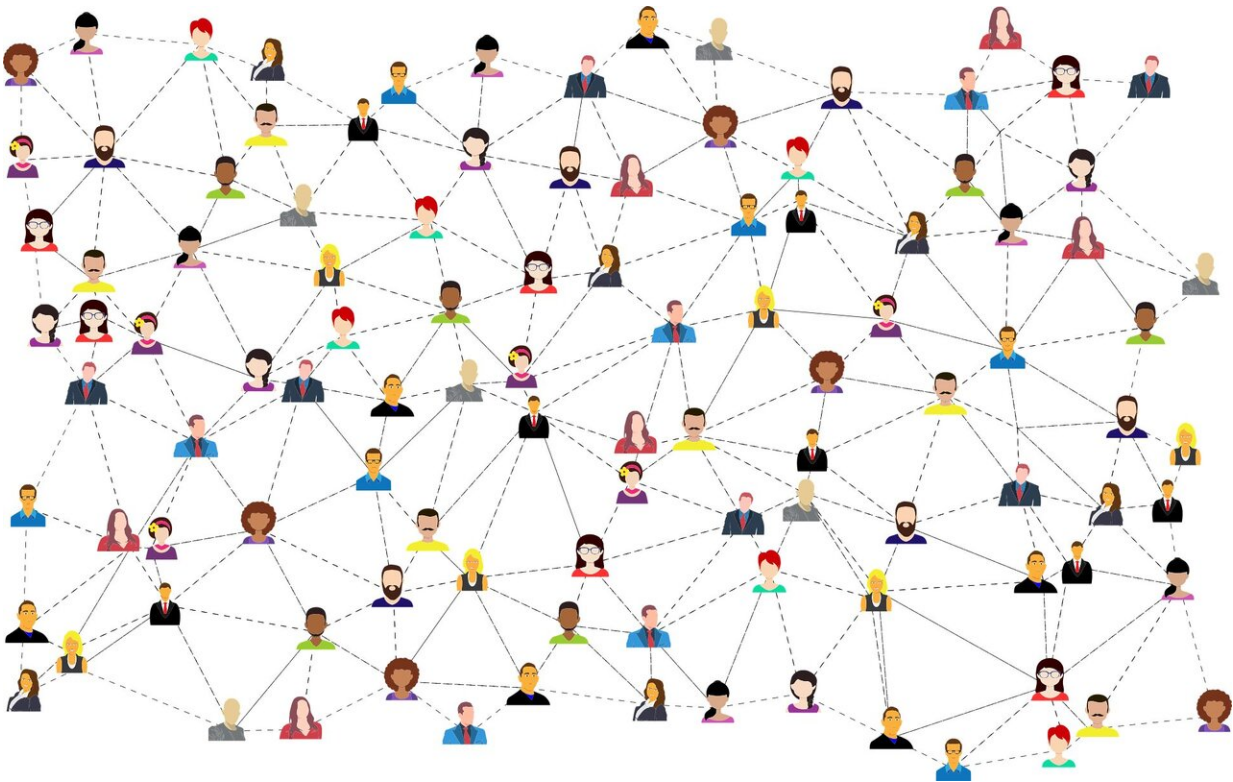


Women-led businesses hit harder during height of COVID, study finds

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Businesses led by women were hit harder by COVID-19 than those led by men, according to a new study.

The study, published in *The World Bank Research Observer*, looked at

the performances of 40,000 businesses in 49 countries between April and September 2020 using interviews and analysis from the World Bank's Business Pulse Survey and Enterprise Survey programs.

The data, which focused on firms of all sizes in the hospitality, manufacturing, retail and wholesale, and service industries, covered countries from East Asia and Pacific, Europe and Central Asia, Latin America and the Caribbean, the Middle East and North Africa, South Asia and Sub-Saharan Africa.

Researchers examined the impact of COVID-19 on businesses' performance, their response to the crisis and access to [public support](#), and uncovered a significant gender gap across each measure.

Women-led businesses were found to be on average over 2 percentage points less likely to report taking advantage of the government policy measures aimed at supporting firms through the crisis.

The researchers point to previous research findings that women entrepreneurs have fewer and weaker social network ties than male entrepreneurs as a potential reason for this.

The study found that small businesses led by women resumed operations after the initial shock of COVID more slowly, by an average of 1.4 percentage points, with sharper declines in sales by 2 percentage points.

This gender gap was especially visible in the hospitality industry and in countries most severely impacted by COVID.

Businesses led by women were found to adjust their workforce differently to those led by men, with small businesses led by women and firms in the hospitality industry more flexible on granting leave to their employees or reducing their wages or hours rather than laying them off.

The study also found gender gaps in technology adoption during the crisis, with women-led [small businesses](#) on average 10.4 percentage points more likely to increase their use of digital technology to mitigate the effects of the crisis, and women-led businesses in manufacturing 3.9 percentage points more likely to repackage and innovate their products during the height of the pandemic.

The paper is the first to provide a real-time glimpse at the business impacts of the unfolding coronavirus pandemic at a global scale, with the researchers able to identify patterns that extend beyond any one country, region or sector.

Dr. Franklin Maduko, Lecturer in Economics at the University of Exeter Business School, says that "the differences in the impact of the pandemic between women-led and men-led firms could reflect a variety of factors. On the demand side, women could be providing products or services that differ from those of their male counterparts, even within the same sector. And on the supply side, differences in labor supply responses could also be driving some of these effects."

"During the pandemic, mobility restrictions and closures of schools and day care facilities also disproportionately increased the need for [women](#) to allocate time to housework and childcare relative to men. This also could have resulted in [time constraints](#) for female [business](#) owners, and fewer employees available to work regularly."

More information: Jesica Torres et al, The Impact of the COVID-19 Pandemic on Women-Led Businesses, *The World Bank Research Observer* (2022). [DOI: 10.1093/wbro/lkac002](https://doi.org/10.1093/wbro/lkac002)

Provided by University of Exeter

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