

# Challenges of MSME in Manipur Post Covid-19: A Pilot Study

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**Abstract**— *The Covid-19 epidemic had affected every economic sector, but nowhere are they affected as severely as the MSMEs in India. MSMEs realise that they must develop and change over time in order to remain competitive. The purpose of this study is to determine the extent of challenges posed by MSMEs of Manipur after COVID-19 and to make recommendations for solutions to ensure their viability during these trying times. It also aids in understanding and identifying the numerous problems these enterprises are currently experiencing. The findings in this research have significant ramifications that will enable the economy to recover from its crisis. As a result, the research intends to present data that will evaluate the MSME in this period by outlining the challenges. It was found that the biggest challenges include market competition from larger corporations, product costs, poor infrastructure, and a lack of technical expertise. The overall level of challenges faced by the MSME of Manipur is also high. The challenges that the MSME faces are essentially the same for both male and female. Therefore, MSMEs in Manipur can strengthen their position in the global market by strong emphasis on increasing exports and creating domestic demand that is necessary for the MSMEs sector to quickly recover through advancements and innovation in technology, infrastructures and products.*

**Keywords**— *Covid-19, Challenges, MSMEs, Manipur.*

## I. INTRODUCTION

In India, the MSME sector serves as a breeding ground for inventors and entrepreneurs who greatly contribute to enhancing the business ecosystem. Any challenges of organizations must be evaluated in order to figure out whether the business will succeed or fail in achieving their goals. One of the most crucial sectors that are impacted by COVID-19 is MSME sectors and their businesses are among the most endangered (Dubey and Sahu, 2020, Sipahi 2020). There is no doubt that now the COVID pandemic disaster has worsened the state of the economy. However, this crisis might well be converted into a chance to revitalize the MSME sector, which has been experiencing chronic slowdown over the previous few years. The repercussions are numerous and extensive, including job loss, decreased revenue creation, decreased sales, and a decrease in working-class income (Hariharan et al., 2021). In this regard, it is believed that the threat of COVID-19 that we

currently feel also stresses out workers and impairs their productivity. It is impossible to overlook the importance of the MSMEs sector in expanding the Indian economy. There won't be much to look forward to for the economy unless we improve the MSME sector especially for rural development. The MSME sector has been brought to its knees by the COVID-19 lockout, which has stopped some of the businesses and dried off earnings. This study is essential for summarising the current situation and for providing information for upcoming investigations.

## II. OBJECTIVES OF THE STUDY

The prime focus of this study is to examine the challenges encountered by MSMEs in Manipur following the COVID-19 pandemic. It consists of the following objectives.

1. To assess gender implications in challenges faced by MSME in Manipur.

2. To measure the level of challenges encountered by MSME in Manipur post Covid-19.
3. To identify the critical challenges of MSME in Manipur post Covid-19.
4. To explore measures for revival and sustainability of MSME in Manipur.

### III. HYPOTHESIS OF THE STUDY

The hypothesis developed for the study is as follows:

- a. **H<sub>1</sub>**: There is a significant difference in challenges faced by MSME between male and female workers post Covid-19 in Manipur.

### IV. REVIEW OF LITERATURE

According to Meeravali Shaik, et al. (2017), the MSME sector has positively impacted employment and growth of assets, but it continues to encounter a number of difficulties, including a lack of timely credit, excessive credit costs, trouble obtaining raw materials, issues with storage and design, poor infrastructure, outdated technology, a lack of competent labour, etc. It recommends the government to implement comprehensive strategy with effective governance for the MSME in order to support the sector's growth and productivity. By utilising the enormous and still largely underutilised natural and human resource base present in the rural countryside, Sarabu (2019) stressed the importance of MSMEs' expansion in transforming our economy in rural regions. Most of the MSMEs rely on inherited traditional skills and widespread use of local resources, MSMEs have been crucial to the economic and social growth of India (Indrakumar, 2020). Because of their size, scope of operations, and other factors, MSMEs have experienced disruptions to their regular operations that have increased their stress levels, lack of funding, a cash crisis brought on by COVID-19, logistical problems, and their incapacity to deal with the fallout from such an unplanned calamity. As a result of the COVID-19 epidemic, the

MSMEs sector particularly are exposed, and this vulnerability is due in part to their size, scope of operations, lack of financial executive resources, and in particular their inability to cope with an unforeseen event (Sipahi, 2020). Also issues with the supply chain, the production process, and the unavailability of raw materials and labour, COVID-19 has a significant negative effect on the MSMEs sector and reduces revenue creation (Singh, 2020). Financial instability, a scarcity of raw materials, a lack of available labour, etc., these unusual situations led the businesses to either reduce their operations, or both or to change, as necessary, between non-essential and essential goods, such as masks, PPE kits, sanitizers, etc (Tripathy, 2020).

### V. RESEARCH METHODOLOGY

This study is exploratory in nature. It is based on both primary and secondary data. A closed ended questionnaire with 5-point Likert scale ranging from 1- Strongly Disagree to 5-Strongly Agree was used to measure the challenges faced by the MSMEs. Secondary data were collected from google scholar and government websites. Primary data were collected using simple random sampling technique from workers of MSMEs through structured questionnaires which contain 10 questions. A sample size of 238 from three districts viz. Thoubal, Kakching and Churachandpur was collected of which 230 respondents were considered for the study after data cleaning. For the purpose of measuring the level of challenges, scale based on the maximum and minimum score by converting the five scales into three group scales is used as Low, Moderate and High. For analysing data, statistical tools like Excel, Cronbach Alpha and Independent Sample T – Test were used to analyse the data using SPSS 23.0 version.

### VI. DATA ANALYSIS AND RESULTS

The descriptive statistics of the data collected are as given below:

Table 1: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	138	60.0	60.0	60.0
Female	92	40.0	40.0	100.0
Total	230	100.0	100.0	

Table 2: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 10-25 years	18	7.8	7.8	7.8
26-35 years	146	63.5	63.5	71.3
36-45 years	64	27.8	27.8	99.1
46 and above years	2	.9	.9	100.0
Total	230	100.0	100.0	

Table 3: Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 10 <sup>th</sup> -12 <sup>th</sup> standard	63	27.4	27.4	27.4
Bachelor	149	64.8	64.8	92.2
Diploma	3	1.3	1.3	93.5
Master	14	6.1	6.1	99.6
No formal Education	1	.4	.4	100.0
Total	230	100.0	100.0	

Table 4: Place of the Enterprises

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Thoubal	70	30.4	30.4	30.4
Kakching	68	29.6	29.6	60.0
Churachandpur	92	40.0	40.0	100.0
Total	230	100.0	100.0	

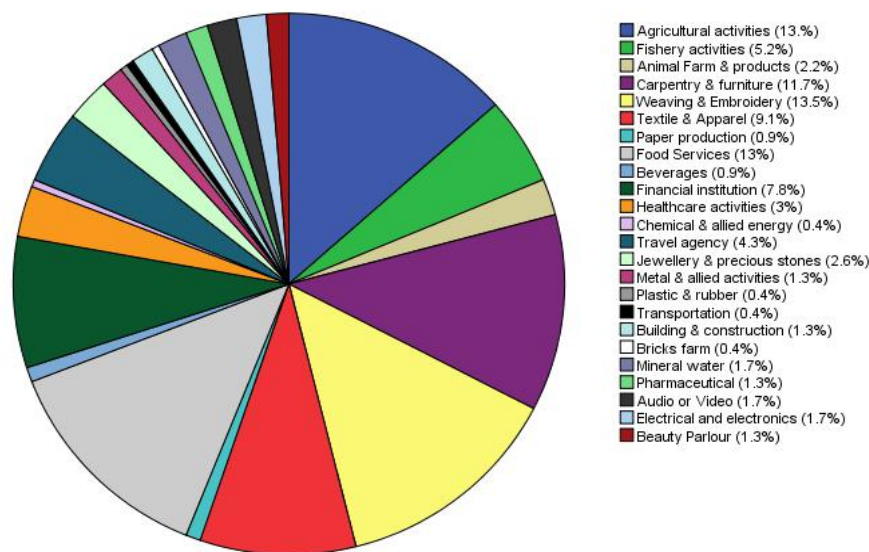


Fig. 1: Type of Enterprises

(Source: Authors)

Table 5: Statement of the Challenges

Statement	N	Mean	Std. Deviation
CC_1: Lack of raw materials and inadequate procurement.	230	3.66	1.101
CC_2: Financial resource is now more difficult to access.	230	3.88	.784
CC_3: Scarcity of trained and skilled workers.	230	3.73	.995
CC_4: Inadequate technological knowledge and operation.	230	4.04	.708
CC_5: Production costs are high.	230	4.08	.636
CC_6: Inadequate infrastructures for running business.	230	4.07	.680
CC_7: Lack of market access and low market demand.	230	3.73	1.125
CC_8: Market competition with larger corporations is tough.	230	4.08	.772
CC_9: Entrepreneurial ambitions, capacities, and know-how are lacking.	230	3.95	.740
CC_10: Lack of understanding about government schemes and programs.	230	3.69	1.035
Valid N (listwise)	230		

Table 6: Reliability Statistics

Cronbach's Alpha	N of Items
.798	10

The items used for the study is reliable as the value of the Cronbach's Alpha is 0.798.

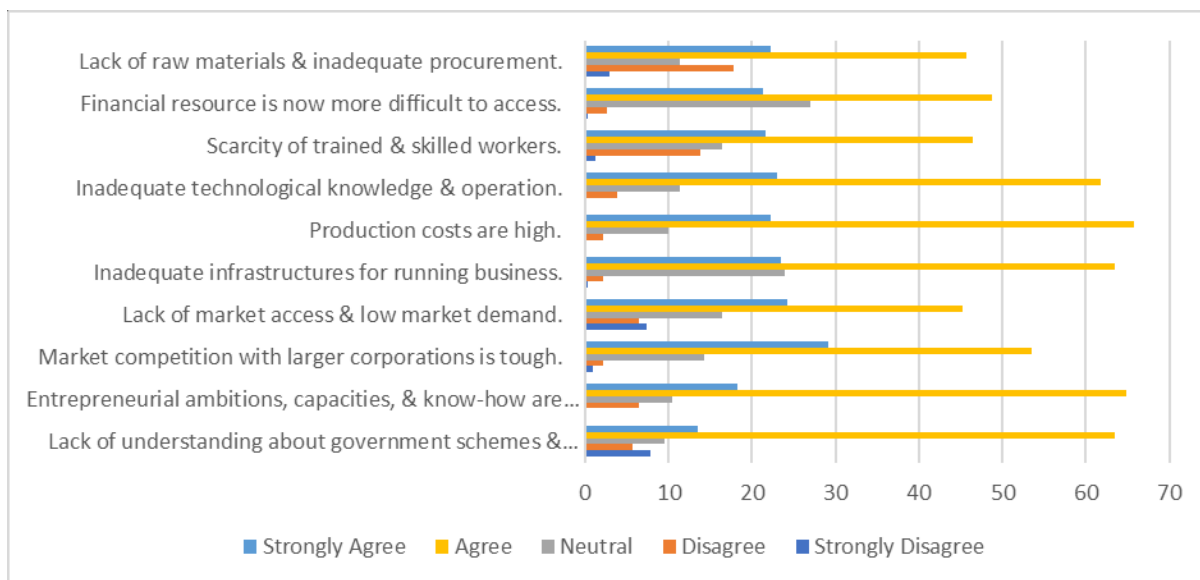


Fig. 2: Challenges of MSME in Manipur (in percent)

(Source: Authors)

From the above Fig. 2, most of the respondents agree that there are challenges faced by MSMEs in Manipur according to the statement as mentioned above. Market competition

with larger corporation, product costs, inadequate infrastructure and lack of technical knowledge were the biggest challenges among them (See Table 5 and Fig.2).

Table 7: Independent Samples T-Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
CHALLENGE S	Equal variances assumed	.093	.761	.634	228	.527	.446	.703	-.939	1.830
	Equal variances not assumed			.628	189	.531	.446	.709	-.953	1.845

Since, the p-value obtained is above 0.05, we accept the null hypotheses. Therefore, there is no significant difference in the challenges faced by the MSMEs in Manipur between male and female workers.

technology and strategies, MSMEs in Manipur can strengthen their position in the global market. A strong emphasis on increasing exports and creating domestic demand will be necessary for the MSMEs sector to quickly recover. The pandemic also presents a chance to reckon, reorganise, and revive business paradigms.

Table 8: Level of Challenges

Scale	Level
1.00 to 2.33	Low
2.34 to 3.67	Moderate
3.68 to 5.00	High

The obtained score for the level of challenges is 3.89 which falls in the high level of the scale. Therefore, the level of challenges faced by the MSMEs in Manipur is quite high.

**VII. CONCLUSIONS AND IMPLICATIONS**

Following an assessment of the challenges faced by MSMEs in Manipur, it was concluded that the biggest challenges include market competition from larger corporations, product costs, poor infrastructure, and a lack of technical expertise. The overall level of challenges faced by the MSME of Manipur is also quite high. Adoption of practicable policies, such as stable prices, should be made to facilitate marketing access and primarily e-market linkages in the existing market. Infrastructure should be also established to support technical advancement and diversification. Since it is challenging for MSMEs to thrive in this period of fierce competition, they should seize this chance to focus more on innovation and increase their working capital limits. Through advancements in

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**CONFLICT OF INTEREST**

The authors declare that there is no conflict of interest.

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