

# NIGERIAN MICRO, SMALL AND MEDIUM ENTERPRISE (MSMEs) - IMPACTS OF COVID-19 ON THEIR OPERATION AND CORPORATE SOCIAL RESPONSIBILITY

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## Abstract

*The devastating impact of COVID-19 extends beyond health concerns; the coronavirus outbreak has rapidly transformed into an environmental, social and economic emergency. The global pandemic has prompted businesses to adopt innovative business models and re-strategize corporate social responsibility (CSR) to cope with the global challenges triggered by COVID-19. Micro, small, and medium-sized enterprises (MSMEs) are hit the hardest as they lack adequate resources to strive in these difficult times. This paper is a review article that uses secondary data to analyze the global impact of COVID-19 pandemic and the CSR of MSMEs' in Nigeria. The study concludes that COVID-19 has significantly affected the global economy with a great effect on MSMEs' CSR. Therefore, the study recommends that CSR projects should be compatible with government policies and plans to have a wider and even more sustainable effect. CSR engagement would be more fruitful if MSMEs embrace collective corporate social responsibility.*

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## 1.0 Introduction

Many economies around the world have been disrupted by the coronavirus pandemic, resulting in various economic shocks [40]. The preventive measures employed by many countries have resulted in a drastic global economic downturn, and the threats posed by this pandemic to human existence are evident [43]. Employment losses are on the rise, as some businesses have had to lay off employees or shut down all their operations. Many countries around the world are experiencing unprecedented problems because of the COVID-19 outbreak [66]. Nigeria and its people are not exceptional. Globally, millions of full-time employees have lost their jobs or had their working hours and wages reduced [29].

COVID-19, in contrast to previous crises, is more complex. It has resulted in significant social and financial issues. Micro, small and medium-sized enterprises (MSMEs) remain vulnerable as they lack adequate resources and are often unprepared to deal with such shocks. Cashflows remain a critical factor in the operation and survival of small businesses [18].

FATE Foundation (2020) [21] detailed the assessment of the reactions of 1,943 Micro, small and medium enterprises (MSMEs) in Nigeria, revealing that 94.3 percent of the surveyed MSMEs reported a negative impact of the pandemic on their businesses, particularly in the areas of cash flow, income and sales. This pandemic has made MSMEs shift their strategies towards economic, environmental, and social priorities, with a greater emphasis on their position in society. This pandemic is one of the most dramatic environmental modifications in this modern era, which is

likely to have a major influence on corporate social responsibility (CSR), consumer ethics and ideology. As a consequence of the prevalent lockdown and social distancing measures worldwide, the short-term influence of COVID-19 is felt seamlessly and instantly. The social responsibility of MSMEs has gotten little attention and with relatively minimal literature in developing countries. Studies from developed countries such as Spence (1999) [60], Spence et al. (2000) [61], Spence and Lozano (2000) [62], Spence and Rutherford (2003) [63], found that there is significant nexus between CSR and business enterprises. Several scholars have claimed that, exploring the relationship between MSMEs and CSR differs from corporate study and that of large Multinational Corporations, of course, a selection of traits distinguishes small and medium-sized businesses from their large counterparts. The company size symbolizes one standard; others include the dependent model, industry, income direction, national context, institutional structures, and historical development [60, 63]. Given the disparities between small and large enterprises, additional analysis is necessary to explain whether a certain theoretical view should also be adopted to explain the relationship between MSMEs and CSR, as well as to address empirical research in the future. Most previous studies focused on COVID-19 and the global economic crises [8, 4, 2, 34, 37, 25, 13]. Furthermore, there have been almost no attempts to examine the implication of COVID-19 emergence on corporate social responsibility engagement by MSMEs in emerging economies especially Nigeria, which this study aims to address.

## **2.0 Research Methodology**

The nature of the design is exploratory, using secondary informed data to obtain relevant information. Articles, statistical data publications and other media made a sufficient contribution to the research within the substance of the study work. The exploratory design does not intend to offer a conclusive and final response on the analysis concerns but to explore research subject matter at various levels. Thus, it is centered on tackling fresh issues where little or no prior investigation has been carried out [56].

## **3.0 Literature Review**

### **3.1 Emergence of COVID-19 in Africa**

On February 14, 2020, Africa reported the first case of COVID-19 in Egypt. The virus continues to spread across Africa, affecting over 3 million people and resulting in over 80 thousand deaths [72]. At the time of the study, South Africa remains the most affected African country. However, since events are not well-reported and the quality of data collection differs significantly, the exact extent of COVID-19 in Africa remains unclear.

As stated by (WHO) World Health Organization (2020) [71], Africa may be the next epicenter of COVID-19. In an ideal situation, where policymakers implement drastic containment measures, there would be 122 million illnesses, 2.3 million hospitalizations and 300,000 deaths in Africa. If control measures fail, close to 190,000 people might die in the first year of the pandemic [71, 44].

The Nigerian Federal Ministry of Health announced the first case of COVID-19 in Lagos on February 27, 2020, involving an Italian citizen working in Nigeria who returned from Italy to Lagos, Nigeria on February 25, 2020. The patient was psychologically healthy, without significant signs and was administered at Yaba, Infectious Diseases Hospital of Lagos [41].

### 3.2. Global Impact of COVID-19 on the Economy

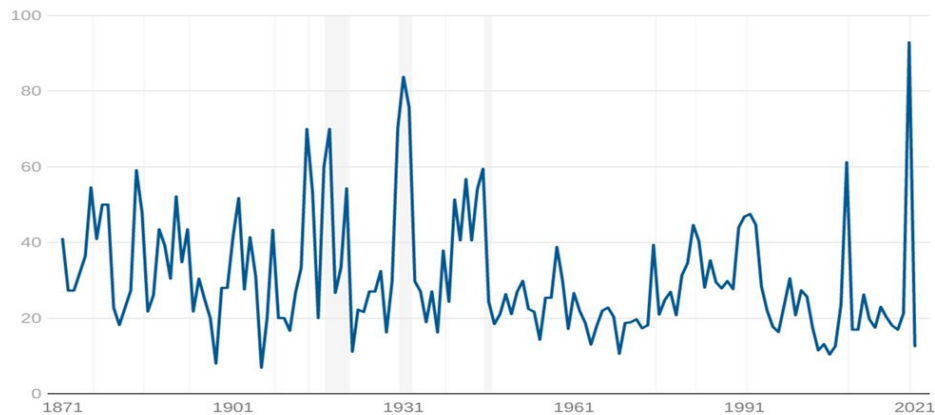
The enforcement of social distance and lockdown measures because of COVID-19 led to the collapse of several economies [45]. It is drastically disrupting the economic activities with great impact on almost all the Sustainable Development Goals [64]. Many businesses have had to close as a result of restrictions imposed by governments all over the world. Obtaining evidence from the latest surveys indicates significant hurdles to the organization's interest, including supply chain disruptions, money flow issues, and failure to meet delivery dates [46]. According to Deloitte (2020) [16], the pandemic will have three key effects on the global economy. These include the impact on production, market and supply chain disruption, and financial crisis. The International Monetary Fund (IMF) (2020) [32] lowered its global economic growth forecast after the COVID-19 outbreak cast doubt on its previous forecast. The severity of the mandatory lockdown period varies by sector. The transportation sector, for example, has suffered significant losses because of the lockdown measures. According to the International Air Transportation Association (IATA) (2020) [27], if the COVID-19 pandemic is not rapidly managed, the airline sector will suffer a \$113 billion loss. Similarly, the tourism industry has lost trillions of dollars since the outbreak. Global supply chains saw a significant reduction in supply. In addition, the stay-at-home measures had a significant impact on the hotel and restaurant industries, resulting in significant job losses. Oil-dependent countries are also experiencing a drop in oil prices. Travel limitations triggered a drop in oil demand, which in turn caused a fall in oil price, resulting in a significant shortfall in oil revenue. According to financial times (2020) [22], COVID-19 would force the world into a global recession. COVID-19 has quickly spread over the globe, killing millions of people and causing a global economic downturn. A total of 181,005,575 affected cases have been reported worldwide, with a total of 3,920,868 deaths. Table 1 illustrates the statistics for the top countries with the most affected cases of COVID-19.

No	Countries	Confirmed Cases	Confirmed Deaths	Total Recovered
1	USA	34,474,178	618,954	28,888,020
2	India	30,182,469	394,524	29,185,559
3	Brazil	18,243,483	509,282	16,511,701
4	France	5,766,315	110,939	5,596,777
5	Russia	5,409,088	132,064	4,929,639
6	Turkey	5,398,878	49,473	5,261,892
7	UK	4,699,868	128,066	4,312,164
8	Argentina	4,350,564	91,438	3,967,633
9	Italy	4,256,451	127,418	4,068,798
10	Colombia	4,060,013	102,636	3,769,887
11	Spain	3,782,463	80,779	3,575,883

12	Germany	3,733,525	91,247	3,616,800
13	Iran	3,150,949	83,588	2,809,595
14	Poland	2,879,470	74,953	2,651,209
15	Mexico	2,493,087	232,068	1,982,674
16	Ukraine	2,232,790	52,234	2,160,137
17	Indonesia	2,072,867	56,371	1,835,061
18	Peru	2,040,186	191,286	N/A
19	South Africa	1,895,905	59,621	1,690,380
20	Netherlands	1,682,221	17,740	1,616,403

*Table 1: Covid-19 statistics as at 25<sup>th</sup> June 2021  
Source: own illustration based on Worldometer 2021 [73]*

The Global Economic Prospects describes the immediate effects of COVID-19 as well as the long-term disruption it poses to future growth prospects. The forecast predicts a global GDP decline of 5.2% in 2020 with the use of market exchange rate weights - potentially the deepest global collapse in years, amid remarkable policymakers' efforts to address this slowdown with the help of monetary and fiscal policy. Actual global GDP in 2020 was 84.68 trillion US dollars, down nearly three trillion from 2019 GDP of 87.56 trillion [33], as predicted. With the multiple vaccine availability and economics deriving diverse ways of adapting to the pandemic change, a way out of the global downturn is visible according to IMF, with growth projections of 6 percent in 2021. However, these projections have a significant level of uncertainty, dependent on the increase or decrease in the virus, as well as vaccination. During a longer horizon, the pandemic-induced economic downturns would certainly be characterized by a decrease in the purchasing price, an erosion of man's wealth due to job loss, and subsequently fragmentation of world business and linkages [70].



*The proportion of economies with an annual contraction in per capita GDP. Shaded areas refer to global recessions. Data for 2020-21 are forecasts.*

**Fig 1: Share of Economies in Recession (1871-2021)**  
*Source: World Bank, 2020 [70]*

The graphical presentation from Fig.1 depicts the global economic recession forecast from 1871 to 2021. It was depicted that in 1871, the recession was within the average of 59%  $\geq$ , in 1901 within 51%  $\geq$ , indicating fluctuation in the level of exposure to economy harshness, 1931 was within 80%  $\geq$ , from 1961 to 1991, the harshness to economic exposure were relatively low. The exposure to economic harshness in 2020 projects the deepest global recession ever experienced in decades which is due to the potency and emergence of COVID-19.

This recession could potentially undo several years of change and drive millions into extreme poverty. Financial downturns will affect developing economies, putting pressure on sensitive healthcare, loss of tourism and exports, falling remittances, erosion of capital flows, and strong monetary difficulties in the face of increased debt [70].

### **3.3 Impact of COVID-19 on Nigeria's Economy**

Prior to the pandemic outbreak, Nigeria was already dealing with pre-pandemic economic instability due to insecurity, corruption, political instability, falling oil prices, unemployment, inadequate fiscal and economic policies, public deficit issues and other long-standing development challenges. The government's regulatory efforts to limit the spread of the virus only aggravated the country's already weak economic condition. GDP growth rate fell below 4 percent in the first quarter of 2020, to 1.87 percent and then to -6.10 percent in the second quarter, representing a drop of 0.23% and 8.22% respectively below the 2.10 and 2.12 percent recorded in the first and second quarter of 2019. By the third quarter of 2020, the economy had begun to recover, but it was plunged into a tailspin again when the country was hit by the second wave of the pandemic. The total gross domestic product (GDP) of 2020 was at 432.29 billion, down from 448.12 billion in 2019. The gross domestic product (GDP) increased by 0.51 percent in the first quarter of 2021. According to the International Monetary Fund, real GDP growth in 2021 is likely to increase by 2.5 percent. Real GDP growth will only return to pre-pandemic levels in 2022 [38].

The exchange rate, which is a key economic indicator, has experience increased volatility, resulting from a negative impact from COVID-19 [36]. This is also evident in the Nigerian exchange rate returns. The official rates in Nigeria are set by the central bank rather than influenced by market factors of demand and supply, as has been the case for the past several years under the managed float system. The substantial presence of the parallel market is one of the most distinguishing features of the Nigerian foreign exchange market. Although there is usually an official rate (often locked at a certain value for an extended period), parallel market rates are widely used by many forex dealers and their clients, and the latter is often influenced by speculation. Several businesses and investors tend to use parallel market dealers in order to avoid the extensive paperwork that defines formal banking practices [47]. As the number of verified COVID-19 cases rises, the exchange rate appears to be declining, and the value of naira continues to decline as against other dominate currency. This may be caused by the alternative surplus and deficit of the dollar, as well as market speculations. As the pandemic continues, the value of the naira is expected to depreciate, prompting the Central Bank of Nigeria (CBN) either to maintain the status quo by leaving the official rate unchanged or to work on closing the premium earned by parallel market traders. The former would need the Central Bank of Nigeria (CBN) to inject additional dollars into the market, a move that could prove overwhelming given that the Central Bank of Nigeria already has a significant amount of money in the market.

The country's main source of foreign earnings, crude oil, has already suffered a setback as a result of the price crash. On the other hand, closing the premium will cause the naira to depreciate even more. In contrast to maintaining the status quo, which would be costly and possibly unsustainable during a pandemic, devaluation would be more likely, and this would likely lead to a rise in general

price levels [48]. On the other hand, the Central Bank of Nigeria chose the latter option, devaluing the naira from N306.5 to N360.5 and thus, contributing to the increase in the general price level, with the inflation rate rising by 12.4 percent in May 2020, the most in 26 months. The supply shocks to commodities prices and the aftermath of the COVID-19 epidemic contributed to the ongoing increase in headline inflation. These factors have maintained the inflation rate above its long-term average of 11.9 percent [54]. The value of imports in naira is expected to increase as the inflation rate of the country's trading partners moves into the country, resulting in a decrease in the purchasing power of the local currency. This will lead to an increase in the domestic price of imported goods as a result of the depreciation of the local currency. As a result, there is a possibility that the pandemic will lead to inflationary pressures.

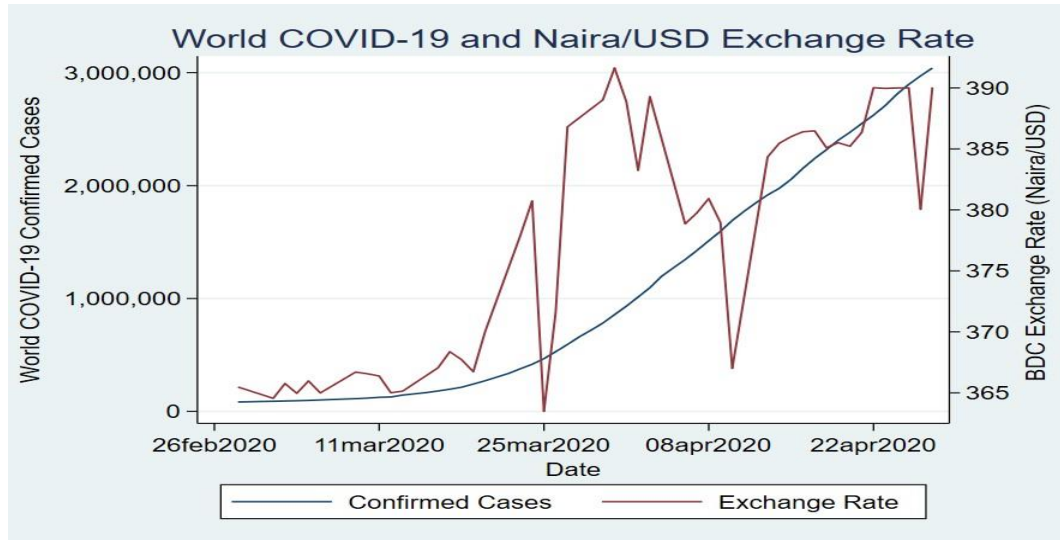


Fig. 2: COVID-19 Cases and BDC Exchange Rate (Naira/USD)  
Source: Olofin *et al.*, (2016) [47]

Fig. 2 above illustrates the correlation between the exchange rate established by the parallel market and the COVID-19 verified cases.

### 3.4 Impact of COVID-19 pandemic on MSMEs

Micro, small and medium enterprises (MSMEs) play a key role in contributing to the social and economic growth of the country, given the sector's contribution in creating employment opportunities for millions of people. These small businesses constitute a larger part of all corporations in the country. A recent report by Nigeria's Ministry of Industry, Trade and Investment found that the country has more than 37.07 million micro small and medium-sized enterprises (MSMEs), which account for more than 84 percent of all employment in the country [31]. MSMEs are classified depending on a variety of factors such as the number of employees, the company's annual turnover and assets [6, 5]. Furthermore, what constitutes MSMEs varies by country just as a nation's strength and microeconomic policies vary. According to Ayodele (2018) [6], the European Commission categorizes micro, small and medium businesses based on the number of employees. Microbusinesses have 0 to 9 employees; small businesses have 10 to 99 employees while 100 to 499 employees are regarded as medium-sized businesses. By World Bank definition, a micro firm is defined as one that employs fewer than ten people with a yearly revenue or total assets of not more than 100,000 US dollars. The benchmark for small firms is 11 to 50 employees, with an annual turnover of over 100,000 US dollars but not greater than 3 million US dollars [9]. Medium-sized firms are defined as having 51 to 300 employees with an annual turnover of more than 3 million US

dollars but less than 15 million US dollars. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2013) [59] in charge of regulating MSMEs in Nigeria, defines micro businesses as those with less than 10 employees with an asset worth below 5 million nairas (\$12,039); small businesses have 10 to 49 employees with assets value that falls between 5 million to 49.9 million nairas (\$120,148); Medium-sized businesses employ 50 to 199 people and have assets worth between 50 million and 499.9 million nairas (\$1,203,650).

No	Enterprise category by size	No of Employees	Assets Value (in Naira)
1	Micro Enterprises	0 to 9	Below 5 million
2	Small Enterprises	10 to 49	5 million to 49.9 million
3	Medium Enterprises	50 to 199	50 million to 499.9 million

*Table 2: Nigeria MSMEs  
Source: SMEDAN (2013) [59]*

MSMEs contribute greatly to the economy in the private sector by significantly increasing GDP and creating jobs, particularly in a developing country like Nigeria, with a population that exceeds 200 million people. The private sector which encompasses MSMEs is considered the most significant job creator and the public sector's role is to provide the requisite incentives and the enabling tools needed for the private sector to thrive.

According to the United Nations' DESA Report (2012) [67], micro, small and medium-sized enterprises play three fundamental roles in the economy: economic activity, creation of employment, and income generation. Some scholars refer to MSMEs as "engine room" [74, 42]. Furthermore, according to AFI Survey Report (2017) [3], MSMEs are the "backbone" of the economy and the "seedbed of entrepreneurial skills and innovation". For instance, countries such as Taiwan, China, and Japan have experienced rapid industrial growth as a result of their dynamic SMEs [51]. According to Ifekweni and Adedamola (2016) [28], micro, small, and medium businesses contribute to the Nigerian economy by mobilizing local resources, providing employment, ensuring equitable income distribution, providing raw material services, reducing rural-urban migration, and generating and conserving foreign exchange. MSMEs are important because they contribute to rapid development, the creation of employment, the acquisition of technical skills, promotion of growth, capacity building and development, and improve the quality of life. Abudul (2018) [1] also stated that MSMEs have contributed to an increase in citizens' standard of living and well-being. Similarly, SMEs strengthen social cohesion and stability by promoting income equality.

Studies carried out by the ILO (2020) [30] highlight the importance of micro, small, and medium-sized businesses (MSMEs). It cannot be overlooked, since it accounts for more than 70% of global jobs and 50% of global GDP. MSMEs remain the backbone and a major contributor to various economics globally. Similarly, in the face of numerous challenges, Nigeria's micro, small and medium scale enterprises (MSMEs) have contributed an average of 50 percent to the country's GDP, accounting for about 50 percent of industrial employment, 96 percent of the country's total number of businesses and nearly 90 percent of manufacturing activities in the last five years [55]. Unfortunately, the fall from the pandemic has hit small businesses the hardest. In comparison to large businesses, micro, small, and medium-sized businesses (MSMEs) are the most affected by the

COVID-19 outbreak because, MSMEs typically lack adequate resources and are unprepared for shocks that will most likely persist longer than anticipated [7, 58].

According to the survey undertaken by Seth et al. (2020) [57], the lockdown measures implemented to combat COVID-19 have a negative influence on enterprises, resulting in lower economic growth and eventually leading to economic recession. COVID-19 has compelled micro, small and medium firms to readjust or adapt to the current challenges by decreasing or discontinuing business activities and requiring employees to work-from-home to limit physical (one-to-one) contacts. According to IMF (2020) [32], the effect of the COVID-19 pandemic on MSMEs would cause global growth to decline to -3%, resulting in a recession that is far worse than the financial crisis of 2008. More than 75% of SMEs face or anticipate a drop in sales by 2020. One-third (33%) of companies expect their sales to fall by more than half. Globally, a lot of small businesses are affected as a result of lockdown measures employed by many economies to curtail the outbreak of the virus. Similarly, to consider the problems and obligations confronting Nigeria's MSMEs and startups in this COVID-19 Pandemic, a Work in Progress survey was conducted to check in with the projects on how MSMEs are doing and what kind of help they may need. 71.43 percent of enterprises are experiencing a demand downturn from the survey responses. the shortfalls in revenue caused by a decrease in demand remain a barrier to the operations and the implementation of strategies. The supply of raw materials has decreased by 57.16 percent, 57.14 percent are facing importation problems, and approximately 47.62 percent of enterprises have ceased production [50]. Cash flow problems caused by the pandemic will impair a company's ability to fulfil its obligations which could potentially lead to credit default and bankruptcy.

COVID-19 has exacerbated the challenges facing small businesses. In Nigeria, several factors influence the business environment generally, particularly small businesses, posing difficulties for small businesses even in good economic times. These challenges are listed below.

- Poor/inadequate power supply compels companies to rely on generators to stay afloat, raising the operational cost and posing additional hurdles for MSMEs with limited resources.
- Poor transportation network and connectivity, making it difficult to move goods and services.
- Poor infrastructure.
- The high level of insecurity in the country has posed a major threat to commercial activities.
- Weak governmental policy, lack of support and political instability.
- Lack of sufficient finance.
- Lack of managerial skills and technological know-how.

### **3.5 CSR Implementation and MSMEs**

Corporate Social Responsibility (CSR) is an increasingly critical driver of conscious business practice, with many companies prioritizing good public influence along with conventional achievements such as impressive stock sale prices and earnings. CSR entails a company's responsibility to all stakeholders. CSR also tends to make sane business meaningful by strengthening customer interactions aligned with company values. CSR initiatives serve as an enabling tool for a sustainable livelihood [14]. The concept of CSR takes into consideration the interest of various internal (owners, employees, managers) and external stakeholders (customers, suppliers, government, community, creditors) who can influence the business both positively and



negatively [23, 69]. CSR changes corporate practices such that a company's contribution to society is maximized while minimizing the risks and social costs amidst building the brand value [15].

Initiatives in Corporate Social Responsibility (CSR) in Nigeria began because of the actions of multinational companies (MNCs) in the extractive industries, notably the oil industry. The environmental hazards such as oil spills, gas flaring, and dumping of hazardous waste materials into the rivers has jeopardized the communities' primary source of livelihood, such as farming and fishing, resulting in the widespread of poverty and discontent among the population. These raised concerns on the role of businesses in the Nigerian society [49].

Additionally, the government's failure to fulfill its mandatory obligation of providing the communities' social and economic needs has led to the dependence and high expectations on both the private and public sector to be socially responsible. The poverty concerns and prolong underdevelopment have compelled the involvement of the private sector in assisting the government in overcoming these difficulties. As a result, there have been a growing interest in the concept corporate social responsibility [68].

Corporate social responsibility (CSR) in Nigeria have been culturally oriented, reflecting on religion, ethnicity, traditions, and communal lifestyle, which involves sharing and togetherness. Thus, the majority of corporate social responsibility (CSR) activities in Nigeria have been discretionary and philanthropic in nature, characterized by donations, charity, and community development, through youth empowerment, investment in healthcare and educational facilities. In the era of COVID-19, corporate social responsibility (CSR) has been broadened to incorporate new public health awareness initiatives [26].

According to Campopiano et al. (2012) [11], SMEs do not employ formal instruments to execute and disclose their CSR projects. There are no formalized CSR policies, departments, or personnel in charge of the company's CSR programs [64]. This is because most of the available tools are tailored towards bigger organizations. The decision regarding CSR participation is solely made by owners/managers of small and medium-sized enterprises (SMEs) [35], unlike large corporations with a well-established governing team. The ethical values of the owner/manager of SMEs are crucial in the execution of the company's CSR practices since the owner/manager is the sole decision-maker [39]. Ethics are religions values are the key motives towards the adaption of CSR by SMEs, rather than financial gains.

Although social responsibility has been focussed on large corporations, it should be promoted and encouraged among MSMEs who constitute a large part of businesses around the world. While many companies push their internal CSR practice, maybe now is the time to come out externally and consider all the positive retrograde implications, which could arise from organizational help for people who have an immediate need, even more than ever.

The broad spectrum will be a significant feature of CSR that will make it universally applicable. Initially, social awareness policies were mostly embraced only by large enterprises [52, 10, 19, 20, 17], but it is now gaining recognition among small and medium-sized companies [24, 39]. Therefore, CSR applies to all forms of businesses, regardless of their traits. Management views corporate social responsibility as a commercial necessity and a means of gaining a competitive advantage. Jenkins (2006) [35] found that corporate social responsibility in small businesses connects value-based management and quality control with a sustainable approach to business management. CSR is universally relevant within the terminology of the nature and size of companies and the local context in which they operate [12]. Consumers expect companies to provide quality goods and services as

well as engage in honest conduct. The accreditation procedure is helping to expose effective CSR methods, which are generally necessary for large corporations that hire MSMEs as suppliers.

With the issues of COVID-19 in mind, it is important to uphold the core human values represented by CSR tasks. As a result of the coronavirus, many businesses, particularly large firms, are playing a pivotal role by modifying existing CSR programs to tackle more urgent social problems created by the pandemic. In Nigeria, the pandemic has created significant barriers for micro, medium and small enterprises (MSMEs), prompting many MSMEs to shift their focus from routine operations and engagement in CSR to solving challenges and seeking substitute market outcomes, especially in sales/service. The majority of MSMEs are focused on how to survive and continue to operate in the face of COVID-19 challenges, making it difficult to make positive CSR contributions to society and the world.

#### **4.0 Conclusion and Recommendation**

This study aims to analyze the implication of COVID-19 emergence on the global economy and its impact on the CSR of MSMEs in Nigeria. The pandemic has transformed the way businesses achieve their economic, social and environmental goals, with greater emphasis on their position in society. The activities by MSMEs do not comprehensively address the present challenges, as they lack the necessary tools to strive in this challenging time and most are barely surviving even in good economic time. COVID-19 has only amplified the challenges they face daily. Therefore, MSMEs require financial support from the government, the public sector and other concerning institutions. Evidence suggests that, in addition to financial assistance, MSMEs require technical assistance, commonly known as non-financial supports, to address a variety of COVID-19-related difficulties. This non-financial support includes managing the company's supply chain, managing human resources, managing finance, and pivot the venture's business model [44]. Direct technical support can assist MSMEs in becoming more resilient in adapting to rapidly changing market conditions. MSMEs require flexible finance due to the inadequate cash balances and diminishing revenues caused by COVID-19 disruption. Many MSMEs have already downsized or are temporarily closed to avert the overall business failure. Only a couple of corporations, mostly multinationals, have a long-term and sustainable structure that can help in addressing the global challenges posed by this pandemic. Although MSMEs play a vital role in the economy, the negative impact of COVID has been felt the most by MSMEs. Based on the findings, it is concluded that COVID-19 has a significant effect on MSMEs' CSR. It is recommended that CSR projects should be compatible with government policies and plans to have a wider and even more sustainable effect. Government programs that aid MSMEs in achieving long-term sustainability should be prioritized. Since a sustainable growth of MSMEs indicates that clustering is important to gaining a specific sectoral advantage, engaging in CSR would be more successful if MSMEs embrace collective and community CSR which is known as a "social responsibility group" or "collective corporate social responsibility" (CCRS).

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