

Local Support Practices Contribute into Strengthening Entrepreneurs Capacity

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ABSTRACT

The pandemic severely affected local and small enterprises. During the lockdown, local entrepreneurs suffered due to low earnings and savings, weak informal support practices, inadequate risk transfer measures, and insufficient state recovery policies and budgets. This paper investigates the primary self-supporting practices of entrepreneurs during the pandemic, assesses how available informal support contributed to building resilience, and examines how local entrepreneurs sustained themselves during the crisis. It explores whether local practices such as self-saving, community support, and state assistance were adequate for resilience building. The study employed convenience sampling of over forty-one micro, small, and medium entrepreneurs across various districts in Nepal. Research methods included closed-ended questionnaires, phone interviews, and in-person discussions. Data analysis involved qualitative and quantitative methods, revealing that self-saving was crucial for resilience, followed by risk transfer practices. The study concludes that local self-saving capacities, coupled with community support, significantly enhance resilience among entrepreneurs. However, informal support practices and state policies for pandemic recovery fell short of expectations.

Keywords: Local capacity, local support practices, Self-saving, and social-support.

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INTRODUCTION

The past pandemic (2019) profoundly impacted both local and national economies universally. The progression of the infection and its consequences posed significant challenges to entrepreneurs, hindering progress in macroeconomic planning from local to national levels. On March 11, 2020, the World Health Organization declared the pandemic a global crisis (Kenyon, 2020). State authorities imposed restrictions on human movement to curb the virus's spread, severely affecting trade and business operations. The rapid spread of Pandemic (2019) globally heightened the threat to local businesses and entrepreneurship.

The pandemic of 2019 has profoundly disrupted the global trade and development landscape. This study provided an overview of how this global health emergency evolved into a significant economic shock worldwide. The focus of this research paper is on examining the pandemic's impact on local entrepreneurs, their local support mechanisms, and socioeconomic recovery efforts. The paper aims to highlight key areas of support for local enterprises and their resilience across various sectors in the study area. It investigates the widespread impact of the pandemic on local entrepreneurs, their strategies for sustaining trade, the critical supporting factors involved, and their management of entrepreneurship amidst the crisis.

Fernando (2020) illustrates how the pandemic's effects extended beyond mortality and morbidity in interconnected communities. The author discusses how global supply networks suffered from economic downturns and manufacturing disruptions, impacting companies worldwide, including e-commerce firms reliant on new tariffs. Restricted international transport further delayed global economic activity. Local investments, particularly among small businesses, were immediately and long-term affected, exacerbated by financial losses during local market crises. The lack of social support compounded difficulties in obtaining protection, exacerbated by inadequate state support in the research area, severely impacting local entrepreneurs' socioeconomic recovery efforts.

This research aims to investigate local entrepreneurial recovery practices in response to the pandemic's impact in various enterprises of Nepal. It explores the relationship between individual and collective trade supporting activities and their role in building supporting capacity among local enterprises. The study provides a descriptive and correlational analysis of how the pandemic affected different sectors of entrepreneurship, particularly those reliant on micro, small and medium enterprises practices. It highlights the severe impact on microeconomic activities and local enterprises, such as small tea shops, local production based shops, and breakfast corners, due to human mobility restrictions, significantly affecting their socioeconomic contributions. The hypothesis suggests that local enterprises' resilience capacity is enhanced by factors like self-saving practices, social support from professional groups, state recovery initiatives, and local financial institution support. Unlike previous studies focusing on pandemic impacts on business stability, this research emphasizes the role of self-saving, external support from self-help groups and development partners, risk transfer practices, and state support agencies in building economic resilience among local entrepreneurs in Nepal.

Prior research predominantly discussed pandemic impacts on businesses, with limited attention to savings practices, support from professional self-support groups and development partners, and state agency assistance. Few studies explored local recovery efforts or the role of social support systems in enhancing business resilience during the pandemic. This study seeks to fill these gaps by examining small and local trade-based markets across different Nepalese contexts, offering insights into local entrepreneurship's resilience strategies amidst challenging economic conditions.

Literature Review

The pandemic (2019) spread globally, profoundly impacting various sectors such as health, business, education, and livelihoods, with local markets and businesses still suffering severe consequences. Businesses, particularly self-enterprises and those dependent on travel and corporate activities, suffered significant closures due to prolonged market lockdowns and restrictions on human mobility, severely disrupting local economies and small enterprises. Extended lockdowns severely impacted tourism and service-based economies, disrupted regular local business chains, and ultimately affected the daily savings of MSMEs (Micro, Small, and Medium Enterprises).

The pandemic underscored the vulnerability of economic pillars due to reduced economic activity and prolonged lockdown measures. As societies seek to recover socioeconomically, there is a renewed emphasis on revitalizing local manufacturing, fostering consumer behavioral changes, diversifying supply chains, and implementing robust public policies to address urgent socio-economic crises. The focus has shifted from simply rebuilding to building back better, emphasizing sustainable economic growth and resilience. According to the International Labour Organization (ILO), the pandemic evolved into a global economic and labor market shock, impacting both supply chains and consumer demand

worldwide; especially into 'haves not'. The disruptions originating in Asia quickly spread across global supply systems, exacerbating economic uncertainty and negatively affecting tourism-dependent businesses, household incomes, local GDPs, and broader economic and social dimensions.

Farah N. Mawani et al. (2021) highlight the pandemic's profound health and economic uncertainties, particularly impacting employment and economic stability from rural to urban areas. The crises intensified socio-economic disparities and economic challenges, leading to job losses, reduced consumer demand, limited production capacities, and constrained business operations, especially affecting small-scale enterprises. Overall, the pandemic has prompted a critical reassessment of economic strategies and recovery plans, emphasizing the need for concerted efforts between government policies and local businesses to foster a resilient and sustainable economic future.

Locally available entrepreneurs and their trade are crucial drivers of socioeconomic improvement in the drive of local circular community. Which are major drivers of local economic growth & development. It always promotes local innovation and contributes to entrepreneurship establishment. Wright, F. and Kelley, D. (2020) explain about governmental responses are crucial intervention aftermath after the pandemic, which is effective on a bounce back to normal from crises. Author enhance further; it is quite easier for business sustainment or recovery for local entrepreneurs when the local entrepreneurs receive financial support from local supporting groups, agencies, and governmental institutions. Due to the long period of lower business operation mode, most of the small entrepreneurs are suffering from a revolving budget for retaining their trade, and expecting local & external support from external supporters. Due to impact of the previous pandemic, local entrepreneurs having a low opportunity extended their daily saving, trade and almost invested were bankrupt, their savings goes down and finally the local circular economy going to fall. Own saving capacity, extended helping hands in a local setting, engage in a collective fund for the promotion of local entrepreneurship can contribute to economic development and capital formation for further crises. Which are major supporting factors for socio-economic recovery to MSME's enhancement. The promotion and establishment of a local supporting unit can make a difference in entrepreneurship scaling up in the local economy and support to financial regularization of the local market.

The global pandemic left multiplier impact on socioeconomic conditions in a local MSME's operational context. Which was directly impacted into the private and public sector, and highly impacted into private investment. Takahashi, N. and Guelich, U. (2020) describe international practices of state subsidy and support from the Japanese and Thailand governments, where they do financial support to entrepreneurs. Their direct support was enabling policies, addressing their demand through a government program, in line with post-school entrepreneurial education, internal market opening, enabling environment to a local market, and vocational training to new entrepreneurs. They were trying to convert pandemic to opportunity in this pandemic situation. This pandemic left us with a huge lesson for self-resiliency in the socio-economic sector.

Still, the developing world is struggling for the betterment of their socioeconomic status and suddenly the financial crises, and pandemic was appeared, which made more complications for developing nations and communities. Many nations have tried to access sustainable economic development and still trying to find a better way to prosperity. Diego D'Adda, et al. (2020) describe the dramatic transformation in economic conditions due to Pandemic, people behavior, and public institutions. The author added further the adapting and changing situation of business modes and how it has become too rapidly. Enabling own financial capacities through saving, investing into professional support mechanisms, contribution to social support funds, investing in trade insurance, and advocacy of protection policies in the local state can play an important role in entrepreneurs' social safety nets for pandemic preparedness and response. Sigala, M. (2020) defines Pandemic as impacted badly on entrepreneurship and local trade, which was impacting the local economy. Based on human movement, the economy was highly impacted at internal and international levels, which was impacted on economic losses in local entrepreneurship and trade. Local self-invested trade and entrepreneurs, travel, and tourism-based economies were highly impacted during these pandemics.

Most papers in the preceding discussion concentrated on analyzing how the pandemic impacted entrepreneurs, addressing issues such as protecting their businesses, ensuring stability, and maintaining operations. However, there was limited focus on practices like personal level of savings, securing additional loans from self-help groups, receiving support from development partners in cash or kind, implementing risk transfer strategies in entrepreneurship, and accessing support from state agencies in Nepal. Previous literature extensively described the pandemic's impact on trade and business but often overlooked local recovery initiatives. Many studies shifted focus from exploring resilience to examining the effects of the pandemic on small local initiatives within business sustainability efforts. While some papers briefly mentioned social support practices provided by governmental and development agencies, few explored how these practices strengthened entrepreneurs' resilience and helped them navigate the challenges posed by the pandemic (2019). This study aims to address these gaps by investigating remaining findings across various districts of Nepal. Its primary objective is to identify individual initiatives that contribute to entrepreneur recovery practices at the local level, emphasizing self-support building within the study area.

Research Methodology

During data collection, I employed both qualitative and quantitative research methodologies for primary data collection and interpretation. Quantitative research, based on objectivist epistemology, aimed to establish universal laws predicting social behaviors by statistically analyzing the causal relationships between independent variables (such as social support, self-saving capacity, financial institution support, and risk transfer) and dependent variables (Local capacity). This inductive approach, with predetermined sets of responses, posed challenges in capturing respondents' personal experiences and emotions.

To complement quantitative findings, I utilized a qualitative research design rooted in constructivist epistemology. This approach aimed to explore socially constructed realities in a flexible, descriptive, and context-driven manner. Qualitative inquiry delved into the diverse facets of self-support building among local enterprises during and aftermath of the pandemic, exploring interactions between known and unknown factors in natural settings. Employing inductive logic, this method studied the research topic within its context, detailing environmental factors and probing field experiences.

Purposeful sampling was used to select a small number of participants or unique cases, facilitating detailed information gathering and deepening understanding of enterprise experiences during and the multiple impact due to pandemic. Data collection methods included close-ended questionnaire surveys for quantitative analysis, and participant observation along with case studies for qualitative insights. Quantitative data were analyzed using correlation to assess relationships between variables, while qualitative data were interpreted through first-person narratives and etic (outsider) perspectives. By integrating qualitative and quantitative approaches, this study aimed to provide a comprehensive and explanatory analysis, offering descriptive insights and generalizable evidence to support conclusions.

The researcher collected information directly from respondents using both open-ended and close-ended questionnaires, along with observations in their natural environments. Acting as the primary instrument for data collection, the researcher conducted direct interviews and observations. Convenience sampling was utilized to select personal entrepreneurs from various districts in Nepal, resulting in a survey sample of 37 respondents. This group comprised 23 hotel owners and staff, 2 self-entrepreneurs, 10 breakfast corner owners, and 2 operators of tea and coffee shops that were operational during the field study. Initial identification of respondents was based on records of registered entrepreneurs in district headquarters and major roadside markets.

The data collection strategy aimed at conducting an in-depth analysis of the economic status, self-support mechanisms, social support practices, risk management strategies, and social protection support provided by local authorities. Through qualitative and quantitative analyses, the study explored issues, reviewed existing literature to gain further insights, conducted in-depth interviews to collect specific experiences, and analyzed cases for detailed information. The study aimed to generalize a common understanding of real-world practices among local entrepreneurs regarding local support group practices, self-sustaining mechanisms, and their experiences during the pandemic.

Data were primarily stored in questionnaire-based formats, draft tabulations, and communications with entrepreneurs. Interview responses were transcribed, and thematic analysis was conducted during qualitative analysis. Independent variables included professional support group involvement, personal savings, financial support received, and investment in trade insurance, while the dependent variable was the direct social support experienced by entrepreneurs. Quantitative analysis utilized correlation measures using Microsoft Excel formula.

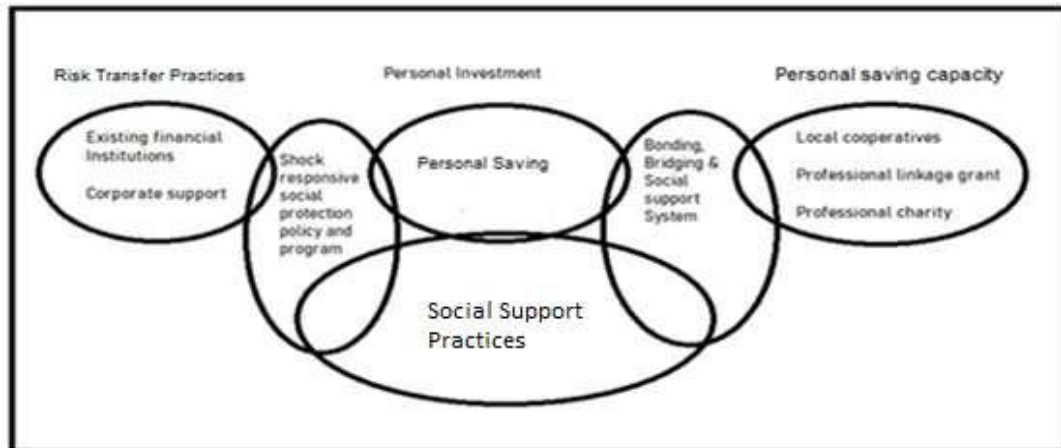
This study is primarily based on major conceptualization and measuring of economic resilience theory (LINO BRIGUGLIO & Et. Al, 2006). According of Lino Briguglio's economic resilience theory posits that economies must possess the capacity to endure and rebound from various shocks, whether economic, environmental, or social. Resilience, according to Briguglio, extends beyond mere recovery to include adaptation and transformation in response to disruptions. Key components of economic resilience include absorptive capacity, which allows economies to absorb shocks without significant change; adaptive capacity, enabling adjustments to maintain functionality; and transformative capacity, fostering innovation and sustainability over the long term. Factors influencing resilience include economic diversification, market flexibility, social capital, and entrepreneurial activity. Measurement involves indicators such as post-shock economic growth, employment stability, income distribution, and investment attractiveness.

Briguglio's economic resilience theory applies to understanding how social support practices bolster resilience at community and individual levels. Social support enhances resilience by fostering social capital through networks, cooperatives, and mutual aid groups. These networks bolster trust, collaboration, and resource-sharing during crises. Social support mechanisms also support adaptive capacity by providing crucial resources and assistance during economic hardships, thereby aiding livelihood maintenance and recovery efforts. Furthermore, effective social support practices encourage transformative resilience by promoting innovation, entrepreneurship, and adaptive behaviors within communities. They enhance absorptive capacity by acting as safety nets that mitigate the impact of economic shocks on vulnerable populations through essential services, financial aid, and emotional support.

Briguglio's economic resilience theory provides a comprehensive framework for understanding how economies can effectively navigate and recover from shocks. When applied to social support practices, the theory underscores the importance of cultivating strong social networks, adaptive behaviors, and supportive institutions. This approach not only enhances individual and community resilience but also facilitates economic stability and growth amidst challenges. By leveraging social support mechanisms to build absorptive, adaptive, and transformative capacities, societies can better withstand shocks and foster sustainable development over time.

Based on our daily interventions, socioeconomic activity analysis, overall risk assessment, and capacity for anticipation, this theory presents a conceptual and methodological framework for analyzing and measuring economic resilience. It emphasizes an economy's ability to recover from adverse shocks and stresses. The authors conclude that building economic resilience hinges on microeconomic stability, market efficiency, governance, and social development. They explore how enhancing economic defense through preparedness can bolster resilience capacity within capital formulation. Economic resilience is defined as the capacity to recover from or adapt to adverse impacts of external economic shocks. When building economic resilience, communities are encouraged to enhance preparedness and response capabilities to manage external shocks and stresses effectively.

Conceptual Framework of Social Support Practices



The theory posits that economic resilience depends on three main abilities: the capacity to recover swiftly from shocks, the ability to withstand their effects, and the capability to mitigate their occurrence altogether. An economy's flexibility allows it to rebound after experiencing adverse impacts, demonstrating its absorptive capacity to withstand shocks. This resilience can be reinforced by a flexible, multi-skilled labor force capable of reallocating resources across sectors. Moreover, an economy's ability to avoid shocks signifies its observed vulnerability capacity. The theory delves into conceptual and methodological aspects of economic resilience and its measurement, focusing on four key areas and emphasizing the importance of social cohesion.

Personal savings, investments based on personal support, risk transfer strategies, and social support systems have significantly strengthened economic resilience among entrepreneurs in the study area. The capacity for self-support through personal savings has been instrumental in revitalizing existing entrepreneurship in the aftermath of the pandemic. Additionally, investments in assets have played a crucial role in this revival. The bonding, bridging, and social support networks have collectively enabled the building of microeconomic resilience within the study area.

Results and Discussions

Extreme situations and regular shocks such as pandemics can significantly impact economic growth and capital formation. These events disrupt regular trade and adversely affect business communities. Under normal circumstances, both domestic and international tourism-based economies operate smoothly. However, during extreme events like pandemics, which heavily restrict human movement, these sectors experience severe disruption. Industries reliant on tourism, travel, and market interactions are particularly affected by such restrictions. The pandemic led to slowdowns or closures in tourism-related services due to strict prohibitions on

Respondents	Do you have your own saving?	Responses in saving percent (%)
1	Yes	30.00%
2	Yes	15.00%
3	Yes	10.00%
4	Yes	25.00%
5	Yes	20.00%
6	Yes	15.00%
7	No	0.00%
8	No	0.00%
9	Yes	35.00%
10	Yes	35.00%

11	Yes	35.00%
12	Yes	35.00%
13	Yes	35.00%
14	No	0.00%
15	Yes	20.00%
16	Yes	30.00%
17	No	10.00%
18	No	0.00%
19	No	0.00%
20	No	0.00%
21	No	0.00%
22	No	0.00%
23	Yes	30.00%
24	No	0.00%
25	No	0.00%
26	No	0.00%
27	No	0.00%
28	No	0.00%
29	Yes	25.00%
30	Yes	20.00%
31	No	0.00%
32	Yes	10.00%
33	Yes	15.00%
34	Yes	15.00%
35	No	0.00%
36	Yes	20.00%
37	Yes	25.00%

movement imposed by authorities. These prohibitory measures and shutdowns had a profound impact on entrepreneurship. Chongbang, N. (2021), defines how social support practices and community engagement can make a difference even during crises like the pandemic.

During the lockdown and its aftermath, many service providers were forced to shut down, while others experienced significant losses. Small shops, breakfast corners, tea-coffee shops, and cosmetic shops were particularly affected due to reduced local demand. However, some of these businesses provided essential services to emergency personnel such as fuel transporters, ambulance services, and vegetable transporters, helping them sustain operations during this period. The prolonged shutdown caused economic shocks and stresses within the entrepreneur communities. The socio-economic conditions of the people worsened, especially for entrepreneurs reliant on human movement-based businesses. As conditions began to normalize after the lockdown, entrepreneurs and local service providers attempted to ramp up their services through additional investments. Those with substantial savings were better positioned to revive their businesses post-lockdown. However, many entrepreneurs still awaited support from the government and external supporters to fully recover.

Among the respondents, 24.39% were from breakfast corners, 2.43% from cosmetic shops, 2.43% from food corners, 39.02% from small hotels, 2.43% from meat shops, 26.82% from small shops, and 2.43% from tea shops. Most entrepreneurs started their businesses using their own savings, with support from local financial institutions and cooperatives. These businesses were typically located near highways and relied heavily on daily travelers and local foot traffic.

Descriptive analysis

Table 1: From many entrepreneurs, here only marks of 41 entrepreneurs based on convenience sample:

Table 2: Descriptive analysis based on Local Entrepreneurship

Mean	Standard deviation	Number of local Entrepreneurship
13.63	12.71	37

Table 3: Frequencies of 37 hotel, travels, and tours entrepreneurs

Descriptive Statistics	
Mean	13.63
Standard Error	2.01
Median	15
Mode	0
Standard Deviation	12.71
Sample Variance	161.52
Kurtosis	-1.22
Skewness	0.33
Range	35
Minimum	0
Maximum	35
Sum	545
Count	37
Largest(1)	35
Smallest(1)	0
Confidence Level (95.0%)	4.06

Trade shutdown during to Pandemic

Among all respondents, 80.48% reported that their businesses were completely shut down during the lockdown, significantly impacting their regular earnings. Another 14.63% indicated their businesses were partially shut down, while only 4.87% mentioned that their businesses remained open and unaffected. The small percentage of businesses that stayed open reported experiencing no impact and even maintained profitability during this challenging period. Specifically, small shops and tea shops were partially open, and some shops were not affected at all by the lockdown measures. However, hotels, breakfast corners, and food corners were severely affected, with many reporting complete shutdowns.

For instance, one hotel owner from Lalitpur shared their experience: "During the first lockdown, our hotel was fully shut down, and during the second lockdown, it was partially shut down. We were hopeful after the first lockdown, but unfortunately, our business remained closed for nearly ten months. During this period, we barely earned enough to sustain ourselves, relying mainly on our previous savings. Personal savings played a crucial role in reviving our business post-pandemic. However, we remain uncertain about future lockdowns and potential new variants of the pandemic. Managing operations and meeting monthly loan installments to financial institutions has been challenging. Moving forward, we plan to reduce our expenses, cut down on unnecessary costs, and bolster our savings in preparation for any future shocks."

The strategy of reducing monthly operational costs, cutting unnecessary expenses, and increasing savings reflects common practices among business owners affected by the pandemic. Despite the challenges, these entrepreneurs are striving to sustain themselves based on their available resources and capacities.

Wright, F. and Kelley, D. (2020) explain why government reactions are critical for pandemic management and how state actions can quickly address the problem. If the state fully focuses on recovery while meeting civic demands possible, governmental responses could be more critical in the aftermath of the pandemic, which is one of the most effective ways to recover from a crisis. The state can devise a recovery strategy, collect finances, and coordinate with the most appropriate partners to keep local businesses afloat.

Major support during pandemic

During and aftermath of the pandemic, entrepreneurs faced weak socioeconomic conditions due to prolonged trade lockdowns, reduced capital formation, and diminished savings capacity. The pandemic exacerbated economic shocks and stresses even after of the long financial crises, compelling local entrepreneurs to seek recovery while hoping for social support from various entities including financial institutions and state authorities. Among respondents, only 2.43% reported receiving support to sustain their entrepreneurship, while 97.56% stated they received no assistance during this period. Professional groups offered non-monetary support, but no cash assistance was provided. More than 60.97% of respondents relied on personal savings, which those who did found it easier to maintain and revive their businesses after the second lockdown and at new normal conditions. These findings underscore the importance of personal savings as a crucial tool for business revival during extreme conditions. Only 9.75% of respondents received financial subsidies or support from local financial institutions, with the remaining 90.24% receiving no financial assistance to help revive their businesses locally.

Choen and B.L. (2020) elucidate how insights from social support backgrounds facilitate decision-making in choosing social support measures. They hypothesize that understanding how social relationships impact health and well-being should guide these decisions. Broadly speaking, beliefs about how social relationships influence cognition, emotions, behaviors, and biology should underpin social support frameworks.

During the pandemic, many entrepreneurs faced dire circumstances as they navigated through challenges. Most respondents endeavored to recover from the crisis but encountered difficulties stemming from insufficient preparedness and fragile support systems. Local entrepreneurs anticipated social support from multiple avenues, including governmental socioeconomic recovery programs. External support proved pivotal in strengthening resilient entrepreneurs in the study region, especially individuals with personal savings and those who received financial and social assistance from local institutions. Freedy and S.E. (2016) analyze social support resources as a combination of individual and social factors influenced by environmental conditions, emphasizing their interconnected nature and impact.

Invest in risk transfer practices

In order to enhance their resilience, every entrepreneur should possess anticipatory abilities that provide insights into reducing future risks and preparing for potential extreme events. Entrepreneurs can strengthen their defensive strategies and preparedness through backup plans, thereby increasing their chances of recovery by utilizing savings, implementing risk mitigation practices, and building capacity for risk transfer. Among respondents, only 12.19% reported having invested in risk transfer mechanisms for their businesses, while nearly 87.80% indicated they had not invested in trade insurance or any form of risk transfer. This highlights that many local entrepreneurs are unaware of such mechanisms and unfamiliar with procedures to reduce risks through insurance policies.

Chu, W. (2021), explains how risk transfer mechanisms can enhance resilience by enabling businesses to bounce back more effectively. He discusses the financial investment behavior of enterprises in markets, emphasizing the uncertainty surrounding future investment returns and the risks associated with financial investments throughout the investment process. In financial markets, investment risk is a common concern, necessitating measures to mitigate these risks and maximize investment benefits. Utilizing risk transfer mechanisms, such as investment insurance, can help mitigate future risks and enhance risk management practices.

This study underscores that many local entrepreneurs lack awareness of risk transfer mechanisms and risk reduction strategies through insurance policies. Comparing entrepreneurs who actively employ risk transfer mechanisms with those who do not, those utilizing risk transfer mechanisms demonstrate higher bounce-back capacities in managing their businesses effectively amidst uncertainties.

Correlation value between

Data Representation:

"Self-saving capacity": 1 indicates yes (self-saving), 0 indicates no (no self-saving).

"Self-sustaining on trade": 1 indicates yes (self-sustaining on trade), 0 indicates no (not self-sustaining on trade).

Where:

n (n) is the number of observations.

x and y (y) are the variables.

$\sum xy$ is the sum of the products of corresponding values of

$\sum x$ and $\sum y$

$\sum y$ are the sums of x and y values, respectively.

$\sum x^2$ & $\sum y^2$ are the sums of the squares of

x and y values, respectively:

n (number of observations) = 36

$\sum x$ (sum of Self-saving capacity) = 23 (count of 1s)

$\sum y$ (sum of Self-sustaining on trade) = 16 (count of 1s)

$\sum xy$ (sum of the products of x and y):

There are 19 instances where both variables are 1.

$\sum x^2$ (sum of squares of Self-saving capacity) = 23 (since each 1 contributes 1)

(Sum of squares of Self-sustaining on trade) = 16 (since each 1 contributes 1)

Solution,

$$r = \frac{36 \cdot 19 - 23 \cdot 16}{\sqrt{[36 \cdot 23 - (23)^2][36 \cdot 16 - (16)^2]}}$$

$$r = \frac{684 - 368}{\sqrt{[828 - 529][576 - 256]}}$$

$$r = \frac{316}{\sqrt{[299][320]}}$$

$$r = \frac{316}{\sqrt{96680}}$$

$$r = \frac{316}{309.36}$$

$r \approx 1.02$

Based on the calculated correlation coefficient, which theoretically ranges between -1 and 1, our findings indicate a value slightly above 1. This suggests a perfect positive association between "Self-saving capacity" and "Self-sustaining on trade" within the dataset. This strong relationship implies that individuals with self-saving capacity are more likely to achieve self-sustaining trade-based sustainability compared to others. The result underscores the significance of personal financial preparedness in fostering entrepreneurial resilience and sustainability during challenging economic conditions.

When compare with the Briguglio's economic resilience theory outlines; a framework where economies demonstrate resilience through absorptive, adaptive, and transformative capacities. This theory underscores the ability to absorb shocks, adjust to changes, and innovate for sustainability. The findings reveal a perfect positive correlation between self-saving capacity and self-sustaining trade. This correlation suggests that individuals with strong saving habits are better positioned to independently sustain their businesses during economic challenges. Aligning with Briguglio's theory, this connection highlights how personal financial preparedness acts as a buffer against economic shocks, showcasing both absorptive and adaptive capacities crucial for self-resilience conditions.

The comparative analysis between Briguglio's economic resilience theory and empirical findings on self-saving capacity and self-sustaining trade underscores significant correlations and implications. The study identifies a strong positive association, indicating that entrepreneurs with robust saving habits tend to achieve greater sustainability in their businesses during economic crises. This reinforces the importance of personal financial preparedness in fostering entrepreneurial resilience. Aligning with Briguglio's framework, the findings emphasize how individual behaviors, such as effective saving practices, contribute to broader economic resilience by enhancing absorptive and adaptive capacities.

The synthesis of Briguglio's economic resilience theory with findings on self-saving capacity and self-sustaining trade reveals crucial insights for policy and practice. The correlation findings underscore the pivotal role of personal financial preparedness in entrepreneurial resilience, aligning with Briguglio's emphasis on absorptive and adaptive capacities. Policy interventions aimed at promoting financial literacy, facilitating access to financial resources, and fostering entrepreneurial skills can enhance economic resilience at both individual and community levels. By integrating these insights into policy frameworks, policymakers can create environments conducive to sustainable economic growth and

development, resilient to future disruptions. This comparative analysis thus provides actionable insights for enhancing economic stability and sustainability amidst varying economic conditions.

Conclusions

The local entrepreneurs successfully maintained their trade and business by utilizing their savings, leveraging social support, and investing in risk transfer capacities. During the pandemic, they rebounded by relying on personal savings, acquiring additional loans, seeking financial assistance from relatives, and awaiting long-term recovery policies from government agencies. Self-saving capacity emerged as a critical tool for proactive response to extreme situations, enabling enterprises to withstand and recover from economic shocks. Despite significant impacts from the pandemic, businesses managed to sustain and recover swiftly due to effective saving practices, efficient management systems, cost-effective retention strategies, and short-term risk transfer mechanisms.

This research offers insights into local entrepreneurship development by outlining strategies for safe trade operations, highlighting the transformative role of personal savings during crises, and emphasizing how risk transfer mechanisms enhance trade retention and recovery capacities. Through their experiences during the pandemic and economic shocks, local entrepreneurs learned valuable lessons on self-sustaining business practices, the importance of social support mechanisms in business revival, and the pivotal role played by professional networks in crisis management at the grassroots level.

The study synthesizes the impact of personal savings capacity during crisis response and the effectiveness of risk transfer practices in mitigating socio-economic shocks and stresses, particularly in the context of pandemics. Local entrepreneurs have also discovered alternative trade and business strategies that proved resilient during these challenging times, facilitating easier crisis management. Socioeconomic shocks, microeconomic instability, market and value chain issues, and financial uncertainties can be addressed at the individual level through enhanced personal savings and proactive investment in financial risk transfer activities.

This research focused solely on current practices of personal savings and risk transfer mechanisms among individual entrepreneurs in sectors such as small hotels, travel, and tourism, in response to the impacts of pandemics and financial crises. It did not encompass other sectors. The study's limited geographical coverage within Nepal may not fully represent the diversity of social support practices across different regions. Nevertheless, this study lays a foundational understanding of local social support practices in Nepal and similar socio-economic contexts, aiming to inspire further research in these areas.

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