

## WOMEN ENTREPRENEURS' RESILIENCE IN TIMES OF COVID-19 AND AFTERWARDS

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### ABSTRACT

*The emergence of COVID-19 has greatly hit businesses owned by women, given that they work in those sectors of the industry most affected by the pandemic. Therefore, scientists got the impression that everything that has been achieved through hard work in empowering women in the past few decades will be lost in a short time.*

*The aim of this paper is to analyze the movement of women's businesses and the position of women during the pandemic, in order to be able to propose guidelines for the period after this crisis. In this paper, author concluded that the economic crisis caused by the pandemic, which is followed by the energy crisis and the war in Ukraine in many countries, has the effect that an increasing number of women start to think about and explore the possibilities for starting a business from home. A higher share of women than men among home workers is registered in almost all EU countries.*

**Keywords:** *Women entrepreneurs, employment, remote work, COVID-19.*

**JEL classification:** *L26, E24,*

### INTRODUCTION

According to the data on women's entrepreneurship, more than 12.3 million companies are owned by women in USA in 2020 [1]. However, only one in five women-owned businesses had \$1 million in revenue, while about 4.2% of all women-owned businesses generated \$1 million or more in revenue [2]. In addition to progress in the development of female entrepreneurship, the COVID-19 pandemic has had an uneven impact on sectors and types of businesses. Thus, the impacts of crises are never gender neutral,

and COVID-19 is no exception. Consequently, there is a risk that COVID-19 will delete decades of progress in advancing women's entrepreneurship. Therefore, the goal of this paper is to determine the position of women during the pandemic and determine the development guidelines afterwards.

## **IMPACT OF COVID 19 ON WOMEN**

Women are more affected than men by job losses worldwide due to the COVID-19 pandemic, according to 2020 International Labor Organization (ILO) [3]. Namely, women are over represented in many of the industries hardest hit by COVID-19, such as food manufacturing, entertainment and retail. For example, 40 percent of all employed women – 510 million women worldwide – work in hard-hit sectors, compared to 36.6 percent of employed men [4].

As a consequence of the big shock to our societies and economies, which was caused by the COVID-19 pandemic, the reliance on women and putting them on the front line when it comes to work, as well as responsibilities at home, was affected even more than before. It simultaneously exposed structural inequalities in all spheres of life and work – from health to economy, security to social protection. Efforts to realize women's rights are also threatened.

Today, economic insecurity is not only about jobs, that is, the loss of employment [18]. In addition, women who are poor and marginalized face an even greater risk of transmission of COVID-19 and deaths, loss of livelihoods, and increased violence. The rise in poverty caused by the pandemic will also widen the gender poverty gap – meaning more women will be pushed into extreme poverty than men. UNWomen (2022) estimates that the pandemic will bring the total number of women living in less than \$2 a day to 446 million worldwide in 2022 [5]. Economic insecurity also increases the risk of gender-based violence. Without sufficient economic resources, women cannot escape abusive partners and face the greater threat of sexual exploitation and human trafficking. Globally, between 2019 and 2020, 4.2% of female employment lost their jobs as a result of the pandemic, representing a loss of 54 million jobs[6]. Although the projected growth of jobs for women in 2022 is higher than the growth of jobs for men, it will still be insufficient for women to return to the level of employment before the pandemic according to ILO projections. In line with this, many businesses owned by women did not stop working and thus leave other women without a job (the author's remark is that women mostly employ other women), women, like men, accepted work from home or remote work.

## **FLEXIBLE WORK**

Thanks to new information and communication technologies, numerous advantages of remote working, combined with flexible working hours, stand out: higher productivity, reduction of office space and associated costs, savings of time and money on transportation from work to home and vice versa, greater autonomy and freedom in job choice and work process planning [7]. For example, recent research has shown that as many as 77% of

people feel more productive when working from home compared to working in an office space outside of it [8]. Similar research was done by the scientist Ishay, who confirmed the growth of work productivity by employees who work from home [9]. Namely, taking into account the mentioned advantages, especially many women in the world increasingly choose to establish a business at home, which is reflected in the constant trend of its growth in the overall structure of all other businesses that women start and run.

Research done in Western Balkans [10],[17], showed that there is a high degree of agreement among the authors on the importance of establishing boundaries between work and private life. “Moreover, even in studies examining the physiological and psychological outcomes of remote work, more positive results were obtained than those in the office.” [10, p.182].

A catastrophe can strike any organization. It can come in the form of storm, flood, fire, terrorist actions, and product contamination or simply due to unknown new viruses and diseases [11], [13]. It is therefore necessary to investigate entrepreneurial women, their coping skills and resilience in facing up to various internal and external business conditions and challenges. In line with this, it is needed an appropriate SME resilience agenda that mitigating measures against business and unexpected events. Therefore, one number of authors tries to elaborate the “economic resilience-entrepreneurship nexus” as a critical issue to be considered in facing any regional socio-economic shocks [13]. Among those who favor flexible working, the average number of days per week people want to work from home is 3 days. People in China, Belgium and France are the least interested, preferring only 2 days a week to work from home, while people in India are the most enthusiastic, wanting 4 days. In addition, only 12% of workers prefer to work remotely every day [14].

## CONCLUSION

“Over the last few decades, numerous studies have been conducted, displaying the prevailing view that working from home has numerous economic benefits and savings compared to office work: non-payment of expensive rent and equipment of business premises and other services, significant time savings on going to and back from work” [15, p.6].

WEF research have shown that working from home suits women the most, that is, 66 percent of them declared that they want to continue with this way of working even when the pandemic ends completely [16]. Support for greater flexibility was strongest among women, parents of school-age children, adults under 35, and those with higher levels of education. . They also point out that working for foreign companies is harder and more demanding, but they see it as a kind of challenge. . Often, apparently distant external events can provoke unanticipated consequences for businesses, such as a sudden drop in sales or resources.

In the countries of the Western Balkans, working from home, remain the only oases of entrepreneurial freedoms and personal autonomy that are not directly affected by these external restrictions.

The positive evaluation of work from home and remote work also appears as a kind of covert resistance to the imposed attitudes of the official establishment [10, pp.187] . Finally, every crisis has an end point. And this will be a sign for female entrepreneurs to undertake something new. As containment of the virus is likely to persist in many parts of the world, we are sure to see new lifestyles create new needs, which in turn will create new opportunities for female entrepreneurs. In this context , the new business models will have to be invented as well as the ability to adapt to unexpected situations. Undoubtedly, more lessons will emerge in the period ahead of us.

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