



Socioeconomic Situation of MSMEs in the Province of Carchi, Period 2020



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Manuscript submitted: 18 June 2022, Manuscript revised: 27 July 2022, Accepted for publication: 09 August 2022

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Keywords

COVID-19;
MSMEs;
pandemic;
situation;
socioeconomic;

Abstract

The global COVID-19 pandemic brought with it various difficulties for established MSMEs and new MSMEs. The purpose of this research is to diagnose the socio-economic situation of MSMEs in the province of Carchi in the period 2020, using a quantitative approach with a simple descriptive type of research, the collection of information was carried out by submitting a sample of 363 mipymes of the province of Carchi, being stratified in the six belonging cantons, once the information was analyzed, it was determined that the main problems are: reductions in income to cover the expenses incurred, which produced an increase in the rate of unemployment and labor informality, 41.5% have had a beneficial impact with the closure of the border, increasing income from sales made, while 45.9% have had a detrimental impact with the closure of the border between Colombia and Ecuador. 41.6% of MSMEs consider the injection of capital through loans as their main activity. 37.3% of MSMEs face the financial pressure of paying requested loans. 43.3% of MSMEs have developed the ability to improve communication, as a strategy to increase sales.

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1 Introduction

Post-COVID-19 the world changed, today a high degree of adaptability is necessary in companies and organizations to take advantage of the numerous opportunities offered by the market and its innumerable challenges. The world economy is experiencing an unprecedented and continuously evolving health, human and economic crisis. In the face of the pandemic, economies are closed and paralyzed, and societies enter more or less severe quarantines, measures only comparable to those of war situations. Although it is not known how long the crisis will last or what form the recovery might take, the faster and more forceful the response, the smaller the negative effects will be. Some of the traditional market mechanisms may not be sufficient to face the socio-economic impact due to the interruption of productive activities and the consequent contraction in demand (ECLAC, 2020).

One of the challenges is for MSMEs to continue with their production processes and marketing to face the socio-economic crisis. The Technical Secretariat Plans Ecuador (2019) in the progress report on compliance with the 2030 Agenda for sustainable development, in objective 1, which is the end of poverty, considers actions to combat the structural causes of poverty since, due to the repercussions of the low economic cycle of recent years, indicators such as the incidence of extreme poverty due to income have been affected, going from 7.7% to 8.4%, between 2014 and 2018. The incidence of poverty by income registered 23.2% in 2018, while the proportion of men, women and children of all ages living in poverty in all its dimensions - according to national definitions- stood at 37.9% in that same year, attributing that "Less Poverty, More Development" (Ndwandwe & Wiysonge, 2021; Vaishya et al., 2020).

In objective 8, called "Decent work and economic growth", which highlights a controlled growth of monetary species in relation to previous years, going from 13.3% in 2016 to 14.7% in 2018. On the one hand, there is a deepening of microcredit and credit for productive purposes; the latter increased from 14.0% to 15.5% between 2016 and 2018, which has contributed to counteracting the difficulties that the population is experiencing in employment and improving productivity, through the application of the Organic Law for the Productive Development, Investment Attraction, Employment Generation, and Fiscal Stability and Balance. Objective 9 of "Industry, innovation and infrastructure", details that economic growth, social development and action against climate change depend, to a large extent, on investment in infrastructure, sustainable industrial development and technological progress, these depend, largely from investment in infrastructure, sustainable industrial development and technological progress, in this sense, in 2018 an ICT Development Index of 5.0 was recorded; while the number of kilometers of the State Road Network increased to 10,132.7 km in that same year. On the other hand, the gross manufacturing value added over Gross Primary value added stands at 1.2% in 2018, while R&D Expenditure, in relation to GDP, rose to 0.44% in 2014 (Gupta & Barua, 2016; Vásquez et al., 2021).

SDG 10. "Reduction of inequalities" considers that work is a human right and a source of individual and collective fulfillment, in terms of youth unemployment, a reduction from 10.4% in 2016 to 8.2% in 2018 is observed, with the contribution of the "My First Job" and "Youth Employment" programs. On the other hand, the income ratio between decile 1 (poorest 10%) and decile 10 (richest 10%) reached 23.7 times in 2018, which is why actions continue to be implemented that contribute to achieving growth inclusive economy, in order to achieve a fairer and more supportive society. Objective 17 was also considered. Alliances to achieve the objectives, analyzing that synergies allow achieving the objectives of sustainable development. Regarding international alliances, Ecuador has signed with several multilateral organizations the materialization of public policy decisions in social, economic and environmental matters. With respect to alliances at the internal level, the commitment of various actors has been achieved for the implementation of the global agenda: local governments, private companies, civil society, academia, cooperation organizations, among others (Nicola et al., 2020; Zhang et al., 2020).

The main economic problem presented by the Province of Carchi (border area) is the devaluation of the Colombian peso, which for approximately five years has become an attractive showcase for Ecuadorian buyers who visit the department of Nariño, in search of savings, affecting to local MSMEs. In addition to the great informality of the economic sectors, the same ones that are not registered in official organisms, making their location and control difficult. Determining the socioeconomic situation of the province of Carchi will allow objective decisions to be made to achieve the best results by applying a series of strategies and tactics that allow the development of MSMEs. And in this way face the effects of the crisis caused by the pandemic.

2 Materials and Methods

This research has a quantitative approach from a simple descriptive type of research, relying on statistical models to determine the various factors that involve the development of MSMEs and their reality in the face of conflicts caused by the appearance of the COVID-19 pandemic, in order to obtain information on the socioeconomic reality of MSMEs. A structured survey was applied. The population under study are the MSMEs of the commercial sector existing in the province of Carchi, which according to the INEC, are 6792 establishments at the provincial level. For this, a confidence level of 95% and a margin of error of 5% were used, resulting in 363 surveys that will be applied in the six cantons of the province of Carchi.

$$n = \frac{N\sigma^2 Z^2}{(N-1)e^2 + \sigma^2 Z^2} \quad (1)$$

Where:

n → Sample size

N → Population or universe

Z → Confidence level

σ → Standard deviation of the population that, generally when its value is not available, a constant value of 0.5

e → Acceptable limit of sampling error

Stratified Probabilistic Sample

The stratified probability sample is considered as a sample where the population is divided into segments and a sample is selected for each segment, proportionally or not proportionally to Hernández, R and Mendoza, C (2018). For this, a sample was selected for the six cantons of the province of Carchi, considering the population projected towards the year 2020 based on the National Institute of Statistics and Censuses (INEC), evidenced in table 1.

Table 1
Stratified Sampling of population and sample determination

Canton	Population	Sample
Tulcán	102395	199
Bolívar	15528	30
Espejo	13817	27
Mira	11969	23
Montufar	34229	67
San Pedro de Huaca	8931	17
TOTAL		363

Fuente: The calculation of the sample was carried out taking into account the population of the six cantons of the province of Carchi according to the INEC.

3 Results and Discussions

To know the behavior of the SMEs, a socioeconomic diagnosis was made based on observations, specific data, and an evaluation of the existing factors in the company or organization and the financial consequences of the dysfunctions (González et al., 2017). General characteristics of MSMEs, economic factors and social factors were diagnosed, basic services, commercial activity, operating income, sales, human talent management, suppliers, taxes, forms of payment, supply chain, advertising, credit, oppression were considered. financial and operating costs, in the social factor's family entrepreneurship, lifetime of the enterprises, health, biosecurity, education, social skills, cognitive skills, environmental permits, satisfaction, quality of life and political representation were considered. The basic services considered were health, education, water supply, energy, transportation, and telecommunications, among others (Rios, 2018). The commercial activity was considered in the commercial registers, the companies or businesses were classified based on the commercial activities they carry out (Cesur, 2022).

The basic elements on sales considered by RD Station (2019) were taken into account, in addition, reference was made to a set of processes related to the management of human resources, where it was launched for the attraction, capture and incorporation of new collaborators, as well as for the retention of those who are already part of the company (Unite, 2021). The activity carried out by the supplier was analyzed as it is the one that receives in exchange an economic compensation for the acquisition Rodriguez (2022), in addition to the taxes of the Ecuadorian tax regime that is established in the Constitution and in the Organic Law of Internal Tax Regime, these have been developed independently, this system is the set of taxes required by law and administered by the Internal Revenue Service (SRI), as the public institution in charge of determining, collecting and controlling taxes for the State (Political Constitution of Ecuador, 2008).

For the issuance of invoices and the preparation of tax returns online, the RUC and the RISE were valued, where the obtaining of the municipal patent, affiliation to the IESS, tenders with the SERCOP, notarial services, procedures before the Mercantile Registry were considered. and Property Registry, imports, and exports (Paez Vallejo, 2014). The Simplified Tax Regime (RISE), is a voluntary registration regime, which replaces the payment of VAT and Income Tax through monthly installments and aims to improve the tax culture in the country. As of January 1, 2022, the RIMPE is in force, which is the replacement of the Simplified Tax Regime (RISE) and the Microenterprise Regime by the Simplified Regime for Entrepreneurs and Popular Businesses (RIMPE). This change was contemplated in the draft Organic Law for Economic Development and Fiscal Sustainability after the Covid-19 Pandemic, for those taxpayers whose annual gross income amounts to up to USD 300,000, recorded as of December 31 of the previous year. The Special Consumption Tax (ICE) was taken as an element of study, it is a tax applied to goods and services of national or imported origin that must be paid by the producers or importers of specific goods only in their first stage of production. It is considered that 89.6% of the respondents omitted a response because the productive units they represent do not pay this tax (Tax Calendar, 2021).

VAT is a tax that is levied on the value of local transfers or imports of movable property, in all its stages of commercialization and the value of the services provided, the persons and companies designated as withholding agents by means of the current tax regulations, will carry out a VAT withholding in cases where it is warranted, the current rate is 0% and 12% and applies to both goods and services. There are other elements such as income tax, forms of payment (Center for Research in Mathematics, 2020), the supply chain, the current global business climate. Advertising is a means of dissemination in which various organizations, agencies, MSMEs, individuals, among others, make themselves known, advertise or simply allude to certain goods, services, in order to interest potential buyers, users (Rubio et al., 2020; Thind et al., 2021).

Consumer credit was also taken into account, it allows having an amount of money for the acquisition of consumer goods or the payment of services (Educa, 2019), the financial pressure where the result that savers was valued according to Stanford economists Edward S. Shaw and Ronald I. McKinnon first introduced the concept in 1973 to ignore government policies that have impeded economic growth in emerging markets (Traders Studio, 2022). The social factors were valued, the family entrepreneurship where at this moment a

society different from any company is generated, since two areas in which people usually move are involved: family and business (Zachary et al., 2018). The Life time of enterprises, according to several studies, small and medium-sized companies tend to have a high mortality rate, that is, they are more likely to die quickly. They disappear very quickly from the market because they fail to reach maturity (Impulsa, 2019).

People's health was taken into account, the mere fact of feeling well physically, mentally and socially is not enough, therefore, to reach the conclusion that one is healthy. A person may have an early anatomical lesion, eg, an early cancer, or some physiological disturbance, eg, an abnormal elevation of blood glucose or blood pressure, and yet feel perfectly fine. It is not believed that in such conditions that person can be judged as healthy León & Berenson (2016), biosafety was considered, according to what the World Health Organization proposes. The ethical and cultural values associated with the people of SMEs who are good in the development of their work were taken into account (Sánchez & Rodríguez, 2021). Social skills are the set of behavioral strategies and abilities to resolve a social situation effectively, this allows expressing feelings, attitudes, desires, opinions, or rights in a way appropriate to the situation in which the individual finds himself while respecting the behaviors of others in an effective and mutually satisfactory way (Lacunza, 2020). Other skills considered were the cognitive ones that prepare the individual to receive, select, process, store and retrieve the information we need to relate to the world (Gutiérrez, 2021). The environmental permits granted by the competent authority at the request of the proponent of a project, which certifies that from the point of view of environmental protection, the activity can be carried out under the condition of complying with the established measures (National Infrastructure Agency, 2019).

Levels of satisfaction were assessed to fulfill a desire or achieve a previously set goal, so that a state of well-being is reached Psychology (2022), quality of life, satisfaction with levels of functioning and symptoms derived from disease control or treatment (Robles-Espinoza et al., 2016). Political representation is without a doubt gold of the parameters that are considered with the idea of control and responsibility of the representative, by submitting to the control of those they represent. The chosen one must act responsibly with respect to the demands of the citizens that support him, having to ensure that the normative demands of that society are fulfilled, so that if they are not satisfied, trust will be withdrawn. This representation is usually understood by many authors as the only type of representation, since it incorporates the element of liberal control based on elections (Pitkin, 1986).

The defenders of this point of view even go so far as to affirm, incurring in a clear inconsistency, that the representation was born with the French Revolution -or when the idea of national sovereignty is postulated-, ignoring, if not hiding, that with the aforementioned revolution it What emerges is a certain type of representation that, while serving the interests of the emerging bourgeoisie, hardly allows comparisons with previous conceptions of democracy more in line with the idea of popular mandate (Navarro, 2018). To carry out the study and learn about the socioeconomic situation of SMEs, an investigation was carried out on their characteristics in 2020, structuring a survey with questions relevant to the current situation that each of the SMEs is experiencing within the pandemic (Hackman & Farah, 2009; Hoff & Tian, 2005).

General Characteristics of MSMEs in the province of Carchi

The collection of information was carried out in the different cantons of the province, considering 66% in the Tulcán Canton, 15% in the Montufar Canton, and the remaining 20% was distributed in the cantons of San Pedro de Huaca, Bolívar, Espejo and Mira. 79% of the surveys were conducted in the Urban Sector, and 21% in the Rural Sector of the province of Carchi. 59.4% of MSMEs are managed by people aged 40 and over. 37.7% of MSMEs are managed by women. Regarding primary education, 11.2% completed primary, 27% secondary; 21% completed higher education in table 2, Characterization of MSMEs in the province of Carchi is shown.

Table 2
Characterization of MSMEs in the province of Carchi

Canton	Frequency	Percentage (%)
Tulcán	240	65.57
San pedro de huaca	13	3.55
Montufar	55	15.03

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Bolívar	17	4.64
Mirror	20	5.46
Mira	21	5.74

Source. The data of the MSMEs belonging to each canton of the province of Carchi was collected

For the coverage of basic business needs, as mentioned by ECLAC in the analysis carried out for the year 2020, it is essential to carry out the acquisitions of various basic services to maintain adequate internal well-being, given that 96.4% of the establishments of the MSMEs have drinking water, 3.6% do not have it, 98.1% of the MSMEs have electricity in their enterprises, 1.4 % do not have electricity, 45.4% of the owners of MSMEs have a fixed telephone in their businesses, 54.4% do not have access to a fixed telephone, 87.4% of the owners have a mobile phone, 12% do not have a mobile phone, 63.9% of the MSMEs have internet in their establishments, 91.5% have the garbage collection service for the establishments, 8.2% do not have a garbage collection service. As indicated in table 3, 3% of the surveyed MSMEs are part of the early 1980-1990 decade, 6.8% correspond to the 1990-2000 decade, 22.13% correspond to the 2001-2010 decade, 58.19% corresponds to the 2010-2020 decade, with the years 2015 and 2016 being the period in which more ventures were started, although 7.4% of the owners omitted to answer the question. 65.6% of the MSMEs surveyed have the sale of products as their main activity, 33.3% correspond to the provision of services, and 1.1% do not answer the question

Table 3
Year of creation of MSMEs

YEAR OF CREATION	N	%
Missed response	27	7.4%
1970	1	0.3%
1980	2	0.5%
1981	1	0.3%
1982	1	0.3%
1983	2	0.5 %
1985	2	0.5%
1986	1	0.3%
1989	1	0.3%
1990	6	1.6%
1991	3	0.8%
1993	1	0.3%
1994	1	0.3%
1995	4	1.1%
1996	4	1.1%
1997	1	0.3%
1998	3	0.8%
1999	2	0.5%
2000	9	2.5%
2001	7	1.9%
2002	4	1.1%
2003	1	0.3%
2004	3	0.8%
2005	20	5.5%
2006	10	2.7%
2007	5	1.4%
2008	8	2.2%
2009	5	1.4%
2010	18	4.9%
2011	7	1.9%
2012	10	2.7 %
2013	4	1.1%
2014	4	1.1%
2015	29	7.9%
2016	20	5.5%
2017	13	3.6%
2018	31	8.5%
2019	44	12.0%
2020	37	10.1%
2021	14	3.8%

Source: Processing of the information collected

Economic Characteristics of MSMEs

By 2020, the economy of each MSME has suffered various problems due to development limitations in the face of the establishment of regulations and policies in relation to counteracting the spread at a higher level than the one analyzed, of which each institution had to submit, taking into account that 37.7% of the surveyed MSMEs register operational income from \$201 USD to 500 USD, 35.5% have operational income from 0 USD to 200 USD, 24% have operational income greater than 500USD, and 2.5% of the institutions failed to answer the question, the results are shown in table 4.

Table 4
Operating

Income Operating Income	N	Percentage (%)
0 USD A 200 USD	130	35.5
201 USD A 500 USD	138	37.7
Greater than 500 USD	88	24.0
Omitted response	9	2.5

Source: The processing of the information was carried out determining the operating income collected in the determined time mining

The providers of the mipymes, of the Tulcán canton are from the cities of Quito, Guayaquil, Ambato; in the case of the cantons of Bolívar, Espejo and Mira, its main suppliers correspond to the city of Ibarra and Quito, for the cantons of Montufar and San Pedro de Huaca its supplier is Tulcán. 58.5% of the MSMEs subjected to the collection of information as mentioned by ECLAC (2021) in a preliminary post-pandemic analysis mentions that they handle a non-direct purchase from manufacturers, while 36.3% make it directly they buy it to manufacturers.

Table 5
Suppliers of each MSMEs

SUPPLIERS	N	Percentage (%)
Ambato	102	32.7
Atuntaqui	1	0.32
Carchi	26	8.33
Cayambe	1	0.32
Colombia	11	3.53
Daule	1	0.32
Ecuador - Colombia	9	2.88
El Ángel	1	0.32
Guayas	18	5.77
Huaca	1	0.32
Ibarra	66	21.15
Julio Andrade	1	0.32
Mira	3	0.96
Pichincha	64	20.51
Riobamba	1	0.32
Salcedo	1	0.32
San Cristóbal	1	0.32
San Gabriel	4	1.28

Source: Processing of the information collected

The economic analyzes during and after the pandemic, 64.5% of the surveyed MSMEs report an approximate monthly sales income of 0 to 1,000 USD, 26.5% report monthly sales of 1,001 to 5,000 USD, 4.9% report monthly sales of 5,001 to 15,000 USD, 1.1% report monthly sales of 15,001 to 50,000 USD. 94.5% of the MSMEs subject to the investigation make their sales in cash, 3.6% their sales on credit. 47% of the surveyed MSMEs have an analog cell phone for their respective communication between owner and purchasers of the products they offer in the market, 22.7% have a desktop PC, 20.2% have an analog telephone, 9.3% have a laptop in the offices of their establishment. As mentioned by ECLAC (2020), various small and medium-sized companies have been classified according to the sector to carry out their activities, thus taking into account that 59.8% of the MSMEs surveyed have a sole proprietorship, 33.9% have a family enterprise, 2.7% belong to

a productive organization, 0.8% belong to another type of organization, such as the Federation of Artisans, Chamber of Commerce. Table 6 shows the monthly sales record of MSMEs in the province of Carchi.

Table 6
Record of monthly sales of MSMEs in the province of Carchi

Sales per month	N	Percentage (%)
From 0 to 1,000	236	64.5
From 1,001 to 5,000	97	26.5
From 5,001 to 15,000	18	4.9
From 15,001 to 50,000	4	1.1
More than 50,000	2	0.5
Missed response	9	2.5

Source: Registration and processing of sales per month

Table 7 shows the lifetime of the MSMEs, where 30.9% of the respondents have a career of more than 10 years of life, 26.8% of 4 to 10 years of life, 24.9% from one to three years of life, 14.8% less than one year of life. Of the MSMEs under investigation, 59% have no employees, 30.3% have from one to three employees, 6% from three to ten employees, 1.4% more than ten employees.

Table 7
Mipymes

Lifetime	N	Percentage (%)
LESS than 1 year	54	14.8
FROM 1 TO 3 YEARS	91	24.9
FROM 4 TO 10 YEARS	98	26.8
OVER 10 YEARS	113	30.9
Omitted response	10	2.7

Source: Development of the information collected

As stated by the Ministry of Production, Foreign Trade, Investment and Fisheries in the year 2020 with annual update, micro, small and medium-sized enterprises (MSMEs) when carrying out an economic activity, must be part of the Single Registry, in order to carry out the necessary procedures in other institutions belonging to the State and obtain benefits from the body. In table 8 it can be seen that during the investigation 56.3% of the surveyed MSMEs have RUC, 34.7% have RISE, 9% do not have RUC or RISE. As of January 1, 2022, the RIMPE is in force, which is the replacement of the Simplified Tax Regime (RISE) and the Microenterprise Regime by the Simplified Regime for Entrepreneurs and Popular Businesses (RIMPE). This change was contemplated in the draft Organic Law for Economic Development and Fiscal Sustainability after the Covid-19 Pandemic, for those taxpayers whose annual gross income amounts to up to USD 300,000, recorded as of December 31 of the previous year.

Table 8
The enterprise has which Single Registry of Taxpayers

The enterprise has.	N	Percentage (%)
RUC	206	56.3
RISE	115	34.7
NONE	33	9.0

Source 7: Processing of collected data

Gross income is the taxable income received by the taxpayer, less discounts and refunds. In addition, 69.6% are required to pay VAT in full, 23.5% pay RISE, 2.7% pay ICE, and 4.1% pay Income Tax. As indicated in table 9.

Table 9
Tax to be

TAXES	N	Percentage (%)
VAT	255	69.6
ICE	10	2.7
INCOME TAX	15	4.1
RISE	86	23.5

Source: Processing of data obtained

37.7% of the MSMEs make the respective VAT declaration monthly. Table 10 shows the results, where 13.9% make the semi-annual declaration. In addition, the research mentions that 39.6% of MSMEs declare VAT from 0 to 500 USD according to the income received, 6% declare VAT from 501 to 1000 USD, 1.6% declare VAT from 1001 to 2000 USD, 0.8% make the declaration of VAT greater than 2001USD. All persons and companies that provide services and/or carry out transfers or imports of goods must pay the Value Added Tax (VAT).

Table 10
VAT return VAT

Declaration (usd)	N	Percentage (%)
From 0 usd to 500	145	39.6
From 501 usd to 1,000	22	6.0
From 1,001 usd to 2,000	6	1.6
Greater than 2,001	3	0.8
Omitted response	190	51.9

Source: Processing of the obtained data

8.5% of the mipymes submitted to the investigation declare the ICE from 0 to 500 USD, the results are seen in table 11 where 0.8% declare the ICE from 501 to 1000 USD, 0.3% declare the ICE from 1001 to 2000 USD, 0.8% declared the ICE greater than 2001USD. The ICE, is the Special Consumption Tax is a tax applied to goods and services of national or imported origin that must be paid by the producers or importers of specific goods only in their first stage of production. It is considered that 89.6% of the respondents did not answer because the productive units they represent do not pay this tax.

Table 11
ICE Declaration ICE

DeclaratioN (Usd)	N	Percentage (%)
From 0 usd to 500	31	8.5
From 501 usd to 1000	3	0.8
From 1001 usd to 2000	1	0.3
Greater than 2001	3	0.8
Missed response	328	89.6

Source: Processing of the information collected

In Ecuador, natural persons who obtain income from an Ecuadorian source, free of charge or onerous from work or capital or both sources, consisting of money, species or services, are required to declare the respective tax to the rent. The term to submit the annual Income Form 22, according to law, expires on April

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30 of each year, except for the exceptions contained in article 69 of the Income Law. As indicated in table 12, 94.3% pay income tax from 0 usd to 500 usd.

Table 12
Declaración del Impuesto a la Renta

Declaracion impuesto a la renta (Usd)	N	Porcentaje (%)
De 0 usd a 500	345	94,3
De 501 usd a 1000	14	3,8
De 1001 usd a 2000	4	1,1
Mayor a 2001	3	0,8

Source: Processing of the information collected

28.7% of MSMEs have an average weekly sale of less than 200 USD, 30.3% have a weekly average of 201 to 400 USD, 24% have an average sales per week of 401 to 1000 USD, 5.7% have an average sales per week of 1001 to 4000 USD, and 1.1% have an average sales per week of 4001 to 10000 USD, while 0.3% have an average sales per week of More than 10000 USD; In addition. 41.5% have had a beneficial impact with the closure of the border increasing revenue from sales made, while 45.9% have had a detrimental impact on the closure of the border. 20.2% have kept their sales stable during the pandemic, 56% have decreased their sales, 19.46% have increased their sales, 0.8% have not generated sales during the pandemic, 0.8% have closed their premises due to the limitation of income. An approximate between 30% and 50% of MSMEs consider as the main factor of decrease in sales due to various external factors such as natural problems, stoppages and the Covid-19 pandemic, while 21% do not specify the approximate percentage of decrease in sales made in the established time and the factors that have involved its decline, 8.7% of the MSMEs surveyed have implemented telework in establishments, 74% did not do so due to the reduction of personal (Sudarmo, 2020; Mandasari et al., 2020).

78.5% of MSMEs receive cash payments internally, 11% receive payments by electronic transfer, 5.3% include the credit card service in their collections, 2.1% receive debit card charges, 1.6% have the payment service via website, 0.9% have a payment button, and 0.7% use the mobile wallet. With the appearance of the Covid-19 pandemic, 60.9% of MSMEs have not been affected in the supply chain for the acquisition of raw materials and the transfer of the products worked to the various communities that require it, while 27.9% have been affected having the limitations to keep the supply chain active. 67.7% of MSMEs use direct sales in established premises as a marketing channel, 29.8% use home delivery as a distribution channel, 2.4% make online sales, and 0.2% have used platforms of the Prefecture and / or mayors. 33.3% of MSMEs advertise through social networks, 29.7% do through personal contacts, 6.3% advertise through the radio, 4.8% advertise through the website, 0.4% advertise through email, 0.2% advertise through the press, in addition to 24.9% does not carry out any type of advertising.

63.1% of MSMEs consider as the main difficulty the loss of customer portfolio, followed by 11.8% who consider the limitation of payment, 9% consider the curfew as a limitation of operations, 4.9% mention liquidity (payment of installments), 4.1% mention the various problems of logistics and transport, 2.2% present as a difficulty the non-use of teleworking, 1.4% to the lack of access to technology, and 0.5% have presented as a difficulty the lack of strategies for sale. 41.6% of MSMEs consider as their main activity the injection of capital through loans, 22.4% mention the implementation of training in digital media, 20.2% the implementation of extension in the payment of taxes, and 15.8% consider that a communication campaign should be implemented for small businesses.

16.4% of MSMEs consider that employees cannot report to the facilities if they present health problems, 11.7% mention that employees cannot present themselves to the company to prevent infections due to the regulations established by the National COE for a certain time, while 5.5% consider that employees cannot present themselves to the company for other reasons, and 4.1% consider that employees cannot present themselves to the company because they are in charge of the care of a sick person. 37.3% of MSMEs surveyed face the financial pressure of repayment of requested loans, 24.7% face the financial pressure of rent payment, 13.7% face the financial pressure of payment of salaries and insurance to employees, 12.7% face the

financial pressure of payment of goods and services; while 10.4% do not face the financial pressure related to COVID 19 and 1.2% have other unspecified financial pressures.

57.7% of MSMEs consider that the most important measure in the face of the shortage of cash inflow into their business is the acquisition of loans in financial institutions, 15%. 6% do not have a shortage of cash, 9% consider negotiating with their current lenders the terms of their loans, 5.2% consider that the most important measures is the reduction in the operating costs of their company (with measures such as layoffs, salary reductions or others), 3% consider as a measure, acquire loans with "unauthorized lenders, and 1.6% consider that the most important measures they are considering in the face of the shortage of cash inflow into their business is capital financing (that new shareholders or original shareholders increase the capital invested in their company). 25.5% of MSMEs implement as a biosecurity measure the mandatory use of mouth coverings, 25.45% the use of gel and antibacterial alcohol, 24.8% frequent and vigorous hand washing before and after carrying out the activities entrusted; and 24.3% the physical distancing of employees and / or customers more than one meter.

Table 13 shows the social skills of the owners of MSMEs, where 62% have developed some skill with their entrepreneurship, 33.1% have not achieved over time, because their activities are limited. 43.3% of MSMEs have developed the ability to improve communication, 14.1% developed empathy, 9.7% developed assertiveness, 9.4% developed listening skills, 8% developed negotiation, 6.1% developed the prompt solution to problems anger control and emotional intelligence, equivalent to 0.6% and 0.9% respectively.

Table 13
Social skills of MSME owners

Social skills in the owners of Carchi MSMEs			
	Improve communication	160	43,3%
	Empathy	32	14,1%
	Assertiveness	63	9,7%
	Emotional intelligence	6	0,9%
	Listening skills	9	9,4%
	Prompt solution to problems	20	6,1%
	Negotiation	12	8,0%
	Anger management	4	0,6%
	No	60	8,0%
Total		366	100,0%

Fuente: Procesamiento de la información recopilada

25.3% of MSMEs developed the ability to negotiate, 15.9% teamwork, 18% creativity, 15.3% the identification of opportunities, and 3.9% in equal measure financial education and experimentation. In addition, 17.5% have limited themselves to developing some skill. Over time, companies have sought legality to develop their activities, being so, 21.9% have environmental permits, 76.2% do not have environmental permits due to the location away from the natural sectors. 49.5% of MSMEs in the activities developed generate solid waste, 48.4% do not generate it. 45.6% of the institutions generate a wastewater system, to maintain a greater supply in each specific sector; in addition, 48.6% of MSMEs do not generate solid waste. Faced with environmental problems and the growth of pollution, 20.5% have a recycling system, while 72% do not have a recycling system.

34.4% of MSMEs have a degree of satisfaction with the access to education that everyone, their family and their workers have used in the pandemic due to Covid-19, while referring to maintaining a somewhat satisfied level in the same percentage; in addition, 17.5% are very satisfied, 12.3% are very dissatisfied. 54.9% of MSMEs analyze a limited coverage of education needs during the pandemic, for 25.4% it is at a satisfied level and covers their needs, 17.2% consider that it covers a greater percentage of the needs, although they leave aside various attentions and different problems. 88.5% of MSMEs determine that their owners and the staff who work can read and write, 3.6% of institutions say they cannot read and write.

The quality of life within a company and outside it, is fundamental as mentioned by Solomon and other authors (1980) in their research analysis, it is essential to recover that well-being effectively to maintain an area of harmony and effective environment where each person manages to be satisfied their needs before the access to various benefits such as health, education, among others, being so that of the MSMEs subjected to the research, 35.8% are somewhat satisfied with the health services that, individually, family and their workers have used in the pandemic because of Covid-19, 27.6% are somewhat dissatisfied with health services, 21.9% are very satisfied with health services, 10.7% are very dissatisfied with health services; 55.2% have a limitation for the coverage of family needs and their workers on the health system, thus considering 24.6% is satisfied and covers the need for health, 16.4% fully covers each of the needs, although they seek to exceed other care. Of the MSMEs involved in research, 49.72% believe that the health system should be canceled in the future health care, 36.6% believe that it should a part financed by the state and another by each person; 6% believe each person would pay for their medical assistance. Of the MSMEs surveyed, 33.3% consider that their quality of life is somewhat good due to the limitation of care in the locality and in the institution, 31.4% very good, 27.9% neither good / nor bad, 6.3% something bad. 32% consider that the quality of life was affected due to the problems that over time have been evidenced, 27.6% in its entirety was affected, 26.2% a lot, 13.4% nothing.

58.2% of the institutions submitted to the research consider that political representation has not influenced in a positive way in the socioeconomic strengthening of MSMEs in the province of Carchi during the pandemic due to Covid-19, while 25.7% consider that it has influenced in a passive way, 9% in its entirety, 4.1% a lot. 65% of the institutions surveyed, consider that the public policies adopted by the government have positively influenced the socioeconomic strengthening of MSMEs in the province of Carchi, 25.7% consider that a little, 6% much 1.6% a lot, 63.9% mention the lack of attention on the part of the government before the participation of its guild to establish public policies for the socioeconomic strengthening of MSMEs of the Carchi province during the covid-19 pandemic, 25.4% consider that a little was considered, 6.3% considered a lot, 1.6% mention that there was a relationship and 0.5% say that participation was considered a lot. Of the MSMEs surveyed, 91% have shown a limitation on help from some authority, or institution during the pandemic, 4.9% say they have received help. Of the MSMEs surveyed, 94.3% were limited to the answer to the question asked by internal policies and authorizations, 1.4% received the food kit and in the same percentage a bonus for the coverage of basic needs.

4 Conclusion

With the stagnation of business developments in the face of the problem of the Covid-19 pandemic, the MSMEs of the province of Carchi, had a scarce evolution due to the reductions in income to cover expenses that represents an increase in the unemployment rate and labor informality, 41.5% have had a beneficial impact with the closure of the border increasing the income from the sales made, while 45.9% have had a detrimental impact on the closure of the border. 41.6% of MSMEs consider as their main activity the injection of capital through loans, 37.3% of MSMEs surveyed face the financial pressure of repaying loans requested. The research also evaluated social and cognitive skills present in the owners of MSMEs, considering that 43.3% developed the ability to improve communication, and 25.3% developed negotiation skills, as a strategy to improve sales. In reference to the tax administration of the enterprises, it is perceived that there is no exact knowledge of tax management, since most enterprises delegate to accountants to avoid anomalies that harm the instance in the markets and affectations to their economy with the respective cancellations of tax rights such as VAT payments, Income Tax, among others.

Acknowledgments





We are grateful to two anonymous reviewers for their valuable comments on the earlier version of this paper.

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