

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN MSMEs DURING THE COVID-19 PANDEMIC IN KERALA

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Cite this paper as: Rakhi Saratni K S, Dr. S Ramola Ponmalar, (2024), Challenges Faced By Women Entrepreneurs In Msmes During The Covid-19 Pandemic In Kerala. *Frontiers in Health Informatics*, 13(8) 4840-4849

ABSTRACT

The COVID-19 pandemic significantly impacted the global economy, with Micro, Small, and Medium Enterprises (MSMEs) among the worst affected. Women entrepreneurs in this sector faced unique challenges that disrupted their business operations and personal lives. This study examines the specific obstacles encountered by women entrepreneurs in MSMEs during the pandemic and explores how these challenges shaped their resilience and adaptability. The research adopts a surveys method with women entrepreneurs from diverse industries. Key challenges identified include financial hardships due to declining revenues, limited access to markets, and disruptions in supply chains. Many women struggled with accessing emergency financial assistance, particularly in rural areas. Additionally, the sudden shift to digital platforms posed difficulties for those with limited technological skills or infrastructure. Beyond business challenges, women entrepreneurs faced increased domestic responsibilities, which further strained their ability to manage their enterprises effectively. Psychological stress and uncertainty about the future also emerged as critical factors affecting their decision-making and productivity. Government relief measures and community support played a role, though their reach and effectiveness varied widely. This study highlights the need for targeted interventions to support women in MSMEs, including better access to credit, digital skill development, and mental health support. It also emphasizes the importance of building a more inclusive entrepreneurial ecosystem that addresses gender-specific barriers. The target respondents for the study are the Women-Led MSMEs in Kerala. 120 people were chosen favourably for this investigation. Stratified random sampling was used to gather 110 respondents from Kerala in order to obtain the relevant data. By shedding light on these challenges,

this research aims to contribute to the formulation of policies and programs that empower women entrepreneurs to recover and thrive in the post-pandemic era.

Key Words: Digital Platforms, Pandemic, Global Economy, Women Entrepreneurs.

INTRODUCTION

The COVID-19 pandemic disrupted economies globally, creating an uncertain environment that posed severe challenges to the survival and growth of businesses. Among the most affected sectors were Micro, Small, and Medium Enterprises (MSMEs), which serve as a backbone of employment and economic activities, especially in developing nations. Within this ecosystem, women entrepreneurs emerged as a particularly vulnerable group, grappling with not only the general challenges of the pandemic but also gender-specific barriers exacerbated by the crisis.

Women entrepreneurs in MSMEs often operate in resource-constrained settings, where access to finance, technology, and market opportunities are limited. The pandemic amplified these constraints as lockdown measures and movement restrictions led to supply chain disruptions, closure of physical marketplaces, and declining consumer demand. Additionally, sectors such as hospitality, retail, and personal services—areas where women are often overrepresented—experienced disproportionate impacts, further deepening the crisis for women-led MSMEs.

Another layer of challenge arose from the gendered dynamics of the pandemic. Women entrepreneurs had to navigate increased household responsibilities, including caregiving and managing children's education, while simultaneously attempting to sustain their businesses. The lack of access to digital tools and skills to transition operations online further widened the gap, limiting their ability to compete in the evolving marketplace. Moreover, women entrepreneurs faced a steeper decline in funding and credit availability, as lenders prioritized perceived lower-risk investments.

Despite these obstacles, women entrepreneurs demonstrated remarkable resilience and adaptability. Many leveraged their ingenuity to pivot their business models, such as producing essential goods like masks and sanitizers, shifting to online platforms, or exploring innovative ways to engage with customers. Their determination not only sustained livelihoods but also underscored the critical role of women in economic recovery.

Understanding the challenges faced by women entrepreneurs in MSMEs during the pandemic is essential for addressing systemic barriers and fostering a more equitable business environment. This study delves into the socio-economic, operational, and psychological challenges encountered by women entrepreneurs and highlights the strategies and policy interventions required to empower them, ensuring their inclusion in the post-pandemic economic resurgence.

By exploring these dynamics, this research contributes to the ongoing discourse on gender inclusivity in entrepreneurship, offering actionable insights for policymakers, financial institutions, and support organizations to strengthen the resilience of women-led MSMEs against future crises.

STATEMENT OF THE PROBLEM

The COVID-19 pandemic posed severe challenges to women entrepreneurs in MSMEs in Kerala, a state known for its vibrant entrepreneurial culture and high literacy rates. Women-led MSMEs, particularly in sectors such as handicrafts, retail, tourism, and food processing, faced significant setbacks due to lockdown, supply chain disruptions, and dwindling consumer demand. The pandemic also amplified gender-specific challenges, such as limited access to financial resources, inadequate digital infrastructure, and increased carving responsibilities. Despite Kerala's robust social indicators, the lack of targeted support mechanisms for women entrepreneurs during the crisis underscored systemic inequities. This study aims to investigate the unique challenges faced by women entrepreneurs in MSMEs in Kerala during the pandemic, analyze the socio-economic and operational impacts, and explore strategies to enhance their resilience and inclusion in the post-pandemic recovery.

REVIEW OF LITERATURE

- **Kumar and Devi (2023)** investigated the impact of sector-specific challenges on women-led businesses in Kerala's handicrafts and tourism industries. These sectors were particularly hard-hit, with businesses reporting a 40–60% revenue drop. Their study called for stronger community-based support networks to build resilience.
- **Thomas and Mathew (2021)** addressed the psychological toll on women entrepreneurs during the pandemic, noting increased stress due to financial uncertainty and heightened domestic responsibilities. They advocated for mental health resources and peer networks as critical supports.
- **Saji and John (2022)** explored the socio-economic effects of the pandemic on women-led MSMEs in Kerala, highlighting disruptions in supply chains and the compounded financial pressures faced due to limited access to credit. They emphasized the double burden of family responsibilities and business survival during the crisis. Their findings stress the need for gender-specific policy interventions and financial literacy programs to empower women entrepreneurs.

RESEARCH GAP

Although significant research has explored the challenges faced by women entrepreneurs in MSMEs during the COVID-19 pandemic, gaps remain in understanding the specific socio-cultural and economic barriers unique to women in Kerala. While studies have examined broad challenges such as financial constraints, digital adoption, and market access, there is limited focus on how Kerala's distinct socio-economic environment—characterized by high literacy rates, strong cooperative systems, and gender dynamics—shaped the experiences of women entrepreneurs. Furthermore, the long-term effects of the pandemic on women's mental health, business sustainability, and recovery strategies remain under explored. Addressing these gaps is crucial for designing localized interventions that cater to the unique needs of women entrepreneurs in Kerala.

OBJECTIVES OF THE STUDY

- ✓ To identify the specific challenges faced by women entrepreneurs in MSMEs in Kerala during the COVID-19 pandemic.
- ✓ To analyze the impact of the pandemic on the financial of women-led MSMEs.
- ✓ To suggest actionable recommendations for enhancing the resilience and growth of women entrepreneurs in Kerala's MSME sector.

RESEARCH METHODOLOGY

Most of the data used in this study comes from primary and secondary sources. In the study

Challenge	Mean	Standard Deviation	Rank
Financial Access	2.85	1.12	IV
Market Access	3.1	1.05	II
Digital Skills	2.6	1.15	V
Family Responsibilities	3.75	0.8	I
Government Support	2.9	1.2	III

region, at the sample respondents, primary data will be gathered. The second-hand data will come from a range of sources, including books, journals, periodicals, the internet, etc.

❖ **Target Respondents**

The target respondents for the study are the Women-Led MSMEs in Kerala

❖ **Sample size**

The sample size for the study is 120.

❖ **Sampling Method & Type**

The sampling technique used in this study was Stratified random sampling method.

RRESULTS & DISCUSSION

- ✓ To identify the specific challenges faced by women entrepreneurs in MSMEs in Kerala during the COVID-19 pandemic.

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN MSMES IN KERALA DURING THE COVID-19 PANDEMIC.

The COVID-19 pandemic has significantly impacted businesses worldwide, and women entrepreneurs in Kerala's MSME sector faced unique and compounded challenges. Many women entrepreneurs experienced disruptions in their operations due to limited access to financial resources, supply chain issues, and reduced market demand. In addition, the pandemic heightened gender-specific barriers, such as the burden of increased care giving responsibilities, making it harder to balance family and business. Furthermore, limited digital literacy and technological infrastructure made it difficult for many women to transition their businesses online, further hampering their ability to adapt to the new normal.

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN MSMES IN KERALA

DURING THE COVID-19 PANDEMIC.

Source: Primary data

The table highlights the key challenges faced by women entrepreneurs in MSMEs in Kerala during the COVID-19 pandemic, with their respective mean scores, standard deviations, and ranks. **Family Responsibilities** (Mean = 3.75) was the biggest challenge. Women had to balance business with increased household duties, which became harder during the pandemic. **Market Access** (Mean = 3.1) was the second major challenge. With lockdown and reduced demand, women struggled to reach their customers and keep their businesses running. **Government Support** (Mean = 2.9) came third. Although there were relief measures, many women faced difficulties in accessing them due to complex procedures or lack of awareness. **Financial Access** (Mean = 2.85) was also a big challenge. Women had limited access to credit and financial resources, which made it hard to sustain their businesses during the crisis. **Digital Skills** (Mean = 2.6) was the least significant challenge, but still important. Many women lacked the skills and tools to move their businesses online, which made adapting to the new market conditions difficult.

- ✓ To analyze the impact of the pandemic on the financial, operational, and social aspects of women-led MSMEs.

IMPACT OF THE PANDEMIC ON THE FINANCIAL OF WOMEN-LED MSMEs

The COVID-19 pandemic has significantly affected the financial stability of women-led MSMEs (Micro, Small, and Medium Enterprises), presenting challenges such as **decreased revenue, cash flow disruptions, and limited access to financial support**. Many women entrepreneurs faced difficulties in securing loans or government assistance, exacerbating their financial struggles. In addition to these hurdles, women-led MSMEs also experienced **supply chain disruptions and diminished market demand**, which further strained their financial resources. Despite these challenges, some women entrepreneurs have shown remarkable resilience, adapting to digital platforms and seeking alternative funding sources to sustain their businesses. Understanding these financial impacts is essential to developing support mechanisms that empower women entrepreneurs during and after crises.

IMPACT OF THE PANDEMIC ON THE FINANCIAL OF WOMEN-LED MSMEs

TABLE 2

V a r i a b l e	R e v e n u e D e c l i n	C a s h F l o w P r o b l	D i g i t a l T r a n s f o	E m p l o y m e n t S t a	S u p p l y C h a i n D i	G o v e r n m e n t S u p
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	e	e m s	r m a t i o n	b i l i t y	s r u p t i o n s	p o r t
R e v e n u e D e c l i n e	1	0 . 7 2 *	0 . 4 5 *	0 . 4 0 *	0 . 7 5 *	- 0 . 1 5
C a s h F l o w P r o b l e m s	0 . 7 2 *	1	0 . 3 8 *	0 . 5 0 *	0 . 6 0 *	- 0 . 1
D i g i t a l	0 . 4 5 *	0 . 3 8 *	1	0 . 3 0 *	0 . 2 5	0 . 2

T r a n s f o r m a t i o n						
E m p l o y m e n t S t a b i l i t y	0 . 4 0 *	0 . 5 0 *	0 . 3 0 *	1	0 . 3 5 *	- 0 . 0 5
S u p p l y C h a i n D i	0 . 7 5 *	0 . 6 0 *	0 . 2 5	0 . 3 5 *	1	- 0 . 3

s r u p t i o n s						
G o v e r n m e n t S u p p o r t	- 0 . 1 5	- 0 . 1	0 . 2	- 0 . 0 5	- 0 . 3	1

Source: Computed data

There is a **strong positive correlation** between **Revenue Decline** and **Supply Chain Disruptions (0.75)**, indicating that businesses with greater supply chain issues suffered higher revenue declines. **Cash Flow Problems** are also positively correlated with **Employment Stability (0.50)**, meaning that businesses struggling with cash flow are more likely to face layoffs or reduce working hours. A **negative correlation** between **Government Support** and **Supply Chain Disruptions (-0.30)** suggests that businesses receiving government support may have been better equipped to manage supply chain disruptions.

FINDINGS

- ❖ The challenges faced by women entrepreneurs in MSMEs in Kerala during the COVID-19 pandemic, with their respective mean scores, standard deviations, and ranks. **Family Responsibilities** (Mean = 3.75) was the biggest challenge and **Digital Skills** (Mean = 2.6) was the least significant challenge, but still important. Many women lacked the skills and tools to move their businesses online, which made adapting to the new market conditions difficult.

- ❖ **Strong positive correlation** between **Revenue Decline** and **Supply Chain Disruptions (0.75)**, indicating that businesses with greater supply chain issues suffered higher revenue declines. **strong positive correlation** between **Revenue Decline** and **Supply Chain Disruptions (0.75)**, indicating that businesses with greater supply chain issues suffered higher revenue declines

SUGGESTION

- ❖ Implement **digital training programs** focusing on online marketing, **e-commerce platforms**, and **financial management tools**. Providing **affordable internet** and **technology** to rural women entrepreneurs will help bridge the digital divide.
- ❖ Create awareness programs about **shared family responsibilities** and **work-life balance strategies**. Government policies can provide **subsidized childcare** or encourage flexible working hours for women entrepreneurs, thus allowing them to manage business and home life more efficiently.
- ❖ Develop mentor ship **programs** and **business incubators** specifically targeting women-led MSMEs. These platforms can provide guidance on market access, operational challenges, and scaling strategies
- ❖ Simplify the **application process** for government schemes, and ensure **gender-sensitive policies** that specifically cater to the needs of women entrepreneurs. Introducing tax benefits, **subsidies**, and special **relief packages** for women-led MSMEs could also enhance growth.

CONCLUSION

The challenges faced by women entrepreneurs in MSMEs in Kerala during the COVID-19 pandemic have highlighted the need for targeted support and interventions. The pandemic exacerbated existing issues like limited financial access, inadequate digital skills, and the burden of balancing family and business responsibilities. However, with appropriate measures, these challenges can be addressed. Providing enhanced **financial support** through women-specific schemes and easing access to **digital resources** are crucial steps toward empowering women entrepreneurs. Additionally, promoting mentor ship programs, strengthening **government policies**, and offering **mental health support** will further improve their resilience and capacity to adapt in times of crisis. By focusing on these key areas, Kerala's MSME sector can ensure that women entrepreneurs not only recover from the pandemic's setbacks but also thrive in a more inclusive, sustainable business environment. Ensuring **gender-sensitive policies**, **flexible work arrangements**, and **market access** for women will pave the way for long-term economic growth and resilience in the region.

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