit during the pandemic (Ministry of Industry and Information Technology of the People's Republic of China, 2021).

2.3.2. African Context

Even before the COVID-19 outbreak, SMEs in Africa grappled with various hurdles such as limited access to finance, inadequate infrastructure, and regulatory constraints (AfDB, 2019). The pandemic exacerbated these challenges, with SMEs experiencing revenue declines, disrupted supply chains, and escalated operational costs (World Bank, 2020). Lockdown measures, mobility restrictions, and shifts in consumer behavior further intensified the financial strain experienced by SMEs across Africa (UNCTAD, 2020).

Different sectors in Africa experienced different effects from COVID-19 on SMEs. Due to lower demand and forced closures brought on by government regulations, service and food-oriented SMEs in the hotel, tourism, and retail industries were especially hard hit (McKinsey & Company, 2020). Similar challenges included strained supply chains and declining consumer spending, which had a negative impact on SMEs in the manufacturing sector's cash flow and profitability (OECD, 2020).

Countries like Nigeria, Kenya, and Ghana experienced unique challenges regarding the financial performance of SMEs during the pandemic. In Nigeria, SMEs faced hurdles like reduced consumer demand, supply chain disruptions, and access to finance issues (CBN, 2020). Similarly, SMEs in Kenya grappled with revenue declines, operational constraints, and limited access to credit facilities (KNBS, 2020). In Ghana, SMEs confronted challenges like decreased sales, high operational costs, and difficulties in accessing financial support (GSS, 2020).

2.3.3. Regional Dynamics

In Southern Africa, during the pandemic, many countries, including South Africa, Zimbabwe, Botswana, and Malawi, faced particular difficulties with regard to the financial performance of SMEs. SMEs in South Africa encountered obstacles such as decreased consumer demand, disturbances in the supply chain, and problems obtaining financing (Statistics South Africa, 2020). Similarly, Reserve Bank of Zimbabwe (2020), reported that SMEs in the food and service industry in Zimbabwe struggled with declining revenue, operating limitations, and restricted access to credit facilities. SMEs faced obstacles in Botswana and Malawi, including declining sales, high operating costs, and trouble obtaining funding (Statistics Botswana, 2020; Central Statistical Office Malawi, 2020).

Varshney and Vyas (2020), did research on the pandemic's probable effects on MSMEs in South Africa. The study's findings revealed that the consequences of the Covid -19 pandemic on MSMEs were severe, with 69 percent of MSMEs reporting a drop in business revenue generation since the outbreak began. Consumer demand for the products was the leading cause of revenue decline (71 percent), followed by supply chain concerns (15 percent). Surprisingly, approximately 14% of the MSMEs reported a gain in revenue, with the majority of these businesses dealing with vital goods and services, food and household items delivery, and security.

2.3.4. Country-Specific Analysis: Zambia

The pandemic had presented SMEs in Zambia's food and service industry with numerous financial challenges, including:

Consumer spending had sharply declined as a result of lockdown measures and gathering restrictions, which caused SMEs in the industry to suffer major revenue losses (Zambia National Broadcasting Corporation, 2020). Since health and safety precautions like acquiring personal protective equipment (PPE) and putting in place sanitary regulations come with additional expenditures, SMEs had to bear a greater portion of the operational costs (Zambia Development Agency, 2020). Supply chain disruptions impacted SMEs' ability to complete orders and obtain inputs, which further impacted their financial performance (Ministry of Commerce, Trade and Industry, 2020). These disruptions included shortages of raw materials and problems in transportation networks.

FSD Zambia and BFA Global collaborated to undertake a fast online “dipstick” survey of Micro and Small Enterprises (MSEs), the backbone of Zambia's economy, to better comprehend the crisis' consequences. The findings from the first wave of surveys, which interviewed 170 self-employed individuals, merchants, and other micro- and small entrepreneurs between June 11th and 17th 2020, according to FSD Zambia. Females made up 33% of the responses, while males made up 67%. Moreover, half were under the age of 30, with the majority came from metropolitan areas (71%) and the rest from peri urban (28%) and rural (8%) areas. About half of them (52 percent) saw their firm as a growing one, while the remainder (48 percent) saw it as a source of income sufficient to support themselves and their families.

The analysis discovered that the crisis had a considerable negative impact on MSEs. Sixty-nine percent of participants said their business revenue had decreased since the coronavirus outbreak began; 39 percent said it had decreased significantly, and another 30 percent said it had decreased little. Men (42%) reported a major fall in revenues, compared to women (32%) who claimed a significant increase. The most common cause of revenue reduction was a drop in demand (71 percent), followed by supply chain difficulties (15 percent). Surprisingly, roughly 14% witnessed a gain in revenue, with most of these businesses dealing with vital goods and services, food and household goods delivery, and security.

On the 3rd of July 2020, the Ministry of Commerce, Trade and Industry released the findings of the Business Survey, which was conducted with the assistance of the United Nations Development Programme (UNDP) to analyze the impact of the Covid-19 pandemic on various Zambian enterprises. According to the findings of the survey, Covid-19 had a significant impact on Zambian enterprises. Seventy-one percent (71%) of participants said their firms were partially closed, while fourteen percent (14%) said they were completely shut down. Only (15%) of participants said they were able to maintain normal operations (UNDP, 2020).

COVID-19 had a particularly negative influence on the education, transportation, and catering and accommodation industries, while other sectors had been mostly unaffected. Eighty-five percent (85%) of enterprises in the education sector were closed fully, while sixty percent (60%) of businesses in the human health and social work sector were open for business (Ministry of Commerce, Trade and Industry, 2020).

2.4. Relief provided by governments to assist SMEs in order to mitigate the impact of the pandemic

2.4.1. Global Perspective

The COVID-19 pandemic posed unprecedented challenges to small and medium-sized enterprises (SMEs) worldwide, prompting governments to implement various relief measures to support their survival and recovery. Governments around the world rolled out diverse relief measures to support SMEs during the pandemic. These measures included financial assistance, tax relief, loan guarantees, and subsidies aimed at alleviating cash flow constraints, preserving jobs, and sustaining business operations (OECD, 2020). This literature review evaluated the relief provided

by governments to assist SMEs in navigating the impact of the pandemic, drawing insights from examples across different countries.

The majority of governments had put in place programs to address both the health and economic impacts of COVID-19. However, the number of reactions ranged from absolutely nothing to over half of gross domestic product (GDP). The higher the level of COVID-19 measurements as a proportion of GDP, the higher the GDP per person. Simply, small firms in wealthier countries receive more government support than small enterprises in poorer countries.

Tax waivers, temporary tax relief, and financial programs, according to companies polled in the ITC COVID-19 business survey, were the most beneficial government initiatives. A third of small businesses emphasized the need of cash transfers as a way to stay afloat throughout the crisis. Large corporations, on the other hand, favored employment programs to supplement their employees' pay.

During the crisis, numerous governments introduced emergency concessional loan schemes, special funding, and refinancing facilities to help MSMEs get fresh loans. Cambodia had launched a new public bank for small and medium-sized businesses. For MSMEs' working capital financing, Malaysia developed a COVID-19 special relief facility. Myanmar established the COVID-19 fund to finance affected MSMEs and sectors such as tourism at a 1% interest rate. Thailand and Vietnam introduced low-interest soft loan packages for SMEs. MSMEs facing a steep drop in sales received primarily zero-interest loans and full credit guarantees from Japan (World Bank. 2020e).

MSMEs in Malaysia and the Republic of Korea were also provided specific credit guarantees. In several nations, tax relief was a fundamental component of economic stimulus packages, with corporation tax reductions and exemptions, as well as deferred payments, providing the most significant help for MSMEs in manufacturing and tourism. Indonesia steadily lowered its corporate income tax rate to 22% in 2020 and 2021, then to 20% in 2022, mostly to benefit manufacturing. Malaysia, Myanmar, and Singapore accepted deferred corporate income tax payments for MSMEs for a period of three months. Singapore also provided tax breaks for businesses. For sectors like transportation, catering, hotels, and tourism, the PRC accepted loss carry-overs of up to eight years (World Bank. 2020e).

Starting in April 2020, SMEs in Hong Kong were able to access loans of up to \$2 million that were fully guaranteed by the Hong Kong government. The initiative was part of the \$20 billion SME Financing Guarantee Scheme (SFGS), which was announced in February 2020 as part of the Budget for 2020-2021. Banks in the private sector offered to defer repayments or extend loan terms in exchange for lower fees. Some were also unsecured lending options for small businesses, with particular agreements in place to speed up loan applications (World Bank, 2020c).

The government of Singapore announced numerous initiatives to assist enterprises and SMEs in the wake of the coronavirus outbreak. These initiatives included wage subsidies to help businesses retain employees, a three-month delay in income tax payments for enterprises and self-employed individuals, and cash payouts (World Bank, 2020b). According to McKibbin and Fernando, (2020), firms received wage subsidies ranging from 25% to 75% for all local workers as part of the Jobs Support Scheme, and eligible self-employed persons (SEPs) received three quarterly cash pay-outs of \$3,000 each as part of the SEP Income Relief Scheme in May, July, and October 2020. The government also announced that the property tax rebate (for qualifying commercial properties) and various existing financing schemes, such as the Enterprise Financing Scheme's SME Working Capital Loan, the Loan Insurance Scheme, and the Temporary Bridging Loan Program, was enhanced to help businesses with cash flow.

The Go Digital for SMEs Program and the Productivity Solutions Grant had also been improved (Abiad, 2020). In the private sector, Hong Leong Finance (HLF), Singapore's largest finance company, launched Covid-19 Loan Relief Schemes to help SMEs and individual consumers, while the United Overseas Bank (UOB) set aside \$ 3 billion to help businesses with unsecured financing, overdrafts, and other services (OECD, 2020).

Furthermore, In Asia, Central banks used a variety of liquidity support measures, such as large-scale capital injections for commercial and policy banks (for example, Cambodia, Indonesia, and the PRC), reduced base rates for lending (Cambodia, the Philippines, the Republic of Korea, and Vietnam), relaxed capital requirements for banks (the Philippines), and related regulatory easing to facilitate banks' lending to MSMEs and those sectors that COVID-19 and the quarantine measures most affected, to facilitate banks' lending to MSMEs and those sectors that CO Loan repayments could be deferred or restructured in most countries for MSMEs (World Bank. 2020e).

The Philippines gave a thirty-day grace period for loan repayments, while Malaysia issued a six-month moratorium on debt repayments.

Many Asian countries lowered or excused disrupted MSMEs and sectors from paying social security contributions (for example, Cambodia, Japan, Malaysia, the PRC, Thailand, and Vietnam). In many nations, the payment of value-added tax (VAT) by businesses had also been decreased or eliminated (Indonesia, Malaysia, the PRC, Singapore, and Vietnam). They offered a variety of tax holidays and incentives to enterprises and certain industries, particularly small business owners and the self-employed. In Indonesia, hotels and restaurants in popular tourist locations such as Bali were granted a six-month tax-free period, with the central government compensating local governments for the lost revenue.

The U.S. government launched the Paycheck Protection Program (PPP), providing forgivable loans to SMEs to cover payroll costs, rent, and utilities. Additionally, tax credits and grants were offered to businesses affected by the pandemic (U.S. Small Business Administration, 2021). In the UK, the Coronavirus Business Interruption Loan Scheme (CBILS) provided SMEs with access to loans, overdrafts, and other financial support. The government also offered grants, tax deferrals, and business rates relief to eligible businesses (UK Government, 2021).

Germany implemented a range of support measures for SMEs, including financial aid, loan guarantees, and liquidity assistance programs. Tax relief measures, such as deferrals and exemptions, were also introduced to ease the financial burden on businesses (Federal Ministry for Economic Affairs and Energy, 2021). The Chinese government implemented policies to support SMEs, including targeted financial assistance, loan forbearance programs, and subsidies for rent and utilities. Tax relief measures and reductions in administrative fees were also introduced to alleviate financial pressures on businesses (Ministry of Industry and Information Technology of the People's Republic of China, 2021).

Governments worldwide implemented various relief measures to assist SMEs in mitigating the impact of the COVID-19 pandemic. While these initiatives provided crucial support, ongoing efforts were needed to address challenges and ensure effective delivery of assistance to businesses in need.

2.4.2. African Context

The COVID-19 pandemic posed significant challenges for small and medium-sized enterprises (SMEs) across Africa, prompting governments to implement various relief measures to support these businesses during those challenging times. Governments in Africa implemented a range of relief measures aimed at supporting SMEs affected by the pandemic. These measures included financial assistance, tax relief, loan guarantees, and subsidies designed to alleviate cash flow constraints, preserve jobs, and sustain business operations (AfDB, 2020).

In Nigeria, the government rolled out the Survival Fund Program, offering grants and payroll support to SMEs affected by the pandemic. Tax incentives, loan moratoriums, and credit facilities were also provided to alleviate financial pressures on businesses (Federal Ministry of Industry, Trade and Investment, 2021).

In Nigeria, aside from the 100 billion Naira credit support for the health sector as frontline soldiers in the fight against COVID-19, the Federal Government of Nigeria, through the Central Bank (CBN), launched a N50 billion Targeted Credit Facility (TCF) in March 2020 as a stimulus package to assist households and micro, small and medium enterprises (MSMEs) affected by the COVID-19 pandemic (CBN, 2020). The following were the broad goals of the stimulus package:

- i. To mitigate the COVID-19 pandemic's negative effects on households and MSMEs;
- i. To assist households and MSMEs whose economic activities have been adversely damaged by the COVID-19 pandemic.
- ii. Encourage MSMEs to take out loans in order to enhance their production capacity through equipment upgrades and R and D. Agricultural value chain operations, hospitality (accommodation and food services), and health were among the industries covered by the loan (pharmaceuticals and medical supplies)
- iii. Manufacturing/value addition
- iv. Airline service provider's
- v. Investing and other money-making activities.

The Micro, Small and Medium Enterprises Development Fund (MSMEDF) funded the scheme, which had a N25 million limitation for MSMEs depending on activity, cash-flow, and

industry/sector size, and a N3 million loan limit for households. The interest rate under the intervention was set at 5% per year from March 2020 to February 28th, 2021, after which it increased to 9% per year. (all-inclusive) as of March 1st, 2021. The Intervention was scheduled to terminate on December 31, 2024.

The Kenyan government launched the Credit Guarantee Scheme to facilitate access to credit for SMEs facing liquidity challenges. Additionally, tax relief measures, reduction of lending rates, and support for digital transformation initiatives were implemented to support SMEs during the pandemic (Ministry of Industry, Trade and Cooperatives, 2021).

Ghana implemented the Coronavirus Alleviation Programme (CAP), which included stimulus packages, loan repayment moratoriums, and subsidies for electricity and water bills to support SMEs affected by the pandemic. Additionally, tax incentives and business support services were provided to help SMEs sustain their operations (Ministry of Finance, 2021).

2.4.3. Effectiveness and Challenges

While government relief measures had provided critical support to SMEs in Africa, challenges persisted in ensuring equitable access and effectiveness of these initiatives. Issues such as bureaucratic bottlenecks, inadequate targeting of beneficiaries, and delays in disbursement had been reported, highlighting the need for improved coordination and implementation of relief programs (UNCTAD, 2020).

African governments implemented various relief measures to assist SMEs in mitigating the impact of the COVID-19 pandemic. While these initiatives provided crucial support, ongoing efforts were needed to address challenges and ensure effective delivery of assistance to businesses in need.

2.4.4. Regional Dynamics

Governments in Southern Africa implemented a range of relief measures aimed at supporting SMEs affected by the pandemic. These measures included financial assistance, tax relief, loan guarantees, and subsidies designed to alleviate cash flow constraints, preserve jobs, and sustain business operations (SADC, 2020).

The South African government introduced the COVID-19 Loan Guarantee Scheme, providing SMEs with access to low-interest loans to cover operational expenses and mitigate financial hardships caused by the pandemic. Additionally, tax relief measures, wage subsidies, and business support grants were implemented to assist struggling SMEs (National Treasury, 2021).

According to a poll conducted by Retail Capital, (68.9%) of local small and medium enterprises (SMEs) were shuttered as a result of the nationwide shutdown, with 85 percent reporting lower turnover. As a result, the South African government, big enterprises, and civil society recognized the impact of Covid-19 on small businesses in the country and implemented a slew of relief measures (Reeves, et al., 2020). To reduce the impact of the predicted economic downturn on SMEs in South Africa, the Department of Small Business Development introduced a “SME Support Intervention” that included a Debt Relief Fund and a Business Growth/Resilience Facility.

To this end, the Department had allocated approximately R500 million to the Debt Relief Fund, and the SME Finance Scheme provided soft-loan funding for a period of six months starting on April 1, 2020. Small firms that sold in-demand medical goods could access working capital, stock, bridging finance, order finance, and equipment financing through the Business Growth/Resilience Facility. A further R200 million had been made available by the Department of Tourism to help SMMEs in the hotel and tourism sector (World Bank, 2020d).

In Zimbabwe, the government rolled out the SMEs and Informal Sector Facility, offering financial assistance and business support services to SMEs affected by the pandemic. Tax incentives, loan repayment moratoriums, and credit facilities were also provided to alleviate financial pressures on businesses (Reserve Bank of Zimbabwe, 2021).

The Botswana government launched the Economic Relief Fund, providing grants and loans to SMEs facing liquidity challenges. Additionally, tax relief measures, reduction of lending rates, and support for digital transformation initiatives were implemented to support SMEs during the pandemic (Ministry of Finance and Economic Development, 2021).

2.4.5. Effectiveness and Challenges

Government relief efforts gave SMEs in Southern Africa much-needed support, but there were still issues with ensuring these programs were successful and accessible to everybody. There was a need for better coordination and execution of relief programs due to issues such as bureaucratic bottlenecks, insufficient beneficiary targeting, and delays in payment (World Bank Group, 2020).

2.4.6. Country-Specific Analysis: Zambia

The food and services sector's SMEs were facing financial difficulties, therefore the government introduced tax relief measures to help them. In order to relieve cash flow constraints and increase the liquidity of SMEs, these initiatives included tax waivers, deferrals, and reductions (Zambia Revenue Authority, 2020).

Legislative reforms were implemented by the Zambian government to help SMEs comply with regulations and maintain company continuity. According to the Ministry of Commerce, Trade and Industry (2021), this entailed streamlining licensing processes, lowering administrative obstacles, and granting regulatory exemptions to small and medium-sized enterprises (SMEs) in the food and services sectors.

In Zambia, in response to the pandemic's crippling effects, the government approved a K8 billion kwacha (\$439 million) economic stimulus program financed by a COVID-19 bond in order to mitigate the pandemic's impact on SMEs. The government also declared that tax penalties and interest on existing tax liabilities caused by COVID-19 would be waived. The Zambia Revenue Authority (ZRA) published rules on the relief time, waiver qualification criteria, and other connected issues. Zambia's central bank, the Bank of Zambia, announced a range of regulatory easing measures for the banking sector. These relief measures were intended to encourage banks to provide financial assistance to their small business customers (BOZ, 2020).

Under the COVID-19 Economic Stimulus Package, the Zambian government offered financial assistance to small and medium-sized enterprises (SMEs) impacted by the pandemic. In order to assist SMEs in paying operational costs, keeping personnel, and maintaining business operations during the crisis, this package included grants, loans, and credit facilities (Bank of Zambia, 2020).

In addition, the We-Fi Zambia initiative collaborated with the Bank of Zambia (BoZ) and the Ministry of Commerce, Trade, and Industry to expand access to finance for WSMEs through customized products and services as well as firm capacity building. As Zambian businesses tried to recover from the crisis, these were critical parts of the COVID-19 response and private sector resilience. The program also placed a greater emphasis on fintech and digital delivery of company training, particularly in the area of financial management (Ministry of Commerce, Trade and Industry, 2020). The emphasis on financial management helped WSMEs improve their credit worthiness at a time when banks were hesitant to lend to SMEs. The objective was to use a combination of investments and productivity-enhancing techniques to better position viable WSMEs for recovery (BOZ, 2020).

2.5. Coping strategies for the financial performance of SMEs business

Coping is commonly defined as “constantly shifting cognitive and behavioral efforts to manage specific external and/or internal demands that are judged as exhausting or beyond the person’s resources” given the present dominance of transactional viewpoints (Lazarus and Folkman, 1984, p. 141). Coping entails, a variety of mechanisms at various levels. It reflects evolution; humans are born with the ability to identify and respond to environmental demands in ways that help them survive. Coping strategies are behavioral and cognitive tactics used to deal with upsetting situations, conditions, and demands.

2.5.1. Global Perspective

The COVID-19 outbreak had variable and occasionally multiple effects in many industries and social segments. The outbreak had worsened the situation for some already vulnerable groups, while it had a negative impact on others. Furthermore, the populations most vulnerable were those who rely heavily on the informal economy, live in shock-prone areas, lack adequate access to social services such as water and sanitation, had limited capacities and opportunities to cope and adapt, and had limited or no access to technologies (WaterAid ,2020).

Despite the fact that both large and small businesses had been impacted by the crisis, recent studies (Balla-Elliott et al., 2020; Bartik et al., 2020; Dua et al., 2020; Lindsay et al., 2020; OECD, 2020) found that the impact on SMEs was larger. According to an OECD review of 40 surveys conducted in member states and partner countries, more than half of SMEs experienced significant income

losses and feared going out of business unless public assistance was made accessible and extended throughout the crisis. There was evidence that SMEs were digitizing operations to adapt to new circumstances, but there had also been temporary closures, job and wage cuts, and bankruptcies.

Small and medium-sized enterprises (SMEs) worldwide faced unprecedented challenges to their financial performance due to the COVID-19 pandemic. This literature review explored coping strategies employed by SMEs globally to mitigate the impact of the pandemic on their financial viability, drawing insights from examples across different countries.

The COVID-19 pandemic led to a myriad of financial challenges for SMEs, including revenue losses, disrupted supply chains, increased operating costs, and constrained access to finance (World Bank, 2020). These challenges threatened the survival of many SMEs and necessitated the adoption of proactive coping strategies.

A number of research studies had been conducted to find out the coping strategies that were deployed in order to help alleviate financial performance of SMEs during the COVID 19 Pandemic. Some of these studies were reviewed below:

Global SMEs hastened the adoption of digital technology in response to shifting market conditions. For instance, in order to continue operating and communicating with clients during lockdowns, American businesses adopted digital marketing, e-commerce platforms, and remote working options (McKinsey & Company, 2021). To lessen their reliance on certain products or markets, SMEs diversified their sources of income. To counteract decreases in traditional revenue streams, SMEs in nations like the United Kingdom looked into new business ventures, increased product offerings, and entered new markets (OECD, 2021).

SMEs reduced expenses in order to strengthen their financial stability. To maintain cash flow and profitability, businesses in nations like Germany renegotiated contracts with suppliers, improved inventory management, and cut non-essential spending (IFC, 2020). To lessen the pandemic's effects, SMEs applied for assistance from financial institutions and government relief initiatives. For example, companies in China and the US appealed for government grants, loans, and subsidies to pay for operating costs and keep workers (World Economic Forum, 2021).

Amin et al., (2020), undertook a study in India to analyze the pandemic's short- and long-term effects on SMEs' access to capital. According to the findings, access to operating capital was by far the most mentioned requirement (71 percent) for firms to thrive and offset the crisis's negative consequences. When compared to individuals (77 percent) who regarded their firm as an entrepreneurial venture, those who saw it as an income source were more likely to cite working capital as the key limitation (66 percent).

Access to competent professionals and computer literacy abilities were the least necessary requirements, according to participants. Despite the need for operating capital, 73% of participants had been unsuccessful in acquiring financing to help their businesses cope with the pandemic's effects. A considerable number of participants (61%) had already gone into their own funds for more funding, followed by another 36% who had sought a loan from family and friends. Moneylenders come in third place with 13%, followed by banks with 7% (Amin, et al., 2020).

2.5.2. Effectiveness and Challenges

Coping mechanisms had aided SMEs in overcoming the financial obstacles brought on by the pandemic, but they were not without their restrictions and difficulties. The effective use of coping mechanisms may have been hampered for SMEs by obstacles like a lack of capital, market accessibility, and technical know-how (UNCTAD, 2020). Furthermore, coping techniques' efficacy can differ based on elements including the regulatory landscape, industry dynamics, and degree of digital readiness.

2.5.3. African Context

According to the African Development Bank (AfDB, 2020), the COVID-19 pandemic made already-existing financial vulnerabilities among SMEs in Africa worse. These vulnerabilities included decreased access to financing, disruptions in the supply chain, less revenue, and higher operating costs. Numerous SMEs were in danger of failing due to these difficulties, which highlighted the necessity of taking early action to manage the situation.

African SMEs stepped up their attempts to transition digitally in order to keep up with the shifting business environment. To sustain client involvement and sales during lockdowns, firms in Nigeria

and Kenya, for instance, adopted e-commerce platforms, digital marketing, and online payment solutions (The World Bank, 2021).

In order to become less reliant on conventional markets and goods, SMEs diversified their revenue sources. SMEs extended their product and service offerings, investigated new market niches, and formed strategic alliances in nations like Zambia and Ghana in order to take advantage of new opportunities (UNCTAD, 2021). For the purpose of improving financial resilience, SMEs employed cost-saving strategies. For the purpose of maintaining cash flow and profitability, businesses in Egypt and South Africa renegotiated contracts, improved supply chain logistics, and cut non-essential spending (IFC, 2020).

SMEs looked to financial institutions and government relief initiatives for help in order to lessen the pandemic's effects. In Ethiopia and Uganda, for example, companies applied for government grants, loans, and tax breaks to help with personnel retention and operational continuity (African Union, 2021).

2.5.4. Regional Dynamics

Due to the COVID-19 pandemic, SMEs in Southern Africa faced a number of financial difficulties, such as decreased revenue, shattered supply chains, higher operational expenses, and restricted access to financing (SADC, 2020). Numerous SMEs faced threats to their survival as a result of these issues, making the adoption of proactive steps to manage the problem necessary.

In order to adjust to the changed business climate, SMEs in Southern Africa stepped up their digital transformation initiatives. For example, to sustain client engagement and sales during lockdowns, firms in Botswana and South Africa adopted digital marketing, online payment systems, and e-commerce platforms (SACU, 2021). SMEs diversified their sources of income to lessen reliance on conventional products and markets. To reduce income losses, SMEs in nations like Zambia and Zimbabwe broadened their product and service offerings, investigated new market niches, and varied their clientele (SADC, 2020).

To improve their financial resilience, SMEs adopted cost-cutting strategies. Businesses in nations like Namibia and Lesotho minimized overhead costs, renegotiated contracts, and improved supply chain logistics in order to maintain cash flow and profitability (IFC, 2020). To help mitigate the

effects of the pandemic, SMEs sought out financial institutions and government relief initiatives for assistance. To assist with operational continuity and staff retention, for example, companies in Mozambique and Malawi sought for grants, loans, and tax incentives provided by their respective governments (SADC, 2021).

2.5.5. Country-Specific Analysis: Zambia

SMEs in Zambia's food and service industry encountered various financial challenges due to the COVID-19 pandemic. These challenges included reduced foot traffic, decreased consumer spending, disrupted supply chains, increased operating costs, and limited access to finance (Zambia Development Agency, 2020). These factors had threatened the financial viability of many SMEs in the sector and necessitated the adoption of proactive measures to navigate the crisis.

SMEs in Zambia's food and service sector shifted to using internet channels in order to stay in business and connect with clients. Restaurants and coffee shops adopted digital marketing, smartphone ordering apps, and online delivery services to broaden their customer base and adjust to shifting consumer tastes (Zambia National Broadcasting Corporation, 2021). SMEs expanded the range of products they offer to satisfy changing customer needs. In order to draw in customers and provide new sources of income, restaurants added new menu items, meal packages, and catering services (Zambia Chamber of Commerce and Industry, 2021).

SMEs had improved their financial performance by implementing cost-saving strategies. To save overhead costs and increase profitability, this involved renegotiating leases, cutting utility prices, streamlining operations, and renegotiating contracts with suppliers (Zambia Revenue Authority, 2021). SMEs developed alliances and partnerships to expand their market reach and resilience. In order to maximize resources and experience, this involved joining forces with nearby suppliers, working with other companies on collaborative marketing campaigns, and taking part in industrial alliances (Ministry of Commerce, Trade and industrial, 2021).

Income and profit tax deferrals, loan guarantees and direct financing to SMEs, and wage subsidies were the most extensively employed policy instruments for reducing the effects of the crisis (OECD, 2020). According to the Consumer Unit Trust Report for 2020, SMEs in Zambia suffer substantial obstacles, particularly in obtaining financing, restricting their growth potential. To address this, the government's 7NDP emphasized on the creation of a credit guarantee scheme for

the issuance of low-interest, long-term loans to Zambian SMEs, as well as initiatives to formalize the informal sector, foster skill development, create urban industrial clusters, strengthen value-chain linkages, and provide business development services to SMEs.

The top three ways that the government helped SMEs during this time were tax exemptions, subsidies, and grants, according to the SMEs. Given the sector's importance to the economy, the government must take steps to protect SMEs, particularly those in the previously specified industries, during this period (BOZ, 2020).

According to FSD (2020), a majority (74 percent) of companies had cut production or services to cope with lower revenues. Younger merchants (77%) were more likely than those aged 31 or older to have to reduce their output or services (64 percent). Only 25% of participants in the entire sample believed that business revenue was sufficient to maintain their desired level of output or service. Working capital was by far the most important necessity (71 percent) for firms to grow and reduce the crisis's negative consequences. When compared to individuals who regarded their firm as an entrepreneurial venture (66 percent), those who saw it as an income source were more likely to cite working capital as the key limitation (77 percent). Access to competent professionals and computer literacy abilities were the least necessary requirements, according to participants.

2.6. Research Gap

The COVID-19 pandemic had ushered in unparalleled challenges for Small and Medium Enterprises (SMEs) worldwide, disrupting business operations and threatening financial stability. Lockdown measures imposed by governments as a response to the pandemic had significantly impacted SMEs, leading to disruptions in supply chains, reduced consumer demand, and forced closures (Jones et al., 2020; UNCTAD, 2020). Consequently, SMEs had grappled with declining financial performance and operational constraints.

While governments and various stakeholders implemented relief measures to assist SMEs during these trying times, there remains a notable gap in understanding the effectiveness of these interventions in mitigating the pandemic's impact on SMEs' financial performance (OECD, 2020; World Economic Forum, 2021). Limited research has been conducted on the specific impact of lockdown measures on SMEs, particularly in low-income countries like Zambia, where SMEs constitute a significant portion of the economy (Alava et al., 2021).

Furthermore, inadequate attention had been given to exploring the coping strategies employed by SMEs to navigate through the challenges posed by the pandemic. Understanding the resilience strategies adopted by SMEs was crucial for identifying effective measures to enhance their financial sustainability amidst ongoing uncertainties (IFC, 2020; Wang et al., 2021).

The existing literature extensively documents the challenges faced by SMEs globally during the COVID-19 pandemic, particularly in the food and service sectors, due to stringent lockdown protocols (Jones et al., 2020; OECD, 2020). These challenges included supply chain disruptions, decreased customer demand, and business closures, which had been exacerbated by pre-existing vulnerabilities such as poor infrastructure and limited access to capital (AfDB, 2020; UNCTAD, 2020). While studies have highlighted the resilience of SMEs through digital transformation initiatives (Business Unity South Africa, 2021), there remains a significant gap in research focused on low-income countries like Zambia.

Specifically, there is limited understanding of how SMEs in these nations, particularly in vulnerable communities heavily reliant on the informal economy, perceived and navigated lockdowns (OCHA and UNCT Zambia, 2020). The impact of COVID-19 lockdown measures on SMEs in high-income countries had been extensively studied, but there is a lack of research addressing similar issues in low-income countries like Zambia (Alava et al., 2021).

Therefore, there is a pressing need for further investigation into the specific challenges faced by SMEs in Zambia, particularly in urban areas such as Lusaka, where informal economies play a significant role in livelihoods (OCHA and UNCT Zambia, 2020). Understanding the unique dynamics of SMEs in low-income countries like Zambia is crucial for informing policy interventions and support mechanisms tailored to the needs of these businesses. This study aimed to fill this gap by examining the impact of COVID-19 lockdown measures on SME performance in Lusaka, with Ng'ombe Township serving as a case study.

While existing studies have primarily focused on examining the consequences of the pandemic on SMEs, with an emphasis on income generation and access to capital, there is a notable lack of investigation into the sort and quality of assistance required by affected SMEs to navigate through the crisis effectively.

For instance, Varshney and Vyas (2020), conducted research on the effects of the pandemic on Micro, Small, and Medium Enterprises (MSMEs) in South Africa, revealing severe repercussions such as a significant drop in business revenue generation. However, their study did not delve into the relief packages provided by governments and other stakeholders to alleviate the impact on SMEs. Similarly, Amin et al., (2020), analyzed the implications of the pandemic on SMEs' access to capital in India, but did not address the specific types of assistance needed by SMEs to overcome the crisis.

Furthermore, while some studies have evaluated the overall impact of COVID-19 on SMEs in various regions, such as the research conducted by the Ministry of Commerce, Trade and Industry (MCTI) in Zambia, there is a notable gap in assessing the government's level of assistance and its effectiveness in reducing the pandemic's impact on SME operations and employment.

Therefore, there is a need for research that focuses on evaluating the efficacy of relief measures and assistance programs provided to SMEs during the COVID-19 pandemic, particularly in terms of their ability to address operational challenges, preserve employment, and support SME resilience. This gap in the literature underscored the importance of conducting localized studies to provide context-specific insights and inform evidence-based policies and interventions aimed at supporting SMEs during crises.

The COVID-19 pandemic had inflicted varying degrees of impact on SMEs across different sectors in Africa. Particularly, service-oriented SMEs such as those in the hotel, tourism, and retail industries faced significant challenges due to lower demand and forced closures mandated by government regulations (McKinsey & Company, 2020). Similarly, SMEs in the manufacturing sector encountered obstacles stemming from disrupted supply chains and declining consumer spending, adversely affecting their cash flow and profitability (OECD, 2020). Moreover, SMEs in emerging markets and developing economies, including Zambia, were particularly vulnerable due to limited access to financial resources and support mechanisms (IFC, 2020).

Despite these sectoral variations, the impact of COVID-19 on SMEs in specific localities, such as Ng'ombe Township in Lusaka, Zambia, remained underexplored in the existing literature. While global studies had offered valuable insights into the broader implications of the pandemic on businesses, there was a notable absence of localized research focusing on the challenges

confronted by SMEs in Ng'ombe. The absence of comprehensive research specifically tailored to the unique socio-economic dynamics and operational contexts of SMEs in Ng'ombe created a significant gap in understanding the localized impacts of the pandemic on these businesses (UNDP, 2020).

Furthermore, while the Ministry of Commerce, Trade and Industry, in collaboration with the United Nations Development Programme (UNDP), conducted a Business Survey to assess the repercussions of the COVID-19 pandemic on Zambian enterprises, the findings primarily provided a macro-level overview and did not delve into the specific challenges faced by SMEs in Ng'ombe (UNDP, 2020). Therefore, there was a critical need for localized research that comprehensively evaluated the impact of COVID-19 on SMEs in Ng'ombe, Lusaka, to inform evidence-based policies and support mechanisms tailored to the unique needs of SMEs in this locality.

While there was extensive literature on the responses of SMEs to the COVID-19 pandemic globally, there was a notable gap in research focusing on the coping strategies and resilience factors employed by SMEs in Ng'ombe, Lusaka. Existing studies had highlighted the swift adoption of digital technologies, diversification of income sources, and cost-cutting measures by SMEs in various regions to mitigate the pandemic's impact (McKinsey & Company, 2021; OECD, 2021; IFC, 2020). However, there was a lack of comprehensive examination of the specific coping strategies utilized by SMEs in Ng'ombe to navigate the challenges posed by the pandemic (UNDP, 2020).

Furthermore, while some studies had emphasized the importance of financial assistance and relief initiatives for SMEs during the pandemic (World Economic Forum, 2021; African Union, 2021), there was limited understanding of how these measures were perceived and accessed by SMEs in Ng'ombe. Additionally, the nuanced factors contributing to SME resilience, such as socio-economic conditions, institutional support, and contextual dynamics, remained underexplored in the literature, particularly in the context of Ng'ombe (IFC, 2020; SADC, 2021).

Addressing these gaps was essential for developing targeted interventions and support mechanisms tailored to the unique needs of SMEs in Ng'ombe Township, Lusaka. A comprehensive examination of the coping strategies and resilience factors employed by local businesses would provide valuable insights for enhancing their sustainability amidst ongoing uncertainties (UNDP,

2020). Moreover, understanding the socio-economic, institutional, and contextual factors influencing SME resilience was crucial for informing evidence-based policies and support initiatives aimed at promoting the growth and development of SMEs in Ng'ombe and similar contexts (IFC, 2020; OECD, 2020).

Overall, addressing these gaps was essential for advancing our understanding of the specific challenges faced by SMEs in Ng'ombe Township, Lusaka, and for informing evidence-based policy interventions and support initiatives aimed at enhancing the resilience and sustainability of these businesses in the post-pandemic era.

2.7 Theoretical Framework

Theoretical Framework section delineated the importance of theoretical perspectives in guiding the research study on the impact of the Covid-19 pandemic on SMEs in Ng'ombe Township, Lusaka. It underscored the significance of theoretical frameworks in providing a conceptual lens for interpreting empirical data and elucidating complex research phenomena. The introduction highlights the multidisciplinary approach employed in integrating insights from Resilience Theory, Institutional Theory, and Social Capital Theory to enrich the understanding of SME resilience, financial performance, government interventions, and coping strategies amidst the pandemic. By grounding the research in established theoretical paradigms, the section aimed to enhance the rigor, coherence, and theoretical robustness of the study findings, contributing to a deeper comprehension of the socio-economic implications of the pandemic for SMEs in the region.

2.7.1. Social Capital Theory

2.7.1.1. Overview of Social Capital Theory:

Social Capital Theory examines the value of social networks, relationships, and norms in facilitating cooperation, trust, and resource exchange within communities or organizations. It emphasizes the role of social connections and collective action in promoting economic development, resilience, and well-being (Putnam, 2000; Coleman, 1988).

2.7.1.2. Social Networks and Relationships:

In the context of SMEs in Ng'ombe Township, Lusaka, Social Capital Theory suggested that the strength and diversity of entrepreneurs' social networks and relationships can influence their ability to access information, resources, and support during the Covid-19 pandemic (Granovetter, 1973). These networks may include relationships with suppliers, customers, peers, government officials, community leaders, and other stakeholders.

2.7.1.3. Types of Social Capital:

Social Capital Theory distinguishes between different forms of social capital:

- **Bonding Social Capital:** Refers to close ties and relationships within homogeneous groups, such as family members, friends, or colleagues (Coleman, 1988).
- **Bridging Social Capital:** Refers to connections and interactions across diverse social groups or networks (Putnam, 2000). Bridging social capital facilitates access to new ideas, resources, and opportunities outside of one's immediate social circle, enabling SMEs to adapt, innovate, and collaborate with external partners.
- **Linking Social Capital:** Refers to relationships with individuals or institutions in positions of authority or influence, such as government agencies, industry associations, or financial institutions (Szreter & Woolcock, 2004). Linking social capital enables SMEs to access formal support services, regulatory information, funding opportunities, and advocacy efforts.

2.7.1.4. Impact on SME Resilience:

Social Capital Theory suggested that SMEs with higher levels of social capital are better equipped to cope with the challenges posed by the Covid-19 pandemic and recover from its effects (Adler & Kwon, 2002). Strong social networks and relationships can provide SMEs with:

- Access to critical information about market trends, consumer preferences, government policies, and public health guidelines.
- Opportunities for collaboration, knowledge sharing, and collective problem-solving with other businesses, industry stakeholders, and community organizations.

- Emotional support, encouragement, and solidarity from peers, mentors, and trusted advisors during times of uncertainty, stress, and hardship.

2.7.1.5. Policy Implications and Recommendations:

Social Capital Theory highlighted the importance of investing in initiatives that strengthen social networks, trust, and collaboration among SMEs in Ng'ombe, Lusaka. Policymakers and stakeholders can:

- Facilitate networking events, industry forums, and community partnerships to foster connections and relationships among SME owners, entrepreneurs, and support organizations.
- Provide training, mentoring, and peer learning opportunities to help SMEs develop effective communication, negotiation, and conflict resolution skills within their social networks.
- Encourage the formation of business associations, cooperatives, and industry clusters to promote collective action, advocacy, and resource pooling for mutual benefit.
- Support grassroots initiatives that promote social cohesion, civic engagement, and community resilience, thereby strengthening the foundation of social capital within local communities.

In summary, Social Capital Theory offered a valuable framework for understanding how social networks, relationships, and norms contribute to the resilience, innovation, and well-being of SMEs in Ng'ombe, Lusaka, amidst the challenges posed by the Covid-19 pandemic. By leveraging the principles and insights derived from Social Capital Theory, policymakers and stakeholders can develop more effective strategies and interventions to support SME growth, sustainability, and socio-economic development in the region.

2.7.1.6. Strengths of Social Capital Theory in Research:

- **Holistic Perspective:** Social Capital Theory provides a holistic framework for understanding social relationships, networks, and resources, allowing researchers to analyze the influence of social structures on individual and collective outcomes (Putnam, 1995).

- **Predictive Power:** It offers predictive power in explaining various social phenomena, such as community development, economic growth, and organizational performance, by emphasizing the role of social connections and trust (Coleman, 1988).
- **Policy Implications:** Social Capital Theory has practical implications for policy-making and interventions aimed at fostering social cohesion, civic engagement, and community resilience. (Woolcock & Narayan, 2000).

2.7.1.7. Weaknesses of Social Capital Theory in Research:

- **Conceptual Ambiguity:** Social Capital Theory faces challenges related to conceptual ambiguity and operationalization, making it difficult to precisely define and measure social capital in research (Portes, 1998).
- **Causality Issues:** There are debates regarding the direction of causality between social capital and outcomes, as it is unclear whether social capital leads to positive outcomes or if positive outcomes foster the development of social capital (Lin, 2001).
- **Context Dependency:** Social Capital Theory may be context-dependent, as the effects of social networks and relationships can vary across different cultural, political, and economic contexts. (Fukuyama, 1995).

While Social Capital Theory offers valuable insights into the role of social relationships and networks in shaping individual and collective behaviors, researchers should consider its limitations and complexities when applying it in diverse research contexts.

2.7.2. Resilience theory

Resilience Theory explores how individuals, organizations, and communities adapt, bounce back, and thrive in the face of adversity, uncertainty, and disruption (Masten, 2001). It emphasizes the dynamic interactions between internal capabilities, external resources, and environmental factors that contribute to resilience.

2.7.2.1. Definition of Resilience:

Resilience is defined as the ability of a system, organization, or individual to withstand and recover from disruptive events or shocks, while maintaining essential functions and adapting to new circumstances. In the context of SMEs, resilience encompasses their capacity to absorb shocks, adapt to changing market conditions, and continue operating effectively despite challenges (Masten, 2001).

2.7.2.2. SME Resilience during Crisis:

In the context of SMEs in Ng'ombe, Lusaka, Resilience Theory suggested that the ability of businesses to withstand and recover from the impact of the Covid-19 pandemic depends on their resilience capacity (Fletcher & Sarkar, 2013). Resilient SMEs exhibit flexibility, resourcefulness, and adaptive capacity in responding to challenges, restructuring operations, and seizing new opportunities amidst uncertainty and change.

2.7.2.3. Core Components of Resilience:

Resilience Theory identifies several key components that contribute to organizational resilience:

- **Adaptive Capacity:** The ability to anticipate, respond to, and learn from disruptions by adjusting strategies, reallocating resources, and fostering innovation (Holling, 1973).
- **Social Capital:** The strength and diversity of social networks, relationships, and trust within and outside the organization, which facilitate collaboration, information sharing, and collective action (Bourdieu, 1986).
- **Resourcefulness:** The capacity to creatively leverage existing assets, capabilities, and external support networks to address immediate needs and capitalize on emerging opportunities (Masten & Obradović, 2008).
- **Psychological Resilience:** The individual and collective mindset, attitudes, and coping strategies that enable SME owners, employees, and stakeholders to maintain optimism, perseverance, and well-being during challenging times (Luthar et al., 2000).

2.7.2.4. Enhancing SME Resilience:

Resilience Theory informed strategies and interventions aimed at enhancing SME resilience in Ng'ombe, Lusaka:

- **Building Adaptive Capacity:** SMEs can invest in technology adoption, diversification of products/services, supply chain resilience, and business continuity planning to enhance their adaptive capacity and responsiveness to market dynamics and disruptions (Norris et al., 2008).
- **Strengthening Social Capital:** Policymakers and stakeholders can support initiatives that foster networking, knowledge sharing, and collaboration among SMEs, industry associations, government agencies, and community organizations to build social capital and mutual support networks (Pretty & Ward, 2001).
- **Promoting Resourcefulness:** SMEs can leverage financial assistance, training programs, mentoring networks, and incubation hubs to enhance their resourcefulness and capacity to innovate, pivot, and seize new opportunities in changing market environments (Doern & Goss, 2013).
- **Supporting Psychological Resilience:** Providing mental health resources, counseling services, peer support groups, and stress management programs can help SME owners, employees, and stakeholders cope with stress, anxiety, and uncertainty associated with the pandemic (Southwick & Charney, 2012).

In summary, resilience theory offered a comprehensive framework for understanding and promoting resilience among SMEs in Ng'ombe, Lusaka, in the face of the Covid-19 pandemic. By leveraging the principles and insights derived from resilience theory, policymakers and stakeholders can develop effective strategies and interventions to support SMEs in building their capacity to withstand shocks, adapt to change, and thrive in uncertain times.

2.7.2.5. Strengths of Resilience Theory in Research:

- **Interdisciplinary Approach:** Resilience theory draws from various disciplines such as psychology, sociology, and ecology, allowing researchers to adopt a multidimensional perspective in understanding resilience (Masten, 2014).

- **Focuses on Adaptive Processes:** It emphasizes the adaptive processes that enable individuals or systems to recover from adversity, providing insights into how individuals and organizations can thrive in the face of challenges (Bonanno, 2004).
- **Applicability to Various Contexts:** Resilience theory is applicable to diverse contexts, including individuals, families, communities, and organizations, making it versatile for research across different domains (Ungar, 2011).

2.7.2.6. Weaknesses of Resilience Theory in Research:

- **Conceptual Ambiguity:** Resilience is a complex and multifaceted construct, leading to conceptual ambiguity and challenges in operationalizing and measuring resilience in research (Masten, & Barnes, (2018)).
- **Risk of Oversimplification:** There is a risk of oversimplifying resilience as a static trait or overlooking the dynamic and context-dependent nature of resilience processes in research (Luthar, et al, 2000).
- **Limited Predictive Power:** Resilience theory may have limited predictive power in predicting specific outcomes or behaviors, as resilience is influenced by numerous individual, social, and environmental factors (Masten & Narayan, 2012).

While resilience theory offers valuable insights into understanding how individuals and systems navigate adversity, researchers should be mindful of its limitations and complexities when applying it in research contexts.

2.7.3. Institutional Theory:

2.7.3.1. Overview of Institutional Theory:

Institutional Theory examines how formal and informal rules, norms, and practices shape organizational behavior, decision-making, and outcomes (DiMaggio & Powell, 1983; Scott, 2014). It focuses on the influence of institutional environments, including regulatory frameworks, cultural beliefs, and societal expectations, on the strategies, structures, and legitimacy of organizations.

2.7.3.2. Institutional Pressures and Isomorphism:

Institutional Theory highlights the concept of institutional pressures, which refer to the forces exerted by external institutions on organizations to conform to prevailing norms and practices (DiMaggio & Powell, 1983). These pressures can manifest in three forms of isomorphism:

- **Coercive Isomorphism:** Organizations adopt similar structures, strategies, and practices to comply with legal requirements, regulations, or the expectations of powerful stakeholders (Meyer & Rowan, 1977).
- **Mimetic Isomorphism:** Organizations imitate the behaviors, structures, or practices of successful peers or models in the absence of clear benchmarks or uncertainty (DiMaggio & Powell, 1983).
- **Normative Isomorphism:** Organizations conform to professional standards, cultural norms, or industry norms to gain legitimacy, social approval, or professional recognition (Suchman, 1995).

2.7.3.3. Institutional Environment:

In the context of SMEs in Ng'ombe, Lusaka, the institutional environment comprised government policies, industry regulations, community norms, and societal expectations related to business operations, economic development, and public health. The Covid-19 pandemic had led to significant changes in this institutional environment, including lockdown measures, social distancing guidelines, and economic stimulus programs.

2.7.3.4. Impact on SME Behavior and Strategy:

- Institutional Theory suggested that SMEs in Ng'ombe, Lusaka, were subject to various institutional pressures that influenced their responses to the pandemic. For example: Government-imposed lockdowns and restrictions may compel SMEs to adapt their business models, operations, and compliance practices to meet regulatory requirements and mitigate the spread of the virus.
- In addition, In the context of SMEs in Ng'ombe, Lusaka, Institutional Theory suggested that the regulatory environment, industry norms, and societal expectations could influence their strategic choices, organizational forms, and responses to the Covid-19 pandemic

(Scott, 2014). SMEs may face pressure to adopt certain practices, such as health and safety protocols, digitalization, or sustainability initiatives, to maintain legitimacy and competitive advantage in their markets.

2.7.3.5. Legitimacy and Resource Dependency:

Institutional Theory emphasizes the importance of legitimacy for organizational survival and resource acquisition (Suchman, 1995). SMEs in Ng'ombe, Lusaka, may have sought to align their actions and behaviors with institutional expectations to gain legitimacy in the eyes of customers, investors, and other stakeholders. This may have involved demonstrating compliance with government regulations, industry standards, or community norms related to Covid-19 prevention and mitigation efforts.

2.7.3.6. Policy Implications and Recommendations:

- Institutional Theory highlights the need for policymakers and stakeholders to consider the institutional context in shaping SME support programs, regulations, and incentives during the Covid-19 pandemic (Scott, 2014). Recommendations may include:
- Aligning government policies and regulatory frameworks with institutional norms, industry standards, and best practices to support SME resilience, innovation, and adaptation.
- Facilitating industry collaboration, knowledge sharing, and collective action to address common challenges and opportunities arising from the pandemic.
- Enhancing transparency, accountability, and stakeholder engagement in the design and implementation of Covid-19 response measures to ensure legitimacy and trust in government interventions.

In summary, Institutional Theory offered a valuable framework for analyzing how SMEs in Ng'ombe, Lusaka, responded to and adapted to institutional pressures and constraints imposed by the Covid-19 pandemic. By leveraging the insights derived from Institutional Theory, policymakers and stakeholders can develop more effective strategies and interventions to support SME resilience, compliance, and innovation in the face of institutional challenges.

2.7.3.7. Strengths of Institutional Theory:

- **Holistic Perspective:** Institutional Theory provides a comprehensive framework for understanding organizational behavior by considering not only internal factors, but also external influences from the institutional environment (DiMaggio & Powell, 1983).
- **Emphasis on Stability:** It highlights the role of institutions in promoting stability and continuity within organizations, which can be beneficial for long-term sustainability (Scott, 2008).
- **Explains Organizational Behavior:** Institutional Theory helps explain how organizations adopt similar practices or structures due to institutional pressures, facilitating the understanding of organizational behavior (Meyer & Rowan, 1977).

2.7.3.8. Weaknesses of Institutional Theory:

- **Overemphasis on Conformity:** It may lead to an overemphasis on conformity to institutional norms, which can hinder innovation and adaptation to changing environments (Tolbert & Zucker, 1996).
- **Limited Predictive Power:** Institutional Theory may have limited predictive power in dynamic environments where institutional pressures are constantly changing (Greenwood et al, 2008).
- **Neglects Agency:** It may neglect the role of individual agency and decision-making within organizations, focusing primarily on the influence of external institutions (Davis, 2015).

Institutional Theory offers valuable insights into organizational behavior, but should be complemented with other theoretical perspectives to provide a more nuanced understanding of organizational dynamics.

2.8 Conceptual Framework

COVID-19, an infectious and viral disease, became prevalent at the end of 2019. The origins of this unique virus are unknown; however, it is thought to have emerged from a clustered pneumonia of uncertain an etiology in Wuhan, China. This unidentified virus spread virally to other parts of the world without regard for national borders. COVID-19, according to medical specialists, affects

the entire respiratory system of the body by first collapsing the lungs, causing shortness of breath and eventually the collapse of all functional organs.

On March 18, 2020, the first two COVID-19 infections in Zambia were reported. The record provided by Ministry of health 2021 indicated many cases of patients that contacted COVID-19 and death rates. To stop the virus from spreading, the authorities implemented a number of steps, including a nationwide lockdown. Due to movement restrictions, market place bans, transportation restrictions, and social distancing orders, these measures became a serious stumbling block for businesses, particularly SMEs.

Since SMEs play such an important role in economic growth and development, measures were made to prevent them from collapsing or being extinct. As a result, the Zambian government provided social protection and other palliative measures. COVID-19's ubiquity and rapid spread remained an illusion and a novelty to the rest of the globe. Resultantly, a concerted effort had been made to offer peer-reviewed papers from earlier scholars in this field. These were described in detail below:

While investigating the nexus between globalization and the Covid-19 pandemic in relation to Africa and China, Aderemi et al., (2020), proposed that COVID-19 expanded to Africa as a result of globalization. Del Rio et al., (2020), used differential analysis to investigate the influence of the COVID-19 pandemic on stock market value in China, Europe, and the United States. The authors claimed that the COVID-19 pandemic had varying effects on the financial markets in the regions studied.

According to a survey conducted by Abayomi et al., (2021), many micro firms in Nigeria's thirty-six states were performing adversely and being impacted by the pandemic, notably in the areas of cash-flow, income, and sales.

Following the conceptual reviews of various writers, the researcher endeavored to establish a conceptual relationship between the independent variable, the proxies indicating the impact of COVID-19 on the dependent variable, and the study's conceptual framework (Bhandari, 2022). Variables within experimental studies were uniquely named, with one designated as the dependent variable and the other as the independent variable. These variables encompass any attributes with

multiple values, such as height, age, temperature, or test scores, which researchers often manipulate or measure to examine cause-and-effect linkages (Bhandari, 2022).

The conceptual framework served as a crucial tool in guiding the researchers' endeavors, offering a structured approach to understanding complex phenomena. Within the scope of this study, the conceptual framework delineated the intricate interplay between various factors influencing the performance of Small and Medium Enterprises (SMEs) in response to the COVID-19 pandemic. Drawing on both theoretical insights and empirical evidence, the framework elucidated the relationships between the independent variable, representing the impact of COVID-19, and the dependent variable, reflecting SME performance. By elucidating these relationships, the conceptual framework facilitated a deeper comprehension of the mechanisms through which the pandemic affected SMEs, thereby informing the formulation of effective policy interventions (Bhandari, 2022). This section comprehensively outlined the key components of the conceptual framework and elucidated their theoretical underpinnings to provide a robust foundation for subsequent analysis.

2.8.1. What is an independent variable?

According to Bhandari (2022), in an experimental study, an independent variable is a variable that you control or modify to see what effects it has. It is labeled "independent" because it is unaffected by the study's other factors. The researcher manipulates or alters the independent variable, which is expected to have a direct effect on the dependent variable. Independent variables are also called:

- i. Explanatory variables (they explain an event or outcome)
- ii. Predictor variables (they can be used to predict the value of a dependent variable)
- iii. Right-hand-side variables (they appear on the right-hand side of a regression equation).

These words are notably common in statistics, when you are trying to figure out how much a change in one variable can explain or predict changes in the other.

Independent variables are divided into two categories namely: experimental independent variables and subject variables

- i. Researchers can directly change experimental independent variables.

- ii. Researchers cannot influence subject variables, although they can be used to categorize research subjects.

2.8.2. What is a dependent variable?

The dependent variable is the one that changes as a result of the manipulation of the independent variable. It is the result you want to measure, and it is "depending" on your independent variable. In an experiment, the dependent variable is the variable that is being tested and measured, and is 'depending' on the independent variable (Bhandari, 2022).

In statistics, dependent variables are also called:

- i. Response variables (they respond to a change in another variable)
- ii. Outcome variables (they represent the outcome you want to measure)
- iii. Left-hand-side variables (they appear on the left-hand side of a regression equation)

After you have altered the 'independent variable' you will record the dependent variable. By doing statistical analysis, you may determine whether and to what extent your independent variable affects the dependent variable.

You can estimate the degree to which your independent variable variation influences changes in your dependent variable based on your findings. You can also estimate how much your dependent variable will change as the independent variable varies. The researcher is seeking for an influence on the dependent variable that could be generated by modifying the independent variable in an experiment (Bhandari, 2022). The cause is the independent variable. Its value is unaffected by the other factors in the research. The impact is the dependent variable. Its value is determined by the independent variable's changes.

COVID-19–related disruptions, such as, lockdown measures, government relief measures and coping measures / strategies, were viewed as independent variables in this study, having had a significant impact on SMEs businesses activity, SME resilience and mitigation, which was the dependent variable, changing the way that they operated in the process. As SMEs and everyone else had to adjust to the new normal.

Many small businesses around the world had suffered as a result of these interruptions. In other circumstances, a spike in COVID-19-related infections prompted business closures due to staff health concerns. Furthermore, public health concerns were raised, resulting in customers being required to adhere to stay-at-home measures in some situations in order to assist combat the spread of COVID 19, resulting in a shift in customer behavior. As a result of fewer clients visiting SMEs, demand decreased and business activity decreased, resulting in a loss in sales for SMEs. Coronavirus disease 2019 (COVID-19) had a substantial economic impact in addition to its influence on public health.

COVID-19 disrupted supply lines around the world, preventing crucial supplies, food, and other key essentials from flowing where they were most needed. The supply chain was impacted by the lockdown limitations, which resulted in a reduction in demand and reduced productivity among SMEs, thus harming their financial performance. The supply chain is essential for delivering goods and services in a timely, safe, and secure manner. Due to a lack of supplies, SMEs were unable to meet certain needs, resulting in low sales and cash flow problems.

The COVID-19 problem caused significant changes in consumer behavior as well as financial instability in supply networks. Furthermore, how corporations responded to this moment of upheaval may ultimately be judged by consumers, investors, governments, and communities. The disruption to supply networks had continued to be severe, as the virus remained a real threat and a number of regions and economies in lockdown, while others emerged into a completely different world. To maintain corporate operations and serve their customers, clients, and communities, as well as safeguard and support their employees, business managers made quick choices and take swift action.

2.9. Conceptual Model

The conceptual model presented in this study served as a structured framework for examining the multifaceted impact of the COVID-19 pandemic on small and medium enterprises (SMEs) in Ng'ombe, Lusaka. Drawing upon theoretical insights and empirical research, the conceptual model offered a systematic approach to understanding the challenges faced by SMEs and the strategies they employed to navigate the crisis.

Resilience theory provided a foundational perspective for analyzing how SMEs adapt and respond to disruptions caused by the pandemic. According to this theory (Coutu, 2002), resilience encompasses the capacity of SMEs to withstand shocks, recover from setbacks, and transform in the face of adversity. By incorporating resilience theory into the conceptual model, the researcher could explore the factors that enable SMEs in Ng'ombe to endure the challenges posed by COVID-19 and emerge stronger from the crisis.

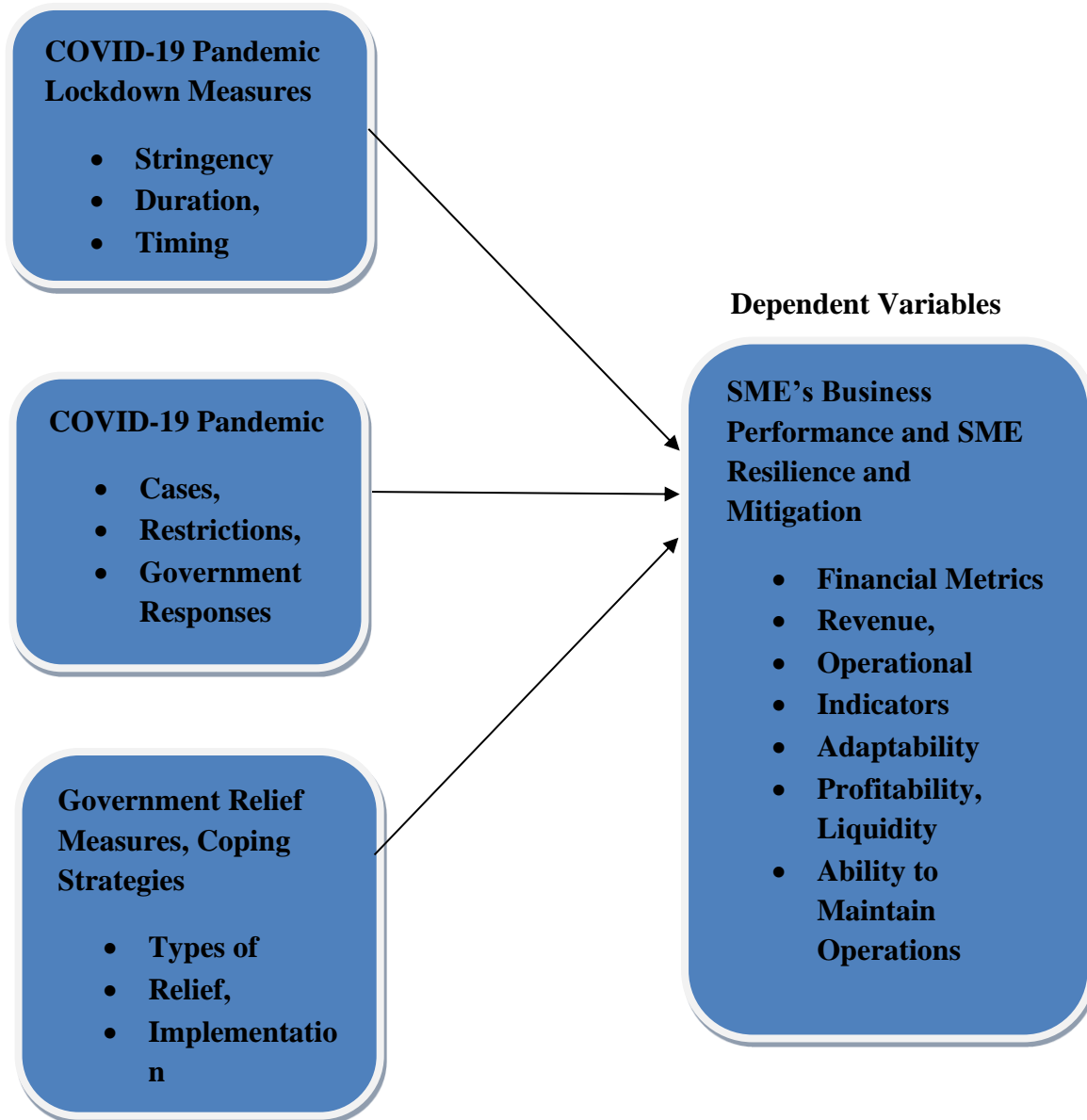
Institutional theory offered another valuable lens for understanding SME behavior within the broader socio-economic context of Ng'ombe. According to institutional theory (Scott, 2001), SMEs are influenced by the regulatory, normative, and cognitive institutions that shape their environment. By analyzing the institutional forces at play, the researcher could gain insights into how SMEs in Ng'ombe responded to government policies, industry norms, and societal expectations during the pandemic.

Social capital theory further enriched the conceptual model by emphasizing the role of social networks, trust, and collaboration in facilitating SME resilience (Putnam, 2000). By leveraging social capital, SMEs could access valuable resources, information, and support networks that enhance their ability to adapt and innovate in times of crisis. Incorporating social capital theory into the conceptual model allowed the researcher to explore how SMEs in Ng'ombe harness their social connections to overcome challenges and build resilience.

Through the integration of these theoretical perspectives, the conceptual model provided a comprehensive framework for analyzing the impact of COVID-19 on SMEs in Ng'ombe, Lusaka. By examining the interplay between resilience, institutional dynamics, and social capital, the researcher could identify key drivers of SME performance during the pandemic and develop targeted interventions to support their recovery and growth.

After synthesizing the theoretical insights from various scholars, the researcher endeavored to articulate a conceptual linkage between the independent variable, the proxies representing the impacts of COVID-19 on the dependent variable, and the study's conceptual framework, as depicted in the figure below:

Independent Variables



Source: The conceptual framework employed in this study was developed through an extensive review of existing frameworks in the literature and theory, followed by modifications tailored to the specific context and objectives of the research.

CHAPTER 3

METHODOLOGY

3.0. Introduction

The methodology section of this study provided a roadmap for the systematic investigation of the impact of the COVID-19 pandemic on small and medium enterprises (SMEs) in Ng'ombe, Lusaka. It outlines the research design, data collection methods, and analytical techniques employed to address the research questions and objectives. In order to comprehensively understand the challenges and opportunities faced by SMEs in Ng'ombe during the pandemic, a mixed-methods approach was adopted. The mixed-method approach used in this study was a concurrent triangulation design.

In a concurrent triangulation design, qualitative and quantitative data were collected simultaneously to provide a comprehensive understanding of the research topic (Creswell & Plano Clark, 2018). Qualitative methods gathered insights through interviews and open-ended survey questions, while quantitative methods gathered numerical data on SME performance and government assistance programs (Creswell & Creswell, 2017). These data were analyzed separately using appropriate techniques, such as thematic analysis for qualitative data (Braun & Clarke, 2006) and statistical analysis for quantitative data (Hair et al., 2019).

The findings were then integrated to provide a more holistic understanding of the research topic, capitalizing on the strengths of both qualitative and quantitative approaches (Creswell & Plano Clark, 2018). This approach allowed for the triangulation of data from multiple sources and the integration of qualitative and quantitative findings to provide a holistic understanding of the research phenomenon (Creswell & Creswell, 2017).

3.1. Research design

A research design, according to Polit et al (2001), is the overall plan for gathering and interpreting data, as well as specifications for improving the study's internal and external validity. Reis and Judd (2000) have a similar definition, describing it as “the methodical design of research to allow valid conclusion.” The study design, according to Mouton (1996), serves to plan, arrange, and execute the research in order to optimize the validity of the findings. It walks you through

everything from the philosophical assumptions through the research strategy and data collecting. The researcher wanted to see how the Covid-19 pandemic impacted small and medium-sized enterprises in Ng'ombe, Lusaka in this investigation.

The survey approach was used by the researcher. The survey approach is gathering information from a group of people by their responses to questions. It is one of the most important fields of social science measurement. A sample, according to Mouton (1996:135), is a selection of some of the constituents of a population with the goal of learning something about the population as a whole. It is critical that the sample be representative of the entire population (Mouton, 1996: 136).

Data was collected and analyzed using both qualitative and quantitative methods. Qualitative research is a type of investigation used in a variety of academic disciplines, most notably in the social sciences, but also in other settings. Qualitative research, according to Bhandari (2022), entails gathering and evaluating non-numerical data (e.g., text, video, or audio) in order to better comprehend concepts, opinions, or experiences. It can be utilized to get in-depth understanding of a subject or to develop fresh research ideas. Investigative mythologies described as ethnographic naturalistic anthological field, or particular observer, are referred to as qualitative research.

The researcher played a crucial role in the investigation. This strategy offered the advantage of following the researcher and gathering more detailed, thorough data. The systematic empirical analysis of social processes using statistical, mathematical, or numerical data or computing techniques is referred to as quantitative research (Given, 2008). It collects data with objectivity in mind. This makes determining the approaches and information's trustworthiness and validity much easier. These two methodologies were used in the research to increase the knowledge yield, setting the way for a very powerful design that presented a true picture of the research findings. This type of design also improved the validity of the result.

3.2. Target Population

The complete set of units for which the survey results was utilized to make inferences is the survey's target population (Polit et al, 2001). The study's target population was defined as those who met the study's eligibility criteria and were available to the researcher as a pool of volunteers for the study. According to the 2018 Ministry of Commerce, Trade and Industry Survey, the

Lusaka area had over 4,500 registered SMEs. As a result, the study's target demographic was 4,500 small and medium-sized businesses in Lusaka.

The focus of this study was on companies or SMEs in the food and service industry. The SMEs in the service and food industry listed below were targeted: Personal Care Services, Bakeries, Bars and Liquor Stores, Hair Salons and Barbershops, and Restaurants, Stock Feed Stores, Computer/Phone Accessories Stores, and so forth.

3.3. Sample Size and Sampling Procedure

The number of study participants drawn from the target population is referred to as a sample (Polit et al, 2001). Sampling is a method in which a small sample of a population is used to derive conclusions about the entire population (Zikmund, 2003). The Lusaka area as a whole had about 4,500 registered SMEs (Ministry of Commerce, Trade and Industry Survey of 2018). As a result, the researcher applied the Israel Yamane (1967) formula to determine the sample size from the supplied target population. The number of SMEs and other entities sampled in the research was 98 SMEs out of the 4,500 registered SMEs in Lusaka, according to published tables that determine the sample size for a certain set of criteria.

The sample size of 98 was determined by referencing the Israel Yamane table, which provides recommended sample sizes for various population sizes. In this case, the population size was 4,500 registered SMEs in the Lusaka area. By consulting the Israel Yamane table for a population size of 4,500, it was found that the recommended sample size was 98. Therefore, the researcher chose a sample size of 98 SMEs based on this table to ensure the sample adequately represented the larger population and provided reliable data for the research study.

3.4. Sampling Criteria

"What size sample do I "need?" is perhaps the most commonly requested sampling question. A variety of factors influence the answer to this question, including the study's objective, population size, the danger of picking a "poor" sample, and the permitted sampling error.

To establish the right sample size, three criteria must usually be mentioned in addition to the study's objective and population size: the level of precision, the amount of confidence or risk, and the

degree of variability in the variables being examined (Miaoulis and Michener, 1976). Each of these was discussed in detail below.

3.4.1. The Level of Precision

The range in which the true value of the population is estimated is known as the level of precision, also known as sampling error (Israel, 1992). In the same way that media reports on the results of political campaign polls, this range is frequently stated in percentage points (e.g., 5%).

3.4.2. The Confidence Level

The Central Limit Theorem is used to determine the amount of confidence or risk. The Central Limit Theorem states that when a population is sampled repeatedly, the average value of the attribute obtained by those samples equals the true population value (Israel, 1992). Furthermore, the results of these samples are typically dispersed about the true value, with some samples scoring higher and some scoring lower than the genuine population value. Approximately 95% of sample values in a normal distribution are within two standard deviations of the underlying population value (e.g., mean).

3.4.3. Degree of Variability

The degree of variability in the qualities being measured, the third criterion, refers to the distribution of attributes in the population. The higher the sample size necessary to achieve a particular degree of precision, the more heterogeneous the population. The sample size is smaller when the population is less varied (more homogeneous). It's worth noting that a proportion of 50% suggests a higher level of variability than either 20% or 80%. This is because 20% and 80% show that a substantial majority do not or do have the attribute of interest, respectively. Because a proportion of .5 reflects the greatest variability in a population, it is frequently used to choose a more conservative sample size, i.e., a sample size that is bigger than if the true variability in the population is known (Israel, 1992).

3.4.4. Using Published Tables

One method for determining sample size is to use published tables that indicate the sample size for a certain set of criteria. Tables 1 and 2 show the sample sizes that would be required for various precision, confidence levels, and variability combinations. To determine sample size for this study, the researcher relied on published tables which provided the sample size for a given set of criteria. Table 1 and Table 2 present sample sizes that would be necessary for given combinations of precision, confidence levels, and variability.

The Israel Yamane formula is commonly used to determine the sample size required for a research study based on a given population size and desired level of confidence. However, in cases where the desired sample size does not match any specific value in the Israel Yamane table, researchers often round up or down to the nearest suitable sample size from the table. In this scenario, the researcher aimed to select a sample size of 98 SMEs from a population of 4,500 registered SMEs in Lusaka. However, the Israel Yamane formula calculated a sample size of approximately 24 SMEs, which does not match the desired sample size of 98.

To reconcile this discrepancy, the researcher referenced the Israel Yamane table, which provided predetermined sample sizes for different population sizes and levels of confidence. By consulting the table, the researcher identified the closest suitable sample size to 98, which may have been rounded up or down from the calculated value of 24 to achieve a sample size of 98 SMEs. Therefore, the sample size of 98 SMEs was selected from the Israel Yamane table of sample sizes for populations, ensuring that the research study had a sufficient and representative sample for analysis.

The Lusaka region, including Ng'ombe, boasted approximately 4,500 registered SMEs, as reported by the Ministry of Commerce, Trade, and Industry Survey conducted in 2018. To determine an appropriate sample size from this sizable target population, the researcher utilized the Israel Yamane formula, established in 1967.

From the available data, a sample comprising 98 SMEs was selected, representing a fraction of the total 4,500 registered SMEs in Lusaka, including Ng'ombe. This sample size of 98 was determined by consulting the Israel Yamane table, which offers recommended sample sizes corresponding to different population sizes. For a population of 4,500 SMEs in the Lusaka area, the table indicated

a recommended sample size of 98. Consequently, the researcher opted for a sample of 98 SMEs, including those from Ng'ombe, to ensure adequate representation of the larger population and to yield reliable data for the research endeavor. The Israel Yamane tables were utilized to ascertain the sample size for this study, and the corresponding values are presented below:

Table 1. Sample size for $\pm 3\%$, $\pm 5\%$, $\pm 7\%$ and $\pm 10\%$ Precision Levels Where Confidence Level is 95% and $P=.5$.

Size of Population	Sample Size (n) for Precision (e) of:			
	$\pm 3\%$	$\pm 5\%$	$\pm 7\%$	$\pm 10\%$
500	a	222	145	83
600	a	240	152	86
700	a	255	158	88
800	a	267	163	89
900	a	277	166	90
1,000	a	286	169	91
2,000	714	333	185	95
3,000	811	353	191	97
4,000	870	364	194	98
5,000	909	370	196	98
6,000	938	375	197	98
7,000	959	378	198	99
8,000	976	381	199	99
9,000	989	383	200	99
10,000	1,000	385	200	99
15,000	1,034	390	201	99
20,000	1,053	392	204	100
25,000	1,064	394	204	100
50,000	1,087	397	204	100
100,000	1,099	398	204	100
>100,000	1,111	400	204	100

a = Assumption of normal population is poor (Yamane, 1967). The entire population should be sampled.

Table 2. Sample size for $\pm 5\%$, $\pm 7\%$ and $\pm 10\%$ Precision Levels Where Confidence Level is 95% and $P=.5$.

Size of Population	Sample Size (n) for Precision (e) of:		
	$\pm 5\%$	$\pm 7\%$	$\pm 10\%$
100	81	67	51
125	96	78	56
150	110	86	61
175	122	94	64
200	134	101	67
225	144	107	70
250	154	112	72
275	163	117	74
300	172	121	76
325	180	125	77
350	187	129	78
375	194	132	80
400	201	135	81
425	207	138	82
450	212	140	82

3.5. Validity and Reliability of Research Instruments

Because while reliability is important, it is not sufficient, validity incorporates the complete experimental idea and determines if the data produced meet all of the requirements of the scientific research method. According to Zikmund (2003), reliability refers to measures that are error-free and so produce consistent results. To ensure validity and reliability in the research study, the researcher employed several methodological strategies and techniques throughout the research process. Some approaches to enhancing validity and reliability included:

- **Literature Review:** The researcher employed a literature review to inform the development of questions posed to participants, aiming to enhance the external validity of the study.
- **Clear Research Design:** The researcher outlined a clear research design, including the selection of appropriate research methods, data collection techniques, and sampling procedures. A well-designed study helped ensure that the data collected accurately addressed the research questions and objectives.

- **Triangulation:** To enhance the credibility of the findings, the researcher employed triangulation by using multiple data sources or methods. For example, combining survey data with interviews or observational data provided a more comprehensive understanding of the research topic.
- **Member Checking:** After data collection, the researcher engaged in member checking, whereby participants were given the opportunity to review and validate the accuracy of the data collected from them.
- **Reflexivity:** The researcher engaged in reflexivity by critically reflecting on their own biases, assumptions, and perspectives throughout the research process. By acknowledging and addressing researcher biases, the researcher enhanced the credibility and trustworthiness of the study.
- **Transparency:** The researcher provided detailed descriptions of the research methodology, data collection procedures, and analytical techniques in the research dissertation.

3.6. Data Collection Tools

Data collection is the systematic process of acquiring and measuring information on variables of interest in order to answer research questions, test hypotheses, and evaluate outcomes (Whitney et al, 1998). Any form of research project relies heavily on data collection. Inaccurate data collecting can have a negative impact on the study's outcomes. Regardless of the subject of study or data definition preference (quantitative vs. qualitative), reliable data collecting is critical to sustaining research integrity (Whitney et al, 1998). The researcher gathered information using self-administered questionnaires and an in-depth interview.

Questionnaires are research tools that consist of a series of questions and various methods for collecting data from participants. It is critical to have a well-designed and visually appealing questionnaire because it is used to collect a wide range of data from a huge number of people (Zikmund, 2003). A relevant and accurate questionnaire helped the researcher get better survey findings. A well-designed questionnaire encouraged participants to collaborate from the start to the finish.

Scale questions, open ended questions, and closed ended questions are examples of different types of inquiries. A questionnaire was used by the researcher, which included both open-ended and closed-ended questions. Open ended questions posed a dilemma and required the participant to react in his or her own words (Zikmund, 2003). Closed ended questions, on the other hand, were ones in which the participant's responses were limited to a specific set of options.

The questionnaire was employed since it allowed the researcher to contact and obtain information from a greater number of participants than any other approach. The questions ensured that a larger number of people reacted in the least amount of time. It also protected the privacy and anonymity of participants. The interview as a data collection instrument, while limited to a certain set of people (Chifwepa, 2006), assisted the researcher in obtaining more thorough information than a questionnaire could provide. The in-depth interview assisted the researcher in exploring and obtaining further information on some areas that were not addressed in the questionnaire.

3.7. Data Collection Procedures

Data collection is the process of gathering information from all relevant sources in order to answer the research question, test the hypothesis (if using a deductive approach), and assess the results. Data collecting methods are classified into two categories: secondary data collection methods and primary data collection methods (BRM, 2021).

3.7.1. Secondary Data Collection Methods

Secondary data is information that has previously been published in books, newspapers, magazines, journals, and other online resources. These sites had a wealth of information about the researcher's study topic, nearly independent of the nature of the topic. As a result, using a suitable set of criteria to pick secondary data for use in the study was critical in terms of boosting the research validity and reliability. Secondary data gathering methods have a number of advantages, including the ability to save time, effort, and money. They do, however, have a significant disadvantage. Secondary research, in particular, does not contribute to the expansion of the literature by generating fresh (new) data (BRM, 2021).

3.7.2. Primary Data Collection Methods

Primary data is information that has never been seen before. Primary data refers to the research's original findings. When opposed to secondary data study, primary data collection and analysis often takes more time and effort (BRM, 2021). There are two types of primary data collection methods: quantitative and qualitative.

Methods for collecting quantitative data are based on mathematical calculations in a variety of formats. Questionnaires with closed-ended questions, correlation and regression methods, mean, mode, and median, and others are examples of quantitative data gathering and analysis approaches. Qualitative research approaches, on the other hand, do not rely on numbers or calculations. Words, sounds, feelings, emotions, colors, and other non-quantifiable aspects are fundamental to qualitative research (BRM, 2021).

The researcher employed a purposive sampling technique, which involved selecting participants based on specific criteria relevant to the research objectives. In this case, SMEs in the food and service industry in Ng'ombe, Lusaka were targeted for inclusion in the study. Purposive sampling was chosen to ensure that the selected participants would provide valuable insights into the impact of COVID-19 on SMEs within the designated sector and geographical area. This sampling approach allowed the researcher to focus on SMEs that were most relevant to the study's objectives, thereby maximizing the relevance and applicability of the findings. Additionally, purposive sampling facilitated the selection of participants with diverse characteristics and experiences, contributing to the richness and depth of the data collected. Ethical considerations were taken into account throughout the sampling process to ensure that participants' rights and privacy were protected.

In this study, 98 SMEs were sampled from Ng'ombe area using purposive sampling methods. Purposive sampling, also known as judgmental sampling, is a sample that was chosen based on the population and the study's purpose, allowing the researcher to use their judgment to select cases that best enabled the participants to answer the research questions and meet the study's objectives (Zikmund, 2003). Purposive sampling had the advantage of saving time and money while also being trustworthy. Data was collected using 98 self-administered questionnaires complemented with interview guides to collect quantitative and qualitative data from participants.

3.8. Data Analysis

Cleaning, transforming, and modeling data to discover useful information for business decision-making is defined as data analysis. Data analysis goal is to extract usable information from data and make decisions based on that knowledge (Johnson, 2022).

Based on business and technology, there are different sorts of data analysis approaches. However, the following are the most used Data Analysis techniques:

- i. Text Analysis.
- ii. Statistical Analysis.
- iii. Diagnostic Analysis.
- iv. Predictive Analysis.
- v. Prescriptive Analysis.

The type of analysis method employed is usually determined by the research design and the method utilized to gather or measure the data (Johnson, 2022).

The collected data underwent quantitative analysis through the utilization of frequency tables and percentage tables. Descriptive analysis techniques were employed to process the data, encompassing the calculation of frequencies to illustrate the distribution of variables in terms of percentages. Additionally, the analysis involved transforming the data into a format conducive to identifying common themes or patterns, thereby facilitating the derivation of meaningful conclusions. In particular, the analysis of interview responses involved amalgamating participant feedback and scrutinizing diverse perspectives on salient issues.

3.9. Ethical Consideration

When performing the research study, the researcher believed that professional ethics were of paramount importance. A set of ideas that guide the researchers study designs and procedures are known as ethical concerns in research. When gathering data from people, scientists and researchers must always follow a set of rules. Understanding real-life occurrences, exploring successful therapies, investigating habits, and enhancing lives in other ways are all common goals of human research. What a researcher investigates and how he/she performs it are both important ethical considerations (Bhandari, 2021).

These considerations work to:

- i. Protect the rights of research participants.
- ii. Enhance research validity.
- iii. Maintain scientific integrity.

As a result, all relevant ethical rules were followed in this research.

In this study, ethical considerations were paramount throughout the research process, ensuring the integrity and well-being of all involved parties:

- **Informed Consent:** Before participating in this study, all volunteers were informed about the nature and goal of the study. Participants were fully informed about the purpose, procedures, potential risks, and benefits of the research before they agreed to participate. The researcher obtained voluntary, informed consent from participants, and ensured that participants understood that they could have withdrawn from the study at any time without consequences.
- **Confidentiality:** The researcher took measures to protect the confidentiality of participants' data. By using anonymous or pseudonymous data collection methods, securely storing data, and limiting access to identifiable information only to authorized personnel. The information gathered during the research project were used solely for research purposes.
- **Privacy:** The researcher respected participants' privacy and ensured that their personal information was not disclosed without their consent. This included protecting participants' identity in published research findings and obtaining permission before conducting the survey on the participants.
- **Institutional Review Board (IRB) Approval:** Before any data collection operations, the research proposal was submitted to the ethical committee for assessment. The researcher acquired approval from an Ethics Committee before conducting research involving human participants. The Ethics Committee evaluated the research proposal to ensure that it met ethical standards and complied with relevant regulations and guidelines.

- **Honesty and Integrity:** The researcher conducted themselves with honesty and integrity throughout the research process. This included accurately reporting findings, acknowledging limitations and potential biases, and disclosing any conflicts of interest.

CHAPTER 4

DATA PRESENTATION, FINDINGS AND ANALYSIS

4.0 Introduction

This chapter discussed the findings from a survey that was conducted to evaluate the impact of COVID-19 pandemic on the performance of SMEs in Lusaka, with a focus on the Ng'ombe Township. The acquired information was evaluated. Results were then presented in relation to the planned research objectives.

- i. To identify the impact of Covid 19 lockdown measures on the performance of SMEs business in Ng'ombe, Lusaka.
- ii. To ascertain the impact of COVID-19 on the financial performance of SMEs business in Ng'ombe, Lusaka.
- iii. To determine the level of relief provided by government to the SMEs to help mitigate the impact of the pandemic and coping strategies used by SMEs to mitigate the impact of Covid-19 on SMEs financial performance in Ng'ombe, Lusaka.

4.1. Quantitative Data Analysis

This section highlighted the study's findings, and the data is displayed in tables and graphs. The demographic information, response rate, and analysis of the COVID-19 pandemic's impact on the performance of SMEs in Ng'ombe, Lusaka, were the main points of the findings.

4.1.1. Response Rate

The sample size from the study methodology was 98 SMEs. Out of the sample size, 95 questionnaires were successfully answered and collected from the participants that agreed to participant for data collection. The response rate was 96.9%.

4.1.2. Demographic Data

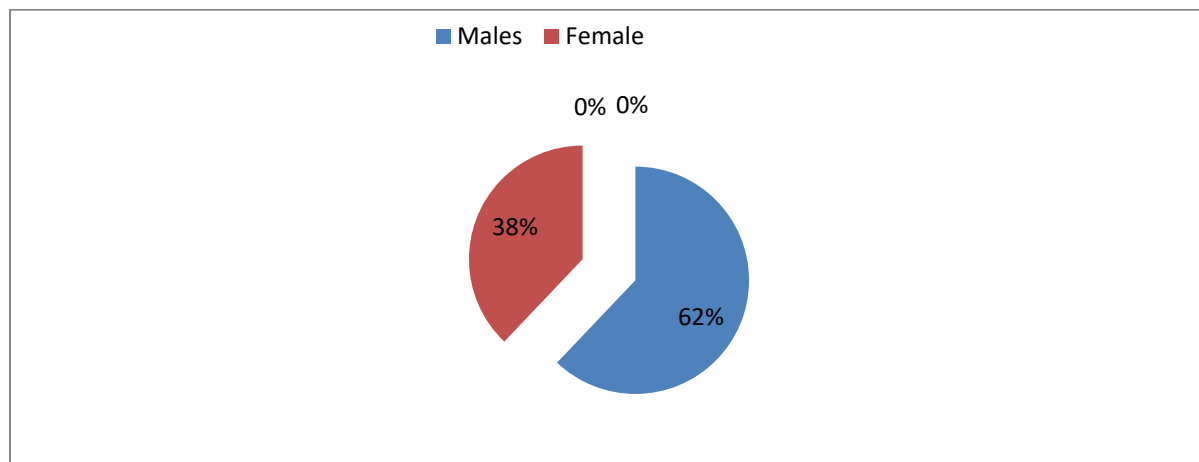
Demographic characteristics were critical in the collection of data and served as a basis for analysing the general information of the participants. Gender, age group, education, and income were used as earlier alluded to and these were presented in various graphs as shown below.

Table 4.1.3. Gender

Gender of participants	Percent%
Male	62.1
Female	37.9
Total	100.00

Source: Field Survey, 2022

Figure 1. Gender Distribution



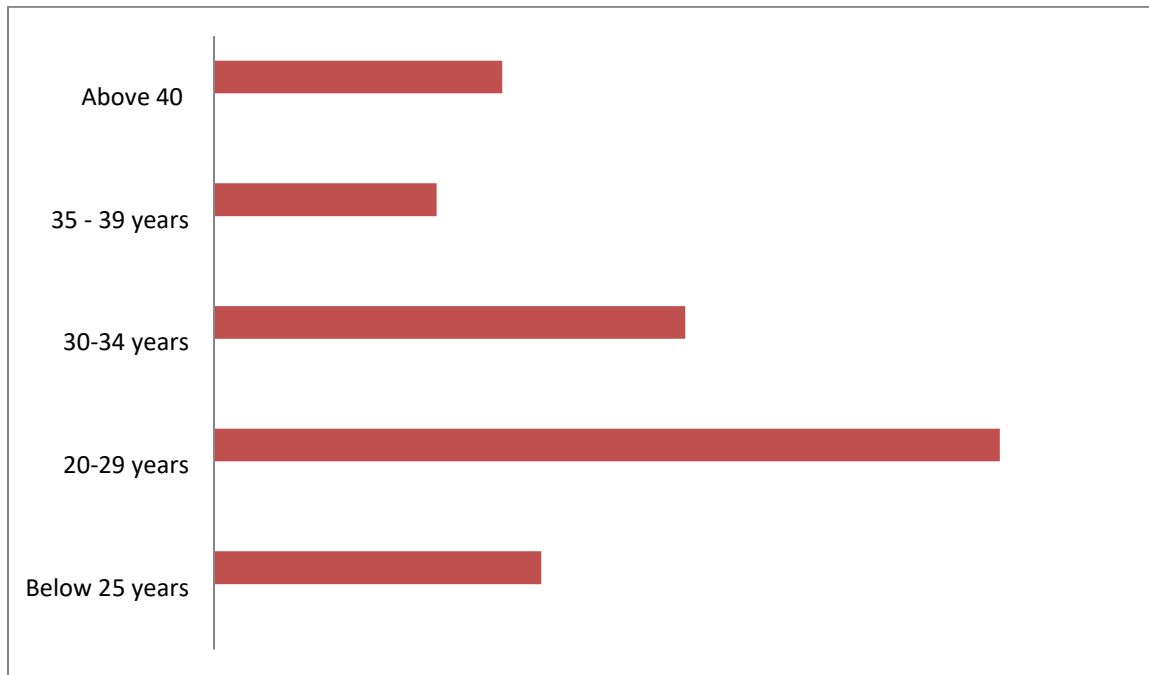
The field survey showed that in terms of gender distribution, 62.1% of the participants were male, amounting to about 59 males out of 95 participants, while 37.9% were female. This amounted to about 36 females out of the 95 participants.

Table 4.2 Participants' Age distribution

Age Group	Percent
Below 25	15.8
20-29 years	37.9
30-34 years	21.1
35-39 years`	10.5
Above 40	13.7
Total	100.00

Source: Field Survey, 2022

Figure 2: Percentage Age Distribution



Source table 4.2

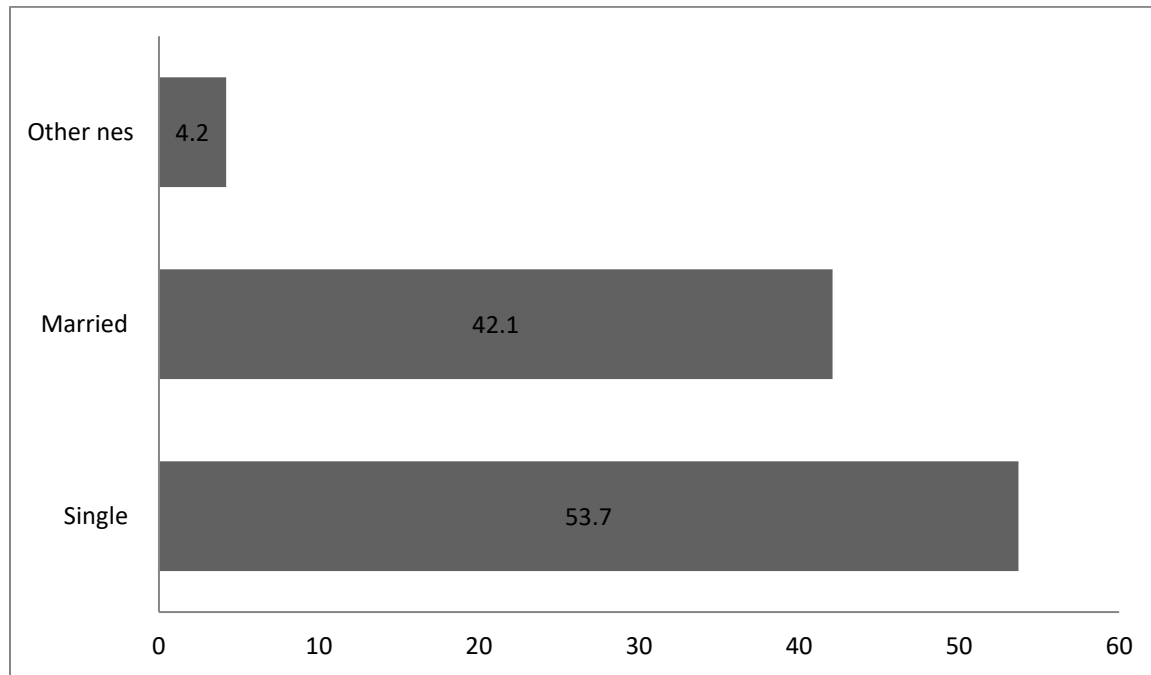
The information given above indicated that 15.8% of participants were aged below 25 years of age, 37.9% were between 20-29 years old, 21.1% were aged between 30-34 years old, 10.5% were aged between 35-39, while 13.7% were above 40 years old.

Table 4.3 Participant's response to Marital Status

Marital Status	Percent%
Single	53.7
Married	42.1
Other	4.2
Total	100.00

Source: Field Survey, 2022

Figure 3. Percentage Distribution of Participants' marital status



Source table 4.3

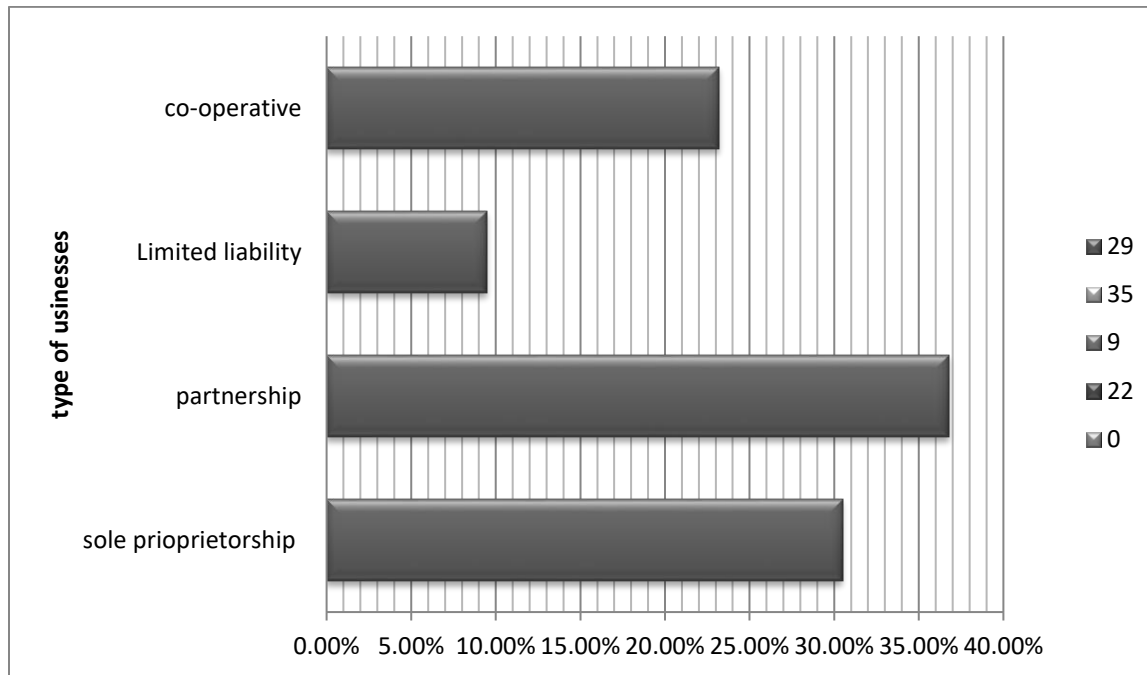
The survey field data above revealed that 53.7 % represented single participants, 42.1% represented married participants, while only 4.2% were for other options.

Table 4.4 Participants' types of Business

Types of Business	Percent
Sole proprietorship	30.5
Partnership	36.8
Limited liability	9.5
Co-operative	23.2
Total	100.0

Source: Field Survey, 2022

Figure 4: Percentage distribution of participant's types of businesses



Source table 4.4 Source: Field Survey, 2022

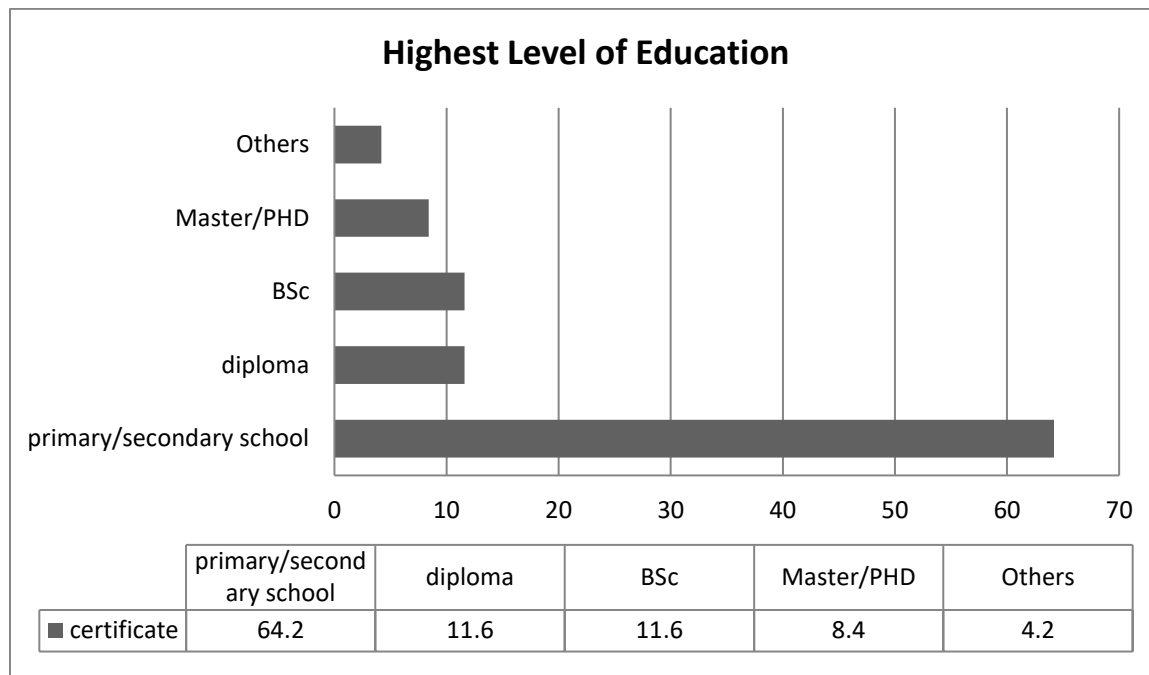
In terms of the type of business, the data given above, revealed that 30.5% of participants were in sole proprietorship, 36.8% were in partnership, 9.5% were in Limited liability, while 23.2% were in co-operative type of business.

Table 4.5 Participant's highest level of Education

Highest level	Percent
Primary/Secondary-school	64.2
Diploma	11.6
BSc	11.6
Master/PhD	8.4
Others	4.2
Total	100.0

Source: Field Survey, 2022

Figure 5: Percentage distribution of participant’s Highest Level of Education



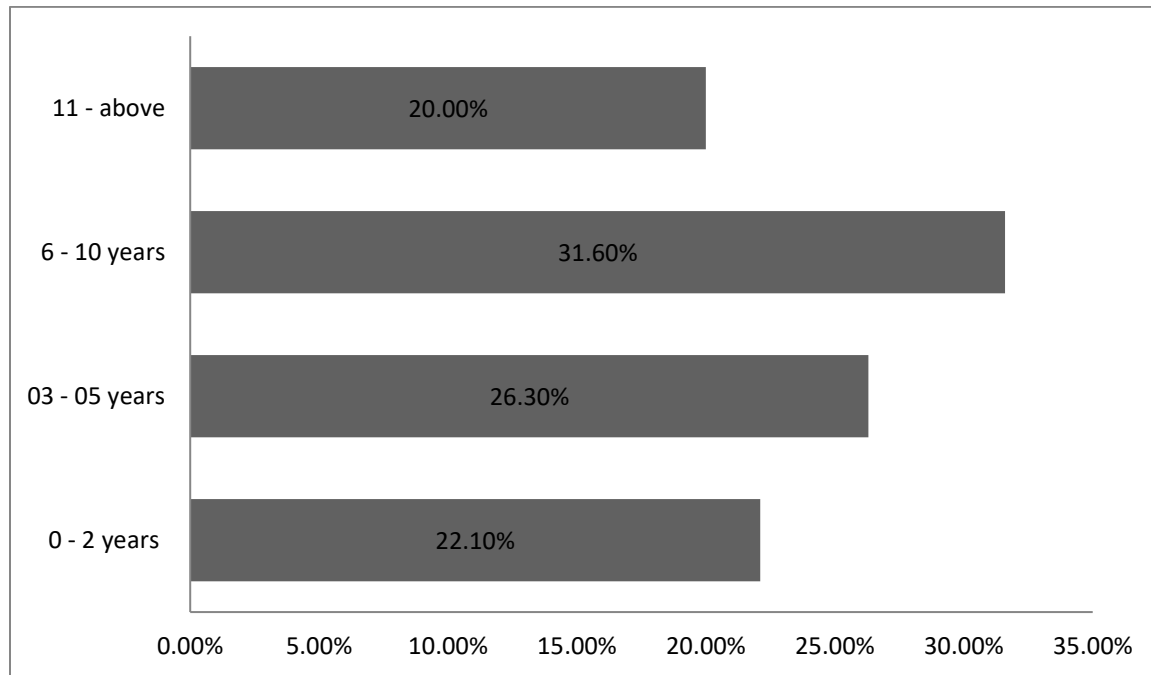
Source table 4.5 Source: Field Survey, 2022

The available data above showed that 64.2% of participants had primary or secondary school qualifications, 11.6% had Diplomas, 11.6% had BSc qualifications, 8.4% had Masters/PhD and 4.2% had other qualifications.

Table 4.6 Participant’s Number of Years in Business

Years in Business	Percent
0 – 2 years	22.1
03 – 05 years	26.3
6 – 10 years	31.6–
11 - above	20.0
Total	100.0

Figure 6. Percentage Distribution of Participants' Years in Business



Source table 4.5

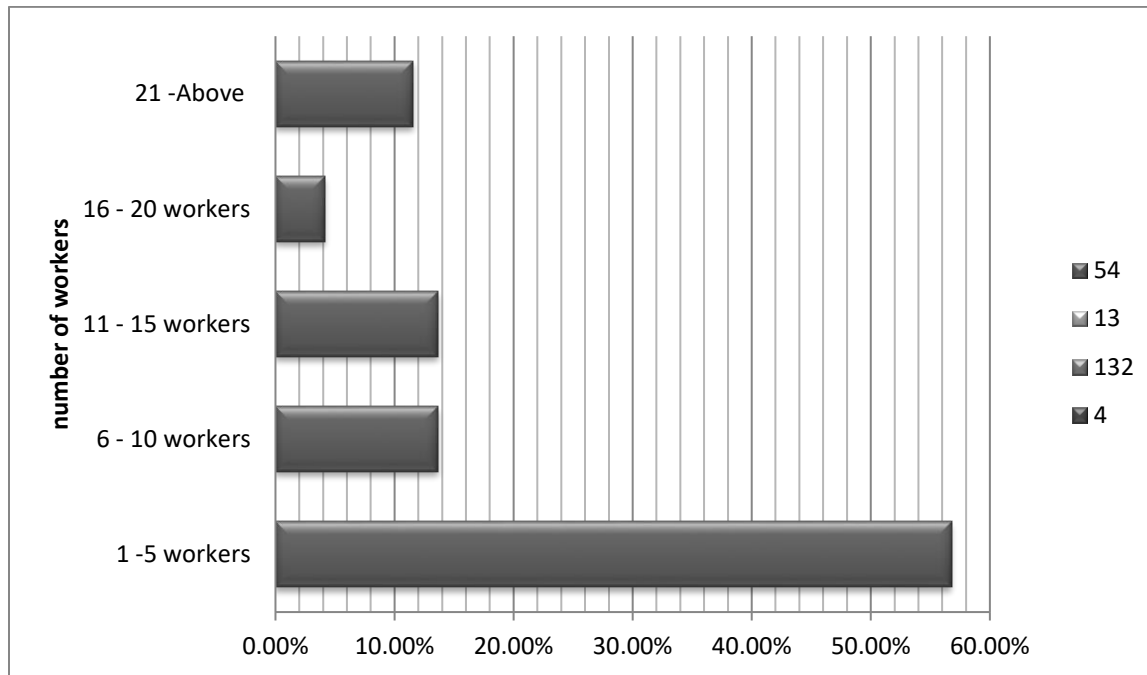
The survey field data above revealed that 22.1% of participants had 0 -2 years in business, 26.3% had 03 – 05 years, 3.6% had 6 – 10 years in business, while only 20% had 11 and above years.

Table 4.7 Participants' Number of Workers in the Business

Number of Workers	Percent
1 – 5 workers	56.8
6 – 10 workers	13.7
11-15 workers	13.7
16 – 20 workers	4.2
21 – Above	11.6
Total	100.0

Source: Field Survey, 2022

Figure 7: Percentage Distribution of Participant’s Number of Workers



Source table 4.7 Source: Field Survey, 2022

In terms of number of workers, the data given above, revealed that 56.3% of participants had less than 5 workers, 13.7% had between 6 -10 workers and 13.7% had between 11-15 workers and 4.2% had between 16 – 20 workers, while 11.6% had 21 and above workers.

Section B: Impact of the Lockdown on SMEs Business Performance

Table 4.8 What is the impact of the lockdown on SMEs performance?

Characteristics	Category	Frequency	Percentage(%)
Has your business been in operation since March 2020?	Yes	63	66.3
	No	32	33.7
Was there lockdown where you have your SME	Yes	51	53.7
	No	44	46.3
If you answered yes to question 2, what	Partial	90	94.7

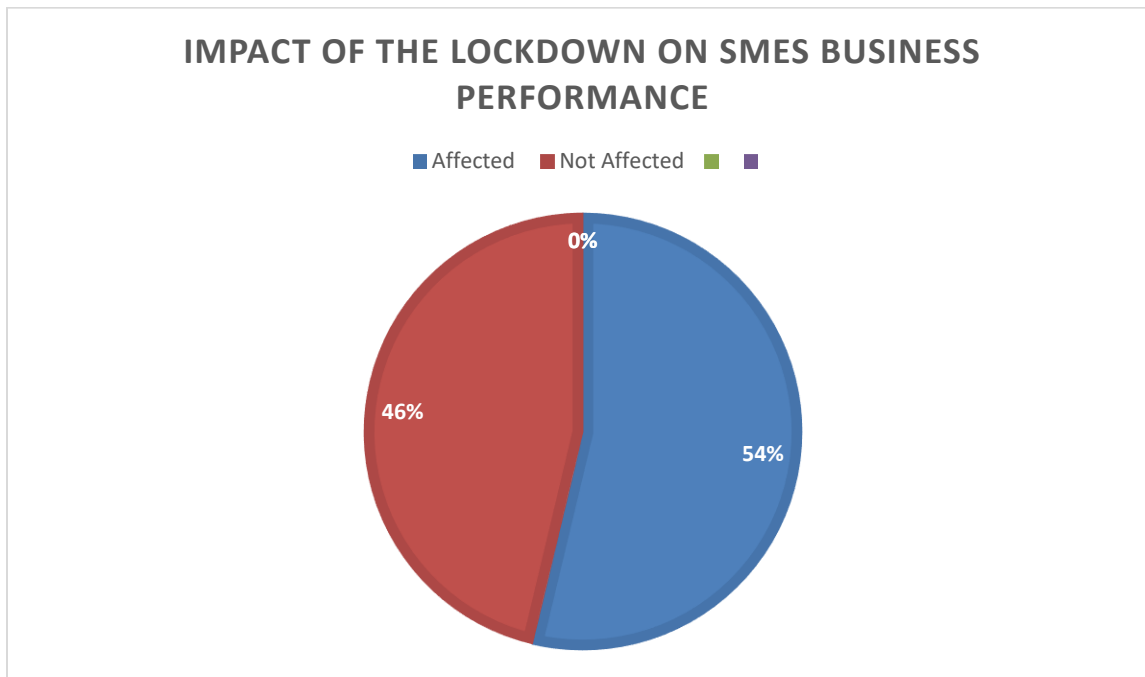
type of lockdown was it, partial or full lockdown?	Total	5	5.3
Has your business been forced to close or been heavily restricted due to Lockdown-measures?	Yes	59	62.1
	No	36	37.9
Has the Lockdown measures impacted your business?	Yes	86	90.5
	No	9	9.5
How have your business operations been affected by the Lockdown	Not affected	5	5.3
	Slightly affected	33	34.7
	Moderately affected	16	16.8
	Strongly affected	41	43.2
Did the number of customers/orders decrease or increase in 2020?	Decreased not significantly	44	46.3
	Significantly decreased	26	27.4
	Increased not significantly	19	20.0
	Significantly increased	5	5.2
	Other	1	1.1
Was the stay-at-home order compliance?	Yes	50	52.6
	No	45	47.4
If you answered yes to question 8, was it partial or full compliance?	Partial	90	94.7
	Total	5	5.3
Total			100.0

Source: Field Survey, 2022

In terms of the impact of the lockdown on SMEs performance, the data given above, revealed that 66.3% of participants claimed that their business had been in operation since March 2020, 53.7% indicated that there was lockdown where their SME operates from. However, the follow up question indicated that, 94.7% of participants had a partial lockdown, 90.5% of participants, however, indicated that they had been affected by the lockdown. With 43.2 being strongly

affected, 46.3% of participants indicated that their number of customers/orders decreased not significantly. While 52.6% of participants claimed that they complied to stay at home rule of Covid-19 prevention.

Figure 8: Percentage Distribution of How the Lockdown Affected the SMEs



Source: Field Survey, 2022

In summary, the data given above, revealed 54% were affected by the lockdown, while 46% indicated not affected by the lockdown.

Section C: Impact of Covid-19 on Financial Performance of SMEs Businesses

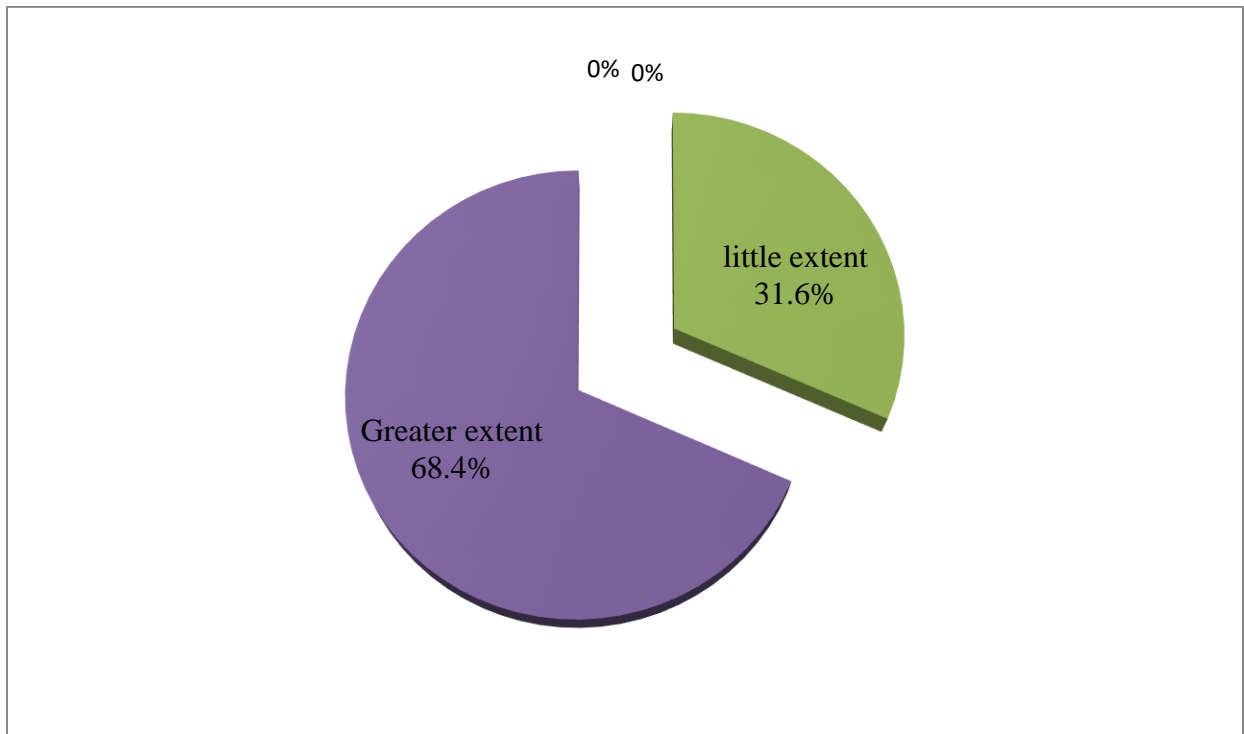
Q.1

Table 4.9 what extent has Covid-19 impacted the operations of your Business?

Response	Percent
Little extent	31.6
Great extent	68.4
Total	100

Source: Field Survey, 2022

Figure 9: What extent has Covid-19 impacted the operations of your Business?



Source: Table 4.7

The statistical data given above revealed that 68.4% of the participants indicated that their businesses were greatly impacted by Covid-19, while 31.6% indicated to the little extent.

Q2

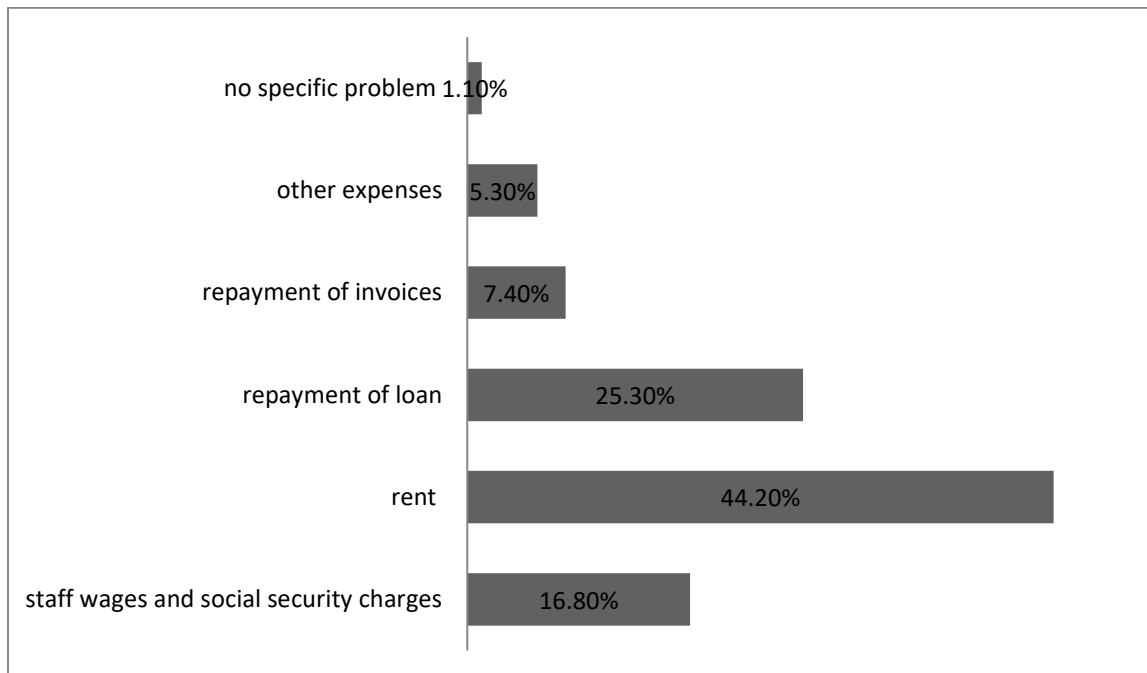
Table 4.10 Please choose the most significant financial problems for your company during the Covid-19 outbreak (up to two options).

Response	Percent
Staff wages and social security charges	16.8
Rent	44.2
Repayment of loan	25.3
Payment of invoices	7.4
Other expenses	5.3
No specific problems	1.1

Total	100.0
--------------	--------------

Source: Field Survey, 2022

Figure 10: Most significant financial problems for your company during the Covid-19 outbreak



Source: Table 4.8

The field survey data shown above revealed that 44.2% of the participants said that rent was their financial problem, 25.3% claimed repayment of loan and 16.8% staff wages and social security charges, while 7.4% indicated repayment of invoices as their financial problem, 5.3% said other expenses, while 1.1% claimed no specific problem.

Q3.

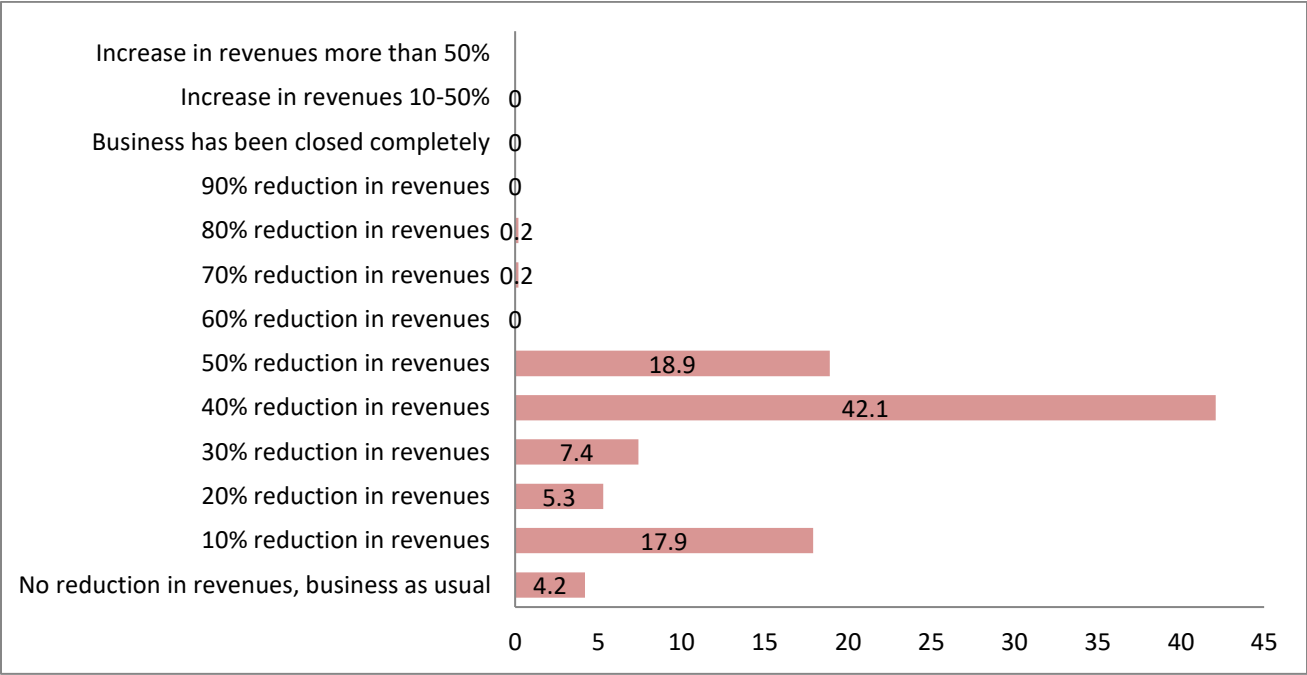
Table 4.11 How much do you estimate the impact as a result of Covid-19 on your revenue per month (percentage)?

Response	Percent
No reduction in revenues, business as usual	4.2
10% reduction in revenues	17.9
20% reduction in revenues	5.3

30% reduction in revenues	7.4
40% reduction in revenues	42.1
50% reduction in revenues	18.9
60% reduction in revenues	0
70% reduction in revenues	0.2
80% reduction in revenues	0.2
90% reduction in revenues	0
Business has been closed completely	0
Increase in revenues 10-50%	0
Increase in revenues more than 50%	0
Total	100.0

Source: field Survey, 2022.

Figure 10. Estimate the impact as a result of Covid-19 on your revenue per month



Source: table 4.9

The field survey data shown above revealed that 42.1% of participants indicated that there was 40% reduction in revenues, 18.9% of participants ticked 50% reduction in revenues and 17.9% claimed that there was 10% reduction in revenues and 5.35% indicated that 20% reduction in

revenues, while 7.4% of participants ticked 30% reduction in revenues, while 0.2% of participants ticked 80% reduction in revenues and another 0.2% indicated a 70% reduction in revenues.

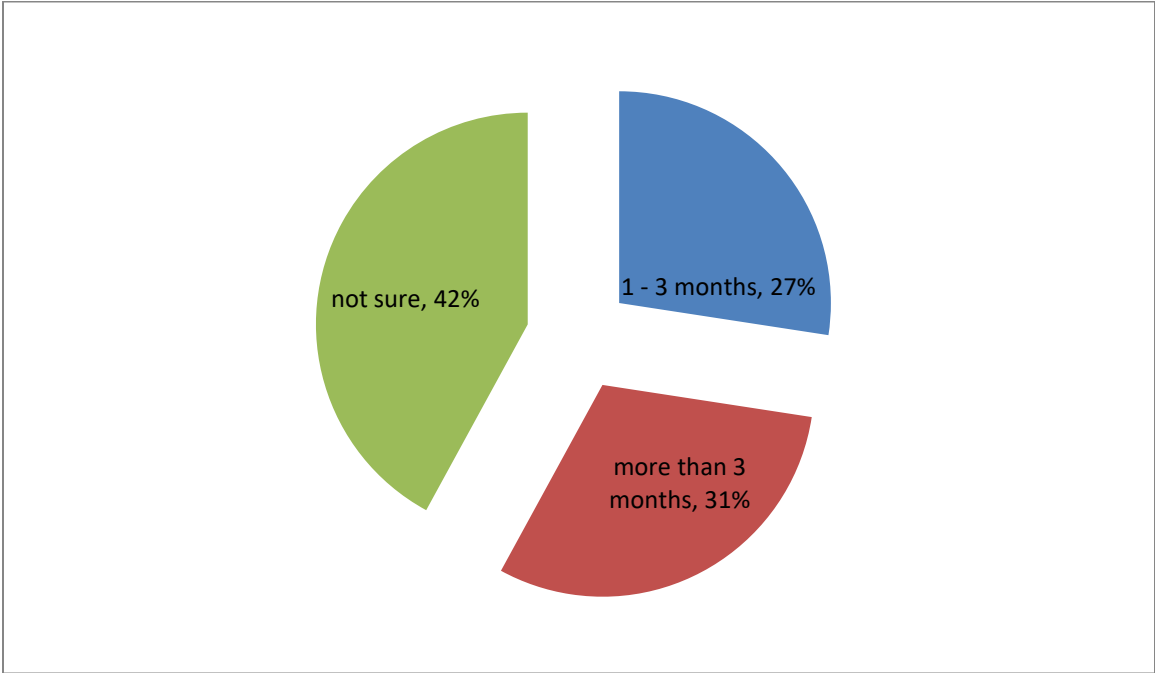
Q4.

Table 4.12 What is the expected time for the company’s business recovery?

Response	Percent
1 to 3 months	27.4
More than 3 months	30.5
Not sure	42.1
Total	100.0

Source: field survey, 2022

Figure 12: The expected time for the company’s business recovery



Source: Table 4.10

The statistical data shown above indicated that 42% of the participants pointed out that they were not sure on the time for their company’s business recovery. While 31% stated that it will be 3 months and 27% indicated that it will be within 1 to 3 months.

Section D: Relief Provided by Governments to Assist SMEs In Order to Mitigate the Impact of the Pandemic

Table 4.13 What relief was provided by governments to assist SMEs in order to mitigate the impact of the pandemic?

Characteristics	Category	Frequency	Percentage(%)
Has your business received any assistance for Covid- 19?	Yes	63	66.3
	No	32	33.7
What other assistance has your business received for Covid- 19?	Loan facility	55	57.9
	Cash grant	6	6.3
	Technical assistance	4	4.2
	Legal support	4	4.2
	Other	28	29.5
Who provided the assistance?	Government	23	24.2
	Local/International NGO	3	3.2
	Donors	12	12.6
	(UN) Organization	3	3.2
	Financial Institution	40	42.1
	Other	14	14.7
Are you aware of the relief provided by government to assist SMEs in order to mitigate the impact of Covid-19 on business performance?	Yes	40	57.9
	No	55	42.1
Has the Lockdown measures impacted your business?	Yes	86	90.5
	No	9	9.5
5. Are you planning to apply or	Yes	46	48.4

have you already applied for the relief offered by government to assist SMEs during the Covid-19 pandemic?	No		49	51.6
Have you received any support from the government to help your business to mitigate the impact of Covid-19?	Yes		9	9.5
	No		86	90.5
In overall, can you rate the government's palliative measures on the scale of 1 - 5 rates (5 is the highest, 1 is the lowest)	a)	1	39	41.0
	b)	2	9	26.3
	c)	3	21	22.1
	d)	4	20	21.0
	e)	5	6	6.3
Total				100.0

Source: Field Survey, 2022

In terms of what relief governments provided to assist SMEs in order to mitigate the impact of the pandemic, the data given above, revealed that 66.3% of participants claimed that their business received assistance for Covid-19. However, on specific assistance they had received, 57.9% indicated loan facilities from financial institutions. On who provided assistance, 42.1% indicated that there were many institutions that offered help, however, they cited financial institution as number one, followed by Government with 24.2%. However, the follow up question “Have you received any support from the government to help your business to mitigate the impact of Covid-19?” indicated that, 90.5% of participants had not received any assistance. With on average 67.3% of participants, rating poor the government’s palliative measures on the scale of 1 - 5 rates (5 is the highest, 1 is the lowest).

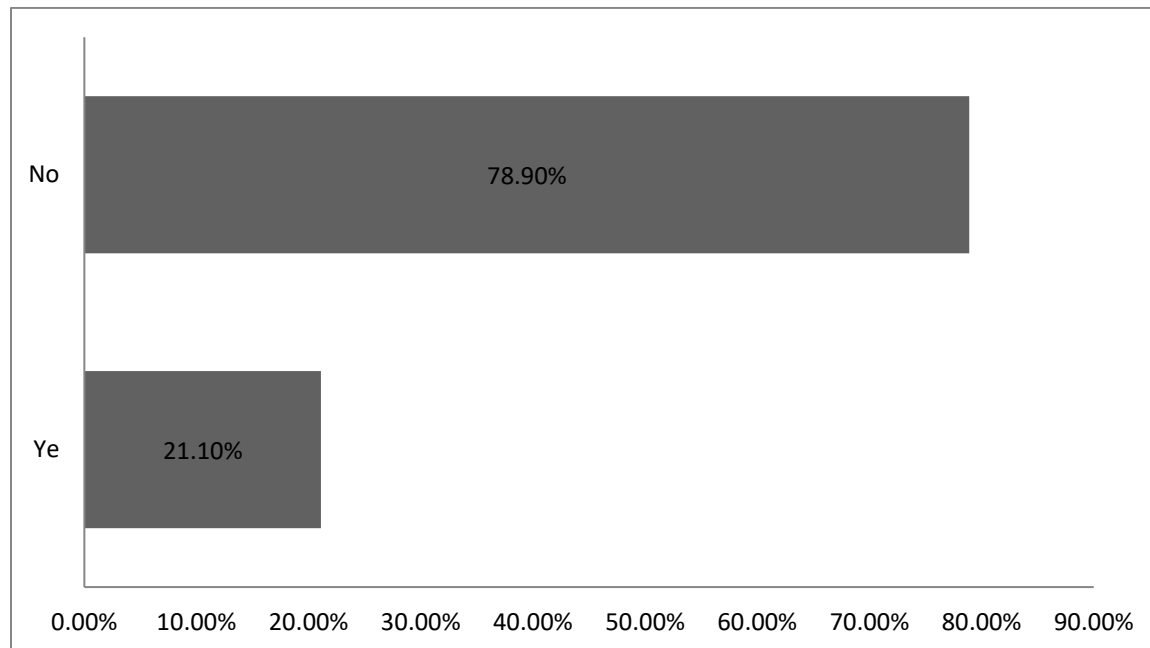
Section E: Coping Strategies for the Financial Performance of SMEs Business

Q1. Table 4.14 Can you cope with your income and savings?

Response	Percent
Yes	21.1%
No	78.9%
Total	100.0

Source: Field survey, 2022

Figure 14:



Source: table 4.14

The above statistical information revealed that majority of participants, 78.9% indicated No to the question as to whether they can cope with their income and savings. While only 21.2% of the participants stated that they can copy based on their savings and income.

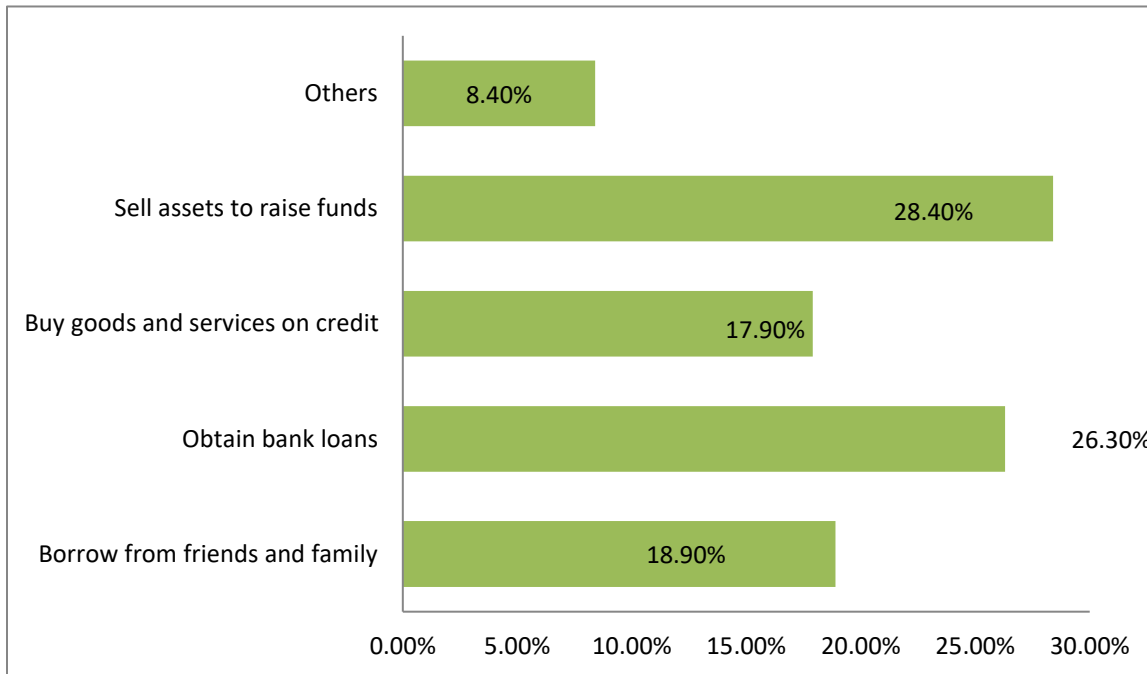
Q7

Table 4.15 What are the coping strategies for the financial performance of SMEs business?

Response	Percent
Borrow from friends and family	18.9
Obtain bank loans	26.3
Buy goods and services on credit	17.9
Sell assets to raise funds	28.4
Others	8.4
Total	100.0

Source: field survey, 2022

Figure 15: What are the coping strategies for the financial performance of SMEs business?



Source: Table 4.15.

The information given above revealed that out of 100% representing 95 participants, majority 28.4% indicated that if the lockdown was to be extended, they will sell asserts to raise the funds. While 26.3% were into obtaining a bank loan copying strategy and 18.9% indicated borrowing

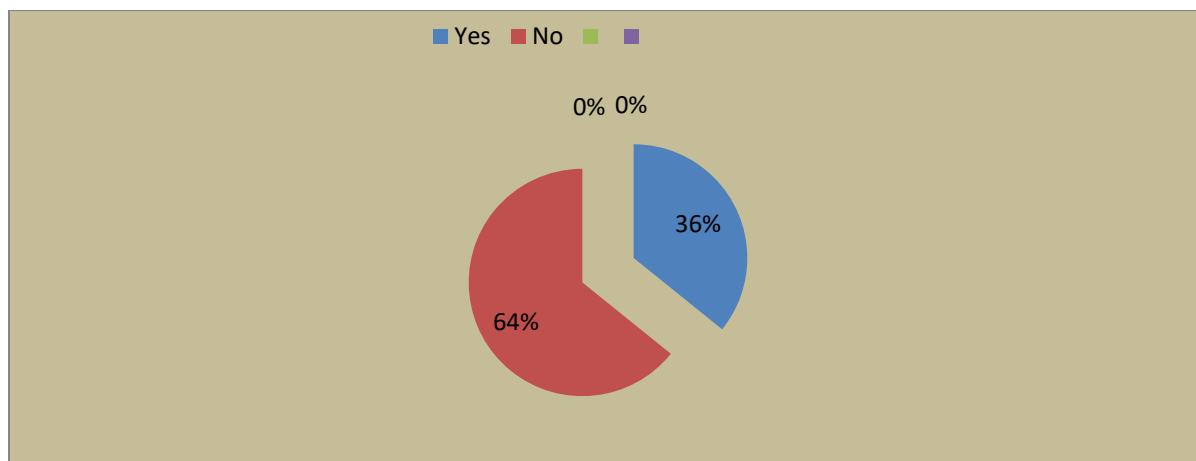
from friends, with 17.9% respondent vying for buying goods and services on credits, while 8.4 went for other options.

Table 4.16 Assuming the lockdown was extended beyond the initial timeline, are you sure your company can cope financially?

Response	Percent%
Yes	35.8
No	64.2
Total	100.00

Source: Field Survey, 2022

Figure 16. Assuming the lockdown was extended beyond the initial timeline, are you sure your company can cope financially?



The field survey showed that in terms of assuming the lockdown was extended beyond the initial timeline, can SMEs businesses cope financially; 64.2% of the participants indicated ‘No’ while 35.8% of the participants indicated yes.

4.17. Qualitative Data Analysis

The qualitative research findings report offered a detailed examination of how small and medium enterprises (SMEs) in Ng'ombe were coping with the possibility of an extended lockdown due to the COVID-19 pandemic. Through thematic analysis of participant responses, the report revealed the diverse coping strategies adopted by SMEs, showcasing their resilience and adaptability in the

face of prolonged business restrictions. From selling assets to seeking bank loans and borrowing from friends, SMEs were employing a variety of approaches to sustain their operations. The report aimed to provide valuable insights into SME resilience and inform future policy interventions aimed at supporting their sustainability amidst ongoing challenges.

4.18. Impact of the Lockdown on SMEs Business Performance

4.18.1 Theme 1: Impact of Lockdown Measures

The data revealed that a significant proportion of SMEs experienced the effects of the lockdown measures implemented in response to the COVID-19 pandemic. Among the participants surveyed, 66.3% reported that their businesses had been in operation since March 2020, indicating that they were directly affected by the onset of the pandemic. One respondent shared, "We've been operating since March last year, but the lockdown really hit us hard. Our revenue took a significant hit, and we had to make adjustments to stay afloat." Additionally, 53.7% of respondents indicated that there was a lockdown in the area where their SME operates. Another respondent commented, "Yes, there was definitely a lockdown in our area. It affected our business operations significantly. We had to close our physical store and shift to online sales to survive." Subsequent inquiry revealed that a majority of these businesses (94.7%) experienced a partial lockdown, suggesting a widespread impact on operational activities. A participant expressed, "We were partially locked down, which made it difficult to run our business as usual. We had to reduce our operating hours and limit the number of employees working on-site."

4.18.2 Theme 2: Changes in Customer Base and Orders

The data also shed light on changes in customer behavior and order volumes resulting from the lockdown measures. Approximately 46.3% of participants indicated that the number of customers or orders decreased, although not significantly, during the lockdown period. A respondent explained, "We did notice a slight decrease in customers, but it wasn't too drastic. However, we had to rely more on online sales and delivery services to reach our customers." This suggests a moderate decline in demand for goods or services offered by SMEs. Conversely, 52.6% of participants reported compliance with stay-at-home rules aimed at preventing the spread of COVID-19. One participant shared, "Yes, we followed the stay-at-home rules strictly to keep ourselves and our customers safe. We implemented contactless delivery options and promoted our

safety measures to reassure customers." This indicates a willingness among consumers to adhere to public health guidelines, potentially impacting their ability or willingness to patronize SMEs during the lockdown period.

4.19. Impact of Covid-19 on Financial Performance of SMEs Businesses

4.19.1. Theme 1: Impact of COVID-19 on Financial Performance

The statistical data provided insights into the significant impact of the COVID-19 pandemic on the financial performance of SMEs. A majority of participants (68.4%) indicated that their businesses were greatly affected by COVID-19, while 31.6% reported a lesser extent of impact. One respondent expressed, "The pandemic hit us hard financially. We saw a sharp decline in sales and struggled to cover our operational expenses." This sentiment was echoed by many participants, highlighting the widespread financial strain faced by SMEs during the pandemic.

4.19.2. Theme 2: Financial Challenges Faced by SMEs

The field survey data revealed the specific financial challenges encountered by SMEs during the COVID-19 crisis. Among the participants surveyed, 44.2% cited rent as a major financial concern, indicating the burden of fixed costs amidst reduced revenues. Another participant commented, "Paying rent has been a struggle, especially when our income has taken a hit. It's been challenging to negotiate with landlords for rent relief or deferrals." Additionally, 25.3% of respondents identified loan repayments as a significant financial burden, reflecting the challenges of servicing existing debts amid economic uncertainty. One participant shared, "We had taken out loans to expand our business, but with the downturn in revenue, meeting loan repayments has become increasingly difficult."

4.19.3. Theme 3: Revenue Reductions

The field survey data further highlighted the extent of revenue reductions experienced by SMEs during the pandemic. Among the participants surveyed, 42.1% reported a significant 40% reduction in revenues, indicating the substantial impact of the crisis on business turnover. Another respondent stated, "Our revenue plummeted by 40% since the onset of the pandemic. We've had to make drastic cuts to our expenses and operations to stay afloat." Additionally, 18.9% of participants reported a 50% reduction in revenues, while 17.9% cited a 10% reduction. These

findings underscored the widespread revenue losses faced by SMEs across various sectors due to the economic fallout from COVID-19.

4.20. Relief Provided by Governments to Assist SMEs In Order to Mitigate the Impact of the Pandemic

4.20.1. Theme 1: Government Assistance for SMEs

The data revealed insights into the relief measures provided by governments to assist SMEs in mitigating the impact of the COVID-19 pandemic. A significant proportion of participants (66.3%) reported that their businesses received some form of assistance for COVID-19 relief. However, when asked about the specific assistance received, 57.9% indicated loans facilities from financial institutions as the primary form of support. One participant mentioned, "We applied for loans from banks to cover our operational expenses during the lockdown period. While the loans provided temporary relief, they also added to our financial burden in the long run."

4.20.2. Theme 2: Sources of Assistance

Participants also shared their perspectives on the sources of assistance received during the pandemic. When asked about the institutions providing assistance, 42.1% mentioned multiple institutions offering help, with financial institutions being the most commonly cited source at 24.2%. One respondent stated, "We approached several banks and financial institutions for loans and grants to sustain our business during the crisis. However, accessing support from these institutions was challenging due to stringent eligibility criteria and limited availability of funds."

4.20.3. Theme 3: Government Support Perceptions

Despite the reported assistance from financial institutions, the data indicated a lack of support from the government for many SMEs. A staggering 90.5% of participants stated that they had not received any assistance from the government to mitigate the impact of COVID-19 on their businesses. Moreover, participants expressed dissatisfaction with the government's palliative measures, with an average of 67.3% rating the measures poorly on a scale of 1 to 5, with 5 being the highest. One participant voiced their disappointment, saying, "The government's response to supporting SMEs during the pandemic has been inadequate. We expected more comprehensive relief measures, but what was offered fell short of our expectations."

4.21. Coping Strategies for the Financial Performance of SMEs Business

4.21.1. Theme 1: Coping Strategies for Prolonged Lockdown

The data elucidated the coping mechanisms embraced by SMEs in preparation for an extended lockdown period. Among the respondents, the majority (28.4%) expressed their inclination towards selling assets as a means to procure funds in the event of an elongated lockdown. One respondent elaborated, "In the face of potential prolonged restrictions on business activities, liquidating assets appears to be a viable avenue for generating additional capital, thereby ensuring our business sustenance throughout an extended lockdown."

4.21.2. Theme 2: Financial Remedies

Participants also contemplated accessing financial aid as a coping strategy during an extended lockdown. A significant portion (26.3%) indicated their intention to seek bank loans to mitigate the financial repercussions. One respondent elucidated, "We are considering securing a bank loan to cover our operational expenses and offset the financial strain resulting from an extended lockdown. While this may result in accruing additional debt, it offers a short-term solution to address our immediate financial exigencies."

4.21.3. Theme 3: Utilizing Social Networks for Borrowing

Another coping mechanism highlighted by participants involved borrowing from social connections to alleviate financial constraints amid an extended lockdown. Approximately 18.9% of respondents mentioned their intention to borrow from friends. One participant shared, "During periods of financial uncertainty, we rely on the support of our social circle. Borrowing from friends provides us with immediate financial relief without the stringent requirements associated with formal financial institutions."

4.21.4. Theme 4: Adoption of Credit Facilities

Furthermore, some participants considered leveraging credit facilities to procure essential goods and services as a coping strategy. About 17.9% of respondents favored this approach. One participant stated, "Opting for credit facilities enables us to access necessary commodities without

immediate financial outlay. This allows us to conserve cash flow and navigate the challenges posed by an extended lockdown."

4.21.5 Theme 5: Exploration of Alternative Approaches

A smaller cohort of respondents (8.4%) explored alternative coping strategies beyond asset liquidation, bank loans, borrowing from acquaintances, or utilizing credit facilities. While specifics regarding these alternative strategies were not provided in the data, they underscore the diverse range of approaches adopted by SMEs to confront the uncertainties associated with an extended lockdown.

CHAPTER 5

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter presented the discussion, interpretation and implications of findings. Analysis revealed that there were 98 SMEs in the sample size used in the study methodology. Out of the total number of respondents, 95 completed questionnaires were successfully gathered from those who volunteered to participate in the data collection. This represented a 96.9 % response rate.

5.1 Discussion of Findings

This is an overview of the results obtained from the survey undertaken evaluating the impact of COVID-19 pandemic on the performance of SMEs in Lusaka, with a focus on Ng'ombe township.

5.2 Impact of the Lockdown on SMEs Business Performance

In Zambia, the government implemented containment measures against COVID-19, including lockdowns and social distancing policies. The study evaluated how partial lockdowns might affect small and medium-sized businesses; this study showed how lockdown policies impacted SMEs income, in which they had a significant negative impact.

In terms of the impact of the lockdown on SMEs performance, approximately 66.3% of the participants had their businesses in operation since March 2020. This suggested that a significant portion of SMEs were relatively new or started shortly before the pandemic began, which might have had implications for their resilience during the lockdown. Of those surveyed, 53.7% indicated that there was a lockdown in the area where their SME operates. This means that a substantial number of businesses were directly affected by lockdown measures. An even larger percentage, 94.7% of participants, mentioned that they experienced a partial lockdown. This indicated that most SMEs were subject to restrictions, which could have had various effects on their operations. A significant number of participants (90.5%) reported that they were affected by the lockdown, with 43.2% being strongly affected. This suggested that lockdown measures had a widespread and substantial impact on SMEs, affecting their ability to operate normally and generate revenue.

Forty-six-point three percent (46.3%) of participants indicated that their number of customers/orders decreased, although not significantly. This implied that while many SMEs

experienced a decrease in customer demand, it was not catastrophic for a substantial portion of them. More than half of the participants (52.6%) claimed that they complied with the stay-at-home rules of COVID-19 prevention. This suggested that businesses were responsive to public health guidelines, which may have affected their operations. Forty six percent (46%) of participants indicated that they were not affected by the lockdown. This suggested that a significant portion of SMEs managed to navigate the lockdown period with minimal disruptions to their business activities.

On the other hand, 54% of the participants reported being affected by the lockdown. This implied that more than half of the surveyed SMEs experienced challenges or disruptions in their operations due to lockdown measures.

Evidently, the findings were supported by the literature that states that, the lockdown had negatively impacted business and economic activity and reduced the amount of personnel, goods, and transportation that were available (Craven, Liu, Mysore, and Wilson, 2020). As a result, many businesses had closed, and their performance had also suffered. The flow of goods and services, which is essential to the economy and is what SMEs rely on for day-to-day operations, had also been suspended as a result of the government's pronouncement of a lockdown, mobility restrictions, market closures, and social distance.

Partial lockdowns increased the risk that businesses would have low sales, particularly in the sales, production, and services sectors. It conforms to the study by Amare et al findings which revealed that due to partial movement restrictions, there was low customer patronage, which had a negative impact on income generation and may ultimately have had an impact on performance of businesses (2020). This also conforms to the study carried out by the International Organization for Migration in Iraq, which reported effects on sales and production, as being the most acute.

The findings indicated that social distancing policies had an impact on the majority of business actor respondents. The businesses were severely hampered by the COVID-19 pandemic. Due to decreased demand and interruption in the supply chain there was a reduction in income generated by the SMEs and their businesses.

In addition to Zambia, several other nations, such as Turkey and Ukraine, also experienced this situation. Turkey's Small and Medium Scale Sector struggled financially as a result of the social distancing policy restrictions which limited customer movements hence demand dropped further resulting in reduced income for businesses, forcing them to close (Kayalica, 2020).

The study's findings were also in line with those of a study by Aliyu et al., entitled "The Impact of COVID-19 on Business Activity in Nasarawa West Senatorial one." A questionnaire was used to collect the data, and descriptive statistics and regression analysis were used to analyze the results. With a population of 1,200 respondents, a sample of 300 respondents was selected using the Yamane, et al., (1967), simplified formula to collect data. The results demonstrated that COVID-19 had negatively impacted residents in the area and their general well-being had been significantly impacted as a result of governments implementation of lock-down measures and the banning of public gatherings. The study came to the conclusion that COVID-19 had an impact on business operations and residents' general well-being in Nasarawa West Senatorial Zone.

In Uganda's Economic Policy Research Centre (EPRC), which performed a quick survey of businesses during the COVID-19 pandemic, it was discovered by Lakuma et al., (2020), that three-quarters of the businesses polled had reduced worker numbers as a result of the hazards the pandemic offered. They discovered that the lockdown measures implemented, such as weekly market bans, transportation limitations, social seclusion, and quarantine, resulted in a more than 50% reduction in economic activities. The study also discovered that small and medium-sized businesses had a greater reduction in commercial activity than medium-sized and large-scale enterprises. Additional evidence verifying and bolstering the study's findings that the Lockdown policies had a negative impact on SMEs performance in Ng'ombe Township.

5.3 Impact of Covid-19 on Financial Performance of SMEs Businesses

On the impact of Covid-19 on Financial Performance of SMEs Businesses, the statistical data revealed that the majority of businesses, approximately 68.4%, reported a significant and substantial impact from the COVID-19 pandemic. This suggested that the pandemic had a profound effect on a wide range of businesses, disrupting their operations, revenues, and financial stability.

Conversely, 31.6% of businesses reported that the pandemic's impact was relatively minor or to a little extent. This could be due to various reasons, including the nature of the business, and the ability to adapt to changing circumstances. Similarly, the literature reviewed by Ministry of Commerce, Trade and Industry, stated that Covid-19 had a particularly negative influence on the education, transportation, and catering and accommodation industries, while other sectors had been mostly unaffected. Eighty-five percent (85%) of enterprises in the education sector were

closed fully, while sixty percent (60%) of businesses in the human health and social work sector were open for business (Ministry of Commerce, Trade and Industry, 2020).

The results of the field survey on the impact of COVID-19 on the financial performance of SMEs businesses also showed that 44.2 % of respondents identified rent as their main financial issue. Rent being the top financial problem for 44.2% of participants indicated that a significant portion of SME businesses in the survey had challenges in meeting their rent obligations. This could have been due to lockdowns, reduced foot traffic, or other factors that impacted their ability to generate income.

Twenty-five-point three percent (25.3%) of the participants claimed that the repayment of loans was their primary financial problem. A quarter of the participants identified loan repayment as their primary financial issue. This suggested that a substantial number of businesses had existing debt obligations that became burdensome during the pandemic. Economic disruptions likely affected their ability to service these loans.

Sixteen-point eight percent (16.8%) of the participants reported that staff wages and social security charges were their primary financial problem. Approximately 16.8% of businesses faced difficulties related to paying staff wages and social security charges. This indicated that maintaining the workforce and meeting regulatory obligations posed challenges for a significant portion of participants.

Repayment of Invoices as a Financial Problem, 7.4% of participants mentioned the repayment of invoices as their financial problem. A smaller, but notable percentage of businesses (7.4%) had challenges related to settling invoices. This could have been due to disruptions in the supply chain, delayed payments from customers, or other trade-related issues.

Five-point three percent (5.3%) of participants faced financial issues related to other expenses. This category could encompass a variety of costs, such as utilities, maintenance, or unexpected expenses not covered by the other categories mentioned. A very small portion of participants (1.1%) did not identify a specific financial problem. It's possible that their businesses were relatively unaffected by financial issues or that they were better positioned to navigate the challenges presented by the pandemic.

The results of the study have been confirmed by Boot et al., (2020), the majority of SMEs were unable to cover the costs of operating in the current business environment. Businesses were unable to pay their employees' salaries, which made the problem worse for workers who lost their jobs. Additionally, there was a lack of working capital, which can be explained in terms of consumer behavior during the remarkable era of the novel virus.

The study's findings also lined up with UNECA, 2020, whose study of 98 SMEs performed in March 2020, 93 percent of participants believed the pandemic was having a negative impact on their firm. Participants were particularly concerned about the impact of the pandemic on their sales, salaries and wages, and rental properties (UNECA, 2020). Only 48% of participants expected their firms to survive the pandemic in the future, while the rest either did not see themselves surviving or were unclear.

Further literature from a study conducted in Nigeria by the FATE Foundation and BudgIT Nigeria on the impact of COVID-19 on MSMEs included data from 1,943 MSMEs from respondents in all thirty-six states of the country, including the Federal Capital Territory (FCT), and from a variety of industries. They discovered that the COVID-19 pandemic had a negative impact on 94.3% of the assessed MSMEs, particularly in the areas of sales, cash flow, and income. Furthermore, they discovered that jobs had been significantly damaged because 82.8% of respondents said they would probably disengage 1–5 workers. The study also discovered that roughly 50% of businesses managed to find new prospects despite the pandemic (Fate Foundation, 2020).

In addition, the study's findings conformed to research on the Impact of COVID-19 Pandemic on Micro, Small, and Medium-Sized Enterprises operating in Pakistan which was researched by Mohsin et al., in 2020. Descriptive statistics were used to adopt exploratory methods. The findings indicated that the majority of the participating businesses had been significantly impacted and were dealing with a variety of problems, including financial, supply chain disruptions, a drop in demand, decreased sales, and decreased profits, failure to pay employees wages and loan repayments among others.

Furthermore, according to numerous surveys carried out by Bartik et al, over various time periods in various countries, the majority of businesses that witnessed a decline in customer demand and

sales for their products. Just a few weeks into the crisis, there were massive layoffs and business closures in certain nations, including Colombia and the United States of America.

The field survey data analyzed revealed that 42.1% of participants indicated that there was 40% reduction in revenues. A substantial portion of participants, 42.1%, reported a severe revenue decline of 40%. This represented a significant financial hit and suggested that a considerable number of businesses were severely impacted by the pandemic.

Eight-point nine percent (8.9%) of participants noted a 10% reduction in revenues. Nearly one-fifth of the participants reported a moderate 10% reduction in revenues. While this is a lower percentage compared to the 40% reduction category, it still signified a noticeable decrease in income. Seventeen-point nine percent (17.9%) claimed that there was 10% reduction in revenues. Similar to the 10% reduction category, a significant portion of participants (17.9%) reported a 10% reduction in revenues. This also represented a considerable financial strain on SME businesses.

Five-point three five percent (5.35%) of participants indicated that they faced a 20% reduction in revenues. A smaller, but notable percentage of participants reported a 20% reduction in revenues. This suggested that a portion of businesses experienced a significant, but slightly less severe impact on their income. A notable percentage of participants (18.9%) reported a 50% reduction in revenues. This indicated a crisis situation for these businesses, where a significant portion of their income was lost. While a very small percentage, 0.2% of participants reported an extremely drastic 80% reduction in revenues. This level of reduction is particularly devastating for any business, and these participants were in an exceptionally challenging situation.

These findings were largely consistent with Varshney & Vyas's (2020), study on the possible impact of the pandemic on MSMEs in South Africa. According to the study's findings, 69 % of MSMEs reported a decline in company revenue creation since the start of the coronavirus outbreak, indicating that the consequences of the COVID-19 pandemic on MSMEs were severe. A loss in customer demand for the products (which accounted for 71% of the decrease in revenue) was the main factor, followed by supply chain problems (15 %). Interestingly, the survey also found that 14% of the MSMEs reported a gain in revenue; these were primarily businesses that provided security, delivery of food and household supplies, and other vital goods and services.

The study's results were also supported by the following, in addition to, FSD Zambia and BFA Global collaborative fast online "dip stick" survey of Micro and Small Enterprises (MSEs), the backbone of Zambia's economy, to better comprehend the crisis consequences. The analysis discovered that the crisis had a considerable negative impact on MSEs. Sixty-nine percent of participants said their business revenue had decreased since the coronavirus outbreak began; 39 percent said it had decreased significantly, and another 30 percent said it had decreased little. Men (42%) reported a major fall in revenues, compared to women (32%) who claimed a significant increase. The most common cause of revenue reduction was a drop in demand (71 percent), followed by supply chain difficulties (15 percent). Surprisingly, roughly 14% witnessed a gain in revenue, with most of these businesses dealing with vital goods and services, food and household goods delivery, and security.

5.4 Relief Provided by Governments to Assist SMEs in Order to Mitigate the Impact of the Pandemic

In terms of the relief governments provided to assist SMEs in order to mitigate the impact of the pandemic, it was discovered that 66.3% of participants claimed that their business received assistance for Covid-19. The fact that 66.3% of the participants claimed their businesses received assistance during the pandemic suggested a significant need for support among SMEs. This indicated the widespread economic impact of the pandemic on this sector.

The primary form of assistance received by SMEs was loans from financial institutions (57.9%). This data suggested that access to financing was a crucial aspect of the relief efforts. This result was in line with a report by the Zambia Revenue Authority (ZRA), which claimed to have released regulations on the relief period, waiver eligibility requirements, and other related topics. Additionally, a number of regulation relaxation initiatives for the banking industry had been announced by Zambia's central bank, the Bank of Zambia. These methods of relief were meant to persuade banks to offer their small business clients financial aid (BOZ, 2020).

On who provided assistance, financial institutions (42.1%) played a significant role in providing support to SMEs. This implied that SMEs were also seeking assistance from non-government sources. While the government was cited by 24.2% of participants as a source of assistance, the follow-up question reveals that 90.5% of participants did not receive any government support. This discrepancy indicated a gap in the government's relief efforts, with many SMEs feeling left out or

unaware of the assistance available to them. With on average 67.3% of participants, Rating poor the government's palliative measures on the scale of 1 - 5 rates (5 is the highest, 1 is the lowest). The low average rating (67.3%) of government palliative measures on a scale of 1 to 5, suggested a lack of satisfaction among SMEs with the support provided by the government. This highlighted a need for a more effective and responsive government response.

Despite of the Bank of Zambia report indicating that, in response to the pandemic's crippling effects, the government approved a K8 billion kwacha (\$439 million) economic stimulus program financed by a COVID19 bond in order to mitigate the pandemic's impact on SMEs. The government also declared that tax penalties and interest on existing tax liabilities caused by COVID-19 were to be waived (BOZ, 2020).

The majority of respondents to a survey on the relief the government provided SMEs to help mitigate the impact of the pandemic suggested that they did not get a stimulus package from the government. Additionally, it was discovered through in-depth interviews that several SMEs claimed that despite the government's availability of such an intervention, they were not eligible for the package since they did not meet the criteria for recipients. As a result, the majority of them shut down their businesses, which had negatively impacted their ability to make a living.

This suggested that if appropriate distributional mechanisms were put in place, support from the government would have aided SMEs in navigating the impact of Covid-19 on their enterprises. However, in contrast, according to the Bank of Zambia report, the government announced a waiver of the tax fines and interest on unpaid tax bills as a result of COVID-19. The Zambia Revenue Authority (ZRA) also published instructions on the duration of the exemption, the requirements for eligibility for a waiver, and other relevant modalities. This was done in an effort to aid SMEs in surviving the Covid-19 Outbreak.

Additionally, the Bank of Zambia, the nation's central bank, proposed a number of regulatory relief measures for the banking industry with the goal of releasing financial liquidity into the market through, among other things, lower lending rates. These methods of relief were meant to motivate banks to help their SME borrowers financially in return (BOZ, 2020).

5.5 Coping Strategies for the Financial Performance of SMEs Business

On the coping strategies for the financial performance of SMEs business. The statistical information revealed that majority of participants 78.9% indicated 'No' to the question as to whether they can cope with their income and savings. While only 21.2% of the participants stated that they can cope based on their savings and income. A smaller proportion of the participants, around 21.2%, indicated that they can cope based on their savings and income. This group believed that their current financial resources were adequate to cover their expenses and meet their financial obligations.

With 78.9% having indicated that they could not cope with their income and savings, simply illustrated that their resources were not adequate to help them navigate the issues their businesses were facing due to the COVID-19 pandemic. This suggested that a significant portion of the respondents were facing financial challenges and did not believe their existing income and savings were sufficient to meet their financial needs. A lack of accessibility to enough capital to help their business cope during the pandemic was a major issue.

These findings are in line with the study Amin et al., (2020), undertook in India to analyze the pandemic's short- and long-term effects on SMEs access to capital. According to the findings, access to operating capital was by far the most mentioned requirement (71 percent) for firms to thrive and offset the crisis's negative consequences. When compared to individuals who regarded their firm as an entrepreneurial venture, those who saw it as an income source were more likely to cite working capital as the key limitation (77 percent).

The data from the study also revealed that, out of 95 participants, who made up 100 %, 28.4 % indicated that they would consider selling assets as a coping strategy if the lockdown were extended. This suggested a willingness to liquidate assets to generate funds to sustain their businesses during extended restrictions. This strategy signified the extent to which business owners were ready to make substantial sacrifices to generate funds. It is indicative of a pragmatic approach to problem-solving and a commitment to financial survival. Selling assets provided an immediate cash infusion, which can be used to cover essential expenses, such as payroll and rent. It offered financial breathing room during periods of reduced revenue, allowing SMEs to weather the storm without depleting their working capital.

While 26.3 % participants expressed their intent to obtain a bank loan as a coping strategy. Seeking external financing through loans could provide a source of capital to cover operational expenses or invest in business resilience. This approach demonstrated a proactive stance in accessing external financial support during challenging times. It reflected the recognition among SMEs of the importance of capital infusion for sustaining their operations and weathering economic uncertainties. Bank loans provide access to additional capital, enabling SMEs to continue their operations and invest in growth opportunities. They serve as a bridge during downturns, helping SMEs maintain their liquidity and meet their financial obligations.

A significant portion, 18.9%, mentioned that they would rely on borrowing from friends as a coping strategy. This indicated the importance of personal networks and social capital in supporting SMEs during challenging times. This strategy further underscored the significance of social networks and mutual support among SME owners. It highlighted the importance of community relationships in times of financial need and the capacity of these networks to provide essential support in times of crisis. Borrowing from friends often comes with more flexible terms and lower interest rates compared to traditional loans, reducing the financial burden on SMEs. It fosters a sense of community and support, reinforcing social connections that can be valuable during tough times.

About 17.9% of participants planned to cope with an extended lockdown by purchasing goods and services on credit as a strategy to manage their cash flow. This approach helps manage cash flow and maintain necessary inventory without immediate cash outflows. This strategy allowed SMEs to continue their operations without immediate cash expenditures. It showcased financial adaptability and a commitment to maintaining business continuity in challenging economic conditions. Purchasing on credit allowed SMEs to manage their cash flow effectively by delaying immediate payments, which is especially valuable when revenue is uncertain, it ensured that essential goods and services could be obtained without straining the immediate cash reserves.

The remaining 8.4% of participants explored "other options" as their coping strategy. The specific strategies falling under this category were not detailed in the data, but they could encompass a range of creative or less common measures to navigate extended lockdowns. While the specifics of these options may vary, this category signified a degree of flexibility and adaptability among some SME owners. It suggested that they were willing to think outside the box and explore

unconventional solutions to financial challenges. These creative approaches can lead to unique solutions that help businesses stay afloat.

The findings are consistent with the study done by Amin, et al., (2020), who discovered that 73 percent of participants said they had been unable to raise financing to help their firms manage the crisis. A considerable number of participants (61%) had already gone into their own funds for more funding, followed by another 36% who had sought a loan from family and friends. Moneylenders come in third place (13%) and were followed by banks (7 percent).

Furthermore, According to FSD (2020), a majority (74 percent) of SMEs businesses had cut production or services to cope with lower revenues. Younger merchants (77%) were more likely than those aged 31 or older to have to reduce their output or services (64 percent). Only 25% of participants in the entire sample believed that business revenue was sufficient to maintain their desired level of output or service. Access to competent professionals and computer literacy abilities were the least necessary requirements, according to participants.

5.6. Implications of Findings

From the aforementioned, it is clear that SMEs have grown to be an essential source of funding in the efforts of African countries like Zambia to fight poverty and attain long-term economic growth. If the government did not create a plan for addressing how the COVID-19 pandemic was affecting the performance of SMEs, the following outcomes could occur:

Many governments had placed their entire nation or at least certain parts of it under lockdown in attempt to stop the virus from spreading. The lockdown had negatively impacted business and economic activity and reduced the amount of personnel, goods, and transportation that were available. The flow of goods and services, which is the foundation of the economy and on which SMEs rely for their daily operations, had also been interrupted as a result of the government's pronouncement of a lockdown, mobility limitations, market closures, and social distance.

The fact that 66.3% of businesses were in operation since March 2020 indicated that many SMEs were relatively new when the pandemic began. The ability of these new businesses to adapt to and withstand the challenges posed by the lockdown reflected their resilience and adaptability. The high percentage (94.7%) of participants who experienced a partial lockdown underscored that most

SMEs faced some level of disruption. This was important to consider when assessing the overall impact of lockdown measures.

The data showed that more than half of participants (52.6%) claimed they had complied with stay-at-home rules, indicating a sense of social responsibility among SMEs. This highlighted the importance of public health measures during a crisis. The fact that 46.3% of participants experienced a decrease in customers or orders, albeit not significantly, suggested that customer behavior was affected during the pandemic. This could have been due to factors like reduced consumer spending, shifts in demand, or changes in buying preferences. A significant portion (43.2%) of participants reported being strongly affected by the lockdown. This group likely faced more severe disruptions in their operations, which may have long-lasting consequences.

The data also showed that a large majority of businesses (68.4%) were greatly impacted by the pandemic. This highlighted that the pandemic had a substantial and far-reaching effect on the business community. This could have included various adverse effects such as reduced revenue, operational difficulties, and changes in consumer behavior. On the other hand, 31.6% of participants reported a "little" impact. While this was a minority, it is worth noting that not all businesses were equally affected. Some may have been better equipped to adapt to the changing circumstances, had products or services that were in demand during the pandemic, or operated in regions less affected by the virus.

Rent, loan repayments, and staff wages were identified as the primary financial problems. This implied that businesses were struggling to meet their financial obligations, and the allocation of resources to these areas was a challenge. The substantial percentage of businesses reporting a significant reduction in revenues, such as 40% (42.1%), demonstrated the financial strain and decline in profitability experienced by many. This could have led to cash flow issues and difficulty in sustaining operations.

The data also revealed a significant level of uncertainty among businesses regarding their recovery timeline. A substantial portion (42%) were unsure when they would recover. This uncertainty can hinder planning and investment decisions. The data underscored the need for businesses to adapt and seek financial assistance or relief measures. Many businesses may require support in managing rent and loan obligations to avoid closures and layoffs.

The data showed a wide range of impacts, indicating that some businesses were more resilient than others. The extent of impact and recovery prospects vary, and understanding these differences is crucial for policymakers and business owners. Policymakers can use this data to design targeted economic policies, such as rent relief, loan restructuring, and support for wages, to aid businesses that are struggling. Additionally, measures to improve business continuity planning and resilience could be implemented. For individual businesses, this data can inform strategic decisions, such as cost management, diversifying revenue streams, and financial planning to navigate crises effectively.

The COVID-19 pandemic would continue to have a detrimental impact on SMEs' financial stability, liquidity, and ability to conduct business as a result of the decline in revenues brought on by a lack of customer interaction with the businesses. SME revenues had decreased as a result of the loss of customer interactions with their businesses, and they faced the possibility of going out of business. In addition, declining sales had hampered the survival of SMEs and their productivity; as a result, some businesses chose to reduce their workforce in order to survive.

Unemployed people, their families, and their communities had a reduced quality of life while they were unemployed for long periods. The more time away from work, the more money was lost. Due to lack of earnings, a person's family income decreases while they are unemployed, and this loss of money (which grows as the length of the unemployment period increases) can have an impact on the person and their household. The amount and quality of products and services which the person's family can purchase may decrease as a result of the income loss.

Furthermore, because social networks characterized by work interaction might decay when work contact ends or because being unemployed becomes more and more stigmatizing the longer a person is without a job, social capital may decline as unemployment duration increases. Additionally, the strain of being unemployed can have an impact on a person's physical and mental health, family relationships, and children's wellbeing. If a large number of employees in a given region remain unemployed for an extended period of time, their communities may suffer as a result of a rise in the need for public services and a decline in the revenue base that supports those services. Also, areas having a larger percentage of long-term unemployed people also have more crime and violence on the whole.

According to research findings, a greater proportion of SMEs in Ng'ombe Township had not received the critical financial support from the government in order to help minimize the impact of COVID-19 on business performance. The fact that 90.5% of participants did not receive government assistance indicated a significant awareness gap. Policymakers should consider improving the dissemination of information about available relief programs to ensure that eligible SMEs can access these resources.

The failure of SMEs to take advantage of stimulus measures to improve their financial performance had contributed to their closure. For the impacted SMEs, the cost of living had increased, and poverty may have been the final outcome. Additionally, this becomes the simplest way to enter the poverty vicious cycle with tangled ways out.

Governments and policymakers should therefore create regulations to increase the number of stimulus packages for SMEs that include lending options, consulting services, and training. Governments should also encourage NGOs to offer SMEs various forms of support, such as consultations, training, advice, and guidance, as well as psychological support, to help them deal with the challenges brought on by COVID-19. Governments must encourage finance providers to implement more flexible policies when funding SMEs, such as low-interest loans and taking the enterprise's financial status into account for loan installments, given how negatively the COVID-19 crisis had impacted SMEs' financial position.

The low average rating (67.3%) for the government's palliative measures implied dissatisfaction among SMEs. Policymakers should pay close attention to this sentiment and seek to improve the design, accessibility, and impact of government relief programs. The data raised questions about the efficiency and reach of government support programs. Policymakers need to examine the application process, eligibility criteria, and bureaucracy to identify and eliminate potential bottlenecks that might have been preventing SMEs from accessing the assistance they need.

Different SMEs may require different forms of support. Policymakers should consider tailoring assistance to the specific needs of various types of businesses, as one-size-fits-all solutions may not be effective. Policymakers should also consider the long-term economic impact of the pandemic on SMEs. Assess whether the assistance received during the pandemic contributed to the sustainability and growth of these businesses in the post-pandemic period. The data indicated

potential disparities in the distribution of relief. Policymakers should ensure that relief efforts are equitable and reach marginalized or underserved SMEs to prevent exacerbating existing economic inequalities.

The data also highlighted the resilience and adaptability of SMEs, with many seeking solutions beyond government support. This indicated the importance of fostering a robust and innovative private sector. The coping strategies employed by SMEs during the COVID-19 pandemic reflect a dynamic and resourceful response to economic challenges. These strategies showcased the adaptability and determination of SME owners as they navigated uncharted territory.

These coping strategies helped SMEs in various ways, including providing immediate financial relief, access to essential capital, maintaining community support, effective cash flow management, and fostering innovation and resource optimization. They had been instrumental in assisting SMEs in managing their financial challenges, maintaining business continuity, and building resilience in the face of economic uncertainties. As the pandemic continued to evolve, collaboration and targeted support were instrumental in helping SMEs recover and thrive in a post-pandemic world. Policymakers can use this data to inform future crisis response strategies. It provided insights into where governments can improve their responses to economic crises and support SMEs more effectively.

The data also showed that a significant majority of participants in the survey (78.9%) indicated that they could not cope with their income and savings during a lockdown. This suggested a concerning financial strain on a large portion of the respondents. On the other hand, a smaller portion (21.2%) felt that they could cope based on their savings and income. A substantial percentage (28.4%) of participants said they would sell assets to raise funds. This implied that people were willing to liquidate valuable possessions to meet their financial needs, which could have had long-term consequences on their financial stability.

A significant number (26.3%) would consider obtaining a bank loan. This indicated that a portion of respondents might have been willing to take on debt to manage their financial situation, potentially incurring interest expenses. A notable percentage (18.9%) mentioned they would borrow from friends. This implied that social networks and personal relationships play a role in financial coping strategies.

Some respondents (17.9%) opted to buy goods and services on credit. This indicated that credit facilities were being utilized, which might have led to future financial obligations. The 8.4% who selected "other "options" could involve various strategies, and it's essential to further explore what these options were to understand the full scope of coping mechanisms. Regarding the overall perception of SMEs' ability to cope financially with an extended lockdown, 64.2% of participants expressed doubt. This suggested a high level of concern about the financial health and resilience of these businesses in the face of prolonged restrictions.

5.7. Chapter Summary

This study's primary goal was to evaluate the impact of COVID-19 pandemic on the performance of SMEs in Ng'ombe Township, Lusaka. Creating clear objectives was important in order to achieve this goal.

Small and medium-sized businesses were the subject of the study. In Zambia, the government put social segregation laws and lockdowns into place as containment measures for COVID-19. This study demonstrated how lockdown policies affected SMEs' income, showing that they had a significant negative impact.

Businesses, particularly those in the sales, production, and services sectors, experienced decreased sales when there were partial lockdowns. Small and medium-sized businesses had a bigger decline in commercial activity than did medium-sized and large-scale organizations, according to the report. The study concluded that the Lockdown rules had a detrimental impact on SMEs performance in Ng'ombe Township as supported by additional evidence.

Regarding the impact of COVID-19 on SMEs' financial performance, the results showed that most of the participating businesses had been severely damaged and are currently dealing with a number of issues, including financial, supply chain interruptions, a decline in demand, lost sales, and decreased earnings, among others. Covid-19 had a substantial and diverse impact on businesses, causing financial strain and uncertainty. It highlighted the need for both government support and strategic adaptation to help businesses recover and build resilience against future challenges. The specific implications will vary by industry, region, and the unique circumstances of each business, but this data provided a valuable starting point for understanding the broader economic implications of the pandemic.

The majority of respondents to a survey on the relief the government provided SMEs to help mitigate the impact of the pandemic suggested that they did not receive a stimulus package from the government. This was in relation to the relief governments provided to assist SMEs in order to mitigate the impact of the pandemic.

Additionally, it was learned qualitatively through in-depth interviews that numerous SMEs asserted they were not qualified for the package despite the government offering such an intervention since they did not meet the requirements for recipients. The bulk of them thus closed down their firms, which had adversely affected their capacity to earn a living. This showed that support from the government might have helped SMEs navigate the impact of Covid-19 on their businesses if proper distributional mechanisms were put in place. The implications of this data emphasized the need for more effective and accessible government support for SMEs during times of crisis. Policymakers should use this information to refine their strategies, improve communication, and ensure that SMEs receive the assistance necessary to weather economic challenges and contribute to overall economic recovery.

Regarding coping mechanisms for SMEs' financial performance. One of the biggest problems was that they could not easily get enough finance to keep their firm operating during the pandemic. From the forgoing findings, the following outcomes could happen if the government did not develop a strategy for addressing how the COVID-19 pandemic was harming the performance of SMEs. Due to the fall in revenues brought on by a reduction in consumer connection with the enterprises, the COVID-19 pandemic would continue to have a negative impact on SMEs' financial stability, liquidity, and capacity to operate.

The cost of living had gone up and would continue to go up for the affected SMEs, and destitution can be the end result. This also becomes the simplest method to get caught in a poverty cycle with complicated escape routes. The implications of these findings emphasized the critical need for targeted financial support, adaptability, and effective financial planning to help SMEs navigate the challenges posed by the COVID-19 pandemic and potential future disruptions. Policymakers and business owners should collaborate to address these challenges and promote economic recovery.

The findings also indicated a diversity of coping strategies considered by SME owners in anticipation of an extended lockdown. It is important to note that the effectiveness of these

strategies may vary based on individual circumstances, the nature of the business, and the prevailing economic conditions. SMEs often rely on a combination of strategies to adapt to challenging situations and sustain their operations.

In conclusion, given how badly the COVID-19 crisis had damaged SMEs financial condition, governments must encourage finance providers to implement more flexible policies when funding SMEs, such as low-interest loans and taking the enterprise's financial status into account for loan installments.

CHAPTER 6
SUMMARY OF FINDINGS,
CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter summarized the outcomes of previous discussions conducted in the course of this study. With a primary focus on evaluating the impact of the COVID-19 pandemic on SMEs in Lusaka, particularly in Ng'ombe Township. The study aimed to provide a comprehensive evaluation. It presents a concise overview of the findings, conclusions, and evidence-based policy recommendations derived from the analyzed data.

6.1. Summary of Findings

The summary of findings section provided a comprehensive overview of the key insights gleaned from the research conducted on the impact of the Covid-19 pandemic on SMEs in Ng'ombe Township, Lusaka. This section synthesized the data collected, analyses conducted, and conclusions drawn to offer a nuanced understanding of the challenges faced by SMEs and the implications for both businesses and society.

Throughout the research process, data was gathered through surveys, interviews, and field observations, allowing for a multifaceted exploration of the various dimensions of the pandemic's impact on SMEs. The findings presented herein encapsulated the voices and experiences of SME owners, employees, and other stakeholders, shedding light on the diverse array of challenges and opportunities encountered in navigating the unprecedented disruptions brought about by Covid-19.

By distilling the research findings into this summary, the researcher aimed to provide policymakers, industry stakeholders, and the broader community with actionable insights and evidence-based recommendations for supporting SME resilience and fostering sustainable recovery in Ng'ombe Township, Lusaka, and beyond. Through a holistic understanding of the challenges and opportunities facing SMEs, we can collectively work towards building a more resilient and inclusive economy in the wake of the pandemic.

6.1.1. Impact of the Lockdown on SMEs Business Performance

Based on the research data, the research findings suggested a significant impact of the lockdown on SMEs' performance. Here is a summary:

- Sixty-six-point three percent (66.3%) of participants reported that their businesses had been in operation since March 2020. Fifty-three-point seven percent (53.7%) of respondents indicated that there was a lockdown in the area where their SME operates. However, 94.7% of participants experienced only a partial lockdown. Despite the partial nature of the lockdown, 90.5% of respondents reported being affected by it, with 43.2% strongly affected. Forty-six-point three percent (46.3%) of participants noted a decrease in the number of customers or orders, though not significantly. Interestingly, 52.6% of participants claimed to have complied with the stay-at-home rule for COVID-19 prevention. In summary, the research findings indicated that a majority (54%) of SMEs were affected by the lockdown, while 46% reported not being affected. This suggested a widespread impact of the lockdown measures on SMEs' operations and performance.

6.1.2. Impact of Covid-19 on Financial Performance of SMEs Businesses

Based on the collected research data, the research findings could be summarized as follows:

- Sixty-eight-point four percent (68.4%) of participants reported that their businesses were greatly impacted by Covid-19, while 31.6% indicated a lesser extent of impact. Regarding financial problems faced by participants, the majority (44.2%) identified rent as a significant concern, followed by loan repayment (25.3%), staff wages and social security charges (16.8%), and repayment of invoices (7.4%). A smaller percentage mentioned other expenses (5.3%), while 1.1% claimed no specific financial problem.
- In terms of revenue reduction, 42.1% of participants experienced a 40% reduction, followed by 18.9% with a 50% reduction, and 17.9% with a 10% reduction. Smaller percentages reported reductions of 30%, 70%, and 80%. Regarding business recovery, 42% of participants were unsure about the time required for recovery. Among those who provided estimates, 31% believed it would take 3 months, while 27% anticipated recovery within 1 to 3 months.

In summary, the research findings highlighted the significant impact of Covid-19 on businesses, particularly in terms of financial challenges and revenue reduction. There was uncertainty among participants regarding the timeline for business recovery, with a notable percentage expecting recovery within 1 to 3 months.

6.1.3. Relief Provided by Governments to Assist SMEs in Order to Mitigate the Impact of the Pandemic

Based on the survey data, the research findings regarding government relief assistance for SMEs during the pandemic could be summarized as follows:

- Sixty-six-point three percent (66.3%) of participants claimed that their businesses received assistance for Covid-19. The specific assistance received by participants primarily consisted of loan facilities from financial institutions, with 57.9% indicating this form of support. When asked about the entities providing assistance, 42.1% of respondents mentioned multiple institutions, with financial institutions being the most common. The government was cited by 24.2% of participants.
- However, despite the acknowledgment of assistance, a significant proportion of participants (90.5%) reported not receiving any support from the government to mitigate the impact of Covid-19. Furthermore, the government's palliative measures were generally rated poorly by participants, with an average rating of 67.3% on a scale of 1 to 5 (5 being the highest and 1 being the lowest).

In summary, while a majority of SMEs received assistance for Covid-19, most did not receive support from the government. Additionally, the government's relief measures were perceived negatively by participants, indicating room for improvement in government support for mitigating the impact of the pandemic on SMEs.

6.1.4. Coping Strategies for the Financial Performance of SMEs Business

According to the provided statistical information from research data, the research findings could be summarized as follows:

- Seventy-eight-point nine percent (78.9%) of participants reported that they could not cope with their income and savings to sustain themselves. Only 21.2% of participants stated that

they could cope based on their savings and income. Among the participants, if the lockdown were to be extended, coping strategies varied:

- Twenty-eight-point four percent (28.4%) indicated they would sell assets to raise funds, while 26.3% planned to obtain a bank loan. Eighteen-point nine percent (18.9%) mentioned borrowing as a coping strategy. Regarding SMEs' ability to cope financially if the lockdown were extended, 64.2% of participants indicated they could not cope financially. Thirty-five-point eight percent (35.8%) of participants expressed confidence in their ability to cope financially.

In summary, the majority of participants reported being unable to cope financially with their income and savings. In the event of an extended lockdown, selling assets, obtaining bank loans, and borrowing were identified as coping strategies. Additionally, a significant portion of SMEs expressed concerns about their ability to cope financially if the lockdown were to be extended.

6.2 Conclusions

The Covid-19 pandemic had reverberated across various sectors globally, with significant repercussions observed in Zambia's food and service industries. While the health sector had been notably affected worldwide, the impact of Covid-19 on other sectors could not be overlooked. In Zambia, the imposition of partial lockdown measures at the onset of the pandemic resulted in the closure of numerous businesses, particularly those in the food and service sectors. This research examined the impact of Covid-19 on SMEs in Ng'ombe Township, Lusaka, focusing on three objectives: assessing the repercussions of lockdown measures, analyzing the financial implications, and evaluating government relief and coping strategies.

This study delved into the ramifications of Covid-19 and the partial lockdown on SMEs operating in Ng'ombe Township, Lusaka, within these industries. Specifically, the study examined how these measures had impacted the monthly revenue of SMEs, thereby affecting their day-to-day operations and the overall societal standard of living. The restricted access to business spaces and the escalation of input costs further compounded the challenges faced by SMEs, limiting their capacity to sustain employee wages. Against this backdrop, this research aimed to comprehensively explore the impact of Covid-19 on SMEs in Ng'ombe Township, Lusaka, shedding light on the broader implications for both businesses and society. This conclusion

synthesized the findings of the study, offering insights into strategies for supporting SMEs and fostering resilience in the face of ongoing challenges.

6.2.1. Impact of Covid-19 Lockdown Measures on SMEs in Ng'ombe, Lusaka:

The research meticulously examined the impact of Covid-19 lockdown measures on SMEs in Ng'ombe, Lusaka, employing a multifaceted approach to data collection and analysis. Through comprehensive surveys and interviews with SME owners and managers, the study delved into various aspects of business performance, including revenue, customer orders, supply chain disruptions, and operational challenges.

The findings revealed a complex web of adverse effects stemming from the lockdown, with SMEs grappling with significant revenue losses, dwindling customer bases, and logistical hurdles. Moreover, qualitative insights shed light on the nuanced ways in which SMEs adapted their operations to cope with the unprecedented challenges posed by the pandemic-induced lockdown. By meticulously documenting these impacts, the research provided a comprehensive understanding of the profound disruptions experienced by SMEs in Ng'ombe, Lusaka, and the resilience demonstrated in the face of adversity.

6.2.2. Impact of COVID-19 on Financial Performance of SMEs:

The study rigorously analyzed the financial performance of SMEs in Ng'ombe, Lusaka, in the wake of the Covid-19 pandemic, employing both quantitative and qualitative methodologies to elucidate the multifaceted nature of economic challenges. By examining key financial indicators such as income, savings, expenses, and liquidity, the research provided a detailed portrait of the financial strain experienced by SMEs. Through in-depth interviews and surveys, SME owners and managers shared candid insights into the intricacies of managing finances amidst the pandemic, highlighting the daunting task of balancing operational costs, debt obligations, and revenue generation in an uncertain economic landscape.

Additionally, the identification of common coping strategies, such as cost-cutting measures, financial restructuring, and seeking external financing, underscored the resourcefulness and adaptability of SMEs in navigating financial hardships. Through meticulous analysis and

interpretation of financial data, the research illuminated the profound impact of Covid-19 on the financial health and sustainability of SMEs in Ng'ombe, Lusaka.

6.2.3. Government Relief and Coping Strategies of SMEs:

The research conducted a comprehensive assessment of government relief efforts and coping strategies employed by SMEs to mitigate the impact of the pandemic in Ng'ombe, Lusaka, shedding light on the effectiveness of interventions and the resilience of the business community. Through surveys, interviews, and documentary analysis, the study examined the extent and efficacy of government support programs, including financial assistance, tax relief measures, and business advisory services.

Findings revealed a mixed picture, with some SMEs benefiting from government relief initiatives while others faced challenges accessing support or found the assistance inadequate to address their needs. Moreover, the research identified a diverse range of coping strategies adopted by SMEs, ranging from financial restructuring and diversification of revenue streams to innovation and collaboration with other businesses. By documenting these coping mechanisms and assessing their effectiveness, the research provided valuable insights into the adaptive capacity of SMEs and the role of government policy in facilitating resilience and recovery. Through detailed analysis and synthesis of data, the study contributed to a nuanced understanding of the dynamics of government intervention and entrepreneurial response in times of crisis.

Furthermore, while some SMEs chose to apply for a loan and provide online services, others increased adherence to health regulations, cut back on working hours, and minimize investment to lessen the impact of COVID-19. The majority of SMEs had not used or even been aware of the government stimulus package, but some did. Even though they had benefited from the government package, several SMEs nevertheless faced difficulties as a result of the partial shutdown, and only a small percentage of SMEs saw a rise in business.

However, the vast majority of SMEs were unable to obtain financing and government assistance because neither they nor those who were aware of its availability knew how to access it or how to meet the conditions for applications. These results can lead to the conclusion that the government stimulus package's information was not readily available. This could be one of the factors influencing the low applicant and beneficiary numbers.

In addition, the data painted a nuanced and dynamic picture of SMEs facing unprecedented economic challenges during the COVID-19 pandemic. While the road ahead was challenging, the data showcased the resilience, adaptability, and resourcefulness of SMEs. Policymakers, financial institutions, and business owners must collaborate to provide the necessary support and resources, allowing SMEs to navigate these turbulent times effectively. The success of the SME sector is essential for economic recovery and growth, and by taking targeted actions, we can work together to ensure a brighter future for these businesses.

In conclusion, the research achieved its objectives by providing a comprehensive and detailed analysis of the impact of Covid-19 on SMEs in Ng'ombe Township, Lusaka, and the effectiveness of government relief efforts. Through meticulous data collection, analysis, and interpretation, the study generated valuable insights into the challenges faced by SMEs, the resilience demonstrated in response to adversity, and the role of government policy in supporting business recovery and sustainability.

6.3 Recommendations

The recommendations section presented a set of actionable strategies and interventions aimed at supporting SMEs in Ng'ombe Township, Lusaka, amidst the challenges posed by the Covid-19 pandemic. Drawing upon the findings and insights garnered from the research, these recommendations offered a roadmap for policymakers, industry stakeholders, and support organizations to foster resilience, promote recovery, and sustainably rebuild the SME sector.

As the pandemic continued to exert profound economic repercussions, SMEs were confronted with unprecedented challenges ranging from disrupted supply chains and reduced consumer demand to financial constraints and operational hurdles. In light of these challenges, it was imperative to devise targeted interventions that address the unique needs and vulnerabilities of SMEs while harnessing opportunities for innovation, adaptation, and growth.

The recommendations presented herein were informed by a comprehensive analysis of the socio-economic landscape, coupled with consultations with SME owners, industry experts, and policymakers. They were designed to address key areas of concern, including access to finance, digitalization, capacity building, market access, policy advocacy, and social support, among others.

By implementing these recommendations, stakeholders could contribute to the resilience and sustainability of SMEs, safeguarding livelihoods, fostering inclusive growth, and revitalizing local economies. Through collaborative efforts and strategic investments, we could navigate the challenges posed by the pandemic and emerge stronger, more resilient, and better equipped to navigate future uncertainties.

The following recommendations offered a blueprint for action, signaling a collective commitment to supporting SMEs and building a more vibrant, resilient, and inclusive economic landscape in Ng'ombe, Lusaka, and beyond. The following recommendations were made:

6.3.1. Recommendations for policy markers

These recommendations aimed to provide policy makers with actionable strategies to support SMEs in Ng'ombe, Lusaka, and foster their resilience and recovery in the face of the challenges posed by the Covid-19 pandemic.

- **Enhance Access to Financial Support:** Policy makers should prioritize measures aimed at improving access to financial support for SMEs in Ng'ombe, Lusaka. This can include the provision of low-interest loans, grants, and financial assistance programs tailored to the specific needs of SMEs impacted by the pandemic. Additionally, streamlining the application process for financial support and reducing bureaucratic hurdles can facilitate quicker disbursement of funds to eligible businesses.
- **Implement Targeted Training and Capacity Building Programs:** Policy makers should invest in targeted training and capacity building programs to equip SME owners and entrepreneurs in Ng'ombe Township with the necessary skills and knowledge to adapt to changing market dynamics and overcome challenges posed by the pandemic. Training initiatives can cover areas such as digital literacy, online marketing, financial management, and business resilience strategies.
- **Facilitate Access to Market Opportunities:** Efforts should be made to facilitate access to market opportunities for SMEs in Ng'ombe, particularly in the digital space. Policy makers can support initiatives that promote e-commerce platforms, online marketplaces, and digital marketing channels to help SMEs reach a wider customer base and diversify

their revenue streams. Additionally, fostering partnerships between SMEs and larger enterprises can create opportunities for collaboration and market expansion.

- **Strengthen Institutional Support:** Policy makers should strengthen institutional support structures for SMEs in Ng'ombe by enhancing coordination among government agencies, industry associations, and development partners. This can involve establishing dedicated SME support centers, helplines, and advisory services to provide timely guidance and assistance to entrepreneurs navigating the challenges of the pandemic.
- **Foster Innovation and Entrepreneurship:** Policy makers should foster a culture of innovation and entrepreneurship in Ng'ombe by creating an enabling environment for SMEs to thrive. This can include providing incentives for innovation, promoting research and development initiatives, and fostering collaboration between SMEs, research institutions, and academia. Additionally, supporting initiatives that promote entrepreneurship education and mentorship can empower aspiring entrepreneurs to launch and grow successful businesses.
- **Monitor and Evaluate Policy Interventions:** Policy makers should establish mechanisms to monitor and evaluate the effectiveness of policy interventions aimed at supporting SMEs in Ng'ombe Township. This can involve conducting regular assessments, surveys, and feedback mechanisms to gauge the impact of policy measures on SME performance, resilience, and sustainability. Based on the findings, policymakers can make necessary adjustments and refinements to ensure that interventions are responsive to the evolving needs of SMEs.
- **Improve Awareness and Accessibility:** Policy makers should implement comprehensive and easily accessible information campaigns to ensure that SMEs are aware of government assistance programs. This can include online resources, hotlines, and outreach through business associations.
- **Streamline Application Processes:** Simplify and streamline the application processes for government support programs. Minimize bureaucracy and paperwork to expedite the delivery of assistance to SMEs. Maintain open communication with businesses, providing clear information about support measures, eligibility criteria, and application processes.
- **Address Equity Concerns:** Ensure that relief efforts are equitable and reach underserved communities and minority-owned businesses. Implement measures to address economic

inequalities exacerbated by crises. Furthermore, Policy makers must recognize that the economic impact of a crisis can extend beyond the immediate recovery period. Develop support programs that offer long-term assistance for SMEs to rebuild and grow.

- **Advocate for the Development of Business Continuity Plans:** SMEs should prepare for future disruptions by assessing risks and having contingency plans in place. SMEs that have shown flexibility and creativity in their coping strategies should be encouraged to further build resilience by diversifying income streams, reducing costs, and optimizing their operations.

By implementing these recommendations, policymakers can play a pivotal role in supporting SMEs in Ng'ombe Township, Lusaka, and laying the groundwork for inclusive and sustainable economic growth in the post-pandemic era.

6.3.2. Recommendations for future research

These recommendations outline key areas for future research aimed at advancing our understanding of the impacts of the Covid-19 pandemic on SMEs and informing policy responses to support their resilience and recovery efforts.

- **Longitudinal Studies:** Future research should conduct longitudinal studies to track the long-term effects of the Covid-19 pandemic on SMEs in Ng'ombe, Lusaka. This approach will provide valuable insights into the recovery trajectory of businesses and the effectiveness of government interventions over time.
- **Sector-Specific Analysis:** There is a need to further explore the impact of Covid-19 on specific sectors within the food and service industries. Detailed analyses of sub-sectors such as restaurants, retail shops, and hospitality establishments can reveal differential effects and help tailor support measures accordingly.
- **Comparative Studies:** Comparative studies should be conducted to assess how SMEs in Ng'ombe Township, Lusaka, compare to SMEs in other regions or countries. This comparative analysis can offer insights into regional disparities in the pandemic impact and inform policy responses at both local and national levels.
- **Qualitative Research:** Future research should supplement quantitative data with qualitative research methods such as interviews and focus groups. This will provide a

deeper understanding of the experiences and perspectives of SME owners and employees, including coping strategies, challenges, and resilience factors.

- **Policy Evaluation:** There is a need to evaluate the effectiveness of government relief measures and policy interventions aimed at supporting SMEs during and after the pandemic. Assessing the reach, accessibility, and impact of support programs can identify areas for improvement and inform future policy initiatives.
- **Innovation and Adaptation:** Research should investigate innovative strategies and adaptive measures implemented by SMEs to survive and thrive in the face of adversity. Exploring the role of digitalization, e-commerce, and other technological advancements can provide insights into facilitating business continuity and resilience.
- **Community-Level Studies:** Future research should expand its scope to include community-level analyses, examining the broader socio-economic impacts of SME resilience and recovery efforts on local communities. This holistic approach can shed light on the interconnectedness of businesses and communities in navigating crises.
- **Policy Advocacy:** Researchers should advocate for policy changes and reforms based on research findings to better support SMEs in building resilience against future crises. Collaboration with policymakers, industry associations, and other stakeholders is essential to enact evidence-based policy recommendations.

By addressing these areas in future research endeavors, scholars and policymakers can deepen their understanding of the complex dynamics at play and develop targeted interventions to bolster SME resilience and foster sustainable economic recovery in Ng'ombe Township, Lusaka, and beyond.

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APPENDICES

APPENIDIX A



THE UNIVERSITY OF ZAMBIA

GRADUATE SCHOOL OF BUSINESS

QUESTIONNAIRE

Code Number.....

RESEARCH TOPIC: AN EVALUATION OF THE IMPACT OF COVID-19 PANDEMIC ON SMALL AND MEDIUM ENTERPRISES (SMEs) IN LUSAKA: A CASE STUDY OF NG'OMBE TOWNSHIP

Dear participant

I am a University of Zambia Master's student pursuing a Master's Degree in Entrepreneurship and Innovation Management. In Lusaka, I'm conducting research on the impact of Covid-19 on small and medium-sized businesses. You were purposefully chosen as one of the study's participants. Please rest assured that the information you provide in this questionnaire will only be used for research purposes and will be treated with the highest confidentiality. As a result, feel free to answer the questions.

INSTRUCTIONS

1. Please do not write your name on the questionnaire
2. Kindly tick (✓) in the box provided for the answer of your choice
3. Choose only one answer for each question
4. For the questions with spaces, kindly write your answers in the spaces provide

SECTION A: SOCIO-DEMOGRAPHIC DATA

1. Age

- a) Below 25
- b) 25-29
- c) 30-34
- d) 35-39
- e) Above 40

2. Gender

- a) Male
- b) Female

3. Marital Status

- a) Single
- b) Married
- c) Other

4. Types of Business

- a) Sole Proprietorship
- b) Partnership
- c) Limited Liability
- d) Co-operative

5. Number of Years in Business

- a) 0 -2 years
- b) 03-05 years
- c) 6 – 10 years
- d) 11 – above years

6. Level of Education
- a) Primary/Secondary school
 - b) Diploma
 - c) BSc
 - d) Masters/PhD
 - e) Others

7. Number of Employees
- a) 1 -5
 - b) 6 – 10
 - c) 11 – 15
 - d) 16 – 20
 - e) 21 – above

SECTION B: IMPACT OF THE LOCKDOWN ON SMEs BUSINESS PERROMANCE

1. Has your business been in operation since March 2020?
- a) Yes
 - b) No
2. Was there lockdown where you have your SME?
- a) Yes
 - b) No
3. If you answered yes to question 2, what type of lockdown was it, partial or full lockdown?

- 4 Has your business been forced to close or been heavily restricted due to Lockdown measures?
- 5 Has the Lockdown measures impacted your business?
- a) Yes
 - b) No
- 6 How have your business operations been affected by the Lockdown?
- a) Not affected

- b) Slightly affected
 - c) Moderately affected
 - d) Strongly affected
7. Did the number of customers/orders decrease or increase in 2020?
- a) Decreased but not significantly
 - b) Significantly decreased
 - c) Increased but not significantly
 - d) Significantly increased
 - e) Other
8. Was the stay-at-home order compliance?
- a) Yes
 - b) No

If you answered yes to question 8, was it partial or full compliance?

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SECTION C: THE IMPACT OF COVID-19 ON THE FINANCIAL PERFORMANCE OF SMEs BUSINESS

1. What extent has COVID-19 affected the operations of your business?
- a) Little extent
 - b) Great extent
2. Please choose the most significant financial problems for your company during the Covid-19 outbreak (up to two options)
- a) Staff wages and social security charges
 - b) Rent
 - c) Repayments of loans
 - d) Payments of invoices
 - e) Other expenses
 - f) No specific problem

3. How much do you estimate the impact as a result of Covid-19 on your revenue per month (percentage)?

- a) No reduction in revenues, business as usual
- b) 10% reduction in revenues
- c) 20% reduction in revenues
- d) 30% reduction in revenues
- e) 40% reduction in revenues
- f) 50% reduction in revenues
- g) 60% reduction in revenues
- h) 70% reduction in revenues
- i) 80% reduction in revenues
- j) 90% reduction in revenues
- k) Business has been closed completely
- l) Increase in revenues 10-50%
- m) Increase in revenues more than 50%

4. What is the expected time for the company's business recovery?

- a) 1 to 3 months
- b) More than 3 months
- c) Not sure

SECTION D: RELIEF PROVIDED BY GOVERNMENTS TO ASSIST SMEs IN ORDER TO MITIGATE THE IMPACT OF THE PANDEMIC

1. Has your business received any assistance for Covid- 19?

- a) Loan facility
- b) Cash grant
- c) Technical assistance
- d) Legal support
- e) Other

2. If other, explain what other assistance your business has received for Covid- 19

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3. Who provided the assistance?

a) Government

b) Local of International NGO

c) Donors

d) United Nations Organization

e) Financial Institution

f) Other

4. Are you aware of the relief provided by government to assist SMEs in order to mitigate the impact of Covid-19 on business performance?

a) Yes

b) No

5. Are you planning to apply or have you already applied for the relief offered by government to assist SMEs during the Covid-19 pandemic?

a) Yes

b) No

6. Have you received any support from the government to help your business to mitigate the impact of Covid-19?

a) Yes

b) No

7. In overall, can you rate the government's palliative measures on the scale of 1 - 5 rates (5 is the highest, 1 is the lowest)

- a) 1
- b) 2
- c) 3
- d) 4
- e) 5

SECTION E: COPING STRATEGIES FOR THE FINANCIAL PERFORMANCE OF SMEs BUSINESS

1 Can you cope with your income and savings?

- a) Yes
- b) No

2 What coping strategy will your company employ in case the lockdown is extended?

- a) Borrow from friends and family
- b) Obtain bank loans
- c) Buy goods and services on credit
- d) Sell assets to raise funds
- e) Others

3 If you answered others to question 2, care to explain the other coping strategies your company would employ in cases the lockdown is extended?

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4 Assuming the lockdown was extended beyond the initial timeline, are you sure your company can cope financially?

a) Yes, can cope financially

b) No, cannot cope financially

5. How have the coping strategies your business has employed due to Covid- 19 pandemic helped improve the financial performance of SMEs business?

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THE END

THANK YOU AND GOD BLESS YOU!

APPENDIX B

INTERVIEW SCHEDULE FOR SMEs

INTERVIEW QUESTIONS

1. What impact has COVID-19 lockdown measures had on the financial performance of your business?
2. How has COVID-19 impacted the financial performance of your business?
3. What level of relief has been provided to your business by the government to mitigate the impact of the pandemic?
4. What is your company's coping strategy for mitigating the impact of lockdown measures on financial performance of your business?
5. How can the coping strategies ameliorate financial performance of your business?

APPENDIX C

ACTIVITY	FEB-2022	MAR-2022	APR-2022	MAY- 2022	JUN-2022	JULY- 2022
Proposal writing						
Proposal presentation						
Data collection						
Data processing						
Dissertation writing						
Presentation dissertation						

APPENDIX D

ACTIVITY	COST IN KWACHA (ZMW)
TRANSPORT	1,500.00
LUNCH	2,300.00
STATIONARY	1,600.00
BINDING	690.00
MISCELLANEOUS	1,750.00
TOTAL	7,840.00

