

Influence of Covid-19 Pandemic on Socio-Economic Equalities among Women Owned Enterprises in Oherey Open Market in Garissa County, Kenya: A Literature Review

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Abstract

Kenya's Vision 2030 is pegged on the roles SMEs play in attaining the newly industrialized economic status. Similarly, Global Sustainable Development Agenda highlights the need for gender mainstreaming in achieving sustainable societies. However, women and minority groups in general are disproportionately affected during disasters. Following the Global outbreak of the Covid-19 pandemic, like normal life, businesses have been affected-small and large businesses alike. The impacts have mostly been amplified by the Covid-19 management measures of social distancing, staying at home, and restrictions on social gatherings, curfews and lockdowns among others. For businesses, the result has been a reduction in cash flows, reduction in demand and supply, lay off of workers, increased investment on Covid-19 management equipment and worst case scenarios closures. The aim of this paper was to interrogate Influence of Covid-19 Pandemic on Socio-Economic Equalities among Women Owned Enterprises in Oherey Open Market in Garissa County, Kenya. The study uses the Social Vulnerability and Feminist Political Ecology Theories in an attempt to explain study variables. This paper employed descriptive research design which provided a vivid description of how covid-19 pandemic has interfered with social economic lives of women in Oherey open market. Data analysis was done through textual analysis. Empirical review of relevant literature reveal that Covid-19 has had negative effects not only on SMEs but generally on businesses. However, women centric studies on the impact of Covid-19 remain scarce. The study recommends for financial boosts, non-financial boosts, revision of business policies and proper planning in a quest to develop pandemic resilient business establishments.

Keywords: Covid-19, Enterprise, Pandemic, Socio-economic, Women

Introduction

Globally, the effect of Covid-19 pandemic in terms of losses was estimated to be at \$12 trillion by 2021. During the same period, it is estimated that over 400 million jobs had been lost by the second quarter of 2020 (Muriithi, 2020). In the U.S, SMEs which make up to 44% of

economic activities had been grossly affected in terms of supply and demand and employee availability. Early estimates from revealed that 15,000 retail stores had been closed and 3 million jobs lost (Bivens, 2020; Thomas, 2020). Fairlie (2020) adds that minority and immigrant owned businesses were disproportionately affected.

A number of global studies have indeed pointed out a worrying trend resulting from the impact of the pandemic. A study by BFA Global Survey for instance from 1,561 businesses in different countries revealed that SMEs generally had cash reserves that last between 4-6 months (BFA Global, 2016). The implication is that SMEs would hardly survive without being in good business beyond this period. Genome (2020) study in emerging markets established that only 60% of businesses had cash reserves to carry them over a period of 3 months. Similarly, 74% of startup businesses had terminated the services of their full time employees with North American businesses leading the pack with 84%, followed by Europe at 67% and Asia at 59% (Morelix, 2020). It is worth noting that the three economies account for over 60% of global supply chain imports and exports (International Trade Centre (ITC), 2020).

In Africa, estimates reveal that the continent plunged into the worst recession in 25 years with a growth of -5.1%. According to a survey by African Management Institute (AMI) in 17 African countries, 87% of respondents (business owners) were not certain about survival beyond the pandemic and 67% of respondents argues that control measures such as curfews, social distancing and lockdowns had negatively affected chances of business survival (Harrison, 2020). SME competitive outlook on the other hand estimated that African business exporters lost \$2.4 billion from supply chain exports as a result of factory closures in China, European Union and in the U.S (ITC, 2020).

The Central Bank of Kenya (CBK) (2018) estimates that SMEs constitute 98% of all business establishments in Kenya, create 30% of jobs annually in addition to contributing 80% of income for low and middle class citizens (Maengwe & Otuya, 2016). However, Muturi and Ochieng (2017) contend that approximately 400,000 SMEs in Kenya did not celebrate their second anniversary. Although this is attributable to a number of factors, the outbreak of the Covid-19 pandemic was a major one due to disruption in supplies, reduced purchasing power among consumers, reduced cash flow, and increased cost of availing inputs and reduced human capital among others. In addition, the outbreak delivered an indiscriminate blow across all businesses- from large airlines to small shops. This paper sought to interrogate the influence of Influence of Covid-19 Pandemic on Socio-Economic Equalities among Women Owned Enterprises in Oherey Open Market in Garissa County, Kenya.

Statement of the Problem

Until the 1990s, although gender vulnerability in disaster management was noticeable in a number of ways, the role of women in catastrophic experiences following disaster events was not fairly included in research studies (Parida, 2015). Llorente- Marron *et al.*, (2020) advance that, until fairly recently, academia focus on gender relations in disaster events were not common principally due to scarcity of gender specific data. However, the emergence of such data facilitated interrogation of the phenomenon of gender in disasters. Indeed, studies on this phenomenon point to the fact that disaster events do not affect populations in the same way and women are among the most vulnerable populations (Adger, 2006; Parida, 2007).

Cutter *et al.*, (2003) study estimates that 75% of those killed in the South East Asia Tsunami of 2004 were women. Their findings reveal that the impact was not gender neutral. Cutter and Morath (2013) attempt an explanation for this inequality citing that it could be related to traditional gender roles that relegate women to subordinate roles and care giving responsibilities. There is a broad consensus among scholars that gender differentiation is evident across all levels of the disaster continuum- risk exposure, risk perception, preparedness, response, recovery and reconstruction among others (WHO, 2005). In as much as this is true for developed nations, it is more pervasive in the developing ones. In post disaster situations, Cutter and Finch (2008) adds that the living conditions of men and women are affected differently. In Haiti, there was evidence of increased violence against women whereas other studies noted the impacts of disasters on mental and reproductive health.

To address efforts of reducing gender gaps, gender issues must be mainstreamed in all disaster relief and recovery policies. The outbreak of the Covid-19 pandemic has amplified gendered structural inequalities. In the United States of America, for instance, women comprised 55% of the jobs lost compared to 49% of the total labor force as of April 2020. In addition, the OECD reported that more than 50% of small and medium sized enterprises had lost significant revenue and risked being out of business as at July 2020. It is also important that both public and private stakeholders increase women's access to Covid-19 response measures and promote their resilience during the crisis as well as the recovery period. The current study notes the need for transformative interventions which must include a focus on cultural change as well as gender biased policy which means that women continue to pay the price of structural inequalities that have been amplified by the pandemic. Indeed, gender is a fundamental explanatory category that should be taken into account when interrogating the effects of a disaster, both during and following it.

World Bank and OECD (2020) estimates advance that, globally, women owned enterprises have a 5.9% risk of closure than their male counterparts. Women Entrepreneurs Finance Initiative (WEFI) (2020) adds that female owned enterprises in informal and service sectors were much more likely to withdraw from the market landscape as a result of decline in demand. Research in Uganda for instance demonstrated that 61% of women enterprises had little or no income compared to 22% of male owned business ventures. Similar trends were mirrored in Rwanda and South Africa. In addition, WEFI (2020) noted that despite the ease in restrictions, enterprises in general continue to encounter increased operational costs amidst the conditions of the new normal such as distanced sitting arrangements and sanitization costs in addition to reduce purchasing power of consumers with little or no income. Despite the recognition of MSMEs in the economic development, 70 percent of women Owned MSMEs in developing nations are underserved or not served at all by financial institutions. Women owned businesses yield on average lower sales and are mainly huddled in flooded and low profit segments as well as markets, (IFC, 2016).

Covid-19 and Kenya

Covid-19 outbreak was first reported in Wuhan on 19th December 2019. Initially, it was largely assumed to be a Chinese problem but its spread across the international borders made the WHO to give it the recognition of a Global Pandemic on March 11, 2020. It impacted global political, social, economic, religious as well as financial realms. In addition, the pandemic threatened not only the developing nation states but its effects largely felt by the leading

global market economies- China and the United States of America who in response alongside others embarked in developing vaccines. As at April 2021, there were 18,865,579/147,176,048 active/total reported infections, 3,115,316 deaths, 125,195,153 recoveries with 549,735,772 individuals vaccinated.

Kenya reported her first case on 13th March 2020 with the numbers rising steadily through the year. Even weeks before the first case was reported in Kenya, more than 61% of businesses had reported huge financial losses. Further, government control measures would also amplify the negative effects of the pandemic. These measures revolved around-restriction of movements in and out of affected areas, directives to work from home, closure of bars, restaurants and international travels, dusk to dawn curfews and bans on social gatherings which would adversely affects businesses- small, big and medium alike. These measures reduced working hours, purchasing power, reduced cash flows, increased layoffs and with closure of international borders as well as local restrictions, demand and supply were a preserve for Covid-19 essentials with other essentials given secondary priority. The government also helped cushion the economy by lowering the base interest rates as well as tax reliefs among others. As of April 2021, Kenya had been subjected to a second indefinite lockdown measures.

SMEs in Kenya

Empirical Literature Review

James and Navaneethakrishan (2020) against the background that the growth of the Covid-19 pandemic posed significant global economic problems sought to explore the effects of the pandemic on SMEs in Sri Lanka. Data were sorted using qualitative interview and through convenient sampling of 14 SMEs. Study findings revealed that Covid-19 mitigation strategies and protocols had come at high human and economic costs. In addition, study findings also established that SMEs in Sri-Lanka had suffered shortage in materials, decline in demand for products, difficulties in loan repayments, cash deficit, lack of savings, limitation in recalling employees and a high cost of implementing Covid-19 prevention strategies. The study recommended government relief programs and formulation of Covid-19 economic revival policies. The current study points out that in as much *James and Navaneethakrishan (2020)* study is adequate in pointing out general effects of Covid-19 on SMEs and the results replicated elsewhere, the study did not point out gender specific effects of the pandemic on SMEs. The current study will seek to fill this knowledge gap in an attempt of gender mainstreaming of women SMEs in Covid-19 management.

Gourinchas et al (2020) study estimated the impact of Covid-19 on SMEs across 17 countries by use of large representative firm level database. The study used a simple model of cost minimization and measures of liquidity shortfall during and after the Covid-19 pandemic. This framework allowed for rich combination of sector based as well as aggregate productivity, supply and demand shocks. The study estimated that the accommodation, food services, education, recreation, entertainment and arts were the most affected sectors. Study findings also revealed that jobs at risk due to SMEs failure represented 3.1% of employment within the private sector. *Gourinchas et al (2020)* have significant implications on the severe nature of the pandemic, policy design and the speed of post Covid-19 recovery strategies. The current study argues that in as much as *Gourinchas et al (2020)* study results could be replicated elsewhere and even in Garissa County, it does capture gender specific issues which will be the focus of this study. Similarly, the study was silent about the 17 countries and

sampling of this population. The current study filled this gap by interrogating Covid-19 pandemic and gender equality in Garissa County, Kenya.

According to Evans (2020), in as much Covid-19 related guidelines on restriction of movement were designed to minimize transmission of the virus and protect members of the public, these posed an unknown effect on abuse and violence within relationships. Early during the pandemic, countries hard hit by the pandemic raised concerns over an upsurge of Intimate Partner Violence (IPV). In China, 90% of IPV were attributed to the pandemic. Similarly, there rising fears over prolonged restriction of movement, economic strains as well as diminished health care support system for IPV survivors. Evans (2020) also advances that under normal circumstances, reduced income, depression, emotional insecurity, economic stress as well as social isolation- all that have characterized the Covid-19 era are all risk factors for IPV. With the progress of the pandemic, a number of scholars have justifiably speculated that Covid-19 restrictions posed a danger to the well-being of individuals exposed to violence (Godin, 2020). In as much as Evans (2020) study did not focus on impacts of Covid-19 on gender equality, it raises important issues of IPV and how the pandemic has amplified them. The current study in an anticipatory approach assumes that Covid-19 pandemic did not equally affect both gender. The current study will bring this information to light in an attempt to interrogate the effects of Covid-19 on gender equality: a case of women owned SMEs in Garissa County, Kenya.

Nurunnabi (2020) conducted a study on the effects of Covid-19 on SMEs in Saudi Arabia in pursuit for sustainable recovery planning. The reflective study was based on the Global Think Tank based in Saudi Arabia "White Paper 3" which was based on interviews by Chief Executive Officers of 111 SMEs. Study findings revealed that government provided stimulus packages to keep SMEs stable. In as much as Nurunnabi (2020) study did not capture gender aspects of the pandemic in Saudi Arabia, findings of recovery planning and resilience for SMEs would be crucial for a Kenya based study, more so in Garissa County of Kenya.

In Nigeria, Otache (2020) study sought to interrogate the effect of Covid-19 pandemic on the country's economy as well as possible coping mechanisms. The study adopted an empirical review of related literature. Literature review revealed that the effects of the pandemic in Nigeria manifested in the following ways: job losses, drop in income in the informal sector, school and business closures, food insecurity in addition to a decline in oil revenues. In as much as Otache (2020) study was not specific to SMEs and women, findings on job losses, drop in incomes and closure of businesses are likely effects that SMEs would have suffered during the pandemic. The current study will seek to bring to light gender specific effects of Covid-19 on SMEs in Garissa County of Kenya with the end objective of advocating gender mainstreaming during pandemics.

Abdikadir (2020) study sought to investigate the effect of the Covid-19 pandemic outbreak on SMEs with a particular focus on businesses that had taken loans in starting. The study, using simple random sampling targeted 50 businesses in Eastleigh. Study findings revealed that there was a statistically significant negative relationship between loan repayment ability of SMEs in Eastleigh and pandemic outbreak $r (-.54)$, with p value of 0.008. Owing to the fact

that SMES, not only in Kenya but the business realm world over had been hard hit by Covid-19 pandemic, Ongesa & Abdi (2020) assessed the economic impact of Covid 19 on performance of SMEs in Garissa Township Sub County. Their target population comprised women SMES that were funded by Kenya Women Finance Trust (KWFT). A total of 20 SMES were sampled. Study findings revealed that shortage in stock had a positive relationship with performance of SMEs. Ongesa & Abdi (2020) study also established that there was no significant relationship of other variables under study with performance of SMEs in Garissa Township. Kaberia and Muathe (2021) study conducted a desk review on the effect of Covid-19 on performance of women owned SMES in Kenya. Study findings revealed that women owned SMES are disproportionately affected by the pandemic and recommended for targeted policy, resource and research interventions to help SMES prepare for and cope through the resurgence of similar and related pandemics in future.

Conceptual Framework

This paper adopts two theoretical perspectives in an attempt to interrogate the Covid-19 pandemic and its effects on women owned enterprises in Garissa County, Kenya: that is the Social Vulnerability and the Feminist Political Ecology Perspectives.

Social Vulnerability Theory argue how social issues such as race, gender, culture, social class, age and other power relationships may shape an individual's experience in the context of disaster management as well as other social contexts. This theory advances that based on the different social issues, every individual is not at identical risk. This way, pre-existing social inequalities in different geographical regions define individual's experiences with disaster and hazardous events. To this end, therefore, individuals may lack social support systems, economic power and community power that could allow them to prepare, respond and cope with catastrophic events. This in one sense means that disaster risk is a social construct. Social Vulnerability Theorists argue that a vulnerability approach to a pandemic such as Covid-19 should examine sources of disaster in the socio-economic as well as political factors that shape material life. This theory is central to the current study because it explains the social aspect of gender, social class and culture as drivers of vulnerability in pandemics and disaster situations. For a long time, society has portrayed women as being subordinates in social structures. It is this subordinate nature that makes them Socially Vulnerable to catastrophic events.

The Feminist Political Ecology perspective is used arising from the weak points of the Social Vulnerability Theory. This theory emphasizes that disaster vulnerability of women is attributable to patriarchy as well as the historical trends of Global Capitalism. It also analyses the politics of day to day life by focusing on the interrelationship between gender, class and race as they are shaped by markets, households and states as well as the transnational activism by women and their ability to acquire resources that are necessary for living.

Research Methodology

This paper employed descriptive research design that provided a vivid description of how covid-19 pandemic has interfered with social economic lives of women in Oherey open market. Secondary data was collected through literature search from the internet which provided various dimensions in which Covid-19 has impacted women lives. Data analysis was done through textual analysis.

Conclusion

This paper sought to examine the Influence of Covid-19 Pandemic on Socio-Economic Equalities among Women Owned Enterprises in Oherey Open Market in Garissa County, Kenya. From the literature reviewed, the convergence point is that the Covid-19 pandemic has had negative significant effects on businesses- big and small businesses alike. This is as a result of the unique nature of the pandemic that called for “new” management measures. These measures continue to revolve around social distancing, working from home, lock down measures and controlled entry and exit to affected areas in addition to government enforced curfews. In addition, businesses have been required to operate within the reduced working hours, reduced demand and supply for commodities with general members of the public being encouraged to keep away public spaces. Businesses were required to invest in Covid-19 management equipment for temperature check points, hand wash points in addition to Covid-19 management signage. In as much as few studies have made attempts to explore the effect of Covid-19 on intimate partner violence, literature is scarce on the influence of the pandemic on women owned enterprises in Garissa County, Kenya. The disaster vulnerability gender nexus needs to be carried out in the context of Covid-19 pandemic and gender inequalities by exploring women owned enterprises in Garissa County.

Recommendations

This paper provides a number of recommendations in an effort to help SMEs cope with the effects of the pandemic. Financial boosts in necessary, albeit not viable for all businesses since studies have shown that even prior the pandemic, one tenth of businesses made it their fifth anniversary. However, with the SME sector being a key employer, it is important to safeguard it from failure. Secondly, beyond, financial boosts, SMEs ought to be provided with non-financial support. Non-financial support in the Covid-19 may revolve around financial management training, technical assistance and psychological support which are essential even beyond the pandemic. Thirdly, this paper recommends that it is prudent for businesses to revise the policies and modes of operation. This may revolve around moving purchases and bookings on virtual platforms in addition to home delivery programs. Lastly, the pandemic has exposed SMEs to lacking planning structures and many others rendered unattainable and unrealistic. To this end, therefore, there is need to help businesses develop practical plans that will be able to reflect changing dynamics such as those brought about by the pandemic.

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