

IMPACT OF COVID-19 PANDEMIC ON WOMEN ENTREPRENEURS IN MUMBAI

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Abstract

The objective behind this research is to study the effect of lockdown due to COVID-19 pandemic on small scale businesses operated by women and to suggest required changes to improve business environment for women entrepreneurs to managing their business in such an unexpected crisis. Another objective of study is to find out a contemporary issues faced by small scale businesses operated by women during the period of lockdown due to COVID-19 pandemic. The study focused on change in Sale Revenue of business, overall household income, lifestyle and very importantly mental health. Qualitative research design is used to study impact of COVID-19 on activities of the micro scale business operated by women's entrepreneurs. Structured questionnaire, Semi-structured interview and discussions used to collect primary data from the women selected for the study. The study revealed that it is necessary that business should be use more technology particularly digitalization is an important thing. The results also revealed that the conditions like lockdown due to COVID-19 pandemic affect the women physical and mental health. Consideration of gender gap also one of the issue in affected efficiency of women lockdown due to COVID-19 pandemic in developing countries like India. One More important issue highlighted through this study is that skill development for women entrepreneurs is necessary to make them competitive and enhance their capacity to deal with different issues.

Keywords: *Lockdown, Women entrepreneur, Covid-19, Pandemic.*



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Introduction

In very short period of few months, the world has drastically changed. Face Mask, Sanitizer,



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Hospitals, Medical Professionals were the main stream of our lives. The Covid-19 pandemic stopped every business activities all over the globe and suddenly importance of small scale local business realized. Situation due to COVID-19 is considered as one of the worst recessions. Large scale Indian businesses suffered heavily during lockdown due to lockdown with in the country and lockdown in other countries of the world. Most of the studies and research done on overall effect of pandemic on business or impact on particular industry. No particular conducted on issues faced by small scale businesses owned and operated by women. The aim of this study to provide valuable information about issues faced by women entrepreneurs during lockdown due to COVID-19 pandemic. The different criteria's considered for this study are Sale Revenue, Profitability of Business, Overall Household income, Physical and Mental Health. Studies showed that most of the business under study **were impacted negatively** because of lockdown imposed in April 2020, Most of the businesses remained disrupted till the month of August 2020.

Methodology

This study is based on primary as well as secondary sources of data. The research is based on sample size of 63 women owned and operating small scale business in Mumbai. The primary data collected through structured questionnaire and secondary data were collected from online articles, research journals, websites, etc. The research is conducted around three months i.e. from July-September 2021. Random sampling method used for selection of samples for the study. In semi-structured questionnaire 23 questions have been used to the collect data from women entrepreneurs along with person interviews. The questions included about enterprises and characteristics of enterprise like Annual turnover, Number of Employees , Capital Requirement, etc along with the questions related to effect of lockdown on business in various ways. Information also collected for their expectations from the government during such period to ease the burden.

Data Analysis

Out of the sample size of 63 women entrepreneur all are from City of Mumbai but from different areas of Mumbai. Mainly business areas selected for the study which includes women entrepreneurs from Dadar (54 per cent), Kurla (22 per cent), Mulund (13 per cent) and Ghatkopar (11 per cent). The married women contribution was highest in study which



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covered 82 percent of sample size and the shares of widow's were the lowest (3 per cent). 43 years is the average age, while the maximum and minimum age is 62 and 26 years. The share of littered women i.e holding degree from college/university is the highest (53 per cent) following the share of secondary and higher secondary holders are 35 per cent. There was male dominance in the family in this region as the share of the male and female heads in the sample size was 63 per cent and 37 per cent, respectively. Further, it was revealed that women entrepreneurs employed more females than males. A question was asked to respondents about other sources of income and it was found that more than 65 per cent do not have any other source of income, while 34 per cent had another source. However, it was found that 68 per cent of respondents have reported that they have other family members to earn.

The share of registered and unregistered enterprises is 91.87 per cent and 8.13 per cent, respectively. Initially, the purpose was to cover only registered enterprises but later on, it was included to capture the impact of COVID-19 on unregistered enterprises. The engagement of women entrepreneurs is dominant in the unorganised sector. The share of cottage enterprise is highest (40.16 per cent) followed by Small (30.33 per cent), Medium (17.21 per cent) and Micro (12.30 per cent). It is evident from the primary survey that a wide range of enterprises across the BBIN subregion was covered in the sample size. The covered sample size has been classified into eight different categories. The share of textiles and handicrafts is highest (38 per cent) followed by food and beverage (31 per cent) and retails and wholesale business (18 per cent). The survey covered the textiles and handicrafts sector significantly in India and Bangladesh. The country-specific findings of sectors indicate that textiles and handicrafts are highest in Bangladesh (86.67 per cent), food products and retail and wholesale has the same share in Bhutan, food enterprise is highest in India (46.34 per cent) and textiles and handicrafts highest in Nepal (56 per cent) out of the six categories. As evident from the Table 1, food, textiles and retail are present in all the selected places while restaurants and services are not covered in every place. The share of others in Bhutan is 11.11 per cent. The products in another category mainly include nursery, in Bhutan.

Findings

The survey findings highlighted that the small scale business owned and operated by the women required a massive transformation and push that commensurate with their importance



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to the economies since COVID-19 has wreaked havoc in a system that always had a fragile foundation and lacked foundation resilience. The disproportionate effect on women entrepreneurs requires urgent government intervention. With the rising interest in providing support to them as a pathway to achieving higher economic goals, women's roles as entrepreneurs, decision-makers, and show runners need further support from the government and private sector initiatives. Some of the key issues from the study findings include a decline in orders and sales, income, and employment, among others. In turn, such issues affect spending capacity, create difficulties in salary payment, and lead to stress at home. The government can create an enabling environment through relief measures, safety protocols, social safety mechanisms, capacity building and liquidity support. Furthermore, civil society organisations can undertake evidence-based advocacy, raise awareness about various government programmes and organise capacity-building programmes on financial literacy and digital technology. The private sector can also promote women entrepreneurs through the strengthening of supply chains. Joint efforts by state and non-state actors through trade facilitation efforts, data collection and success stories, wide dissemination of research findings, awareness generation, capacity building and representation of different voices can lead to positive changes.

Conclusion

The primary and secondary research findings under the project reflect clear evidence of adverse impact on the COVID-19 pandemic on women entrepreneurs operating in Mumbai region, particularly those owning mid-sized Business. The Women Entrepreneur need a massive transformation and push commensurate with their importance to the economy since COVID-19 has wreaked havoc in a system that always had a fragile foundation and lacked resilience. The disproportionate effect on women entrepreneurs requires urgent government intervention. With the rising interest in fortifying Women Entrepreneurs as a pathway to achieving higher economic goals, women's roles as entrepreneurs, decision makers, and show runners need further support from the government and private sector initiatives. The needs of those incurring loss in their business during the COVID-19 outbreak should be considered so that the gains that have been made until now in closing their business. The government can create an enabling environment through relief measures, safety protocols, social safety



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mechanisms, capacity building and liquidity support. Furthermore, civil society organisations can undertake evidence-based advocacy, raise awareness about various government programmes and organise capacity-building programmes on financial literacy and digital technology. The private sector can promote women entrepreneurs through the strengthening of supply chains. Joint efforts by state and non-state actors through trade facilitation efforts, data collection and success stories, wide dissemination of research findings, awareness generation and capacity building can lead to positive change. Some of the key issues from the study findings include a decline in orders and sales, income, and employment, among small scale businesses operated by women. In turn, such issues affect spending capacity, create difficulties in salary payment, and lead to stress at home. Considering the size of women enterprises and its linkage to employment, income generation, it is critical for the governments and other stakeholders not only in city of Mumbai but also in country to come out with focused measures and schemes to address major issues and challenges faced by women enterprises.

Recommendations

Given the above, this study makes the following recommendations. Women entrepreneurs are often discriminated against in accessing loans from banks compared to male entrepreneurs. The situation has been further aggravated by the impact of COVID-19 on women's enterprises. What is even worse is that this COVID-19 impact may continue for the next several months. That said, hundreds of women entrepreneurs face the risk of losing their businesses and even closing down. Governments need to ensure that these women entrepreneurs survive in post-COVID-19 periods. This could be achieved by facilitating women entrepreneurs access easy loans to continue their businesses during the pandemic. The banking system should be accordingly advised to allow loans to these enterprises at a lower or reasonable rate. The risk of spread of COVID-19 may be higher in women entrepreneurs. Therefore, there is a need for these enterprises to act responsibly and adhere to national guidelines like social distancing to ensure minimum human contact. One way of continuing business during a crisis like COVID-19 is to popularise digital and online modes of sales and businesses. Governments need to take concrete measures towards the popularisation of the online mode of businesses and ensure that women entrepreneurs are



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prompted to adopt this new system. Steps could be taken to launch apps suitable for women entrepreneur. An important finding from the study is that many women entrepreneurs have laid off their employees during the COVID-19 period. In this situation, governments should consider providing unemployment benefits for those who lost their job or went bankrupt due to COVID-19. Some of the industries covered in the study are operated on rent. It is reported that they were paying the rent during the lockdown, which poses a financial burden to them. Governments should consider launching some financial schemes to protect such enterprises from losing their business places and operations. All the women entrepreneurs have gone into losses because of orders and businesses and finding it very difficult to sustain and survive. Governments should consider providing some relaxation to these enterprises in concession in charges of electricity and water. Further, stimulus packages including conditional and unconditional cash transfers, food subsidies and technical assistance for women entrepreneurs and workers could be provided. Many women entrepreneurs are not aware of schemes and incentives made available by governments to Woman Entrepreneur. There is a need to make these enterprises aware of the women-specific packages and schemes. This could be done through local industry associations. Subsidy is another measure to support the industries to survive in the crisis. As 45 per cent of women entrepreneurs indicated that they are expecting subsidies from the government in various forms to deal with the crisis. The demand for their products has declined due to the COVID-19 pandemic, marketing support, transportation of goods, and ensuring the supply of raw materials is necessary for women entrepreneurs. Some mechanisms should be considered to address these issues. Coordinated action among various government departments is required to support women entrepreneur during the crisis and recovery. Provide incentivised support for the growth of women led businesses and particularly those in sectors where women are under-represented. Ensure effective dissemination of information, circulars, guidelines, and policies to all the banks and branches. Further encourage girls to take up step to narrow gender gaps through skill development and job creation. Further, the impact of lockdown due to COVID-19 on the economy, in general, and the woman entrepreneur in particular, has made us realise the need to encourage alternate skilling of women to align with changing demands.



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