THE IMPACT OF COVID-19 PANDEMIC ON MICRO & SMALL SCALE TOURISM ENTREPRENEURS: A LITERATURE REVIEW

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ABSTRACT

The tourism sector is the single largest contributor to the total Gross Domestic Product (GDP) in Malaysia. Small and Medium Enterprises (SMEs) are divided into three levels: micro, small and medium-sized - enterprises, in a programme initiated by the government to reduce poverty and cut the income gap between rural and urban residents. The involvement of SMEs in the tourism industry has contributed to the development of a competitive advantage for the tourism industry in Malaysia. SMEs are an important component of the Malaysian economy, accounting for more than a third of the total GDP and providing employment to more than seven million people. However, when the World Health Organization (WHO) declared the COVID-19 outbreak as a worldwide pandemic, it has radically changed the direction of the tourism sector in Malaysia, especially among the micro and small scale enterprises (SMEs). In an effort to slow the spread of the virus, numerous countries introduced and mandated the use of Standard Operating Procedures (SOPs) including hand washing and sanitisation, social distancing and social isolation. Furthermore, the government has introduced several policies, improved public health systems and closed borders. These developments have restricted and even banned international travel and domestic travel, resulting in severe negative effects on the tourism sector. This unforeseen shock, to the tourism and other sectors, has dragged on for more than 12 months. It has severely curtailed the growth of micro and small scale enterprises (SMEs), leaving many such enterprises on the brink of closure. This study examines the literature and critically reviews the extent to which the COVID-19 pandemic has impacted SMEs. The methodology of this study uses the method of highlighting literature material systematically. A conceptual research method using secondary data was used in this study.

KEYWORDS: Impact, Pandemic, COVID-19, Micro and Small-Scale Tourism Entrepreneur

PURPOSE AND BACKGROUND

Malaysian SMEs are a government initiative to reduce poverty and cut the income gap between the rural and urban populations in Malaysia. Small and Medium Enterprises (SMEs) are a major contributor to the development and the competitive advantage of the tourism industry in Malaysia. The growth of SMEs is dominated by micro and small-scale enterprises (SMEs), especially in services, which are one of the key factors that boost the country's income and economy.

Nevertheless, the sustainability of these small and medium scale tourism industry players have been put in jeopardy by the COVID-19 outbreak which the World Health Organization (WHO) declared a pandemic due to its rapid contagion and spread around the world. This study examines the literature and critically reviews the extent to which COVID-19 has impacted SMEs.

METHODOLOGY

The methodology of this study uses the method of highlighting literature material systematically. Conceptual research is the research method that are used in this study. This conceptual research is conducted by observing and analyzing present information from secondary data that are related to the research topic.

Secondary data involves using already existing data. These data are summarized and collated to increase the overall effectiveness of research. The data is collected through the internet, libraries, archives and so forth. It is a convenient, cost-effective, and time-saving methods. A huge amount of secondary data can also be accessed from a wide variety of resources.

FINDINGS

This paper provides an examination of (i) the history of the COVID-19 pandemic, (ii) the importance of micro and small scale enterprises (SMEs) in the tourism sector, (iv) pandemic impact on the tourism sector, and (v) pandemic impact of COVID-19 on the sustainability of micro and small scale enterprises (SMEs). Although a pandemic is not a new thing anymore due to the existence of a pandemic that has spread in the world, killing many.

For example, smallpox, tuberculosis, Antonine epidemic, Justinian epidemic, The Black Death, Ebola, Zika, Influenza H1N, Middle East Respiratory Syndrome (MERS), and Severe Acute Respiratory Syndrome (SARS). However, the existence of the COVID-19 pandemic is still the biggest shock today due to the rapid manner and duration of its infection and still prevalent over the past few years.

PSMK is one of the sectors that is the largest contributor not only to the tourism sector but also to the country's, GDP. The contribution of micro and small scale enterprises (SMEs) to the development of the tourism sector, the national economy, providing employment opportunities, improving the skills of workers and also as a support to larger enterprises is important in ensuring that micro and small scale enterprises (SMEs) grow in various aspects.

The impact of the pandemic on the tourism industry is mixed and involves various parties. Previous studies conducted by scholars found that the pandemic outbreak that affected not only the national economy but also employment.

Furthermore, the survival of micro and small scale enterprises (SMEs) hampered by the impact of the COVID-19 pandemic which involved the cessation of business operations the restructuring of business structures and redesigning of operating strategies

CONCLUSION

In conclusion, the impact that had to be faced, especially by micro and small-scale enterprises (SMEs) entrepreneurs, is in an increasingly critical situation. More and more contingencies have to be faced following the outbreak of the COVID-19 pandemic, for which there is still no solution. All parties need to be more resilience, especially in finding a way to overcome every challenge resulting from the COVID-19 pandemic.

Accordingly, epidemic risks are complex, but policymakers need to be responsive by providing several mechanisms to deal with them. Some tools or mechanisms are used to reduce the spread of the epidemic. For achieving the goals effectively policymakers have to elaborate and implement the relevant policy.

Tourism researchers Edgell and Swanson emphasise, that public private partnership and involvement of non-governmental sector in developing tourism policy are essential, in order to achieve productive results in a short- and long-term period (Edgell D. L & Swanson J.R, 2013).

Another initiative is to reduce the health impact of the spread of uncontrollable epidemics. Meanwhile, the next strategy is to reduce the economic impact. In turn, measures to build a strong health system with complete nutritional support can help ensure a good level of basic health, thus enabling a healthier population to avoid epidemic infections.

Careful effort and planning needs to be done to ensure that micro and small-scale enterprises (SMEs) and the country's economic sector can become competitive again.

To achieve the aim of finding academic and practical implications for making the impact of COVID-19 pandemic on micro and small-scale tourism entrepreneur, a comprehensive literature review is needed to bridge the gap in understanding how this pandemic has affected the existing micro and small enterprises

CONTRIBUTION/PRACTICAL IMPLICATIONS

The theoretical aspect of this study is expected to generate ideas for the formation of theories and models regarding the impact of the COVID-19 pandemic on micro and small-scale entrepreneurs. This is because this study examines a new issue regarding the COVID-19 pandemic situation that first occurred and was faced by Small and Medium Enterprises (SMEs) entrepreneurs and the tourism sector.

This study is able to contribute to the field of tourism geography, especially those involving Small and Medium Enterprises (SMEs). In the academic field, this study is expected to be able to strengthen knowledge and be a source of literature for other researchers. Most previous studies on the impact and strategies of empowering micro and small-scale tourism entrepreneurs during the COVID-19 pandemic were not in-depth.

This study indirectly encourages more focused, in-depth studies to be conducted. Meanwhile, from the point of view of Small and Medium Enterprises (SMEs) entrepreneurs, this study is expected to increase the knowledge of each Small and Medium Enterprises (SMEs) entrepreneurs who are directly involved in helping them to adapt to the current situation.

The government at the same time gets input for policy formulation. Furthermore, this study is expected to contribute to new knowledge in the country's tourism industry.

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