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Challenges faced by Women Entrepreneurs in the Phase of Covid-19

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Abstract:

The pandemic covid-19 severely affected the entire world, which evolved globally in China. It is a health crisis that disrupted the everyday daily life of the world as a whole. Women who work as self-employed traders of products and services are female entrepreneurs. In all of the businesses that were severely impacted by Covid 19, women entrepreneurs were disproportionately affected; this study aims to investigate the issues that women entrepreneurs faced, such as inadequate funding, low risk-bearing ability, uncompensated care, employment, and a focus on digital inclusion, and to offer some recommendations for women entrepreneurs to address these issues. This paper also highlights the importance of social media to access market demands and move from offline to online to meet existing consumer wants while also targeting a new audience to help firms survive disasters like covid-19.

Keywords: Women, Covid 19, and Entrepreneurs

INTRODUCTION:

"An entrepreneur is a business who creates new combinations of means of production that cause disequilibrium." [Joseph A. Schumpeter]. A woman entrepreneur is defined as a business owned and controlled by a woman who owned and controlled at least 51 percent of the capital and employs at least 51 percent of the women who work in the business.—[Government of India]. According to Central Government Small Scale Industries are run by one woman and a group of women and members of a cooperative society with not but 80% women employees. A better way of utilizing women's workforce in the development of GDP. According to research conducted by Google and Bain & Company in 2019, "Powering the Economy with Her: Women Entrepreneurship in India," Indian women entrepreneurs may create 150-170 million jobs in India by 2030. It is now

calculated that women own about 15-20% of MSMEs. Women-led businesses account for only 17% of the almost 70 lakh MSME registrations on the 'Udyam' platform MSMEs as of February 2, 2022. India has a greater percentage of women-owned enterprises when compared to many other countries. As per the Udyam report, as of June, 2021, 81% of MSMEs are owned by males, while 17% are owned by females (Udyam, 2021); 1% are unrecognized in India. At present, women-owned enterprises in India have surpassed 15 million. The percentage of women-owned enterprises has grown from 14% to 20% over a decade (Bain and Google, 2019). According to the International Monetary fund report, if women's participation in the workforce equals that of males, India's GDP might rise by 27%. Guiding New India in the Amrit Mahotsav. According to the MSME ministry, India has 63.3 million MSMEs; It employs 40% of India's non-farm labour and accounts for about 25% of its services and 33% of its industrial output. India has approximately a sixth of the world's population but just a sixth of the world's wealth. "Never squander a crisis," as they say ECLGS supplied much-needed additional financing to more than 1.3 crore MSMEs, allowing them to better weather the pandemic's effects. Most of them get into business out of necessity rather than aspiration.

The Covid 19 pandemic affected women entrepreneurs and lockdown shut down the movement of individuals disrupted logistics badly. New start-ups face huge problems as they cannot move from one place to another. Constraints such as loss of finances, labour forces, and brand values, as well as the death of loved ones and the burden of managing the family during the pandemic have also disproportionately impacted women. Burdens from both sides, at home and in the market, have damaged women entrepreneurs the most. COVID-19 has had a severe impact on small-scale women workers involved in trading, tailoring, dressmaking, and shopkeeping, as well as women working in beauty parlours, as receptionists, in daily wage work, and in the service sectors. Studies have emphasized that approximately 17 to 19.3 million women became unemployed during the pandemic lockdown between March and April 2020. Unemployment among women increased at a rate 13% higher than that of their male employees (Misra and Patel, 2021; Abraham et al., 2021; Bargotra, Bhatotia, Karthick & Narasimhan, 2021).

Access to capital, a lack of support networks, skewed societal standards, and maybe even restricted mobility are barriers to women's entrepreneurship. Small Scale Industries does not hold that much contingency / liquid funds to run their businesses as they do not have backup to pay salaries to their staff. Women's entrepreneurship will suffer until we address these infrastructure challenges and make entrepreneurship culturally acceptable. The stereotypes included assumptions: women entrepreneurs would set up tailoring units or beauty parlours; rural men from lower castes were expected to set up footwear units or even assemble agar-battis. According to the MSME ministry's Udyam registration system, there were 72,63,401 registered MSME units as of February 20, 2022. Because the overall number of MSMEs is 6.34 crore (according to the Ministry of

Statistics), only 11% are registered and have access to formal institutional loans. However, nothing is known about how many MSME businesses were resurrected due to credit supply.

The Covid 19 pandemic affected women entrepreneurs, but Central Government paved way to rebuild through various schemes launched for women entrepreneurs. The Ministry of Statistics and Programs claims that in Implementation's Sixth Economic Census, women account for around 14% of India's overall entrepreneur base, or 8.05 million out of 58.5 million entrepreneurs. While some people become entrepreneurs by chance due to a lack of other employment options, others are motivated by a specific mission or objective.

OBJECTIVES OF THIS STUDY:

- To identify the social and economic problems that women entrepreneurs confronted during the phase of the covid-19 pandemic.
- To provide Suggestions for women's empowerment enterprises to compete in the face of such calamitous circumstances.

METHODOLOGY OF THIS STUDY:

Secondary data was acquired for this study from newspapers, Websites, journals, magazines, and other sources.

Gender disparity:

The constitutional guarantee of gender equality in society, the economy, and politics has been shown to be mainly undermined by patriarchal beliefs and systems (Milazzo & Goldstein, 2019; Singh, 2021). Gender inequality is compounded by sexist views in Indian culture, which have resulted in very uneven economic circumstances and opportunities for women, posing a major threat to one of the SDG 2030 agenda's most important objectives, gender equality. The problem is further compounded by the COVID-19 pandemic, which has had a negative influence on women's mobility and reliance on their male partners and other males in society. The patriarchal system has remade itself during COVID-19, with the level and mode of patriarchal rule varying according to the context.

Problems that women entrepreneurs confronted during the phase of covid-19: -

Saipriya Salla (2020) addressed how women entrepreneurs are affected in numerous areas of their business. Travel and businesswomen were severely restricted due to the Pandemic and accompanying shutdown, and women were disproportionately harmed during emergencies. Small and growing businesses (SGBs) have been the most challenging hit segments during the pandemic. Plenty of support services for entrepreneurs has shifted online to confirm that they need access to the guidance they require even within the absence of physical convening.

Poor Funding Prospects-

Women entrepreneurs cited the availability of capital as a primary worry when questioned about their major business obstacles during the pandemic. Women-owned enterprises are more likely

to be home-based, micro-businesses, or single proprietorships, making them ineligible for government and other programs that provide subsidies, loans, and grants to incorporated SMEs with workers.

According to research, women entrepreneurs experience more loan and investment rejections than males, and even when they make safe money, it is typically much less than what men receive. As unfair as it might sound, the funding scene in India has massive gender biases. Women-led businesses in the country lack access to capital due to the prejudices of investors and other factors. According to a report by Innoven Capital, of all the companies that received funding in 2019, only 12% had at least one female founder. Many VC firms and angel investors are reluctant to invest in women-led businesses, while banks and financial institutions consider women less credit-worthy. Moreover, many Indian women don't have property or assets in their name, which comes up as a problem while applying for collateral loans or private financing.

Low Risk-Bearing Ability-

In order to invest in and run a successful business, the entrepreneur needs to be able to bear some inherent risk. Women often do not have financial freedom and do not have practice in making independent decisions. They also lack confidence in their own decisions, which makes them risk-averse. This is gradually changing as with each passing generation women are taking charge of their finances and mitigating the risks.

Limited business networks –

Among the problems faced by women entrepreneurs in the male-dominated business world is restricted access to entrepreneurial networks. This prevents women from creating networks of their own. A survey showed that women were not included in crucial business networks which would help them foster connections, grow their enterprise, or find clients, vendors, and partners. While men carry out all of these activities with ease because of their robust networks; women entrepreneurs are viewed as not belonging to these circles and have trouble breaking through.

Uncompensated care Employment is increasing –

They have spent less time on their businesses due to the added care duties put on them as a result of their families being physically separated and confined to their homes. Traditionally, women have handled the majority of reception duties. Traditionally, women have been responsible for the majority of welcoming duties. Retainer and day-care centers are among the services that have been impacted.

Focus on digital inclusion. –

SGBs are experiencing a transformation in order to survive this crisis. In a country where the female internet user population is half that of the males, with the disparity being much more pronounced in rural India, this shift to digital platforms can exacerbate inequities. Many entrepreneur

support programs have moved online to ensure that individuals have access to the help they seek even when they cannot attend physical meetings. The assumption that men and women have equal access to space, the internet, and sufficient time to use these resources is faulty in and of itself. Entrepreneurial support organizations must collaborate with SGBs to establish a shared commitment to increase digital awareness and usage gradually.

Women-owned enterprises have seen a significant drop in sales-

Seventy-three percent of female entrepreneurs have been harmed by the crisis, with nearly 20 percent seeing their enterprises' revenue wiped out. Thirty-five percent of the women's companies saw a considerable drop in revenue (between 25 and 75 percent). Even if firms did not experience an abrupt drop in sales, growth has been slow.

- Companies that were largely relied on offline production or distribution strategies have fared significantly worse than those that are well-suited to digital channels.
- Two reasons contributed to revenue growth: greater relevance of certain products and services during the crisis and a swift restructuring of the business model to meet current demands.

Women have shifted their business strategies quickly to become more relevant. - In response to Covid-19, 54% of the women, Bain & company spoke with had already adjusted their business strategy, and another 24% aim to do so by the end of the year. Only 6% of respondents believe they will be unable to change their business model.

Working from home looks to be more efficient, but it comes at the cost of increased domestic obligations. - While working from home allows for more freedom in normal conditions, it has had a mixed impact on women entrepreneurs during the financial crisis. While working from home, 57% of our interviewees report having the same or greater productivity. Increased home duties and distractions, on the other hand, were blamed by 43 percent of those who reported lower productivity. Most of the firms have not recovered to pre-Covid-19 levels. Following a sharp decline in March and April due to the lockdown, company growth has returned to around one-third of pre-Covid-19 levels. Only a few entrepreneurs have regained their pre-Covid-19 levels of success. Businesses that have already experimented with or implemented digitization in various elements of their business strategy recovered the fastest.

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Suggestions for women's empowerment enterprises to compete in the face of such calamitous circumstances: -

Increase the rate of financial Inclusion:

Covid-19 has exacerbated the shortage of working cash, compounding the substantial gender

gap in financial access. Funding will become a crucial facilitator (or hindrance) for women entrepreneurs as they begin to prepare for recovery. Access to quick and effective finance will be critical for firms to successfully realign their enterprises to changing demand and supply patterns, as well as grow back up. There are a variety of options for obtaining funding, including:

- To alleviate short-term (3–6 months) cash difficulties for otherwise well-functioning firms, set aside government money (for example, from the proposed Rs 50,000 crore Fund of Funds) for micro-small and medium-sized enterprises (MSMEs) owned and controlled by women.
- Create customized emergency loans and simplified standards for small enterprises, particularly for women-owned firms.
- Clarify the availability, eligibility, application processes ("how-to guides"), and frequently asked questions (myth-busters, common mistakes) surrounding numerous funding sources, such as banking schemes, government rescue packages, and schemes (for example, credit guarantees and collateral-free automatic loans issued by the government), and so on. Atma Nirbhar package, subordinate debt facility, and the "59-minute loan assurance" program).
- Investor financing for nonprofit organizations that support women entrepreneurs should be protected and expanded.
- Women borrowers should be invited and encouraged to participate in particular FinTech lender activities, such as targeted communication, education, and the distribution of speedy approval goods.
- Report on the disbursement of different government and bank Covid-19 recovery monies in a transparent, granular, and gender-disaggregated manner.

Adapt cultural mindsets to support women:

By changing structural business characteristics that have long been adverse to women in India, Covid-19 has the potential to close the gender gap in entrepreneurship. It is equally crucial for India's social ecology to accept this transformation in the following ways in order to make the most of this opportunity:

- Women's engagement in the workforce has resulted in positive educational, health, and economic benefits.
- Men (and families) exhibiting role-model positive behaviors such as sharing domestic responsibilities.
- Inclusion in virtual and real encounters may be achieved through formal and informal networks.
- Within the finance ecosystem, gender responsiveness

- External shocks have a significant impact on society. In this situation, there is a metaphorical window of opportunity. Women across a variety of industries and parts of the economy are responding to this unprecedented shock with grit, agility, and hope. Important ecosystem players must step up to empower women in India, unlocking this demographic asset in the process.

Uncertainty can range from a lack of assurance to a total lack of conviction or understanding, particularly when an account or result. The institution investigated issues women face in a recent four-party study. *Journal of Interdisciplinary Cycle Research* Volume XII, Issue XI, November/2020 ISSN NO: 0022-1945 As a result of COVID 19, enterprises confront Page No:281 challenges. Moreover, the findings show that challenges with work-life balance have a rippling impact on diminishing income for women-owned firms. Women entrepreneurs have historically struggled to get funding and balance work and family obligations. According to recent research from Babson's Institute, the pandemic has further worsened these challenges.

Three Potential Solutions:

- Parents dividing tasks, according to Elam (2020), is one way to mitigate balance reception. Workplace institutional support is also critical. "Women have a tendency to be sponges; they are going around and support everybody else,"
- According to Elam (2020). "They have a tendency to play the same role at work." There is still a need for female entrepreneurs to spread themselves across sectors and vocations.
- Elam (2020) claims that this is especially true in male-dominated industries like technology. "Until women start specializing in establishing businesses or industries with greater profit margins, their firms will not become a whole lot bigger on average," she says. Women entrepreneurs have creative business concepts and strategies for overcoming the problem. Women entrepreneurs swiftly adapt their company models for increased relevance, according to research by Bain & Company, Google, and the AWE Foundation. The survey of 350 women soloes entrepreneurs and small business owners in urban India was supported by Bain & Company, Google, and the AWE Foundation.

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