Assessing governments response to exogenous shocks: Considering the COVID-19 pandemic in the Ghanaian context

Priscilla Tuffour1,2 | Evans Opoku-Mensah1,2 | Love Offeibe Asiedu-Ayeh3 | Deborah Darko4

1School of Management and Economics, University of Electronic Science and Technology of China, Chengdu, China
2Center for West African Studies, University of Electronic Science and Technology of China, Chengdu, China
3College of Economics, Sichuan Agricultural University, Chengdu, China
4School of Public Administration, Shanghai Jiatong University, Shanghai, China

Correspondence
Evans Opoku-Mensah, School of Management and Economics, University of Electronic Science and Technology of China, Chengdu, China.
Email: evamens2@yahoo.com or priscytuff@gmail.com

Amid the COVID-19 pandemic, governments in most countries have played two key roles. First, to limit the disease's spread, and second to support small enterprises (SMEs) to revamp their operations. This study employs the best-worst method technique to evaluate data from 150 managers to assess these government policies' effectiveness to quicken SMEs' operations amid COVID-19 using Ghana as a case study. Our findings show that the three most effective government interventions in quickening SMEs' operations are soft loan, guarantee support, and interventions on statutory payments. We recommend that although the government should allocate greater resources to those policies with strategies contributing to the recovery process, they should not neglect the policies with lesser weights but should reduce their capital allocation. Our study offers insights into how governments can contribute to SMEs operations during exogenous shock. The findings can be useful to both researchers and policymakers towards revamping economies amid COVID-19 pandemic.

KEYWORDS
SMEs, best-worst method, COVID-19, Ghana, Keynesians economists

1 | INTRODUCTION

The novel COVID-19 pandemic has unleashed unprecedented public health tragedy and contractions in various economies (Goetz et al., 2020; Kumar et al., 2020; Singh et al., 2020). The absence of vaccination and treatment for the virus has encouraged the use of lockdowns and social distancing restrictions to decrease the spread of the virus (Appiah-otoo, 2020; Tavares & Betti, 2021). However, these restrictions have disrupted economic activities. Small and medium enterprises (SMEs) have been the most vulnerable to social distancing because they are predominantly located in sectors that have been significantly affected by the restrictions in movements (Kujur & Goswami, 2020; Papadopoulos et al., 2020; Quayson et al., 2020). According to Keskin et al. (2010), SME’s contribute to about 70% of the gross domestic product (GDP) in middle-income countries and employ more than half of the working force. For instance, SME’s account for almost 80% of total employment and 70% of the national GDP in the Ghanaian economy (Osei et al., 2016). Considering that SMEs are the backbone of most economies (Osei et al., 2016; Papadopoulos et al., 2020), an attack on their operations may deepen the economic crises; hence, vital to recognize the mechanisms through which their operations can be revived to contribute to the restoration of various economies. This study seeks to contribute to the larger literature on governments’ role in revamping SMEs’ operations during an exogenous shock.

According to the Keynesian theory, instead of waiting for the economy to transit out of a crisis period, the government should intervene to quicken the recovery process before the crisis becomes worst (Keynes, 2018). Thus, the surest way to support SMEs to suffice in business amid crises is for the government to support them during such periods (Opoku-Mensah et al., 2020; Xiongyuan & Shan, 2013). Amid the COVID-19 pandemic, governments in most countries have played two key roles. First, most governments have enacted policies to limit the spread of the disease. Second, various governments have
devised policies to support firms to revamp their economic activities. Like many other countries, the Ghanaian government instituted social distancing campaigns, closed borders, and promoted sanitation campaigns like hand washing to reduce the spread of the disease (Miao et al., 2021; Sibiri et al., 2020). Later, to revive businesses, the government instituted measures including supporting SMEs with soft loans, temporal suspension in payment of utilities, and reducing loan requirements (Ministry of Finance [MOF], 2020). While various governments have played similar roles, we expect academicians to dedicate attention in assessing the effectiveness of these two roles governments play.

However, the existing literature on government role amid COVID-19 has focused only on government initiatives to limit the disease’s spread (Alvarez et al., 2020; Bhar & Malliaris, 2020; Neil et al., 2020; Sibiri et al., 2020). While these existing studies help improve our understanding of how to prevent the spread of the disease, less attention has been dedicated to the role played by governments to revamp various economies. Assessing the role of government in the economic recovery process focusing on SMEs will bring into light the policies that need greater attention and prevent the allocation of resources to policies that are less contributing to the recovery process. This study, therefore, aims to highlight and assess the government role in quickening SMEs’ operations in post-COVID-19 lockdown restriction era.

An assessment of alternatives such as government strategies amid COVID-19 pandemic could be ambiguous and complex, and when not properly addressed, there could be information loss, which will lead to flawed decisions, hence demand an appropriate model other than the traditional method. Multi-criteria decision-making (MCDM) has been widely recognized in structuring and solving decisions and planning-related problems based on multiple criteria. Many MCDM approaches have been adopted in fields including operations such as supply chain, logistics healthcare management, and energy management. Most of the existing MCDM techniques require pairwise comparison, and most of these existing techniques suffer from a lack of consistency during pairwise comparison. Studies have found that (Rezaei, 2015, 2016) unlike the other MCDM approach (such as Analytical Network Process, ViseKriterijumska Optimizacija I Kompromiso Resenje, and Analytical Hierarchal Process), which lacks consistency, the best-worst method (BWM) resolves the inconsistency issue during the comparison and produces a robust result compared to the other existing methods. Moreover, the BWM is a novel and dominant influential multi-criteria decision making method (MCDM) in the literature. Also, the mathematical computation when using the BWM is easier compared to other existing methods (Rezaei, 2015). Due to the advantage of the best-worst, it is employed to evaluate these government strategies.

Taking all into consideration, this study assesses government response towards quickening SMEs operations amid COVID-19 challenges using Ghana as our case study. Ghana is the gateway to African trade (the country houses the African Continental Free Trade Area Secretariat (Obeng-Odoom, 2020) and plays a key role in regional trade. Moreover, Ghana’s economic activities and political dynamics are similar to most other countries within the sub-Saharan countries; hence, strategies being adopted by the Ghanaian government have the potential applicability and effectiveness by most countries within the subregion. From the above discussion, the study seeks to contribute to the literature in these ways:

1. The study extends the Keynesians arguments in research related to an exogenous shock (considering COVID-19 as an exogenous shock) and highlights for the first time how government can support SMEs and restore their operations amidst such periods characterized by uncertainties.
2. For the first time, the study employs the BWM as our decision-making technique in research related to an exogenous shock.
3. The study prioritizes for the first time the strategies being used by governments in revamping SMEs operations after COVID-19 lockdowns. With these rankings, governments will not waste resources on irrelevant strategies but will also save time and quicken the economic restoration processes.

Our findings show that the three effective strategies quickening SMEs’ operations amid COVID-19 are soft loan support, easy access to loans, and interventions on statutory payments. We proceed as follows: Section 2 details the review of intervention strategies and literature on the best-worst method. Section 3 focuses on the methodology. We show the results in Section 4 and make a detailed discussion of the findings in Section 5. Section 6 concludes the study and recommends future directions.

2 | THEORETICAL BACKGROUND AND LITERATURE REVIEW

2.1 | COVID-19 as an exogenous shock

Exogenous shocks may be in the form of natural disasters, trade shocks, or health-related (Das & Kannadhasan, 2020). These events occur unexpectedly and tend to disrupt economic activities. The COVID-19 Pandemic was not predicted and not considered in business planning. The shock and uncertainties from COVID-19 have contributed to reducing countries’ GDP within the Eurozone by 3.8% (Eurostat, 2020), the USA by 5.0% (BEA, 2020). The novel disease’s negative effects have been enormous as supply chain distribution channels have been disrupted due to limitations in transportation. Business units, including transportation, education, and petty trading, have all been affected tremendously as sales volumes have reduced due to reduced economic activities (Winarsih et al., 2021). The shock from COVID-19 calls for stakeholders’ re-engagement and adaption of swift measures to meet the current situation and revamp economic activities.

2.2 | COVID-19: Ghanaian situation

COVID-19 pandemic has a greater negative impact on developing economies compared to developed economies (Ozili, 2020). In Ghana,
two imported cases of the diseases were confirmed on March 12, 2020 (Ghana Health Service [GHS], 2020). To decrease the total number of imported cases, the government initially pushed for mandatory quarantine of all inbound travelers but later implemented a complete closure of all entry points into Ghana (Ministry of Information [MoI], 2020). With the increase in the number of cases from routine surveillance, there was a partial lockdown in three major cities: Accra, Tema, and Kumasi (Essien, 2020). Although the lockdown was for 3 weeks, not all economic activities are expected to bounce back during the year 2020 (GSS, 2020). Despite COVID-19 affecting every sector of the Ghanaian economy, the economic tremor released by the pandemic does not similarly affect all firms (Papadopoulos et al., 2020). Ghanaian SMEs have been the most vulnerable to social distancing because they are mostly found in petty trading, transportation, and education, which have been significantly affected by the lockdown and restrictions in movements (Winarsih et al., 2021). To revamp the operations of these SMEs, the Ghanaian government, in consultation with other stakeholders, developed an economic stabilization and recovery program to mitigate the pandemic’s impact (Ministry of Finance [MOF], 2020). This program is termed as the Ghana COVID-19 Alleviation and Revitalization of Enterprises Support (Ghana CARES) Obaatanpa Program (Ministry of Finance [MOF], 2020). The policies and mechanisms through which the Ghanaian government intends to quicken the economic recovery are detailed in the Obaatanpa program but summarize below:

2.3 | Soft loan support

First, the government has set about GH¢1.2 billion to support enterprises affected by the pandemic (GOG, 2020). Out of the GH¢1.2 billion, the government is giving out a soft loan up to GH¢600 million. This soft loan is targeted at micro, small, and medium enterprises, which has suffered from the lockdown and movement restriction. Enterprises that receive this money have a 1-year suspension and 2-year settlement period (GOG, 2020; Ministry of Finance [MOF], 2020). The amount is expected to support over 200,000 SMEs to help minimize losses in the wake of the outbreak.

2.4 | Intervention on statutory payments

As part of measures to reduce the negative impacts, the Ghanaian government extended the period for filing the annual returns (KPMG, 2020). Moreover, the penalty for late annual filing for all businesses was canceled, and firms who could not meet the deadline were not required to pay any penalty (Ministry of Finance [MOF], 2020).

2.5 | Suspension of utility payments

Even though most enterprises in Ghana remained closed in the first half of the year, payment of overhead costs like electricity and water are inevitable and independent of production. To reduce the economic pressure on these firms, the government instituted two policies on utilities. First, the government absorbs fifty 50% of businesses electricity bill for about 6 months using the March 2020 bill (GOG, 2020). The second was the absorbing of water bills for the entire 2020. This, according to the government, is a way to help industries and the service sector to provide some relief for their lost income (Ministry of Finance [MOF], 2020).

2.6 | Guarantees support

Credit grant supports provide guarantees to groups that do not have access to credit by covering a share of the loan’s default risk. In case of nonpayment, the lender recovers the value of the guarantee. The Ghanaian government has established a GH¢2 billion guarantee program to support banks in the country to offer financial support to SMEs for them to recover from the COVID-19 shocks (Ghana News Agency [GNA], 2020). The Ghana Care Guarantee Scheme (GCGS) aims to help SMEs borrow from banks at lower rates and longer tenors. This policy seeks to guarantee up to 80% of the credit extended by participating banks to their clients with less restrictions.

2.7 | Monetary measures

The Ghanaian government has reduced its interest rate from 16% to 14.5% to provide some relief to SMEs that borrow (Ministry of Finance [MOF], 2020). Moreover, the central bank has deployed measures, including lowering reserve requirements for commercial banks from 10.00% to 8.50% and capital conservation buffer for lenders from 3.00% to 1.50% to improve liquidity (GIPC, 2020). To provide some relieve to SMEs, the Bank of Ghana has decreased the cost of fund transfers when using mobile money services. The government is also ensuring lower interest rates for firms that borrow and providing longer tenor of payment conditions to firms that borrow (KPMG, 2020).

2.8 | Employment benefits

The government has provided a seed-fund for a retraining program to aid employees who have been sent home to either improve their skills or acquire new skills to improve their chances of finding new jobs (Ministry of Finance [MOF], 2020). In addition, the government, through the Ministry of Employment and Labour Relations, is establishing a National Unemployment Insurance Scheme to offer temporary income support to SMEs to prevent the laying off workers.

2.9 | Empirical and theoretical review

MCDM is an operational research technique for solving decision problems based on multiple criteria. Among these, MCDM techniques...
widely used include Technique for order preference by Similarity to Ideal Solution, Multi-Attribute Utility Theory, Analytical Network Process, VlseKriterijumska Optimizacija Ikompromisno Resenje, and Analytical Hierarchal Process. A study argued that the above decision-making techniques lack consistency when performing the pairwise comparison and recommended a novel method termed as BWM (Rezaei, 2015). BWM has been applied within various contexts, including research related to small enterprises (Asante et al., 2020; Gupta & Barua, 2016; Kaswan & Rathi, 2020). A study explored the important factors of technological innovation among India SMEs (Gupta & Barua, 2016). Using the BWM, they found out project resources and capabilities to be the important enablers. Another study explored the hindrances to green manufacturing for SMEs using the BWM and showed “lack of new technology facilities and processes to be the greatest hindrance in green manufacturing implementation in SMEs (Kushwaha & Talib, 2020). Furthermore, a study prioritized Green Lean Six Sigma enablers using BWM (Kaswan & Rathi, 2020). The above review shows that the BWM has been used in previous studies focusing on small enterprises in which there was the need to rank alternatives. With available literature showing the use of the BWM in similar work, this current study uses the BWM method to calculate the weight of intervention strategies capable of revamping economies to provide a basis for ranking.

3 | METHODOLOGY

Figure 1 is a diagrammatic representation of the steps followed to arrive at our results.

3.1 | Research approach

As indicated earlier, this study aims to evaluate governments’ economic recovery policies amid COVID-19 to quicken SMEs’ operations focusing on Ghana and using the BWM for assessing the strategies. To achieve our objective, the study adopts a four-phase approach for our assessment. The first phase identifies the strategies adopted by the Ghanaian government to quicken the recovery process. A careful review of related policies from the presidency, documents presented by ministers to parliaments, news portals, and other official documents are reviewed (Ghana News Agency [GNA], 2020; GIPC, 2020; GOG, 2020; KPMG, 2020). A summary of the Ghanaian government’s economic recovery strategies to support SMEs recovery, as highlighted above, is soft loans support, intervention on statutory payments, suspension of utility payments, easy access to loans, and guarantees support, monetary measures, and employment benefits.

Phase two focuses on the designing of a questionnaire. Ten experts in a group discussion aided in the questionnaire preparation.
The expert’s composition is as follows: three university professors, two from The National Board for Small Scale Industries (NBSSI), and five from the Small and Medium Enterprises Association of Ghana (SMEsAG). The experts from universities are selected from the business school of the University of Ghana. The experts from SMEsAG are selected from the group leaders of the nationwide association of SMEs. The questionnaire was designed based on the identified policies. One essential aspect of the BWM is the identification of the best and the worst strategies. During the questionnaire preparation, the experts built a consensus to acknowledge soft loan support as the best strategy and employment benefit as the worst strategy. Building consensus among experts in MCDM methodology has been adopted in existing studies (Gupta & Barua, 2016).

3.2 Data gathering

Having identified the recovery strategies being used together with the questionnaire, we proceed to data collection. Based on random sampling, a total of 180 SME owners were recruited conveniently from the Ashanti and the Greater Accra regions (the two most populated and business hubs of Ghana) to serve as respondents for the study. These regions represent a microcosm of the Ghanaian society (Accra being the national capital and Kumasi—the second largest city and a business center connecting almost all the other regions to the capital). However, the enterprise’s selection was based on the manager’s ability to read and write in English. Having in mind the best and the worst strategies agreed during the preparation of the questionnaire, these respondents were asked to rate the favorite of the best option over the other options and similarly all the other options with respect to the worst option using a scale of 1–9 (Gupta & Barua, 2016). In addition to filling the structured questionnaire, the respondents were given the opportunity to explain in detail the reasons for such choices. After deleting missing and incomplete data, the final usable data was 150 (representing 83.3%) of the administered questionnaires were used in the final analysis. Table 1 shows the background characteristics of the respondents.

3.3 Best-worst method

The fourth phase in our design is the application of the BWM to obtain the weight for the interventions and, finally, provide a rank based on the weight obtained. Rezaei introduced the BWM instead of using Analytic hierarchy process (AHP) in MCDM problems (Rezaei, 2015). Comparing results from AHP and BWM, Rezaei demonstrated that BWM achieves better results in relation to the consistency ratio, and some of the other assessment principles, including least violation, overall deviation, and conformity (Rezaei, 2015). Thus, BWM, with respect to its merits, can be a proper alternative for AHP.

The steps for the BWM are outlined below.

Step 1. Identify the list of recovery strategies. We identified the economic recovery strategies being adopted to revamp SMEs’ operations in Ghana and define as criteria that will aid us in our decision-making.

Step 2. Determine the best and the worst recovery strategy. Thus, the experts identify the best and the worst recovery strategy.

Step 3. Identify the choice of the best criterion over all the other criteria using the Saaty scale as shown in Table 2. The resultant Best-to-Others vector is stated as follows:

\[ A_B = (a_{b1}, a_{b2}, ..., a_{bn}) \]  

Table 1: Background characteristics of the respondents

| Characteristic       | Number of decision-maker | Percentage of samples (%) |
|----------------------|---------------------------|---------------------------|
| Age                  |                           |                           |
| 20–39                | 65                        | 43                        |
| 40–59                | 85                        | 57                        |
| Gender               |                           |                           |
| Male                 | 90                        | 60                        |
| Female               | 60                        | 40                        |
| Education            |                           |                           |
| Diploma              | 30                        | 20                        |
| Bachelor’s degree    | 70                        | 47                        |
| Master’s degree      | 50                        | 33                        |
| Work experience      |                           |                           |
| 7–10 years           | 55                        | 37                        |
| Over 10 years        | 95                        | 63                        |
| Industry             |                           |                           |
| Carpentry            | 15                        | 10                        |
| Education sector     | 20                        | 13                        |
| Mechanic             | 20                        | 13                        |
| Agro-products        | 25                        | 17                        |
| Poultry farming      | 30                        | 20                        |
| Sachet mineral water processing | 40 | 27 |

Table 2: Saaty scale

| Scale                          | Numerical rating | Reciprocal |
|--------------------------------|------------------|------------|
| Extremely importance           | 9                | 1/9        |
| Very to extremely strongly importance | 8            | 1/8        |
| Very strong importance         | 7                | 1/7        |
| Strong to very strong importance | 6               | 1/6        |
| Strongly importance            | 5                | 1/5        |
| Moderately to strongly importance | 4              | 1/4        |
| Moderately importance          | 3                | 1/3        |
| Equally to moderately          | 2                | 1/2        |
| Equally importance             | 1                | 1          |
where $a_{Bj}$ shows the favorite of the best strategy $B$ over criterion $j$. It is clear that $a_{Bj} = 1$.

Step 4. Identify the weightage of all the criteria over the worst criterion using a scale of 1–9. The resultant Others-to-Worst vector is stated as follows:

$$A_W = (a_{1W}, a_{2W}, ..., a_{nW}),$$

where $a_{Wj}$ shows the weightage of the criterion $j$ over the worst recovery strategy $W$. It is clear that $a_{Wj} = 1$. In this case, also the final value can be arrived by consensus of all the experts involved in decision making.

Step 5. Find the optimum weights $(\omega_1^*, \omega_2^*, ..., \omega_n^*)$.

The perfect weight for the strategy is the one where for each pair of $\omega_B = a_{Bj}$ and $\omega_W = a_{Wj}$.

To meet these conditions for all $j$, we must find a solution where the extreme absolute differences $|\omega_B - a_{Bj}|$ and $|\omega_W - a_{Wj}|$ for all $j$ is minimized. Considering the non-negativity and sum condition for the weights, the following mathematical problem has resulted:

$$\min \max \{ |\omega_B - a_{Bj}|, |\omega_W - a_{Wj}| \} \quad \text{s.t.} \quad \sum \omega_j = 1, \quad \omega_j \geq 0, \text{ for all } j$$

(Model 1).

Model 1 can be solved by changing it into the following linear programming problem model:

| $a_{BW}$ | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  |
|---------|----|----|----|----|----|----|----|----|----|
| Consistency index (max $j$) | 0.00 | 0.44 | 1.00 | 1.63 | 2.30 | 3.00 | 3.73 | 4.47 | 5.23 |

**TABLE 3** Consistency index (CI)

**TABLE 4** Best-to-others (BO) pairwise comparison vectors using 10 decision-makers

**TABLE 5** Others to worst (OW) pairwise comparison vectors using 10 decision-makers
TABLE 6  Weight and ranking for strategies to the recovery of SME operations

| Factors                      | Rank | Weight of strategies |
|------------------------------|------|----------------------|
| Monetary measures            | 3    | 0.1266               |
| Soft loans support           | 1    | 0.4251               |
| Intervention on statutory payment | 4   | 0.1178               |
| Loan guarantees Support      | 2    | 0.2116               |
| Utility payments suspension  | 5    | 0.0644               |
| Employment benefits          | 6    | 0.0544               |

\[
\begin{align*}
\min \xi \\
\text{s.t.} \\
|a_{ij} - a_{ijW}| \leq \xi, \text{ for all } j \\
\sum_{j=1}^{n} a_{ij} = 1 \\
a_{ij} \geq 0, \text{ for all } j
\end{align*}
\] (Model 2).

Solving the linear Model 2 we will get optimal weights \((a_{ij}^*, a_{ij}^2, \ldots, a_{ij}^n)\) and optimal value \(\xi^*\).

Proponents of the best-worst method have stated that for a comparison to be fully consistent when using the BWM, the \(a_{ij} \times a_{ijW} = a_{ijW}\) for all members of \(j\). Where \(a_{ij}\) is the preference of the best criterion over the criterion, \(a_{ijW}\) are the preference of criterion \(j\) over the worst criterion and \(a_{ijW}\) are the preference of the best criterion over the worst criterion.

Table 3 shows the maximum values of \(\xi\) (consistency index) for different values of \(a_{ijW}\).

4 | APPLICATION

Based on the responses from the questionnaire, 150 pairwise decision metrics are obtained. However, due to limited spaces, we show only 10 responses of pairwise comparison as sample.

For instance, in Table 4, Decision maker 1 comparing the best strategy to monetary measures provided a score of three. According to the Saaty scale, a score of three represents moderately important. Thus an indication that soft loan is moderately important to soft loan. A similar interpretation applies to the rest of the strategies.

Table 5 shows the score given by 10 decision-makers by comparing the other strategies to the worst strategy. As highlighted above, the worst strategy is employment benefits. From Table 5, decision-maker 1 comparing the worst strategy to monetary measures provided a score of five. This signifies that monetary measures are strongly important to employment benefit. A similar interpretation applies to the rest of the strategies.

We obtain the weight for the recovery options by solving the BWM model. By solving the optimization model, the \(\xi^*\) equals 0.1. The optimal value for the consistency index as shown in Table 3, is 5.23. The consistency ratio is therefore calculated as follows:

\[
\text{Consistency ratio (CR)} = \frac{\xi^*}{\text{Consistency index}}.
\] (3)

According to Rezaei (2015) a robust CR when using the BWM is the one with a value closer to 0. Whiles values close to 0 show more consistency, those close to 1 show less consistency. Solving the optimization equation, our consistency ratio is given as \(\frac{24}{386} = 0.019\), implying a good consistency value hence a robust result.

As reported in Table 6 and Figure 2, the respondent assessment shows that soft loan provision contributes most to SMEs’ recovery than any other strategy. The second strategy contributing to SMEs’ recovery is policy on easy access to loans and guarantee support. Next, the results show that monetary measure is the third strategy contributing to SMEs’ recovery. Whiles intervention on statutory payment rank fourth, suspension of utility payments placed fifth. Our results show that out of the policies adopted to revamp the operations of Ghanaian SMEs, the respondents see employment benefits as the least strategy to revamp SMEs’ operations.

5 | DISCUSSION

This study has assessed the strategies being adopted by the Ghanaian government to revamp SMEs operations amid COVID-19 economic crises. The study has highlighted soft loans support, intervention on statutory payments, suspension of utility payments, easy access to loan, and guarantees support, monetary measures, and employment benefits as the Ghanaian government’s six main economic tools in revamping SMEs operations.

An assessment of the six tools based on SMEs’ owners has revealed that government soft loan support is contributing most to the recovery of SMEs operations. Previous studies have confirmed the significance of soft loan in financing SMEs activities (Wasiuzzaman et al., 2016; Wu & Xu, 2020). The findings reflect the concerns of some of the respondents. Excerpts from their response are found below.
“Poultry business has had its own challenges in recent times. Before this COVID-19, my weekly sales was $1000 on average. In recent times, my monthly sales is not more than $200. Buying poultry feeds and medicine was one of the major challenges. Because I could not raise enough money to buy these essential items, I have lost almost 90 fowls. Luckily for me, I have received a soft loan from the government to support my operations. The government’s support is a timely intervention to help support poultry farmers like me in our operations. To me, this is the best intervention amid this pandemic.” A poultry farmer asserted.

Another respondent stated:

“I am a car mechanic. I spent all my operational capital during the lockdown taking care of my family because my wife lost her job and my kids are home due to schools’ closure. My greatest worry was how to revamp my business after the lockdown restrictions. I asked for support from some friends, and they could not help. I heard of government soft loan support and I got money to revamp my operations. Although repayment is after a year, I have raised the money I took and currently taking good care of my family. This policy is the best, and more cash allocation should be made.”

We have also found easy access to loans and guarantee support to be the second effective strategy contributing to SMEs’ revival. The demand for guarantees when seeking loans are usually high in developing economies where SMEs play a more prominent role (Harrison & Baldock, 2015). Guarantee support ranking second shows that SMEs’ owners are benefitting from this guarantee program as it provides complimentary financial avenues to SMEs who cannot gain the soft loan. Our results imply that through this guarantee, SMEs are not denied loans due to collateral, and the process of ascertaining loans has been fastening. Our result is inconsistent with studies showing how guarantee programs encourage SMEs to access loans (Dias Duarte et al., 2017; Haron et al., 2013). Excerpts from the respondents confirming respondent’s views on the significance of the guarantee support are summarized as follows:

“Overcoming information asymmetries challenges when acquiring a loan is the main reason why banks refuse to give me a loan. The last time I was refused loan at a bank was January 2020. The bank manager refused to grant my request with the reason that they cannot authenticate my creditworthiness. Amid the lockdown restriction, I was faced with two scenarios, all requiring money. The first was to spend my working capital taking care of my family’s needs since there was not any cash inflow. The second being to pay a supplier for restocking. I decided to use my money to take care of my family and try the government loan guarantee support. This time, I got the loan, and the term for repayment is favorable. I am back in business and doing well” Thanks to the government for such an initiative”.

Another respondent stated:

“The bank did not require any collateral agreement when I told them I am in for the government guarantee loan support. Within two days, they had processed all my documents, and the money had been reflected. It was so fast, and the process was less stressful”.

The third-ranked recovery policy is government monetary measures. The government has reduced interest rates by almost 2% and ensures longer payment time to SMEs who borrow. According to the respondents, this encourages them to borrow and gives them peace of mind on loans received. They highlighted that high-interest rate has always been a major challenge that deters them from borrowing; hence a reduction in interest rate is a timely intervention to lessen their woes. However, some respondents were of the view that the government can consider a further reduction in the interest rate to encourage more borrowing. Previous studies have confirmed how a reduction in interest rate encourages borrowing (Gomez et al., 2020; Wang, 2016).

We have also found that intervention on statutory payment is contributing fourth to the revival of SMEs operations. As explained above, the government instituted measures such as the extension of the deadline for filing of income tax returns and remission of penalties on principal debts to taxpayers to support SMEs. Although these interventions have reduced some economic stress on SMEs, its position suggests the need to take a second look at how the policies were implemented. Some respondents opined that the deadline for filing of Income Tax returns was too short, hence, advocate for longer durations.

“Filling of income tax is something I do not delay since I know failure to do so have legal consequences. I was so happy when the government extended the filing date since I was in financial difficulty. I managed to take advantage of the two months extension, and I could file within the new date. My concern is that although the two months extension was welcoming news, it is too short a time. The government should provide special filing extension for specific industries, especially those who have been highly negatively impacted.”

Occupying the fifth position is a temporary suspension of utility payment. The Ghanaian government, amid the global pandemic, decided to waive the payment of water bills and also 50% of electricity payment for businesses, including SMEs. Temporal suspension in utility payment ranking fifth out of the six strategies suggests that SMEs have not been delighted with this strategy. Utility payment forms a higher percentage of overhead costs to SMEs; hence the suspension should have been welcomed by all and received a higher rank. Interestingly, it is ranked fifth. According to the respondents, although governments announced this policy, most of them have challenges

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The third-ranked recovery policy is government monetary measures. The government has reduced interest rates by almost 2% and ensures longer payment time to SMEs who borrow. According to the respondents, this encourages them to borrow and gives them peace of mind on loans received. They highlighted that high-interest rate has always been a major challenge that deters them from borrowing; hence a reduction in interest rate is a timely intervention to lessen their woes. However, some respondents were of the view that the government can consider a further reduction in the interest rate to encourage more borrowing. Previous studies have confirmed how a reduction in interest rate encourages borrowing (Gomez et al., 2020; Wang, 2016).

We have also found that intervention on statutory payment is contributing fourth to the revival of SMEs operations. As explained above, the government instituted measures such as the extension of the deadline for filing of income tax returns and remission of penalties on principal debts to taxpayers to support SMEs. Although these interventions have reduced some economic stress on SMEs, its position suggests the need to take a second look at how the policies were implemented. Some respondents opined that the deadline for filing of Income Tax returns was too short, hence, advocate for longer durations.

“The bank did not require any collateral agreement when I told them I am in for the government guarantee loan support. Within two days, they had processed all my documents, and the money had been reflected. It was so fast, and the process was less stressful”.

Another respondent stated:

“We have also found easy access to loans and guarantee support to be the second effective strategy contributing to SMEs’ revival. The demand for guarantees when seeking loans are usually high in developing economies where SMEs play a more prominent role (Harrison & Baldock, 2015). Guarantee support ranking second shows that SMEs’ owners are benefitting from this guarantee program as it provides complimentary financial avenues to SMEs who cannot gain the soft loan. Our results imply that through this guarantee, SMEs are not denied loans due to collateral, and the process of ascertaining loans has been fastening. Our result is inconsistent with studies showing how guarantee programs encourage SMEs to access loans (Dias Duarte et al., 2017; Haron et al., 2013). Excerpts from the respondents confirming respondent’s views on the significance of the guarantee support are summarized as follows:

“Overcoming information asymmetries challenges when acquiring a loan is the main reason why banks refuse to give me a loan. The last time I was refused loan at a bank was January 2020. The bank manager refused to grant my request with the reason that they cannot authenticate my creditworthiness. Amid the lockdown restriction, I was faced with two scenarios, all requiring money. The first was to spend my working capital taking care of my family’s needs since there was not any cash inflow. The second being to pay a supplier for restocking. I decided to use my money to take care of my family and try the government loan guarantee support. This time, I got the loan, and the term for repayment is favorable. I am back in business and doing well” Thanks to the government for such an initiative”.

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with the inflow of water and unprecedented power cut; hence they have to fall on other sources for water and electricity. The water and power cut challenges in Ghana has been highlighted by previous studies (Boakye et al., 2016; Owusu et al., 2016; Ruiter, 2016).

A car mechanic stated:

“The rate of power cut in recent times is nothing compared to the period during which there was an official load shedding of power. The noise you hear at the background is from the generator since there is a power cut now. Although I received with joy the decision to pay only 50% of electricity bill, I am spending more on fueling my generator due to lack of stable electricity”.

Another respondent asserted,

“The last time I got water through my tap was five years ago. Almost all of us in this vicinity buy our own water. We were expecting the Ghana Water Company to be supplying us with water free of charge, as the president said, but this has not been done. To me, I did not enjoy this policy. My colleague in other parts of the city with a constant flow of water is enjoying it but not me. I think the government should ensure fair distribution.”

The least rank intervention strategy is an employee benefits package. The respondents are of the view that this strategy is contributing low to the recovery of SMEs operations. Most of them are not aware of the existence of this policy. The few ones aware have followed up on how to get this benefit to sustain their workers, yet have received no positive feedback. This indicates that the government needs to look into this policy and restructure its mode of operation and ascertain this benefit. Studies have highlighted the ineffectiveness of such unemployment schemes in developing economies (Blancom et al., 2017; Cirelli et al., 2021).

An observation made from weights shows that the values are near each other, suggesting these strategies are very significant in revamping the economy, and hence stakeholders should also pay close attention to them. Thus stakeholders should not neglect the strategies with less weight completely but should reduce the capital allocation to those strategies.

6 | CONCLUSION AND IMPLICATION

Exogenous shocks are not predictable, as such may not give room for preparation to meet the challenges that may come with them. According to followers of the Keynesian arguments, the surest way to help firms to remain in business amid crises is for government to identify ways to support firms during such periods. As SMEs underpin the economic growth of most economies, an attack on their operations may worsen various economies, hence recognizing the mechanisms through which their operations can be revived to contribute to the global economy’s restoration. This study has extended the Keynesians economist’s arguments on government’s role during an exogenous shock and has prioritized the strategies that can help quicken SMEs’ operations amid COVID-19 pandemic. To policy makers, our study provides an insight on the strategies that developing economy can adopt in an attempt to revamp their economies in post-COVID-19 economic recovery.

Extending the literature on the Keynesian argument, we have assessed government policies to revamp SMEs amid COVID-19 and have found that while soft loans, guarantee support and monetary measures are the three most prioritized strategies revamping the operations of SMEs, interventions on statutory payment, suspension of utility payment and employment benefits are the strategies least contributing to the recovery of SMEs operations. Second, we have extended the literature on MCDM in small enterprises’ operations in COVID-19 research and have applied the novel best-worst method that resolves the inconsistency issue during the comparison and employs fewer evaluations compared to the previous one the other existing MCDM methods in research related to COVID-19. Finally, we have provided evidence to the governments on the important intervention strategies that should focus on revamping SMEs’ operations. Stakeholders’ understanding of this prioritization will help redirect resources to those key intervention strategies due to resource constraints, which will prevent the provision of resource for all interventions simultaneously.

Future studies should select experts from different countries within the sub-region to confirm the results. Future studies can also use other models, such as structural equation modeling, to confirm this study’s results.

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DATA AVAILABILITY STATEMENT
Data is imbedded in the results

ORCID
Priscilla Tuffour https://orcid.org/0000-0003-0273-8693
Evans Opoku-Mensah https://orcid.org/0000-0001-5703-957X

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## AUTHOR BIOGRAPHIES

**Tuffour Priscilla** has a master degree in Computer Science and currently is a Ph.D. candidate at the University of Electronic Science and Technology of China. Her research interests are Public Private Partnership, Procurement, Multi-Criteria Decision Making, and Blockchain application in business. She has published articles in the International Journal of Emerging Markets, and Global Journal of Emerging Market Economies. You may contact her through prisctuff@gmail.com.

**Evans Opoku-Mensah** is a Ph.D. candidate at the University of Electronic Science and Technology of China. His research interests are Merger and Acquisition (M&A), Event Study Analysis, Government Policies and Energy economics. He has publications in the International Journal of Emerging Markets, International Journal of Finance and Economics. You may contact him through evmans2@yahoo.com.

**Love Offeibe Asiedu-Ayeh**, has a Master degree in Management Science and is currently a PhD Candidate at Sichuan Agricultural University. She has publications in the International Journal of Emerging Markets. Her research interests are: Green innovation, Multi-Criteria Decision Making, Agricultural Technologies adoption and productivity. You may contact her through offeibe.aayeh@yahoo.com.

**Deborah Darko** as a Master degree in Management Science and Engineering and is a PhD candidate at the School of International and Public Affairs, Shanghai Jiao Tong University). Her research interests are Government Policies, SME’s, Blockchain application in Business. She has publications in the Journal of Open Journal of Business and Management and International Journal of Finance and Economics. You may contact her through deborahdarko1234@yahoo.com.

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