

The financial situation of small businesses near educational institutions during COVID-19 epidemic*

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Abstract—The COVID-19 epidemic damaged the economy of all sectors. Many people lead their livelihood doing some businesses around educational institutions. Small enterprises suffer a lot to handle their business. Many of them change their business policy. Some had brought the business to a shorter range. Some had laid-off workers. But in most cases, we found that more businessmen left their business. Our study is about how they lead their business in this epidemic situation. They are mainly middle-class population in our country and don't get help from organizations or Government. In this financial suffering situation, they have to maintain their family, children etc. In our paper, we tried to know their sufferings. We conducted our research study to take interview method for data collection. We went to them and face to face met with them. 10 persons participate in our research work by sharing data. A huge amount of loss they had to bear during this COVID-19 situation. In our country, all businesses are now running like before. But their businesses run like before only when the educational institution will open. Our result from this paper is that almost 55% of businessman near an educational institution left their business. The other 45% business can't run properly. Another result is that 40% people took loan from some association with higher interest rate to continue their business. They hope that the government will open all the educational institutions as soon as possible. The sooner the educational institutions open, the sooner they will be able to return to their previous state.

Index Terms—COVID-19, small businesses, suffering, livelihood

I. INTRODUCTION

An unannounced lockdown was imposed in Bangladesh from March 26 as the global epidemic Corona virus spread

around the world [1]. At the same time, the government announced the closure of all educational institutions from March 17 to prevent the spread of the virus in Bangladesh [2]. As a result, the education and economic sectors of Bangladesh were severely affected [3]. Later, other institutions, including business establishments, were opened in compliance with the health rules, but educational institutions are closed. And so the impact of the corona virus on those associated with educational institutions is greater. Among them, those who have a small business around educational institutions were more affected by the Corona virus. During the lockdown, the effects of the Corona virus on people of other professions were discussed, but they remained out of the discussion. According to the Bangladesh Hawkers Union, there are about 1 million hawkers in the country, a large portion of whom sell food around educational institutions [4]. Union president Abdul Hashim Kabir said hawkers were not included in the government-announced incentives. The hawkers sought financial help from the union, but the union president said there was no funding for the hawkers.

As the closure of educational institutions due to Covid-19 not only harms the students, it also has a huge impact on the small businesses near the educational institutions. During the lockdown, the majority of small businesses were shut down. We decided to write a paper where we discuss the financial situation of small businesses near educational institutions. To see their actual condition, we went to East West University

area and met some shopkeepers. We had a wish to collect more data from other educational institutions. But due to this epidemic situation, it is very risky and not easier for us. The interview method is applied to know their business situations. We found that so many shops closed many days for COVID-19 epidemic situation and a few businesses are run with a little capital. Some small businessmen joined our research work and shared their business situation. They help us by providing their valuable time and information. In the appendix section, some of these people's pictures are shared. Most of the case, we found that the COVID-19 epidemic forced them to tolerate many difficulties. We will analysis the difficult situation in our data analysis section.

Due to the prolonged closure of educational institutions for the covid-19 epidemic, we will highlight the financial situation of those people who have a small business around the educational institutions, which are mainly depended on the students, teachers and staffs of those educational institutions.

We complete the following objectives to full fill our research aim.

- To find out people who have a business near the educational institutions
- To observe and analyze these people's current situation for COVID-19 epidemic.
- To identify the causes of the effect of these people during this epidemic.

To understand their business situation during COVID-19 epidemic where all educational institutions are still closed, we found the following research question:

Can we address their business suffering in our society and how they are financially suffering in this pandemic situation?

Because of limited time and COVID-19 epidemic, we only conducted our data collection in one educational institution. But we had a wish to survey many educational institutions.

II. RELATED WORKS

Small business sector is one of the worst sectors because of its high dependency on low-skilled labour, low compliance with occupational health and safety standards, and limited access to the financial market [5]. Many workers of the small businesses were removed from jobs and went back to villages from city area. Light Castle Partners Sheba.xyz and Bangladesh Institute of Development Studies (BIDS) started a survey on the Small and Medium Enterprises. They get that the lockdown and social distancing caused less production, workers lay-off and that the enterprises needed business loan to get back on their previous position [5]. Covid-19 is a mysterious contagious disease that is first identified in late December Wuhan (Hubei provinces), China [6]. This disease is spreading very fast all over the world. On March 11, 2020 the world health organization declared covid-19 a global problem [7]. To reduce the spread of covid-19 government closed all

the educational institutions. As a result, the small shop people in the vicinity of the university who depend on daily earning for their living suffer the most because institutions are their prime income source and the lion's share of their income come from there and they have started their small business dependent on these educational institution's students, teacher, and staff. The outbreak of covid-19 has had a devastating effect on small business people's livelihood s, indicating that low-income people are becoming more marginalized and becoming poorer due to the pandemic [8]. One study found that 94.1 percent of respondents in a survey had a livelihood loss due to the covid-19 outbreak with an overall score of 3.2 on a 4 point Likert-type scale [8]. Moreover, recent figures from the international labor organization show that 50% of the global workforce will lose their livelihoods due to the coronavirus epidemic, as 1. 6 million workers in the informal economy are at risk of losing their source of income [9]. The impact of the coronavirus epidemic on small business income sources also affects our economic growth. The Asian Development Bank predicted that Bangladesh could lose 1.1 percent of GDP growth and 894,930 formal jobs due to the pandemic [10]. Similarly, we also see that the small business in the vicinity of the educational institutions is not able to income due to the closure of educational institutions. So the condition of many is very poor and they can't income even many of them relocated their business. Many international and local articles already address this situation but no specific and detailed research has been done.

III. METHODOLOGY

This research aim is to get information about the small businessmen who have a business near educational institutions. All the educational institutions are still now closed by the Government of Bangladesh [11]. During COVID-19 epidemic, the businessmen are suffering so much because of closing all the educational institutions. We think the most appropriate method for this research to get their information will be to set up an individual interview with them. An interview is like descriptive studies, where a survey is designed to complete the research aim [12]. A typical form of interview is face to face interview, where the interviewer directly communicates with the participants to ask questions and record their answers [13]. To take their face to face interview, we went to East West University area and found out some small businessmen. Then we took their individual interview about their business situation and financial sufferings during COVID-19 epidemic. In the area, we saw that many shops were still closed. Before starting the interview, we took their permission to record their information. The recording link is [here](#). 10 persons participate in our research paperwork and shared their business situation. Two-person disagree to share their recording but gave permission to analyze their data. The quality of data collection by interview mainly depends on both the interview design and on the skill of the interviewer [12]. The reason for choosing the interview method is to get a thematic view of their financial

sufferings. Researchers explain the effects on participant lives of doing qualitative research [14].

Our interview method is like a semi-structured interview method. The data collected by semi-structured interview method will select for two considerations [15]. First, Researcher has to well suited for the exploration of the perceptions and opinions of respondents regarding complex and sometimes sensitive issues and enable probing for more information and clarification of answers [15]. Second, the educational, professional, and personal histories of a sample group precluded the use of an interview schedule [15]. We made a set of questionnaire to ask them. When taking interview some questions raised in our mind and asked them at that moment. We tried to get the answer to all the questions if they agree to answer. This will give us clear answers and thoughts to analyze them.

The small businessman who has a business near educational institutions is our research participant. Our research purpose will full fill if we can highlight their business situation and financial sufferings. So we choose the right persons to participate in our research work.

IV. DATA FINDINGS AND RESULT

Now we analyze the data of 10 participants and describe our results. We find out some point from our collected data. Describing our result and analysis briefly and showing some Figure.

A. Main reasons behind the lose in business and impact on daily income during COVID-19

We collected data from 10 participants around the area of East West University. We got that 9 participants said that they have already bear lose their business in this COVID-19 epidemic situation. Their loss amount is different from each other. The two participants said that they already lost almost 80 to 100 thousands taka. The other two participant's loss amount is around 100 to 150 thousand taka. And the remaining five participant's loss amount is around 200 thousand to 250 thousands. To find the reasons behind this huge amount of loss, we asked them about the causes of loss. They said a lot of reason. First of all, we got that they don't get those customers who are University's students, teachers, staffs etc because the University is closed. The second reason is that every businessman except one is not the owner of his store's position. The owner of the store's position rent his position to the businessman. Every businessman has to pay the full rent of the store during this epidemic situation. We asked them, "All the business is stopped for announcing lockdown by the Bangladesh Government from 26 March to 30 May. Did you have to pay the full rent March, April and May months?" They said that the owners of the store's position don't consider to accept less amount rent but late payment

may be acceptable. The other one businessman who has his own position can't face this type of problem but still, he has to lose almost 80thousands money to continue his business. The third reason is that many customers have some dues of payment. These customers were mainly students and staffs of the University. As the closure of the University, they don't come. So the businessmen didn't get the dues of customers. We found another reason behind the losses of the business. On 8 March, The first three COVID-19 positive patients found. On 22 March, The Bangladesh Government declared lockdown all over the country from 26 March to 4 April. But this was later extended to 30 May. In this long time from 26 March to 30 May, many products of their store rotted and date expired. In this case, Product's company considered some amount of money. But still, it is a loss for them. Because they had to pay money for this product but couldn't sell the product.

We got only one exceptional case in these 10 participants. Only this one participant said that he has no loss in his business during this epidemic. We became surprised to hear this information where other businessmen have bear a huge amount of loss. We asked him, "How it is possible and how you handle your business?" He said, "The business was very profitable. Our sell was 30thousands per day. Our Boss saved a lot of money from this profitable income. But this profit is not possible for closing the University. Our Boss is the owner of this store's position. So without any loss or profit, somehow the business is going on."

After analyzing the data from the interviewers, we found that from April to November each store had a significant impact on the daily income. In figure-1 we compared this issue and presented a comparison of their daily income where the tea sellers have suffered the most because of the closure of the University.

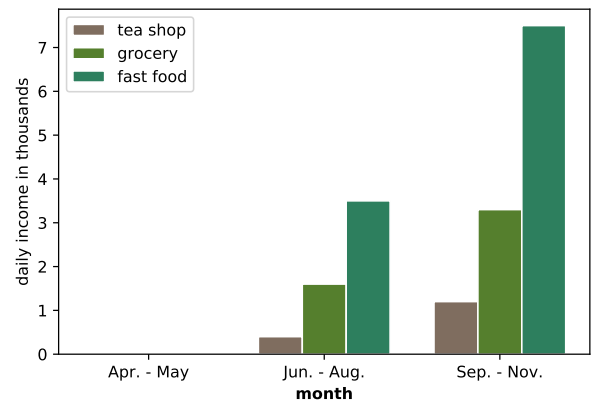


Fig. 1. A bar chart showing daily income of tea shop, grocery shop, and fast food in the covid-19 situation.

We interviewed 10 ten shopkeepers in the vicinity of East West University. From there three of the tea shopkeeper's opinion that they had no income from April to May because of these two months, the shop completely close. Two fast-food and five grocery shopkeeper also gave the same information. Then slowly when the lockdown left (June-July), their income was around 400 to 500 hundred takas where grocery shop's daily income was 1400 to 1700 hundred taka and fast food and hotels daily income was around 3300 taka, As shown in Figure 1. Although their daily income has increased a bit in the last three months, it is not getting as much as before due to the closure of the university. In figure-1 we compared this issue and presented a comparison of their daily income where the tea sellers have suffered the most because of the closure of the University.

B. Continue their business by taking loan or using savings.

In a question, we asked the participants if you had any business loan from the bank. Where out of 10 participants, only 2 shopkeepers have taken business loans from the bank. And 4 shopkeepers have taken high-interest loans from different associations. The other 4 shopkeepers said they did not take any business loan, As shown in Figure 2. Among them, those who have taken loans at high-interest rates from various associations have not been able to get loans even after contacting various banks.

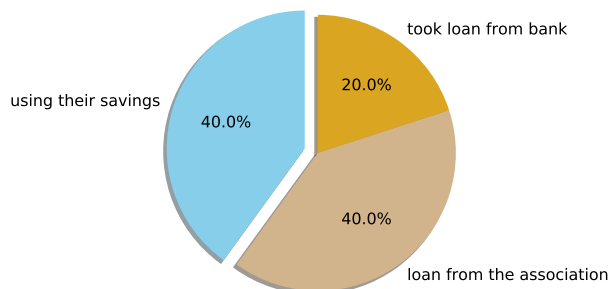


Fig. 2. A pie chart showing the loan ratio of tea shops, grocery stores, and fast-food restaurants in the Covid-19 situation.

They have taken loans from various associations at high-interest rates as they will not be able to meet the conditions set by the bank for the disbursement of loans. There are 4 people who have taken loans from different associations, out of which 2 are tea shops. One of the tea shopkeepers said his loan amount was Tk 20,000, while another tea shop owner said his loan amount was Tk 50,000. The other two fast-food restaurant shopkeepers, one of whom said his loan amount was Tk 200,000, the other said his loan amount was Tk 300,000. And 4 shopkeepers who said that they did not take any loan, all said that they are running their shop by spending their previous

savings. One of the grocers said that he could not run the shop even after spending his previous savings. For this, he had to break his monthly savings scheme / DPS. He got Tk 96,000 by breaking the monthly savings scheme / DPS. He has spent some of this money on his family and with the rest, he has kept his shop running. He further said that he had applied for a loan from BRAC Bank but got no response. So, we say that 20% took loan from, 40% using their savings, 40% took loan from association with high interest rate to continue their business.

C. Most people left their business and changing business strategy

Many sellers around educational institutions have shifted their business for earning their livelihood. The sellers around schools, colleges and universities run their business based on students. Only a few students are active in those areas. According to interview we have come to know that many people change their selling product and strategies during this pandemic. A seller explained that they have to pay full rent for their shop but they are not getting profit as before. One of them used to sell biriyani in front of East West University now he sells tea. According to their opinions most sellers had changed their business for their survival. On the other hand most of them are running their business with loss. It seemed good to them to change their business to survive. The small businessmen near educational organizations are depended on the university students. They are not getting customer like before and they also are not able to earn their livelihood as before. According to the conversation of the sellers, we have come to know that their sales are not going well. One seller said that they had stopped selling some specific products such as All-time bun, dan cakes, biscuits because these foods expire quickly. Mostly students are interested more than others in buying these products. Sellers need to balance their expenses and earnings. The sellers have to maintain the employees, rent, food, savings etc. In this situation most of the sellers are facing losses. So, they reduce their import of goods.

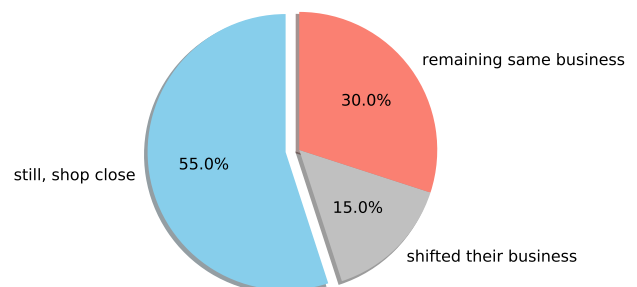


Fig. 3. In the Covid-19 situation, the ratio of how many shops are open around the educational institution.

We counted that there are 50 up store around East West University area. When we went to collect data, we noticed that almost 30 up stores are still closed. We talked to people around us and found out they had left the business. As shown in Figure 3, From this collection, we analyzed that 55% shop is closed for COVID-19 epidemic around this educational institution. 15% businessmen shifted their business policy. Facing many sufferings, only 30% business remains their same business.

D. The possibility of overcoming the loses

We all know that businesses have suffered the most due to covid-19, especially the business that has spread around the educational institution. So, we had a question for them as to how they would overcome this loss in the future. So, the opinion or statement of one of the businessmen was that “Due to the covid-19 educational institutions and universities have been closed for about 9 months and more. So, our business has lost about 3 to 4 lakhs taka. We think University students are mature enough and more aware than school and colleges so if the government continues to close schools and colleges to prevent the spread of covid-19 and only reopen universities between January, we hope to be able to make up our losses in a year or two”. Two other small shopkeepers were of the opinion that their daily income was about 1500 to 2000 Tk but due to covid-19 that income decreased 200 to 300 Tk. Thus, they have lost about two and a half lakh Tk in these nine months due to daily losses and they still hope that if government open the university in January, they will be able to overcome this loss in 1 to 2 years. Another shopkeeper was of the opinion that 90 percent of their buyers were students but due to the closure of university because of covid-19 they are no longer being traded without a small number of locals which is making their condition worse and they have already lost 3 lakh taka and if the university is closed for another six months, it will be very difficult to sustain their existence. After analysis, we realized that more or less all the shops have been suffered due to covid-19 and if the university reopens in a very short time then they will be able to go back to normal life. They have survived in this hope.

V. DISCUSSION AND FUTURE WORKS

In the last nine months, the impact of the covid-19 epidemic has begun to slow down the pace of economic development. The paper describes the economic situation of small and medium businesses around the Educational institution during the covid-19 and also addresses their business financial suffering during this epidemic. From the findings of data analysis we understand that because of covid-19 more or less all the shops have been suffered around the university. According to data from the interviewer most of the shopkeepers losses about 1 lakh to 2 lakh taka. And everyday from April to November, the Covid-19 has somehow affect their daily income. Many have not been able to bear this suffering as a result we found and observed that 55% shop still closed and 15% shopkeepers had already relocated or shifted their business. Even then people

had so much trouble making money that they broke their savings and made a living with loans from various banks and association. Our result shows that 60% percent shopkeeper's take loan and 40% percent using their saving during this hard time. Even during these difficult times they did not receive any funding from the government or any non-government organization. The point we have addressed is that relatively small shops have suffered the most and their livelihood become really difficult.

This study mainly focused to get a broader view on the financial suffering of small and medium sized businesses around the educational institution. It is really difficult and risky to go to the shops near the university during covid-19 and collect data from the shopkeepers. because the covid-19 outbreak was much higher at this time and many stores were still closed. If the environment was favorable and some shops are more open then we could have made this research more better. This research will help people in future to understand the reasons of losses of small businesses around the educational institution due to the closure of educational institution during covid-19.

VI. ACKNOWLEDGEMENT

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APPENDIX A INFORMED CONSENT FORM

The study is conducted as a part of our course CSE498 (Social and Professional Issues in Computing) under the supervision of Mostofa Rafid Uddin, Lecturer, Department of Computer Science and Engineering, East West University. The purpose of this study is to find out the financial sufferings of small businesses near educational institutions. The analysis will be based on interviews. If you participate, you will be asked to provide answers to questions in the interview regarding your experience with weed consumption. It will take approximately 5-10 minutes. You may not be personally benefited from taking part in this study. However, you may receive a copy of the final report upon request. Your records will be kept confidential and will not be released without your consent except as required by law. Your signed consent form will be stored separately from the data. The interview will be recorded (only if you allow) for our further analysis. Participation in this study is completely voluntary. If you decide not to participate there will not be any negative consequences. Please be aware that if you decide to participate, you may stop participating at any time and you may decide not to answer any specific question. If you are willing to participate, please sign in the appropriate space below. If you have any questions then feel free to contact: nayemulhasan97@gmail.com

APPENDIX B INTERVIEW QUESTIONNAIRES

- 1) What do you know about COVID-19 epidemic?
- 2) What is the impact of COVID-19 in your daily life?
- 3) How is your business situation now?
- 4) How you manage your business during this pandemic?
- 5) Are you in the same business or have changed to another one?
- 6) If you are in the same business then how do you survive now?
- 7) How much savings you loss in this pandemic for continuing your business?
- 8) Do you have any business loan in bank? (If yes then how much)
- 9) How much money are you now earning per day? Is it very big difference with the previous income?
- 10) Do you take online trading, home delivery policy in your business during this epidemic?

APPENDIX C SOME FOOD SHOPS AROUND THE EDUCATIONAL INSTITUTION



Fig. 4. A shopkeeper has closed his business due to the closure of educational institutions and very little trade



Fig. 5. The number of customers in the shop has decreased due to the closure of educational institutions.



Fig. 6. Employees are spending lazy time as there are no buyers in a shop next to the educational institution.