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**COVID-19: Problems, Challenges and Business Opportunities**

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Research paper

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The arrival of COVID-19 has a negative impact on social conditions and economic indicators of many developed and developing countries. SMEs and managers are suffering from the lockdown, health conditions and the difficulty of transportation. They are implementing new strategies and applying cost control of their expenses to survive. The local governments in collaboration with the IMF, the UN and international NGOs should collaborate and cooperate to recover the socio-economic conditions. This research paper sheds light on socio-economic impacts of COVID-19 and provides many proposals to recover the socio-economic conditions in developing and developed countries.

Keywords: Socio-economic, NGOs, COVID-19, economic crisis, SMEs.

The COVID-19 has brought enormous pressure to the global health care system and to the economic situation in both developing and developed countries.

The health care condition and the difficulty of transportation have increased the pressure on the economic condition. Thus, the unemployment rate has increased, the GDP

has decreased, and the number of unpaid employees has developed mainly in low-income countries.

The entertainment sector, travel agencies, restaurants, retails, sports and art activities are suffering. Both hospitality and tourism sectors are crumbling, and a lot of firms are bankrupting. The global trade and

commodity prices are dropping since the beginning of 2020.

The level of poverty has increased, and the socio-economic conditions have worsened mainly in poor regions. The level of gender discrimination, violence and sexual abuse have significantly increased, and a lot of people from middle and low income are suffering from food insecurity.

All MSMEs and large firms are facing very difficult conditions (Bohn et al., 2020). The development of COVID-19 since the end of 2019 has stopped the manufacturing and the delivering of products and services to the market.

Many managers and owners have indicated that the continuity and the sustainability of their businesses are not guaranteed anymore. In such circumstance of unstable environment, the majority of firms are facing a major financial issue: the liquidity problem. Firms around the world are not able to pay their financial duties (dues?) like wages and loans. They are trying to adjust their conditions and modify their strategies accordingly.

Several firms are implementing the cost control strategy. In fact, they are reducing their costs by eliminating non-important expenses. Many others are focusing on the downsizing strategy. They are cutting the non-profitable part of their business and closing their non-important branches (EL-Chaarani and EL-Abiad, 2019.b).

Some firms are trying to adjust their marketing strategies by using the online promotion of their products. They are serving their loyal customers and they are targeting new markets. It should be stated here that these firms are facing two main problems: (first) the low purchasing power of customers and (second) the difficult conditions and the distribution of the international supply chains.

The remaining firms are not able nor have the skills to take the “cut-off” decision or the implementation of a new contingency plan. This type of firms needs a lot of support by governments, economists, specialists and international associations (Bartik et al., 2020).

In many countries, local governments tried to support the different types of business and empower the employees within. For economists, it is very important to increase money supply in order to boost the economic cycle. As for business specialists, the most important key is the support of SMEs by providing them with financial aid. While for others, the development of entrepreneurial culture and its adoption in new disciplines is an essential tool to create new opportunities for youth and to improve the economic conditions (Fairlie et al., 2019). Workers in social activities believe that it is very important to support the poor regions and low-income people by boosting social entrepreneurship activities and providing financial and non-financial aids (Parker, 2018).

The arrival of the Covid-19 vaccine (on November 9, 2020) has improved the financial performance of stock markets in many countries. In addition, the announcement of a new vaccine by Moderna and Pfizer was considered as a positive sign by economists and workers in different majors. However, after several months of the implementation of the Covid-19 vaccine, many questions were raised: in case of success, would the Covid-19 vaccine end the international economic and financial crisis? Is it possible to distribute the Covid-19 vaccine in emerging and developing countries to boost their economic conditions?

**The answer is “No”.**

Many experts in the healthcare and pharmaceutical sector have indicated that it is impossible to spread the mass immunization before several years mainly in developing regions and poor countries. Pharmaceutical companies cannot cover in short term the global need for vaccination. As well, the long-term efficiency of the vaccine is not guaranteed which might then have huge pressure on the production of pharmaceutical firms.

In addition, the vaccination is crucial to improve economic and business conditions, but it is yet not enough. The pandemic has changed the customer behavior and the economic conditions. The customer was psychologically influenced. Work conditions are and will be highly affected. Therefore, the full recovery of the economic conditions needs long period in developed countries and even longer period in developing countries.

In response to this unstable environment, the UN in collaboration with the civil society, international NGOs and local governments have to fix a new plan in order to mitigate the negative impacts of Covid-19 and recover the socio-economic conditions. They should re-program their plans, re-distribute their resources and re-prioritize their actions to support the national authorities mainly in developing and poor countries.

First, the UN and relevant partners shall create a database platform to measure the real time impact of Covid-19, to follow the changes and to track responses to the international actions over time. This real time database can be used as a guide by the UN and development partners to know which segment should be tackled.

Second, the UN in collaboration with international financial authorities and local governments shall support the private sector mainly the MSMEs. They must provide financial aids and fiscal incentives. In addition, they shall offer commercial, operational and technical support and consultancy to maintain the survivability of MSMEs during the pandemic period.

Third, the UN in collaboration with relevant partners shall empower and finance the social entrepreneurship activities mainly in poor countries. The social entrepreneurship activities create new job opportunities and serve the society by finding solutions for social and environmental problems (Mendez-Picazo et al., 2020). The advantage of this type of entrepreneurship development is

based on its capacity to improve the social, environmental and economic conditions (Dwivedi & Weerawardena, 2018).

Fourth, the UN, the international and local partners shall improve the social conditions of poor regions. This development will be able to recover economic and the environmental conditions during the pandemic period. For example, the reduction of gender inequality and the empowerment of women entrepreneurship increase the innovation level and develop the working power of low-income regions (EL-Chaarani and EL-Abiad, 2019). The improvement of healthcare conditions by raising awareness facilitates the mobility of working force in poor regions. The enhancement of online vocational training during the pandemic period helps poor people to reach the updated know-how, acquire new skills and knowledge in order to create new job opportunities.

During this crisis period, the UN in collaboration with local and international partners have very important mission. They shall collaborate, coordinate and innovate new strategies to recover economic and social conditions. Their mission will be extremely hard. Our lifestyle and life conditions after Covid-19 will not be the same!!!

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