



The challenges that Abidjan, ivory coast's small business owners encountered following the covid-19 pandemic

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Abstract

This qualitative case investigation examined the challenges faced by Ivory Coast's Abidjan owners of small enterprises. This qualitative research paper aims to shed light on the financial challenges that Abidjan, Ivory Coast, small entrepreneurs encounter. The purpose of this qualitative case study is to learn about the challenges faced by Ivory Coast's small company entrepreneurs in Abidjan. A case study qualitative approach was the most suitable research methodology for this investigation. The population for this qualitative case study approach comprised eight seasoned Abidjan small business operators. The method of qualitative analysis was applied. The themes that emerged included high taxes for proprietors of small enterprises in Abidjan, reduced loan availability, and the absence of government support. It is advised that owners of small enterprises in Abidjan, Ivory Coast, take into consideration and put the findings of this qualitative case research into practice in order to overcome the financial difficulties they are now facing. The researcher suggests that tax breaks for small enterprises be implemented by the government.

Keywords: Small business, covid-19, challenges

Introduction

This study looks at the challenges faced by the owners of small enterprises in Abidjan, Ivory Coast. Small- and medium-sized enterprises are the foundation of any economy, and since COVID-19 has had a knock-on effect on economies around the globe, protecting them from closing will be more important than ever before (Du, L., Razzaq, A., & Waqas, M. 2023) ^[6]. Minor businesses employ a large number of people and influence a significant portion of the Ivorian economy. Minor can mean different things depending on ownership, revenue, as size, operation, and legal framework (Belokonev, S. Y., *et al.*, 2023) ^[3]. The sudden appearance of the COVID-19 pandemic encounters had a major effect on small companies, forcing them to cut costs by lowering wages, lowering staff hours, and terminating employees (Waqas, A. 2021) ^[27]. Nevertheless, most of these tiny enterprises struggle to survive the current environment for five months due to the fury of the coronavirus pandemic (Anwar, M. A., *et al.*, 2023) ^[2].

At every step of a company's development, there is a considerable danger of collapse (Blank, S., & Dorf, B. 2020) ^[4]. According to Malmberg, S. (2022) ^[13], business failure is the decision to leave a company given that the entrepreneur's minimum criteria for financial survival have not been met. According to Akoto (2022), a firm fails when its total profitability declines and it closes. The intentional shutting down of a business owing to subpar performance is referred to as failure by bankruptcy liquidation, or closure, and is considered an effective reorganization of assets (Stef, N., & Bissieux, J. J. 2022) ^[25].

Corporations must have directors that are knowledgeable about efficient leadership techniques that align with and foster a positive and healthy work sector to adapt to developments in the business sector and fulfill the demands of current business patterns. Organizational levels are

significantly impacted by leadership development initiatives (Jatoi, A. 2022) ^[9]. Politicians at the town, local and national levels have been considering the vital role that small business owners play in creating jobs, wealth, and development in both established and developing economies (Nyoni and Bonga, 2018) ^[18].

Small enterprises have demonstrated their importance and that a nation's economy cannot function without such. In Abidjan, they significantly boost employment in the majority of neighborhoods (Page, J., & Söderbom, M. 2015) ^[20].

According to a study on a review of the challenges Ivorian business owners confront in the micro and small-sized enterprise sector, bribery, insufficient resources, inadequate storage spaces, and restricted access to financing have all played a part in the downfall of owners of small businesses.

Small- and medium-sized enterprises generate more immediate jobs than large corporations (Page, J., & Söderbom, M. 2015) ^[20], and research conducted by Henrekson, M., & Johansson, D. (2010) ^[8] demonstrates that small business owners bring positive prosperity and chances to those who live in their hometown. A research investigation on advancement in a developed rural small business ecosystem mentioned that there is ample showing in the entrepreneurship literature suggesting that small enterprises in developed as well as emerging nations boost job creation and income reduction within their people (Panagiotakopoulos, A. 2020) ^[21]

According to Orzechowski, P. E., small companies have helped to reduce poverty by generating employment, a means of subsistence, wages, and employment for numerous people. Small business owners encounter numerous obstacles that affect their capacity to shut down their enterprises, according to a study on the effects of the services sector on small firms in emerging nations (Asadi,

A. 2023)^[1]. Li, M. (2021)^[12] claim that a major factor affecting small enterprises has been the inability to obtain government backing and loans. Small businesses faced challenges in 2020 as a result of the COVID-19 outbreak and the ensuing economic downturn, and governments failed to offer financial help to these enterprises (Kluczevska, K. 2021)^[11]. The World Bank (2020) claims that Covid-19 has a significant effect on small firms, including challenges in obtaining financing. The situation for small businesses was different in the United States, where the Treasury Department helped them tremendously and made it easier for funds to be urgently deployed so that they could help small businesses survive and grow again (PUBLIC, K. I. P. X., & POLICY, C. (2021)^[23]. In Ivory Coast, however, the country's economy will suffer if the government does not give owners of small businesses instantaneous financial assistance.

Statement of the Problem

The issue to be studied in this research is the financial challenges that Ivory Coast's proprietors of small enterprises in Abidjan face in order to maintain their profitability. Small companies in developing nations, particularly those in Ivory Coast, confront numerous obstacles that affect their capacity to shut down. The problems in Ivory Coast always stemmed from small business owners' inability to obtain financing and the absence of assistance from the national and local governments. The early 2020 COVID-19 epidemic has made small firms' struggles more severe. Recently, Abidjan's owners of small enterprises have encountered a number of challenges that have caused some to close their doors after only a few years of operation. The government, municipal governments, and small companies in Abidjan, Ivory Coast have always struggled with how to keep these firms afloat following the COVID-19 outbreak. Scholars and economists also stray from this subject. There has been little to no interest in this idea. In order to shed light on some of these issues, the researcher made the decision to look into the difficulties small businesses encountered following the COVID-19 pandemic.

Aim of the Study

This study aims to investigate the challenges that Ivory Coast's owners of small enterprises are facing in Abidjan after the COVID-19 pandemic.

Research Question

What obstacles do Ivory Coast's owners of small businesses in Abidjan face that cause their enterprises to fail after COVID-19?

Research Methodology

For this investigation, a qualitative case-study design is suitable. A qualitative study approach would investigate how Abidjan's small company owners perceive, feel, and deal with challenges on a day-to-day basis. The qualitative research interview is a crucial instrument for gathering data for a variety of techniques applied in the wide field of academic research, as noted by McGrath *et al.* (2019)^[14]. According to a study on fresh perspectives gained from qualitative research, qualitative information is a

nonreducible text that can be presented in either dynamic or static form and includes words and images (Bansal *et al.*, 2018). A study highlighting the value of openness in qualitative research brought technical flexibility to light. It is an essential component that cannot be avoided Nassaji, H. (2020)^[15]. A variety of interview forms are available for the qualitative research approach, including semi-structured interviews with open-ended questions, as per McGrath *et al.* (2019)^[14]. Hameed, H. (2020)^[7] asserts that the qualitative research approach offers a crucial channel for identifying and investigating explanations. A case study technique, according to Byrd, R. (2020)^[5], is to gather comprehensive information and provide an understandable image of a person, a program, or a circumstance.

Population and Sample

The study's target demographic will be Ivory Coast's small business owners who are having trouble making ends meet financially. The small company owners whose enterprises in Abidjan represent the following will be chosen for the study. Eight male and female Abidjan small company owners in all age groups who have been in operation for at least three years will make up the study's population.

Purposeful sampling, according to Kalu, M. E. (2019)^[10], is a technique for locating a person or people with an interesting life story who are willing to spend time with the researcher in order to collect data for a narrative reflecting their own lives.

Data Collection Tool and Procedure

The eight small business owners who were determined for the study will participate in a semi-structured electronic open-ended interview question through Google Meet, that will enable the researcher to probe as much as needed to elicit explanations. According to Scanlan, C. L. (2020)^[24], semi-structured interviews offer flexibility, yield a multitude of information, facilitate the development of relationships between the investigator and those who take part, and aid in uncovering the experiences of the study's chosen participants.

The participants were recruited via scheduled in-person meetings. In order to save time and costs, the idea of the inquiry was discussed, and an online interview was scheduled utilizing the Google Meet platform. Every interview was conducted in a timely manner. The interview lasted roughly thirty-two minutes on average.

Data Analysis

In order to get more skilled in the present research, qualitative researchers devote a significant amount of time to studying, practicing, and perfecting their data analysis techniques, according to Mezmir, E. A. (2020)^[16]. According to Morgan, D. L., & Nica, A. (2020)^[17], coding is crucial to creating an honest and communicative narrative out of fresh qualitative data. The data was arranged during collection to facilitate analysis. Coding eliminates a significant amount of empirical data in a qualitative study. It improves the quality of the analysis and findings while also making data easily accessible for analysis (Tomaszewski, L. E., *et al.*, 2020)^[26]. Every interview with every chosen participant was recorded by the researcher, who then wrote them down, developed themes, and conducted an analysis.

Findings

Demographics of Participants

The participants' demographic information was gathered based on the four factors listed below: years of operation, years of operation level, years of education, and gender.

Table 1: Gender.

n	Gender	Number	Percentage
1	Male	4	50
2	Female	4	50
Total	2	8	100

From Table 1 above, it was noticed there was a gender balance in collecting the data. This implies the research respected gender balance to get the opinion of all concerning the topic under investigation.

Table 2: Age.

n	Age Range	Number	Percentage
1	0 -20	1	12.5
2	21 - 30	1	12.5
3	31 - 40	4	50
4	41 - 50	2	25
5	51 and above	0	
Total	5	8	100

From table 2 above, it was noticed that the majority of the participant was aged between 31-40. While none of the participants were above 50 years old. This can be detached that most small business owners that have operated for at least 3 years fall in the age group of 31 - 40 in Abidjan, Ivory Coast.

Table 3: Level of Education.

No	Level	Number	Percentage
1	Basic	0	0
2	Secondary	2	25
3	High	2	25
4	University	4	50
Total	4	8	100

From Table 3 above, it was noticed that half of the participants have attained University, while none of them had his or her highest level of education at the Basic level. This shows that most of the small business owners in Abidjan who can sustain their businesses for up to two years are learned business owners from the university.

Table 4: Years of Operations.

n	Years of Operation	Number	Percentage
1	3	0	00
2	4	1	12.5
3	5	2	25
4	6	4	50
5	7 and Above	1	12.5
Total	5	8	100

From Table 4 above, the researcher noticed that there was no participant with 3 years of operation. This gave some credibility to the study because the participants could share their opinions from before, during, and after Covid-19. Most of the participants operated for 6 years.

The findings shall be presented regarding the themes that were developed from the analysis of the data collected from the 8 participating participants. From the analysis, there themes were developed;

Theme 1: Little assistance from the Ivory Coast's government offers.

Theme 2: Limited availability of Loan.

Theme 3: Exorbitant taxes imposed by the Ivory Coast government.

Theme 1: Little assistance from the Ivory Coast's government offers.

This study found that proprietors of small enterprises in Abidjan are having financial difficulties as a result of the Ivory Coast government's lack of support. The government of Ivory Coast, according to all study participants, does not assist small businesses that are having financial issues. The following is the response from the chosen small business owners in Abidjan regarding the lack of assistance from the Ivory Coast government:

"In Ivory Coast's history, no government has provided owners of small enterprises with encouragement to assist with their businesses continue to expand." P2 and P4

"Ivory Coast's small companies in Abidjan do not receive any funding from the government." P6

"The challenges that Ivory Coast's small businesses face are unimportant to the government." P3

"Ivory Coastan small business owners receive no subsidies from the government." P1 and P5

"As the owner of a small company for over 4 years, the government hasn't ever offered them a single financial assistance." P8

Owners of small companies in Abidjan are still having financial problems as a result of the government's lack of assistance. Enhancing productivity is negatively impacted by small company owners who lack human capital, according to Wang and Cuero (2017). Abidjan's owners of small enterprises desire enhanced education, coaching, and talent advancement from the government, even though financial difficulties continue to be a major barrier to their success (Wang and Cuervo, 2017).

Theme 2: Limited availability of Loans.

The limited availability of loans from Ivorian banks is a challenge for proprietors of small enterprises, as acknowledged by all of the owners who participated in the interviews for this study.

"it could be beneficial for proprietors of small enterprises in Abidjan to be granted access to loans that would assist our business expand and continue to be economically viable, but financial institutions in Abidjan don't offer opportunity for small-scale enterprises to get credits." P-6

"High prices for loans and restricted loan availability are the primary barriers to bank financing for small entrepreneurs in Abidjan" P2.

"restricted possibilities for loans for small enterprises in Abidjan reduced the organization's revenue and pushed the organization to cut down on staff's labor periods". P-3

"it might be beneficial for proprietors of small enterprises in Abidjan to be granted the opportunity for loans that would assist their organizations expand and continue to be

economically viable, but financial institutions in Abidjan fail to offer passage for small-scale enterprises to get financial assistance." P8

"It's difficult for proprietors of small enterprises in Abidjan to obtain loans due to limited access. We lack the funds to grow the company in a way that would maintain profitability." P7

"After four years running a company in Abidjan, the growth and profit have been destroyed by not having the opportunity for loans to support this tiny business. Our company faces difficulties because of Abidjan's restricted loan availability." P1.

"It's difficult for entrepreneurs with small businesses in Abidjan to obtain loans due to limited access. We lack the funds to grow the company in a way that would maintain profitability."P4

A major worry for small company owners in Abidjan who are having trouble making ends meet financially is having limited possibilities for loans. The study of human capital has a direct bearing on the financial challenges small company owners in Abidjan face in order to stay profitable. For a long time, boosting the performance of small enterprises and raising revenue for an organization have required staff members (World Bank, 2018).

The theory of human capital, according to Prasetyo, P. E. (2020)^[22], aids small businesses in maintaining profitability, gaining traction, and adding value to the company. Abidjan's sole proprietorship owners' financial struggles still have a detrimental impact on their companies.

Theme 3: Exorbitant taxes imposed by the Ivory Coast government.

According to this report, proprietors of small enterprises in Abidjan are having financial challenges as a result of hefty taxes levied by the government. All small business owners in Abidjan who were interviewed for this study concurred that the high taxes levied by the government present difficulties for them.

"It is difficult for small company owners in Abidjan to deal with the government's hefty taxes. The state is taxing small businesses more heavily, and we are lacking sufficient funding to grow the company to assist us stay competitive." P2.

"A high government taxes for small businesses in Abidjan have reduced earnings for businesses and caused the enterprise to reduce staff member times." P5

"After five years of operation in Abidjan, incurring higher taxes to the government has destroyed both the expansion and revenue of my small enterprise. The government of Abidjan levies exorbitant taxes, which is a problem for our company".P1

"In order to assist the company we run expand while remaining economically viable, it could be advantageous to those who own small enterprises in Abidjan to pay lesser tax." P7

Due to their inability to maintain a profit, proprietors of small enterprises in Abidjan are greatly concerned about the high taxes levied by the government. The data gathered for this study shows that Abidjan's high taxation policies have made it possible for small enterprises there to have financial challenges. All research participants—100% of them—reported that the Ivorian government did not assist financially struggling small companies.

Recommendations

Future scholars must to concentrate on understanding the small business investment notion of the model of human capital. Gaining an understanding of the human capital model of investing may enable researchers to better understand the challenges owners of small enterprises in Abidjan confront in order to maintain profitability.

Tomorrow researchers may discover that modest owners of businesses in Abidjan are able to invest in employees in order to expand their company's earnings and subsequently raise wages based on the outcomes, repercussions, and individual capital theoretical foundation of this study.

In order to better perceive the monetary challenges owners of small enterprises in Abidjan face in order to maintain profitability and to learn about the support the Abidjani government offers to small business owners, it is also recommended that future researchers concentrate their interviews on the finance minister and officials of the Ivory Coast government rather than small business owners.

The subsequent sensible move in this line of inquiry is to learn about the perspectives of Abidjan's small company patrons and staff in order to comprehend how they can perceive the financial challenges that Ivory Coast's owners of small enterprises face in order to maintain profitability and to learn about the assistance that the Ivory Coastan government offers to those who own businesses.

Conclusions

This case study was essential since small businesses in Abidjan are the main source of employment in the majority of the city's communities. These firms have demonstrated their importance to the Ivory Coast's economy. According to a research on the critical examination of the challenges Ivorian business owners confront in the small business sector, excessive taxes, a dearth of government support, and limited loan availability have all led to the downfall of owners of small enterprises in Abidjan. The target audience for this qualitative case study consisted of Abidjani small company owners who were having trouble making ends meet financially. The study's main topics were high taxes, limited loan availability, and a lack of government assistance. Abidjan's proprietors of small enterprises still struggle financially as a result of high government taxes, a lack of government support, and restricted loan availability. All of this was brought to life by the researcher from the analysis of the data obtained from the participants. For the maintenance of these small businesses in Abidjan, Ivory Coast, it is important to consider the findings presented in this study.

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