

# Impact of COVID-19 on Women Entrepreneurs in the BBIN Sub-region



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D-217, Bhaskar Marg, Bani Park, Jaipur 302016, India

Ph: 91.141.2282821, Fx: 91.141.2282485

Email: cuts@cuts.org, Web: www.cuts-international.org

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# Contents

<b>Contributors .....</b>	<b>5</b>
<b>Acknowledgement .....</b>	<b>7</b>
<b>Abbreviations .....</b>	<b>9</b>
<b>Preface .....</b>	<b>10</b>
<b>Executive Summary .....</b>	<b>12</b>
<b>1. Background .....</b>	<b>17</b>
COVID-19 Position in the World and the BBIN Sub-region .....	17
Impact of COVID-19 on MSMEs .....	18
Impact of COVID-19 on Women Workers and Entrepreneurs .....	20
<b>2. Country-wise Impact of COVID-19 on Women Entrepreneurs .....</b>	<b>22</b>
Bangladesh .....	22
Bhutan .....	23
India .....	24
Nepal .....	24
<b>3. Primary Data Analysis .....</b>	<b>26</b>
Methodology .....	26
Personal Information of Women Entrepreneurs .....	26
Women Entrepreneurs in MSMEs .....	27
Impact of COVID-19 on Women Entrepreneurs .....	28
Access to Loan and its Availability .....	31
Measures Adopted by Enterprises to Deal with the Crisis .....	32
Future Challenges .....	33
Awareness of Government Support/Scheme to Deal with the Crisis .....	33
Government Interventions Suggested by Women Entrepreneurs .....	34
<b>4. COVID Response Measures in the BBIN sub-region .....</b>	<b>36</b>
Bangladesh .....	36
Bhutan .....	37
Nepal .....	38
India .....	38
<b>5. Conclusion and Recommendations .....</b>	<b>40</b>

## List of Figures and Table

Figure 1: Share of COVID-19 Impact of the BBIN Sub-region in the World .....	19
Figure 2: Distributions of Industry .....	28
Figure 3: Types of Enterprises and Extent of Loss .....	29
Figure 4: Distribution of Enterprises and Loss .....	29
Figure 5: Survival of Enterprises in the Context of Pandemic .....	30
Figure 6: Survival Period of Industries .....	30
Figure 7: Possible Threats After Lockdown on Industry .....	31
Figure 8: Source of Loans .....	31
Figure 9: Use of Digital Platforms to Sustain Business .....	32
Figure 10: Measures to Deal with the Crisis.....	32
Figure 11: Challenges to Cope with the Crisis .....	33
Figure 12: Analysis of Government Measures .....	34
Table 1: Country-wise Distribution of Enterprise in Percentage .....	28

## Contributors



### Shubhi Gaur

Shubhi is a lawyer by profession. She was previously associated with CUTS International as an Assistant Policy Analyst. She has more than five years of experience in dealing with law-related issues. She is interested in understanding the practical aspects and interface of issues on which law, governance and policy-making stand interlocked. Shubhi has been proactively participating in policymaking and research.



### Saurabh Kumar

Saurabh is a Fellow at CUTS International. He holds a Ph.D. in international relations from Jawaharlal Nehru University. He has around nine years of experience in field-based research, more specifically on gender and trade, regional economic cooperation and international trade. He has worked at the London School of Economics and Political Science, the UK as a Post-doctoral Research Fellow.



### Nitesh Kumar Singh

Nitesh is an Assistant Policy Analyst at CUTS International. He is a postgraduate in Economics from Jamia Millia Islamia, New Delhi. He has more than 10 years of research experience on issues related to international trade, especially food trade, sustainable development, migration and environment and quantitative methods.



### Chetna K. Rathore

Chetna is a Research Associate at CUTS international. She was previously associated with the NITI Aayog Chair, University of Rajasthan. She has around five years of research experience in international and regional trade, gender issues, and governance at the local, state, and central levels. She holds a postgraduate degree in economics from the University of Rajasthan.



## **Veena Vidyadharan**

Veena is a Fellow at CUTS International. She holds a doctorate in agricultural science (Agronomy) from Rajasthan Agricultural University, Bikaner. She has over 15 years of experience in research and project management related to agriculture, climate change, transboundary water governance and livelihoods. Before CUTS, she was with the Department of Agriculture, Government of Kerala.

## Acknowledgement

This study titled “Impact of COVID-19 on women entrepreneurs in the BBIN sub-region” aims to analyse the macro socio-economic aftermaths of the COVID-19 pandemic on women entrepreneurs and their businesses. The study also discusses possible measures for speedy post-pandemic recovery.

Alongside highlighting the experiences of women entrepreneurs, the study also focuses on the government initiatives taken in Bangladesh, Bhutan, India and Nepal (BBIN) sub-region for women entrepreneurs.

This study is an output of a project titled “Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India, and Nepal” supported by the Foreign, Commonwealth, and Development Office (FCDO), the United Kingdom, under its Asia Regional Trade and Connectivity Programme (ARTCP).

We offer our sincere thanks to the FCDO for its generous support to this project. Special thanks to Duncan Overfield, Deputy Development Director, Asia Regional; Mohit Sippy, Senior Programme and Policy Manager; and Anu Sareen, Programme Manager of FCDO, for their guidance and support throughout the project period. Their constructive comments and valuable insights on each step of the project have helped improve the study’s quality.

The project team would like to acknowledge all the support and cooperation provided by various individuals and organisations throughout the sub-region. We are grateful to all stakeholders for their active participation in the key informant interviews (KII), field survey and focused group discussions (FGDs) organised in the BBIN sub-region. Their participation provided valuable insights on various macro socio-economic issues related to this study.

Completion of this report would not have been possible without our country partners --Bangladesh Women Chamber of Commerce and Industry (BWCCI), Bangladesh, Bhutan Media and Communications Institute (BMCI), Bhutan, and South Asia Watch on Trade, Economics and Environment (SAWTEE), Nepal.

We acknowledge the significance of every contribution, especially of the Project Advisory Committee (PAC) members. Many subject professionals with a spectrum of expertise and interests in gender and trade have contributed to this study. We recognise their valuable contributions and thank them for their inputs.

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**Project Team**

CUTS Centre for International Trade, Economics and Environment  
(CUTS CITEE)  
CUTS International

## Abbreviations

BBIN:	Bangladesh, Bhutan, India, Nepal
BMCI:	Bangladesh, Bhutan Media & Communications Institute
BWCCI:	Bangladesh Women Chamber of Commerce and Industry
CMSMEs:	Cottage, Micro, Small and Medium-sized Enterprises
ECob:	Engineering Council of Bhutan
FCDO:	Foreign, Commonwealth & Development Office
FDI:	Foreign Direct Investment
FSME:	Federation of Small and Medium Enterprises Nepal
GDP:	Gross Domestic Product
GST:	Goods and Services Tax
GVCs:	Global Value Chains
ICT:	Information and Communications Technology
ILO:	International Labour Organization
MSMEs:	Micro, Small and Medium Enterprises
Mudra:	Micro Units Development and Refinance Agency Limited
NRB:	Nepal Rastra Bank
PMMY:	Pradhan Mantri Mudra Yojana Scheme
RENEW:	Respect, Educate, Nurture and Empower Women
SAWTEE:	South Asia Watch on Trade, Economics and Environment
SMEs:	Small and Medium-sized Enterprises
UNCTAD:	United Nations Conference on Trade and Development
WHO:	World Health Organisation
WTO:	World Trade Organisation

## Preface



**Bipul Chatterjee**  
Executive Director  
CUTS International

Dialogues on trade facilitation for long have emphasised gender neutrality. However, the ground reality is just the opposite, particularly in the BBIN sub-region. Women's participation in trade is significantly low in this sub-region and concentrated in sectors of apparel & garment industry, food processing, and hospitality services.

Women's involvement in trade is delineated by existing gender stereotypes, access to productive resources and knowledge and capacity gaps. The COVID-19 pandemic has further widened the gender gap in trade by disproportionately hitting the MSMEs. Women are highly concentrated in low-skilled jobs in micro and small enterprises, and are currently bearing the brunt of the crises. For a post-pandemic economic recovery, creating an ecosystem for the wider engagement of women is an imperative.

Although the respective governments and concerned agencies in the BBIN countries have made interventions to address the crisis, women entrepreneurs are yet to benefit from those measures due to various reasons. The pandemic has led to "SHE-cession" as women's employment and labour force participation have dropped significantly. Furthermore, the burden of their unpaid care works at home increased several manifolds during the pandemic.

Therefore, CUTS International undertook this study entitled "Impact of COVID-19 on women entrepreneurs in the BBIN sub-region" as part of a project entitled 'Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India and Nepal', which was supported by the Foreign, Commonwealth & Development Office (FCDO), UK.

As part of the project, this report attempts to analyse the impact of the COVID-19 pandemic on women entrepreneurs in the BBIN sub-region. It highlights the challenges women entrepreneurs faced during the COVID-19 pandemic and how it affected their businesses. Reduced demand, shortage of raw material, inability to meet the working costs and increased stress at home were cited by respondents across the sub-region.

While some of the challenges mentioned above would be addressed by easing travel restrictions and opening markets, the vital factor in sustaining the business is provision of working capital. The report also underpins the emerging role of digital platforms sustaining businesses during the pandemic and its immediate aftermath.

I extend my gratitude to the FCDO, UK, for their generous support for this timely project. It has benefitted from overall guidance, inputs and suggestions from Duncan Overfield, Deputy Development Director Asia Regional, Mohit Sippy, Senior Programme and Policy Manager, and Anu Sareen, Programme Manager of its Asia Regional Trade and Connectivity Programme.

I thank our partners for their support and engagement with the CUTS team at various levels and capacities while undertaking the survey during the pandemic. I believe that recommendations proposed in this report will be taken seriously by various governments and agencies, and will be implemented to provide short to medium term relief to women entrepreneurs of the BBIN sub-region.

## Executive Summary

The COVID-19 pandemic has made the biggest negative impact on the global economy and the micro, small and medium (MSME) sector in particular. As per the International Monetary Fund (IMF) data, in 2020, the global economy is projected to contract by 4.9 per cent in 2020-21.<sup>1</sup>

The pandemic has disrupted supply and value chains, domestic production networks, services and trade. Lockdown, travel restrictions and migration of labourers have created demand as well as supply-side effects. On the supply side, this has led to declining in production, while on the demand side, a plunge in earnings, employment loss and disposable income and savings have shrunk the overall demand for goods. Bangladesh, Bhutan, India and Nepal (BBIN) are also severely impacted by the pandemic.

A number of recent studies have examined the impact of COVID-19 on the Indian MSME sector, for example, Sahoo (2020) has examined that there can be a decline of around 2.1 per cent in India's MSME sector in the best-case scenario and the loss can go up to 5.7 per cent in worst-case scenario.<sup>2</sup>

This is primarily due to the large contribution of the MSME sector in economic activities. For instance, India's MSMEs contribute to about 28.9 per cent of the GDP and 48.1 per cent of its exports.<sup>3</sup>

Apart from it, around 30 per cent of MSMEs are concentrated in Uttar Pradesh and West Bengal alone, thus specific policy measures are needed by the state and national government to provide relief to this sector. Another major problem with the MSME sector in India is that around 94 per cent of MSMEs are not registered with the government and around 81 per cent of MSMEs are self-financed.<sup>4</sup>

Though the government has initiated several measures, including a moratorium on term loans, working capital financing and extended the GST payment deadlines, the sector would take time to regain its original track.

This is particularly true for women-owned enterprises/businesses. During lockdown coupled with sluggish demand, the shutdown of production units cannot pay wages, taxes, and rents. A slash in the income would affect the business and the household

expenses, which is of utmost importance. Those engaged in agriculture are unable to sell their produce or buy inputs for the upcoming season.

In this backdrop, CUTS International, along with its country partners, Bangladesh Women Chamber of Commerce and Industry- Bangladesh, Bhutan Media & Communications Institute- Bhutan, and South Asia Watch on Trade, Economics and Environment- Nepal with the support from the UK's, Foreign, Commonwealth & Development Office (FCDO) has undertaken the project on "*Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India and Nepal*" to prepare cases in favour of gender-inclusive trade policies to enhance participation of women from the sub-region, in trade and trade-related income-generating activities.

The present report "*Impact of COVID-19 on women entrepreneurs in the BBIN sub-region*" is an output of the project, wherein evidence was collected from women-led/managed/owned MSMEs in the BBIN countries to analyse the impact of COVID-19.

## Methodology

With regard to the methodology, the study is based on primary and secondary sources. A total of 123 MSMEs led by women have been surveyed to collect the information on the impact of COVID-19 on women-led/managed/owned MSME in the BBIN sub-region through field visit/telephonic

interviews by CUTS and its country partners over three months, i.e. from October-December 2020.

The sample size was selected based on a random sampling technique. The targeted sample size does not reflect the substantive impact of COVID-19 across the country. However, it only reflects the sectors that women entrepreneurs are engaged in and their issues across the region.

A total of 20 questions have been asked to the women entrepreneurs through a semi-structured questionnaire using in-person and telephonic interviews. The survey included several basic information about enterprises and their characteristics (such as size and enterprise), the impact of COVID-19 on business, decline in sales and profit, survival period, business normalisation period, and their expectations from the government to ease the burden.

## Findings

The survey findings highlighted that the MSMEs sector in BBIN needs a massive transformation and push that commensurate with their importance to the economies since COVID-19 has wreaked havoc in a system that always had a fragile foundation and lacked foundation resilience. The disproportionate effect on women entrepreneurs requires urgent government intervention. With the rising interest in fortifying MSMEs as a pathway to achieving higher economic goals, women's roles as entrepreneurs, decision-makers, and showrunners need further

support from the government and private sector initiatives.

Some of the key issues from the study findings include a decline in orders and sales, income, and employment, among others. In turn, such issues affect spending capacity, create difficulties in salary payment, and lead to stress at home.

The global value chains (GVCs) should be managed more responsibly and the needs of those losing their jobs during the COVID-19 outbreak should be considered so that the gains that have been made until now in closing the gender wage gap and increasing women's labour participation in manufacturing especially in developing countries are not potentially reversed.

The government can create an enabling environment through relief measures, safety protocols, social safety mechanisms, capacity building and liquidity support. Furthermore, civil society organisations can undertake evidence-based advocacy, raise awareness about various government programmes and organise capacity-building programmes on financial literacy and digital technology.

The private sector can also promote women entrepreneurs through the strengthening of supply chains. Joint efforts by state and non-state actors through trade facilitation efforts, data collection and success stories, wide dissemination of research

findings, awareness generation, capacity building and representation of different voices can lead to positive changes.

### **Specific recommendations**

Considering the size of women-led enterprises and their linkage to employment and income generation, it is critical for the governments and other stakeholders in all four countries of BBIN to develop focused measures and schemes to address major issues and challenges women enterprises face.

Given the above background, this study makes the following recommendations:

- Governments need to ensure that women entrepreneurs survive in post-COVID-19 periods with access to easy and cheap loans/credit, subsidies on raw material and tax benefits. The banking system should be accordingly advised to provide loans to these enterprises at a lower or at least reasonable rates;
- Governments in the BBIN sub-region need to ensure that women entrepreneurs are fully aware of the COVID-19 protocols and guidelines for safety related to workers and products and follow all guidelines to present to contain the spread of the virus in the workplace. Thus, targeted training programmes with the help of local district administration should be implemented;

- One way of continuing business during a crisis like COVID-19 is the popularisation of digital and online mode of sales and businesses. Governments need to take concrete measures towards the popularisation of the online mode of businesses and to ensure that women entrepreneurs are prompted to adopt this new system. Steps could be taken to launch various user-friendly apps suitable for women-led MSMEs;
- An important finding from the study is that many women entrepreneurs have laid off their employees during the COVID-19 period. In this situation, governments should consider providing some unemployment benefits for the persons who lost their job or went bankrupt due to COVID-19;
- Most of the industries covered in the study are operated in rented places. It is reported that they were paying the rent during the lockdown, which poses a financial burden on them. Governments should consider launching some financial assistance schemes to protect such enterprises from losing their business places and operations;
- Governments should consider providing some relaxation to these enterprises in the form of concession in charges of electricity, water and other fixed costs. Further, stimulus packages including conditional and unconditional cash transfers, subsidies and technical assistance for women entrepreneurs and workers could be provided;
- Many women entrepreneurs are not aware of schemes and incentives made available by governments to MSMEs. There is a need to make these enterprises aware of the women-specific packages. This could be done through local industry associations and NGOs;
- Subsidy is another measure to support the industries to survive in the crisis. As 45 per cent of women entrepreneurs indicated that they are expecting subsidies from the government in various forms to deal with the crisis. Provide incentivised support for the growth of women-led businesses and MSMEs, particularly those in sectors where women are under-represented;<sup>5</sup>
- Design and implement adjustment policies to help companies in sectors that could be fundamentally affected over the long term (programmes tailored to women-led firms could be envisaged);
- Ensure effective dissemination of information, circulars, guidelines, and policies to all banks and their branches. The bankers cannot refuse the applicants, especially women

and take necessary steps within seven to 10 days. For example, the stimulus package for COVID-19 must be accessible to all eligible women entrepreneurs. The monitoring system should also be strengthened at all levels;

- Create gender-responsive education by ensuring girls

equal access to quality, relevant and safe educational practices. Further encourage girls to take up subjects in education that can provide them employment and business opportunities such as science, technology, commerce to narrow gender gaps through skill development and job creation.

## 1

## Background

**COVID 19 could reverse the limited but important progress that has been made on gender equality and women's rights**

The COVID-19 pandemic has had an unprecedented impact on various sectors of the world's economy, especially after the lockdown. The economy and social activity were completely standstills from developed to least developed countries. A significant impact has been felt on the MSMEs enterprises across the world, and the multi-sectoral impact of the pandemic has been felt due to the slowdown of the world's economy.

A study conducted by the World Health Organisation (WHO) and World Bank in 2019 has estimated the impact range between 2.2 per cent to 4.8 per cent of the global gross domestic product (GDP).<sup>6</sup>

The one thing that crises have in common is that they hit the vulnerable and marginalised populations the most – amongst which the impact on women has been disproportionately the hardest. The World Trade Organisation (WTO) Director-General Ngozi Okonjo-Iweala, on the occasion of International Women's Day on March 08, 2021,

said that *"The COVID-19 pandemic has deepened inequalities of every kind. But perhaps no divide has deepened more than that between men and women."*<sup>7</sup>

The United Nations Secretary-General Antonio Guterres on August 31, 2020, reported that women and girls globally suffered more from the socio-economic impacts of COVID-19, simply by their gender<sup>8</sup> and stated that *"COVID 19 could reverse the limited but important progress that has been made on gender equality and women's rights."*

### COVID-19 Position in the World and the BBIN Sub-region

The first novel COVID-19 infection in India was registered on January 27, 2020, in Kerala. The cases of COVID-19 reported in the other three member countries of the BBIN sub-region are Bangladesh on March 08, 2020, Bhutan on March 05, 2020 and Nepal on January 23, 2020. Since the impact and spread of COVID-19 were so significant, the respective

governments of the BBIN sub-region decided to introduce a complete lockdown to contain its spread.

India announced a lockdown for three weeks starting from March 25, 2020, Bangladesh imposed a lockdown on March 26, 2020, Bhutan imposed a lockdown on August 13, 2020, while Nepal on March 24, 2020. However, the lockdown was imposed in the same period in all three BBIN countries except Bhutan, which imposed lockdown in different phases. The situation was getting back to normal in the other three countries.

***While handloom, handicraft and agriculture are the areas concentrated by women both in formal and informal sectors, services in tourism and hospitality are also getting popular***

While the lockdown has resulted in an economic slowdown, the MSME sector was the worst hit in the BBIN countries. For instance, India's MSMEs contribute to about 28.9 per cent of the GDP and 48.1 per cent of its' exports.<sup>9</sup> However, the ownership of MSMEs is skewed towards males with 80 per cent of the micro-enterprises and more than 94 per cent of the medium and small enterprises owned by them.<sup>10</sup>

The participation of women in formal sectors of the economy, for instance, in production, export and entrepreneurship, varies considerably in BBIN countries. This variation is driven by several economic, social, and political factors. For instance, inequality in education, unequal wages, excessive economic growth, differences in stages of development, prevalent social, cultural, or patriarchal norms and customs, among others.

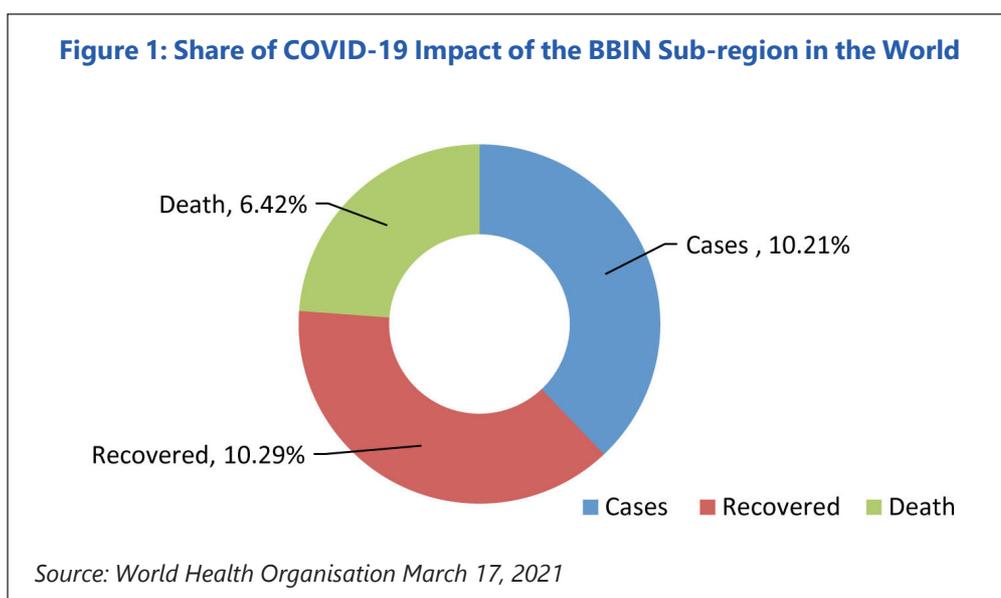
While handloom, handicraft and agriculture are the areas concentrated by women both in formal and informal sectors, services in tourism and hospitality are also getting popular. Irrespective of the sector, the outbreak of COVID-19 and the economic crisis, which followed have hit the MSMEs badly.

The shutdown of production units during lockdown were coupled with sluggish demand. As a result, they are unable to pay wages, taxes and rents. A slash in the income would affect the business and the household expenses, which is of utmost importance. Those engaged in agriculture are unable to sell their produce or buy inputs for the upcoming season.

## **Impact of COVID-19 on MSMEs**

MSME constitutes the backbone of the global economy, accounting for over two-thirds of employment globally and 80 to 90 per cent of employment in low-income countries.<sup>11</sup>

MSMEs are considered crucial to socio-economic development in the majority of the countries and have very high job creation potential, act as suppliers to medium and large industries and global value chains, and direct and indirect exports. They also have been the most vulnerable sectors to pandemic-related shocks for several reasons, including their lower capacity to absorb shocks relative to their larger counterparts.



**MSMEs are considered crucial to socio-economic development in the majority of the countries and have very high job creation potential**

It was estimated by United Nations Conference on Trade and Development (UNCTAD) that the COVID-19 outbreak could cause global Foreign Direct Investment (FDI) to shrink by 5 per cent - 15 per cent, due to the downfall in the manufacturing sector coupled with factories shutdown. The COVID-19 pandemic has negatively affected the manufacturing sector across the globe.<sup>12</sup>

MSMEs are not a homogenous group. The impact of COVID-19 on their strategies and success depends partly on the type of value chain, in which they participate, their function within the value chain segment, and the intensity of technological adoption.<sup>13</sup> MSMEs and informal enterprises are the most affected businesses. As per estimates, 1.3 billion people or two-thirds of the workforce in Asia and the Pacific, are expected to be the hardest hit by the economic shock.

The International Labour Organisation (ILO) has expected a devastating 6.7 per cent loss in working hours globally in the second quarter of 2020, equivalent to 195 million full-time workers. Out of this, 125 million workers are in Asia and the Pacific.<sup>14</sup>

According to the Asian Development Bank (ADB), small and medium-sized enterprises (SMEs) account for 96 per cent of all businesses in Asia and the Pacific. Millions of workers are being left unemployed as SMEs are closing down.<sup>15</sup>

The COVID-19 outbreak has severely impacted the manufacturing sector with salary cuts, order cancellations, shortages in the supply of inputs and raw materials and restricted transport movement. The same has undermined production and severely restricted the operations of the industries resulting in wide-scale unemployment.

## Impact of COVID-19 on Women Workers and Entrepreneurs

The COVID-19 pandemic has adversely impacted the self-employed and informal workers, who are often suppliers of manufacturing industries due to the deteriorating production levels, thus undermining their livelihoods. 42 per cent of women working in the informal economy are adversely affected by the crisis compared to 32 per cent of men.<sup>16</sup>

While women constitute 39 per cent of the workers in the manufacturing sector worldwide, they also have a reasonably high representation in the export segment of the manufacturing sector. Therefore, deep-rooted structural gender inequalities result in unequal access to infrastructure, credit and financial services and incentives, productive resources, services for information and communications technology (ICT) as well as disrupted access to national and international value chains, data, supporting governmental programmes and procurement opportunities for women entrepreneurs.

In general and women-led MSMEs in particular, MSMEs have been especially vulnerable to the impacts of the pandemic and are often more at risk since they have smaller businesses operating in lower-margin industries that are more susceptible to supply chain disruptions face huge finance gaps.<sup>17</sup>

Globally, around 8-10 million formal SMEs are wholly or partially owned by women, corresponding to approximately one-third of all formal SMEs.<sup>18</sup>

While the pandemic has impacted all MSMEs, women-led MSMEs have reported higher layoffs rates. Worldwide, female-owned businesses are 5.9 percentage points more likely to close than male-owned businesses. The pandemic has made women entrepreneurs' never-ending problem of getting access to finance even more daunting. The shrinking of capital markets during the pandemic has further reduced the working capital available for SMEs.

The challenge of establishing and growing enterprises is greater for women entrepreneurs in emerging economies. Globally, women-owned and led businesses have been facing an estimated credit deficit of nearly US\$1.5tn before COVID-19. The current liquidity constraints are amplifying this already unmet credit gap, resulting in numerous business failures.<sup>19</sup>

Yet, women-owned businesses are an untapped opportunity — especially in developing countries — where SMEs generate 70 per cent of jobs and 40 per cent of economic growth. If women and men participated equally as entrepreneurs as much as US\$5tn could be added to the global economy.<sup>20</sup>

***The COVID-19 outbreak has severely impacted the manufacturing sector with salary cuts, order cancellations, shortages in the supply of inputs and raw materials and restricted transport movement***

**COVID-19 pandemic has created opportunities for building back better and the women-led MSMEs can lead the change towards building a greener, gender-equal, and more sustainable economy**

That said, the COVID-19 pandemic has created opportunities for building back better and the women-led MSMEs can lead the change towards building a greener, gender-equal, and more sustainable economy<sup>21</sup> by

overcoming a range of challenges including *inter alia*, lack of liquidity, shrinking demand, manpower change-over, deteriorating equipment and stocks and uprooted supply chains.

## 2

## Country-wise Impact of COVID-19 on Women Entrepreneurs

Provided below is a brief snapshot stating COVID-19 impact on women entrepreneurs in BBIN countries:

### Bangladesh

MSMEs are key drivers of the national economy in Bangladesh, contributing 25 per cent to the country's GDP and playing a crucial role in income generation and resource utilisation. According to the Bangladesh Bureau of Statistics, women's participation in Bangladesh's labour force has increased over time, from 24 per cent in 2000 to 36 per cent in 2020. Of the women in the labour force, 15 per cent work in the manufacturing sector.<sup>22</sup>

Many women are entrepreneurs and self-employed, owners of the cottage, micro, small and medium-sized enterprises (CMSMEs). Due to the pandemic, these enterprises have been adversely affected due to discontinuity in domestic supply chains and global value chains.

The women workers have been severely impacted due to the withdrawal of orders from international companies, especially when they are not paid wages or

severance and have suffered from loss of employment and earnings to depletion of savings and the consequent reduction of business operations.

In a webinar organised by Bangladesh Women Chamber of Commerce and Industry (BWCCI) in Bangladesh, it was discussed that women entrepreneurs could not take any measures for coping with their business-related challenges. They had to take a loan from relatives, NGOs, and dealers for festival production, but they could not sell their products due to the pandemic.

The women entrepreneurs faced a significant loss, but they had to pay the loan with interest. They were even compelled to sell their ornaments and other assets also. They are now unable to start their business again due to a lack of working capital and arrangement of the fund as they lost their capital and savings.

The government had also declared a stimulus package for businesses, but these policies were not specifically designed for women entrepreneurs. Most women entrepreneurs also faced

*The government had also declared a stimulus package for businesses but these policies were not specifically designed for women entrepreneurs*

**Government should introduce national-level digital platform for online business, especially for women**

challenges in availing the stimulus package loan, including the other packages. Further, the bank was also reluctant to provide loans to women entrepreneurs. The stimulus packages should be made easily accessible for women through the enforcement of an effective monitoring mechanism.

On the brighter side, some women entrepreneurs have started an online business through Facebook pages, websites and groups during this pandemic situation. Some have changed their business track from one business to another business.

As a result of this, the local business or area-based business has increased. Different marketing networks and business groups have emerged. However, they are facing challenges in digital marketing, digital payment system and promoting their business.

So the women entrepreneurs need to build their capacity to handle websites, marketing procedures, buyer sourcing, digital payment procedures, and export and import procedures. They also need to be trained on proper and legal documentation and policy issues regarding online business. Government should introduce national level digital platform for online business, especially for women.

On the trade front, it was noted that export and import business with other countries had been stopped due to the border closure and flight cancelation. The buyers have canceled foreign orders.

## Bhutan

The crisis has a substantial impact on women also in Bhutan. Most enterprises are small, operated by one person or few employees and women work primarily in small businesses. The data on gender and employment by the Engineering Council of Bhutan (ECoB) in 2019 noted that Bhutanese women mostly work in single-person operating establishments. Such information has now proven helpful in devising interventions that are fitting and targeted to women in Bhutan.<sup>23</sup>

Bhutan has realised that dealing with the aftermath of the COVID-19 situation requires a strategic approach and is working in the required direction to reduce the impact of the pandemic on women entrepreneurs.

As per the field observation, women entrepreneurs were unable to export nor import from India due to lockdown and travel restrictions, and they were also facing labour shortages. Women faced many challenges, such as running a business, managing household chores and taking care of children.

Support from male counterparts was inadequate to manage business and household at the same time. Sales of products by women entrepreneurs have gone down due to the COVID-19 pandemic and they were finding it difficult to sustain their business as they were unable to pay their employees on time and market their products.

*The pandemic has resulted in the closure of 'Border Haats' which are functional along the international border between India and Bangladesh*

Due to COVID-19, the women were unable to access the market and sell their products. Therefore, the need for digitalisation in Bhutan, especially in marketing and entrepreneurship, was realised. Efforts were made to use digital platforms and e-shops available in Bhutan like Zala.bt, DrukSell, AzhaPasa and other social media platforms like Facebook and Instagram for marketing their products.

However, Bhutanese women are either not aware or lack skills in making use of such platforms. There is a need for awareness, literacy, and accessibility to such platforms. It has many more advantages than traditional marketing regarding convenience, transparency and quality while ensuring reduced operating cost and better connectivity with customers worldwide.

## India

The MSME sector in India comprises 69 million enterprises that approximately employ 110 million of the national workforce and is considered the second largest employment generator after agriculture. Women entrepreneurs make a significant contribution to the Indian economy and own 20 per cent of micro-enterprises, almost 3 per cent of the medium-sized enterprises and 5 per cent small enterprises, but with 98 per cent of female-led ventures recorded to be only micro-enterprises.

Over 3 million MSMEs owned wholly or partially by women collectively contribute 3.09 per cent of industrial output. The pandemic has led to lower earnings of MSMEs by 20 to 50 per cent and about 70 per cent of women entrepreneurs have reported that they have suffered declining revenues due to COVID-19.<sup>24</sup>

Nearly twice as many women-led small and growing businesses in India are considering permanently shutting their businesses. India's low and falling female labour force participation rate could slip even further as more women lose their jobs.<sup>25</sup> There has also been a significant disproportionate increase in women's burden in household and unpaid care work.<sup>26</sup>

The pandemic has also resulted in the closure of 'Border Haats' functional along the international border between India and Bangladesh, thereby cutting off a more accessible consumer goods source to marginalised communities, particularly women.

## Nepal

According to Nepal's Department of Industries, around 274,433 SMEs were registered to create more than 1.7 million employment opportunities and contributing 22 per cent to the country's GDP. Among all the SMEs, 60 per cent of enterprises are owned and run by women entrepreneurs, according to the Federation of Small and Medium Enterprises Nepal (FSME Nepal).

**Women entrepreneurs need better support in finances for their recovery and revival. The private sector should invest in women-owned-led businesses as viable business decisions**

Nepal Labour Force Survey 2017-18 also showed that 66.5 per cent of women are working in the informal sector. Therefore, as soon as the lockdown started, the informal sector was directly affected at first.<sup>27</sup>

The COVID-19 pandemic has become an existential threat to women-run businesses in Nepal, but that has not stopped the women entrepreneurs from doing things in new ways to cope with the challenges.

Despite the troubles brought by the COVID-19, the pandemic might emerge as the turning point for the women entrepreneurs as there is a considerable jump in the loans offered to the women-owned enterprises in the few months.

*"By mid-July 2020 financial institutions' lending to women*

*entrepreneurs stood at NPR 4 billion, the amount has reached NPR 27 billion as of now,"* informed Gunakar Bhatta, Executive Director, Nepal Rastra Bank (NRB) at the webinar titled 'Towards recovery: Women entrepreneurs coping with the pandemic' organised by South Asia Watch on Trade, Economics & Environment (SAWTEE) in late 2020. He also pointed out that the number of female borrowers has also increased three-fold during the period.

Further, it was noted that women entrepreneurs need better financial support for their recovery and revival, along with soft skills and digital literacy. Investing in a women-led business should not be considered a charity but a smart decision. The private sector should invest in women-owned-led businesses as viable business decisions.

## 3

## Primary Data Analysis

### Methodology

A total of 123 industries led, owned and managed by women have been surveyed to collect the information on the impact of COVID-19 on women-led/managed/owned MSME in the BBIN sub-region through field visits/telephonic interviews by CUTS and its country partners over three months, i.e. from October-December- 2020. The sample size was selected based on a random sampling technique.

Random sampling is a part of the sampling technique in which each sample has an equal probability of being chosen. A sample chosen randomly is meant to be an unbiased representation of the total population. The targeted sample size does not reflect the substantive impact of COVID-19 across the country. However, it only reflects the sectors in which women entrepreneurs are engaged and their issues across the region.

Initially, it was decided to cover a significant number of industries operated by women entrepreneurs in the BBIN region to present a holistic picture of the impact of COVID-19. Still, due to various

unknown challenges like fear of infection, restricted travel guidelines of COVID-19 and reluctance to interact with unknown persons, this sample size was restricted to 123.

A total of 20 questions have been asked to the women entrepreneurs through a semi-structured questionnaire using in-person and telephonic interviews. The survey included several basic information about enterprises and their characteristics (such as size and enterprise), the impact of COVID-19 on business, decline in sales and profit, survival period, business normalisation period, and their expectations from the government to ease the burden. Participation in the survey was voluntary, and no financial compensation was offered on completion of the survey.

### Personal Information of Women Entrepreneurs

Out of the 123 sample size, the share of women entrepreneurs in the survey varied in Bangladesh (24.39 per cent), Bhutan (21.95 per cent), India (33.33 per cent) and Nepal (20.33 per cent).

***The study has attempted to examine the impact of COVID-19 on women entrepreneurs. The findings suggest that the share of males leading the enterprise and taking the major decision is still strong in the BBIN region***

The share of married women in the covered sample is the highest (82.11 per cent), and the widow's share is the lowest (3.25 per cent). The average age is 42 years, while the maximum and minimum age is 73 and 23 years. The share of college/university degree holders is the highest (53.66 per cent) and the share of higher secondary and secondary holders is 35.72 per cent.

There was male dominance in the family in this region as the share of the male and female heads in the sample size was 63 per cent and 37 per cent, respectively. Further, it was revealed that women entrepreneurs employed more females than males.

A question was asked to respondents about other sources of income and it was found that more than 65 per cent do not have any other source of income, while 34 per cent had another source. However, it was found that 68 per cent of respondents have reported that they have other family members to earn.

### **Women Entrepreneurs in MSMEs**

The share of registered and unregistered enterprises is 91.87 per cent and 8.13 per cent, respectively. Initially, the purpose was to cover only registered enterprises but later on, it was included to capture the impact of COVID-19 on unregistered enterprises.

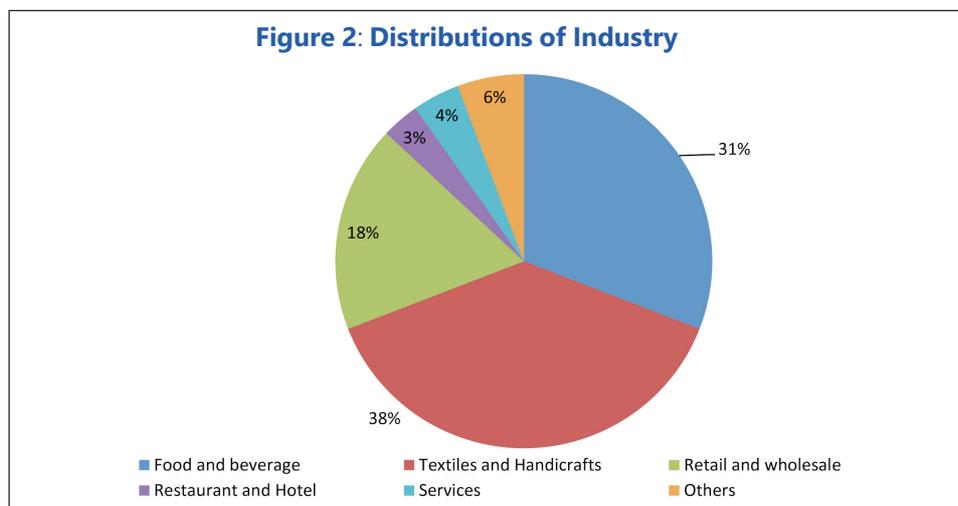
The engagement of women entrepreneurs is dominant in the unorganised sector. The share of cottage enterprise is highest (40.16 per cent) followed by Small (30.33 per cent), Medium (17.21 per cent) and Micro (12.30 per cent).

It is evident from the primary survey that a wide range of enterprises across the BBIN sub-region was covered in the sample size. The covered sample size has been classified into eight different categories. The share of textiles and handicrafts is highest (38 per cent) followed by food and beverage (31 per cent) and retails and wholesale business (18 per cent).

The survey covered the textiles and handicrafts sector significantly in India and Bangladesh.

The country-specific findings of sectors indicate that textiles and handicrafts are highest in Bangladesh (86.67 per cent), food products and retail and wholesale has the same share in Bhutan, food enterprise is highest in India (46.34 per cent) and textiles and handicrafts highest in Nepal (56 per cent) out of the six categories.

As evident from the Table 1, food, textiles and retail are present in all the selected places while restaurants and services are not covered in every place. The share of others in Bhutan is 11.11 per cent. The products in another category mainly include nursery, in Bhutan.



**Table 1: Country-wise Distribution of Enterprise in Percentage**

Country	Food and beverage	Textiles and Handicrafts	Retail and wholesale	Restaurant and Hotel	Services	Others
Bangladesh	3.33	86.67	3.33	NA	NA	6.67
Bhutan	33.33	7.41	33.33	14.81	NA	11.11
India	46.34	12.20	24.39	NA	12.20	4.88
Nepal	36.00	56.00	8.00	NA	NA	NA

### Impact of COVID-19 on Women Entrepreneurs

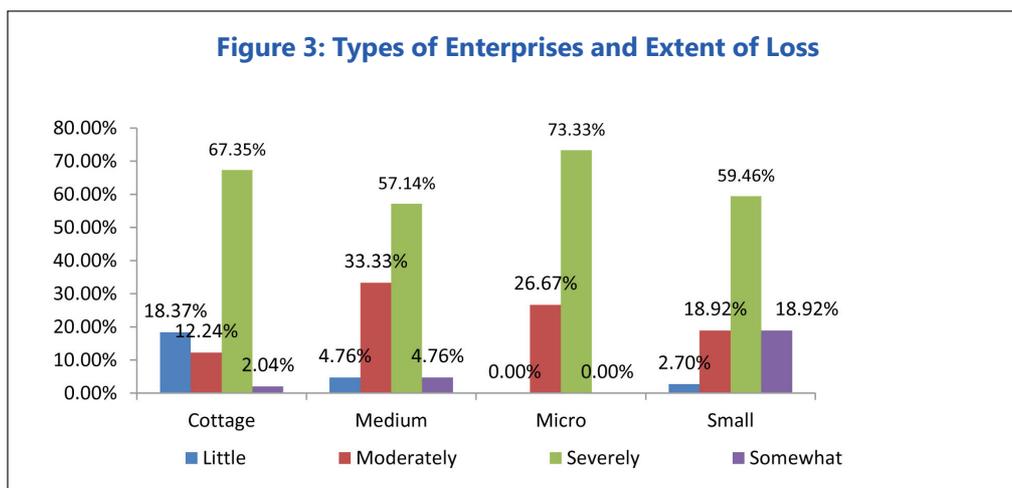
It was observed that more than 99 per cent of women entrepreneurs have agreed that the outbreak of COVID-19 significantly impacts their enterprise. With regard to the extent of the impact, it was found that more than 63 per cent have responded as severely impacted, followed by 20 per cent who have been impacted moderately.

While examining the types of enterprises and the extent of loss at four different scales has been analysed, it was observed that the share of severely impacted is the

highest across all the enterprises (Figure 3).

Categorising the percentage loss in four different groups, that is, 10-25 per cent, 25-50 per cent, 50-75 per cent and 75-100 per cent, it was found that 34 per cent responded that their loss is in the range of 50-75 per cent while 31 per cent indicated their loss in the range of 75-100 per cent.

It was found that the significant losses are recorded in the restaurant and hotel enterprise and losses recorded in this sector are found to be in the range of 75 to 100 per cent. The second-

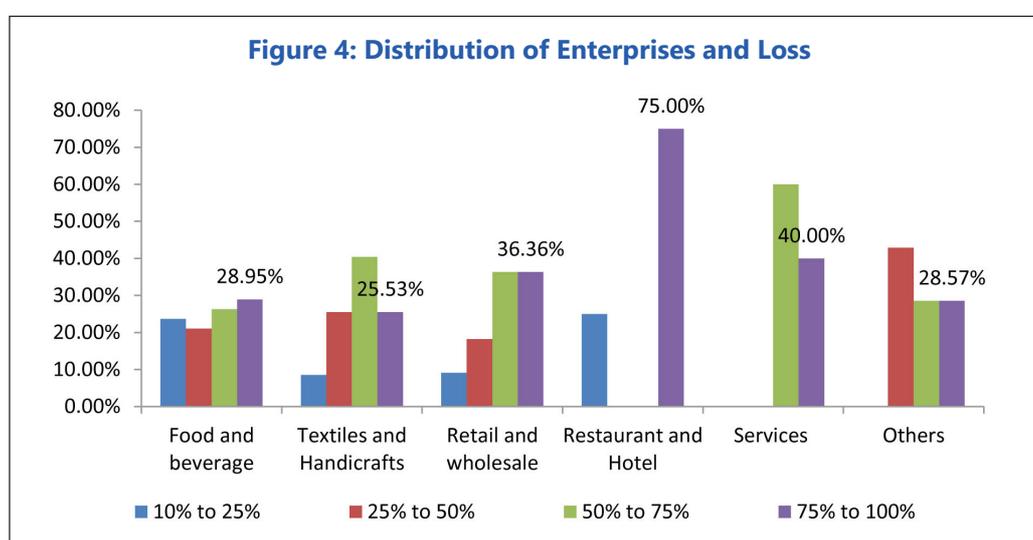


highest impact of COVID-19 is felt on the services sector (40 per cent) followed by retail and wholesale (36 per cent) and food and beverage (28.95 per cent).

Impact of COVID-19 on business orders before and after has been reported and analysed. It was found that overall more than 60 per cent of orders were declined after COVID-19 while compared to the orders received before lockdown. Country-wise analysis indicates that the highest decline in business orders after COVID-19 is reported in Bhutan (74 per cent) followed by India (63 per cent),

Bangladesh (56 per cent) and Nepal (35 per cent).

Mixed responses are observed for the subsequent question on business orders from a foreign country. More than 39 per cent respondent indicates that this is not applicable for them and 29 per cent has said they have not received any order while 17 per cent says their order from other country has declined and 2 per cent says it has been partly affected. So, enterprise covered in the survey mostly trade within the country.

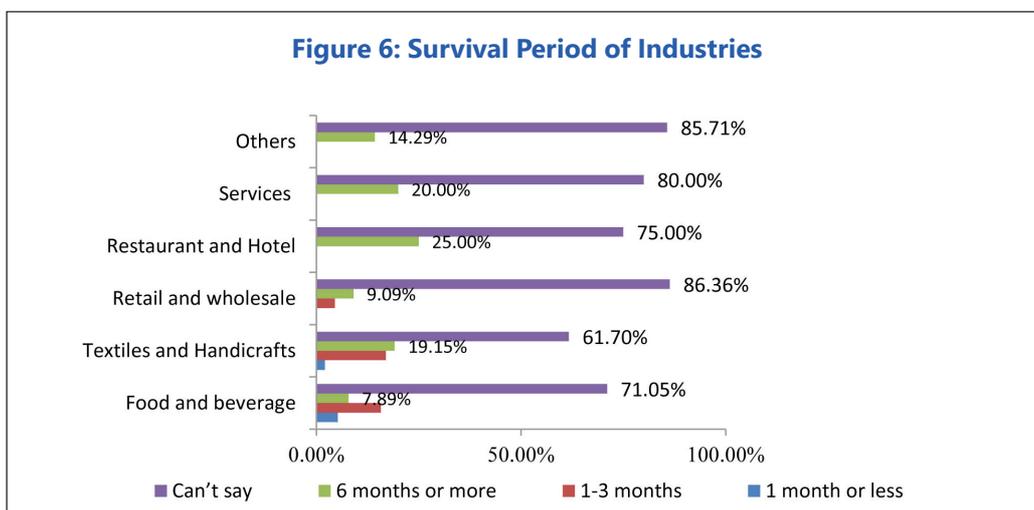
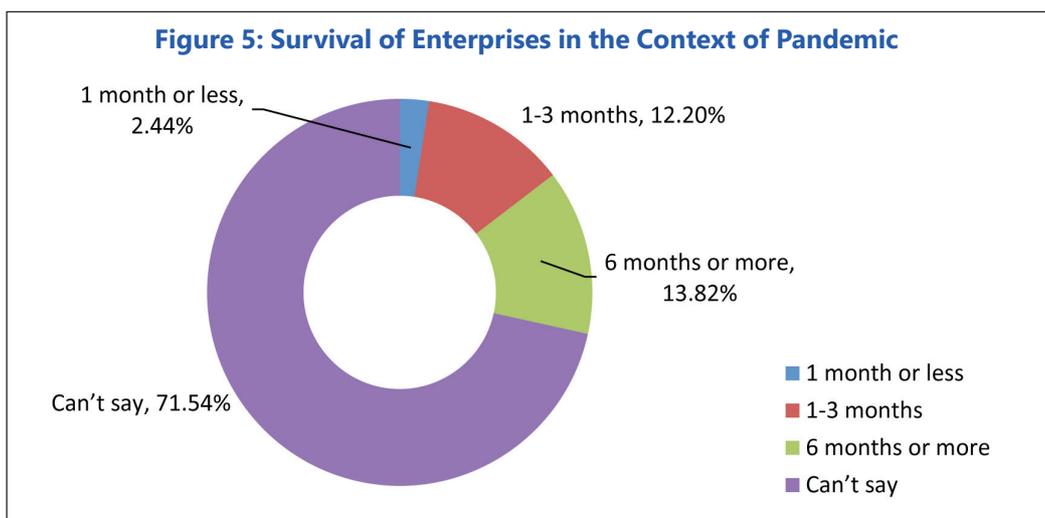


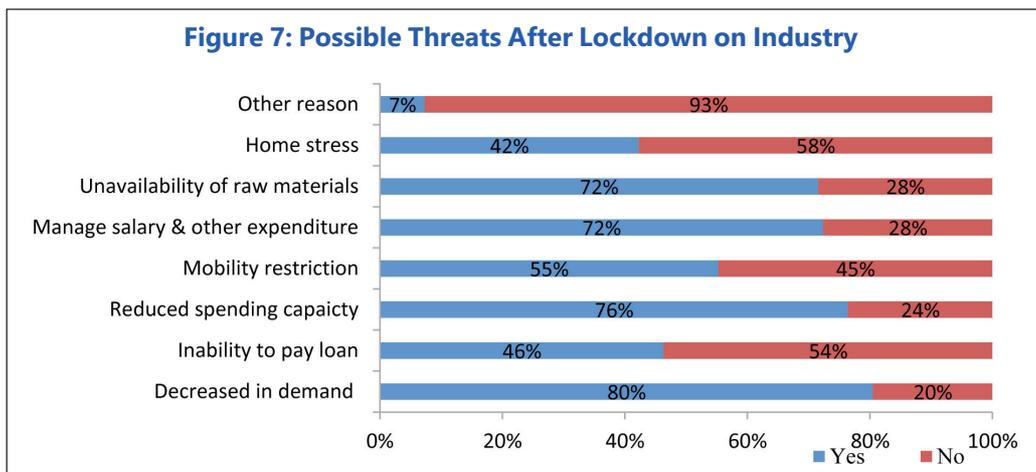
An attempt was made to understand how long an enterprise would survive in the context of the pandemic. The duration periods of the survival have been categorised in four categories as in Figure 5.

It was observed that more than 71 per cent are unable to predict or respond for the next six months due to the current level of demand and supply of the products. Around 20 per cent of the respondent agreed that their enterprise would be completely shut down in the next six months,

while 12 per cent indicated about one to three months' time period for the closure of their enterprise.

A relationship between maximum survival periods of industries and types of industries has been analysed. The share of "cannot say" across the industries is highest because of the uncertainty in the market. The respondent has opted for six months and more for their enterprise's survival periods. People in retail and wholesale enterprises are unsure about the future.





Regarding significant threats after the lockdown, the highest responses were recorded with the decrease in demand (80 per cent) followed by reduced spending capacity (76 per cent) and management of salary and other expenditure (72 per cent). Around 42 per cent of the respondents have reported home stress as a possible threat after the lockdown.

### Access to Loan and its Availability

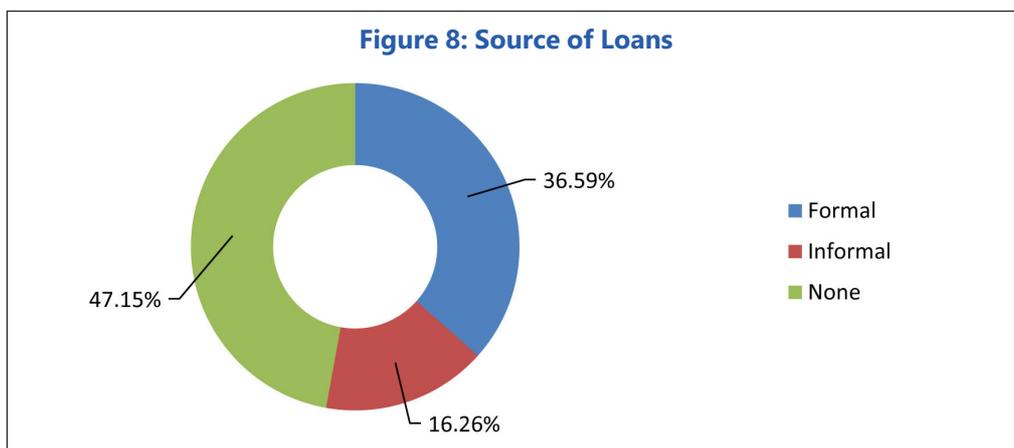
Around 47.15 per cent of respondents indicate that they have not availed any loan types to cope with the present crisis, while 36.59 per cent has taken a formal

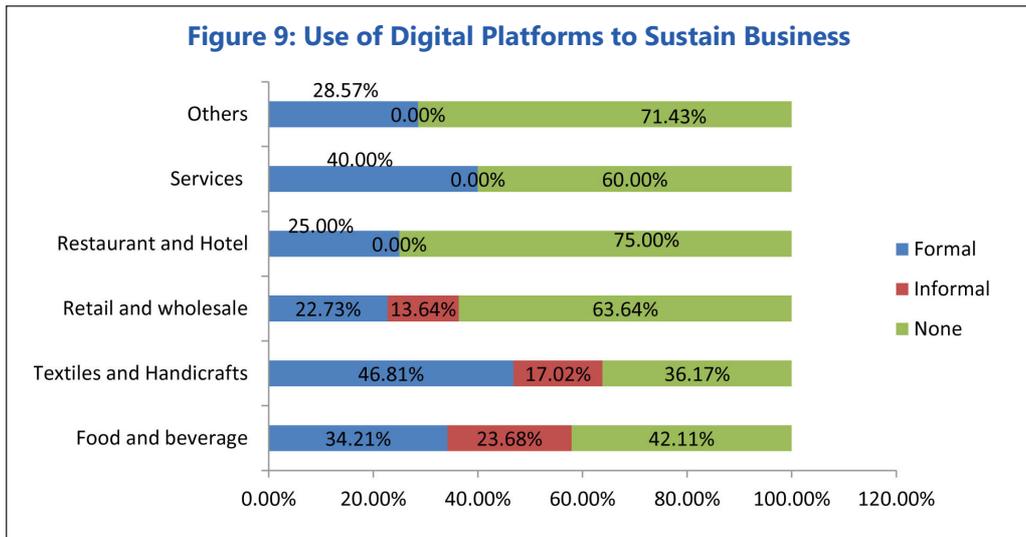
loan and 16.26 per cent have taken informal loans.

A significant proportion (47.15 per cent) of respondents have not taken either formal or informal loans during and after the lockdown periods to overcome the crisis.

The formal loan has been taken in the textile and handicrafts by 46.81 per cent of the respondent, while the respondents' share is the highest in the food and beverage enterprise to avail the loan.

The data reveals that digital platforms are being used by entrepreneurs to sustain their business. It was noticed that more



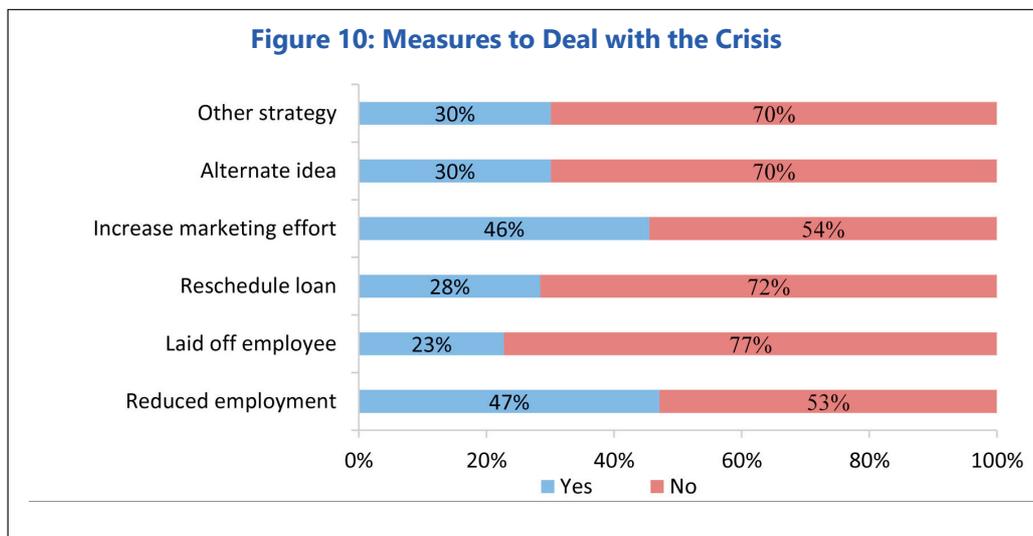


than 57 per cent of respondents have used a digital platform.

### Measures Adopted by Enterprises to Deal with the Crisis

Regarding the measures adopted to cope with the crises, it has been observed (Figure 10) that more

than 66 per cent have not adopted any strategy or measures to deal with the crisis. Out of the total, 47 per cent have suggested that they have reduced the employee and 46 per cent have increased marketing efforts to get potential buyers of their products. Only 23 per cent have laid off their employees and 28 per cent applied for a reschedule loan with the bank.



### Future Challenges

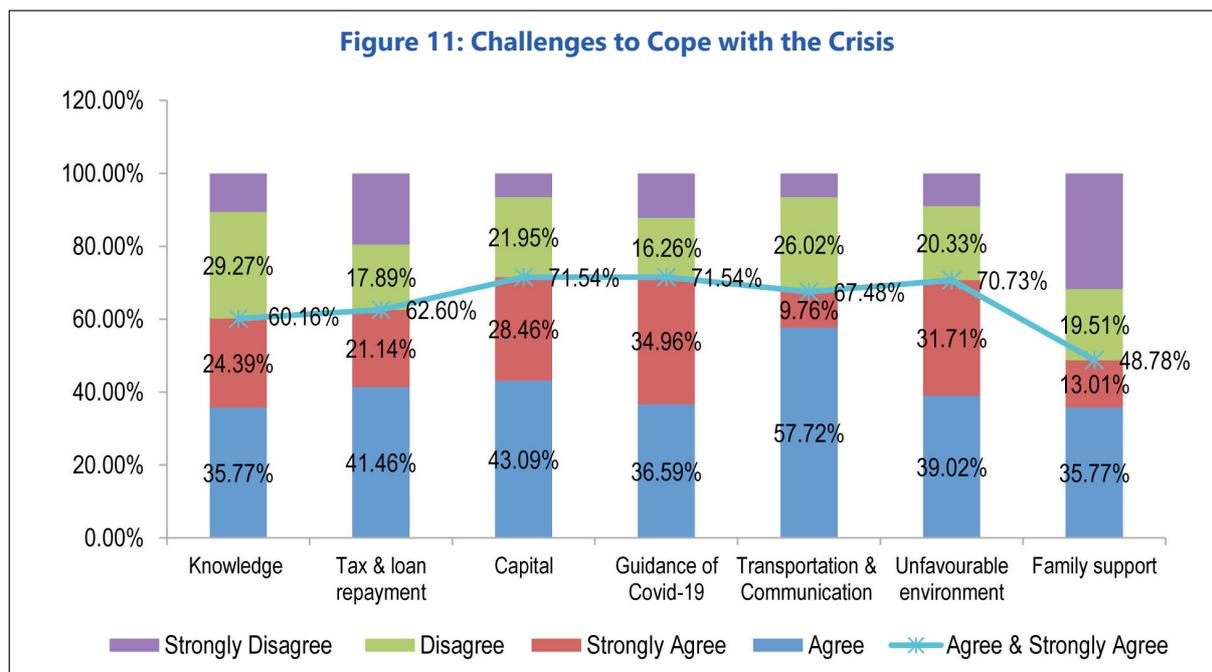
The responses on the future challenges anticipated have been presented with the Likert scale methods from 1 to 5 ranking. Eight challenges have been posed to them by the investigators as shown in Figure 12. It is noticed that 64 per cent felt that all eight would be important challenges an enterprise would face in the coming months or years.

More than 70 per cent of respondents feel that guidance on COVID-19 protocols, capital, and unfavourable environment would be the major challenges after the lockdown. Taxes, loan repayment and knowledge barriers are also reported as challenges and the share of it is more than 60 per cent.

### Awareness of Government Support/ Schemes to Deal with the Crisis

The respective country's government has announced various stimulus/relief packages to deal with the present crisis. Mixed responses are recorded with the question about packages for the women-specific sector.

More than 36 per cent of women entrepreneurs agree that this package is not for the women-specific sector, while more than 39 per cent feels that this package is for the women-specific sector. So this can be drawn that the government has reached its packages scheme to a fair amount of enterprise while dealing with the biggest ever pandemic in history.



A subsequent question about the sufficiency of the package has been asked to the respondents. It is noticed that 39 per cent of them have agreed that this package was not sufficient to deal with the present crisis while 37 per cent of the respondent disagreed; according to them, this package is sufficient to deal with the ongoing crisis.

The data shows that more than 64 per cent are looking for another business opportunity while around 36 per cent wants to continue with their present business.

### Government Interventions Suggested by Women Entrepreneurs

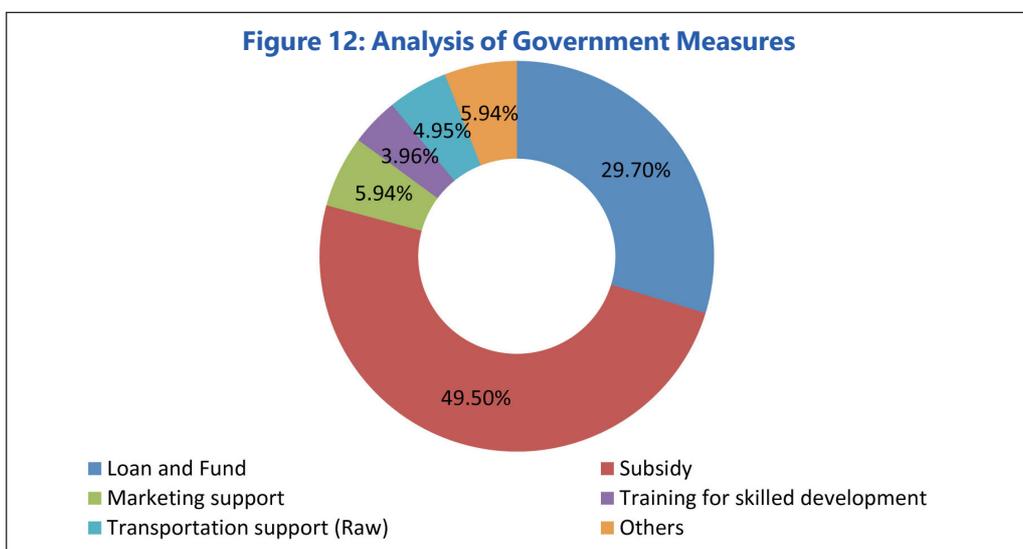
The respondents were asked to give the top three government measures (national and provincial) that would be most helpful for them to cope with the current crisis

of COVID-19. More than 49 per cent has opted subsidy as the best way while around 30 per cent have chosen loan and funds.

Thus, around 80 per cent of the respondent is looking for financial support from the government to move out from the current crisis. The highest share of subsidy may be due to the prevailing uncertainty of the operationalising of the business to the total capacity.

However, the other measures they expect from the government include marketing support, development, support in the transportation of goods, and supply of raw materials to pick up the production level.

Due to various restrictions on the movement of people and goods across the region; respondents find it more challenging to sell their products and are unable to get raw materials.



Suggestions were also there for favourable import policy, transportation support, and skill development to generate more income so as to overcome the crisis.

Very few responses were recorded on the question regarding suggestions for the government. The responses included support in

export, duty reduction, marketing support, easy documentation procedure in availing loan and training for skill development.

The major and significant suggestion that has emerged from them is relaxation in public and transport, marketing, financial and training support.

## 4

## COVID Response Measures in the BBIN sub-region

***Enhancing the voice and participation of women in decision-making processes can play a positive role in ensuring that the challenges they face are addressed***

Concert and coordinated efforts are needed to enable MSMEs to recover better from the pandemic-induced crisis. Supporting such enterprises has been an important part of the pandemic-related relief packages of governments in most countries.

To overcome both short and long-term consequences of the crisis sector-specific measures are to be taken at the policy level for immediate relief and speedy recovery. Equally important is to evaluate the efficacy of these measures in terms of outreach and outcome.

The government needs to rebuild consumer confidence and bring market demand back to normal to ensure sustainable recovery. Some of the targeted measures which may help in achieving the same include *inter alia*, access to credit, employment support, fiscal support such as tax exemptions, deferrals and relief, to reduce the tax burden of industries and help in sustaining their businesses, assistance for export-oriented businesses, and most importantly, clear directions to transform production and export structures to build resilience to future shocks.

Enhancing the voice and participation of women in decision-making processes can play a positive role in ensuring that the challenges they face are addressed. Improved education and training opportunities for women could facilitate the shift from precarious and low-skill jobs, those most affected by the crisis, to more stable and regular employment that implies access to social security benefits.<sup>28</sup>

Provided below is the brief snapshot stating specific measures taken by the governments in the BBIN countries.

### Bangladesh

Since March 2020, the government has announced several stimulus packages amounting to US\$12.11bn, which is equivalent to 3.7 per cent of GDP. More than 80 per cent of the stimulus included liquidity support, in which banks have to provide loans to businesses and affected sectors.

These include BDT 300bn fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at a rate of 9 per cent, half

**Female entrepreneurs have found it difficult to access funds from the stimulus packages since access to finance through official banking has always been difficult for women, as they do not have collateral for loans**

to be borne by the borrower and half by the government as a subsidy. Furthermore, BDT 200bn has been provided for banks to provide working capital loan facilities to Small (cottage industries) and medium enterprises. Under the Back-to-Back Letter of Credit arrangement, the Export Development Fund has increased from US\$3.5bn to US\$5bn to facilitate further import of raw materials at 2 per cent interest.<sup>29</sup>

However, these stimulus packages have not targeted the needs of women entrepreneurs adequately. Of the total stimulus, US\$2.35bn, or 0.72 per cent of GDP, has been allocated for CMSMEs. Of this, 5 per cent has been dedicated to women-owned CMSMEs.<sup>30</sup>

Female entrepreneurs have found it difficult to access funds from the stimulus packages since access to finance through official banking has always been difficult for women, as they do not have collateral for loans. There is also an information gap and many women entrepreneurs are unaware of the stimulus package.

After identifying the urgent needs of its women-owned and led MSMEs during the pandemic, the BRAC Bank, Bangladesh, implemented a comprehensive set of measures. These include moratoria on loan repayments, reduction of interest rates, provision of a working capital facility, and webinars to provide strategic guidance for businesswomen.<sup>31</sup> The Government of Bangladesh has committed to pay the wages of employees in

exporting firms. The Bangladesh Prime Minister also announced direct cash assistance of BDT 7.6bn (approx. US\$91mn) for informal sector workers.

## Bhutan

The Bhutan government has taken a series of steps to boost the economy of the country. The Ministry of Economic Affairs announced the provision of working capital at five per cent interest for wholesale distributors authorised for a period of three months, extendable by three months to enable them to procure adequate stocks and ensure uninterrupted supply of essential items at a reasonable price. Extension of Tax Filing date and Deferral of Tax Payments were also announced after the outbreak of pandemic.

The Bhutan Ministry of Agriculture and Forests and ITC SME Academy have collaborated to improve enterprises' export readiness through online training. It is expected that this would enable access to new buyers in the markets during the COVID-19 recovery phase.

The new tourism stimulus package announced by the Tourism Council of Bhutan would help in training and reskilling of 2,436 people in the industry, including tourist guides, tour operators, drivers and cooks.<sup>32</sup> Provision of working capital at five per cent interest for wholesale would enable them to procure adequate stocks and ensure uninterrupted supply of essential items at a reasonable price.<sup>33</sup>

***The government has started a refinancing concept for the recovery of industries and businesses that were adversely affected by the COVID-19 pandemic***

Farmers, small enterprises and exporters in the horticulture sector also receive support to improve quality, marketing and production. Online training sessions have been provided for Bhutan Agriculture and Food Regulatory Authority and SMEs to protect food workers and improve food hygiene and sanitation practices in line with COVID-19 and Codex guidance for food businesses.<sup>34</sup>

International agencies like UNDP and USAID are also supporting civil society organisations like Loden Foundation, The Bhutan Foundation and the Bhutan Association of Women Entrepreneurs (BAOWE), among others, implementing programmes that empower women farmers and self-help group members, food production workers, and women-led micro-enterprises.

## **Nepal**

A relief package of NRs70 billion (\$978 million) was announced to revive the economy in May 2020. This package included a refinancing facility to businesses amounting to NRs20 billion (\$23 million). The government has also decided to mobilise around NRs14 billion (\$16 million) to subsidise the interest of business loans.<sup>35</sup>

The budget for FY2020-21 has provisioned loans at 5 per cent interest rate to support the crisis-stricken SMEs. However, there is still a sense of confusion prevailing over the procedures behind the government's announcement and there are reservations regarding

the fact as to whether the budget will be translated into action.<sup>36</sup>

The government has started a refinancing concept to recover industries and businesses that were adversely affected by the COVID-19 pandemic. The size of the refinance fund has been increased to provide subsidised funding for banks willing to lend at a concessional rate to priority sectors, including small and mid-size enterprises affected by the pandemic.

According to the Nepal Rastra Bank (NRB), a total of NRs 83.13 billion under the refinancing facility has been approved to date. Out of the total approved amount, around NRs 22 billion has been released only and the release of the balance refinancing amount is underway.<sup>37</sup>

Additionally, deadlines have been extended for affected borrowers to repay the interest and capital to banks and financial institutions. To benefit the business community, tax discounts amounting to about NRs 6.5 billion (\$7.5 million) have been announced. Electricity fees have been either waived or discounted based on consumption units and kinds of users. Water supply and irrigation facilities are supposed to receive electricity at a 50 per cent discounted rate.<sup>38</sup>

## **India**

The government had announced on May 12, 2020, a ₹20tn (US\$266bn) support package, with the specific objective to support the availability of credit to MSMEs. The package includes ₹3tn for

collateral-free loans to MSMEs of four-year tenure with no payments due for one year. It also allocates ₹20tn for subordinate debt aimed at helping currently stressed MSMEs, and ₹50tn in equity funds for MSMEs.

The measures include a move to bail out 2,00,000 ailing small and medium-sized companies. Furthermore, the package includes the following:

- Eligible firms can access an emergency credit line of 20 per cent of their outstanding credit, with a 100 per cent government credit guarantee and a moratorium of 12 months on principal repayment. The government expected that 4.5 million firms would benefit from this scheme.
- Stressed firms requiring equity support will access a ₹200bn sub-ordinate debt scheme with a partial loan guarantee. The government is expected to provide ₹40bn to ₹200bn to support these activities in the next few months. About 2 million firms may benefit from this scheme.

- To provide equity funding for firms with growth potential, a fund of ₹500bn is expected to be set up with a ₹100bn corpus.
- Global tenders are now excluded from government procurement of up to ₹2bn to protect firms from foreign competition.
- Receivables from government and central public sector enterprises to be released in 45 days to help firms manage their cash flows.

On May 14, 2020, the government announced credit facilities for small, informal businesses and street vendors. These include a 2 per cent interest subsidy on microloans for 12 months for loans up to ₹50,000 under the existing MUDRA scheme and a special lending programme for street vendors of up to ₹10,000 to finance their working capital, targeting about 5 million street vendors. The Economic Stimulus Act of 2020 provides for investments in expanding infrastructure on health care, education and food security and providing wage subsidies and free interest loans to MSMEs.

***Although the government has launched various initiatives to expand support to MSMEs, only a few measures have gender-specific clauses to help female entrepreneurs bridge the gap***

## 5

## Conclusion and Recommendations

The primary and secondary research findings under the project reflect clear evidence of adverse impact on the COVID-19 pandemic on women entrepreneurs in all the four countries of the BBIN sub-region, particularly those owning cottage, SMEs.

The MSMEs need a massive transformation and push commensurate with their importance to the economy since COVID-19 has wreaked havoc in a system that always had a fragile foundation and lacked resilience. The disproportionate effect on women entrepreneurs requires urgent government intervention.

With the rising interest in fortifying MSMEs as a pathway to achieving higher economic goals, women's roles as entrepreneurs, decision-makers, and showrunners need further support from the government and private sector initiatives.

The needs of those losing their jobs during the COVID-19 outbreak should be considered so that the gains that have been made until now in closing the gender wage gap and women's labour

participation in the BBIN countries are not potentially reversed.

The government can create an enabling environment through relief measures, safety protocols, social safety mechanisms, capacity building and liquidity support. Furthermore, civil society organisations can undertake evidence-based advocacy, raise awareness about various government programmes and organise capacity-building programmes on financial literacy and digital technology.

The private sector can promote women entrepreneurs through the strengthening of supply chains. Joint efforts by state and non-state actors through trade facilitation efforts, data collection and success stories, wide dissemination of research findings, awareness generation and capacity building can lead to positive change.

Some of the key issues from the study findings include a decline in orders and sales, income, and employment, among others. In turn, such issues affect spending capacity, create difficulties in salary payment, and lead to stress at home.

***Governments in the BBIN sub-region need to ensure that women entrepreneurs are fully aware and follow all guidelines issued by each respective government of the BBIN sub-region to contain the spread of the virus in the workplace***

Considering the size of women enterprises and its linkage to employment, income generation, it is critical for the governments and other stakeholders in all four countries (Bangladesh, Bhutan, India and Nepal) to come out with focused measures and schemes to address major issues and challenges faced by women enterprises. Given the above, this study makes the following recommendations.

Women entrepreneurs are often discriminated against in accessing loans from banks compared to male entrepreneurs. The situation has been further aggravated by the impact of COVID-19 on women's enterprises. What is even worse is that this COVID-19 impact may continue for the next several months. That said, hundreds of women entrepreneurs face the risk of losing their businesses and even closing down.

Governments need to ensure that these women entrepreneurs survive in post-COVID-19 periods. This could be achieved by facilitating women entrepreneurs access easy loans to continue their businesses during the pandemic. The banking system should be accordingly advised to allow loans to these enterprises at a lower or reasonable rate.

The risk of spread of COVID-19 may be higher in women entrepreneurs. Therefore, there is a need for these enterprises to act responsibly and adhere to national guidelines like social distancing to ensure minimum human contact.

Governments in the BBIN sub-region need to ensure that women entrepreneurs are fully aware and follow all guidelines issued by each respective government of the BBIN region to contain the spread of the virus in the workplace.

One way of continuing business during a crisis like COVID-19 is to popularise digital and online modes of sales and businesses. Governments need to take concrete measures towards the popularisation of the online mode of businesses and ensure that women entrepreneurs are prompted to adopt this new system. Steps could be taken to launch apps suitable for women-led MSMEs.

An important finding from the study is that many women entrepreneurs have laid off their employees during the COVID-19 period. In this situation, governments should consider providing unemployment benefits for those who lost their job or went bankrupt due to COVID-19.

Most of the industries covered in the study are operated on rent. It is reported that they were paying the rent during the lockdown, which poses a financial burden to them. Governments should consider launching some financial schemes to protect such enterprises from losing their business places and operations.

All the women entrepreneurs have gone into losses because of orders and businesses and finding it very difficult to sustain and survive. Governments should

**Many women entrepreneurs are not aware of schemes and incentives made available by governments to MSMEs. There is a need to make these enterprises aware of the women-specific packages and schemes**

consider providing some relaxation to these enterprises in concession in charges of electricity and water. Further, stimulus packages including conditional and unconditional cash transfers, food subsidies and technical assistance for women entrepreneurs and workers could be provided.

Many women entrepreneurs are not aware of schemes and incentives made available by governments to MSMEs. There is a need to make these enterprises aware of the women-specific packages and schemes. This could be done through local industry associations.

Subsidy is another measure to support the industries to survive in the crisis. As 45 per cent of women entrepreneurs indicated that they are expecting subsidies from the government in various forms to deal with the crisis. The demand for their products has declined due to the COVID-19 pandemic, marketing support, transportation of goods, and ensuring the supply of raw materials is necessary for women entrepreneurs.

Some mechanisms should be considered to address these issues. Coordinated action among various government departments is required to support MSMEs during the crisis and recovery. Provide incentivised support for

the growth of women-led businesses and MSMEs, particularly those in sectors where women are under-represented.<sup>39</sup>

Design and implement adjustment policies to help companies in sectors that could be fundamentally affected over the long term (programmes tailored to women-led firms could be envisaged).

Ensure effective dissemination of information, circulars, guidelines, and policies to all the banks and branches. The bankers cannot refuse the applicants, especially women and take necessary steps within seven to ten days. For example stimulus package for COVID-19 must be accessible to all eligible women entrepreneurs. A monitoring system should also be strengthened at all levels.

Create gender-responsive education by ensuring girls has equal access to quality, relevant and safe educational practices. Further encourage girls to take up STEM to narrow gender gaps through skill development and job creation.

Further, the impact of COVID-19 on the economy, in general, and the MSMEs, in particular, has made us realise the need to encourage alternate skilling of women to align with changing demands.

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## About the Project

In Bangladesh, Bhutan, India, Nepal (BBIN), inadequate involvement of women in business and entrepreneurship has been observed due to social expectations, traditional gender norms and little access to resources. Thus, there exists a need to initiate discourse focussing on gender discrimination in matters related to trade and development in the BBIN sub-region and further explore the concept through political, social and economic dimensions.

Given this background, CUTS International together with its partners: Bangladesh Women Chamber of Commerce and Industry, Bhutan Media and Communications Institute and South Asia Watch on Trade, Economics and Environment, with the support from the United Kingdom's Foreign, Commonwealth and Development Office, is implementing a project titled 'Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India, Nepal' with a vision to prepare cases in favour of gender inclusive trade policies to enhance the participation of women in trade-related activities.

*For more details, please visit:  
<https://cuts-citee.org/home-gdtfa/>*

## CUTS International

Established in 1983, CUTS International (Consumer Unity & Trust Society) is a non-governmental organisation, engaged in consumer sovereignty in the framework of social justice and economic equality and environmental balance, within and across borders. More information about the organisation and its centres can be accessed here: <http://www.cuts-international.org>.



D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India  
Ph: 91.141.228 2821, Fax: 91.141.228 2485

Email: [cuts@cuts.org](mailto:cuts@cuts.org), Website: [www.cuts-international.org](http://www.cuts-international.org)