



# COVID-19's Impact on Grassroots Women's Social Enterprises

An Issue Brief<sup>1</sup> by SEWA Bharat

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Drawing from nearly 40 years of experience in the Women's Economic Empowerment [WEE] domain, SEWA has been building a cohesive theory on how to develop sustainable women's collective grassroots enterprises. After the outbreak of COVID-19 was declared a public health emergency across the world, SEWA Bharat brought out a [report](#) on COVID-19's impact on informal economy workers in India. Based on this impact report, SEWA Bharat has intensified its support in areas where it is currently working by distributing health and dry ration kits, linking women in the informal economy with relevant schemes and compensatory packages, besides arranging for working capital and cash assistance for the SEWA-supported women's grassroots social enterprises.

Recently on April 24th, 2020, in partnership with NITI Aayog's [Women Entrepreneurship Platform](#) [WEP], SEWA Bharat organised a webinar on the impact of COVID-19 on Grassroots Women's Social Enterprises. The webinar brought together representatives from SEWA-supported women's collective social enterprises viz. Karnbhoomi, [Ruaab](#) and [Lok Swasthya Mandali](#). Raziya Shaikh, Founder of [Bastar Foods](#) was the moderator for the event.

**The key issues highlighted by the participating enterprises are as follows:**

- **Grassroots enterprises need working capital, continuous orders, government issued purchase orders and payroll subsidies to keep going**

Enterprises are facing serious income loss but still need to keep paying fixed costs like salaries and rent. This is leading to a loss of cash and the enterprises are running into losses. In some cases where some work is still possible there are problems such as procurement of raw material, transportation and sale of goods along with reduced access to market and orders. To stay afloat, grassroots enterprises have initiated specific measures such as [production of masks](#) and hand sanitisers, in addition to exploring avenues for sale through online platforms. Though the orders for mask production are being used for relief measures, earning some income for the women; it

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<sup>1</sup> This issue brief is written by Chitranka Banerjee. She can be reached at [chitranka.banerjee@sewabharat.org](mailto:chitranka.banerjee@sewabharat.org)

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does not help the liquidity issue or the losses. For example Ruaab, a social enterprise in Delhi—where women members specialise in embroidery, handicrafts and handloom work—is unable to meet its fixed and overhead costs. In order to keep these enterprises afloat payroll subsidies from the Government is urgently needed. At the same time working capital, continuous orders, specific purchase orders from the government are needed even more now, since the economy has started to open up again. According to Karnbhoomi, a women’s farmer producer company, income and subsidy on inputs has been badly hit. Loans at concessional rates are required for farmers to buy seeds and fertilizers so that sowing can take place in the next season.

- **Grassroots enterprises need a tax holiday**

Lok Swasthya Mandali [LSM], a women-run collective social enterprise in Gujarat, is facing challenges in – selling the existing stock of medicines from its outlets in the state, procuring raw materials and packaging the sanitizers that they are producing. With very few vehicles plying on the road, commuting from one point to another has been an ordeal. Women-run enterprises need a tax holiday as there is hardly any income at this point. EMI moratoriums, [EPF withdrawals, extension of deadlines and due dates for paying insurance premiums and income-tax related compliances](#) are steps in the right direction. But often these provisions apply to larger enterprises and smaller enterprises are left behind.

- **Support for fixed costs for 6 months needed**

In addition to this, as the enterprises are struggling to stay afloat, “most enterprises need support towards their fixed costs for at least 6 months so that they can keep going,” said Ilaben, LSM manager who has been associated with the group for the past 27 years.

- **Women's grassroots social enterprises need increased visibility and sale of their products**

All enterprises are using this period to plan ahead and are focusing on increasing visibility of their products, while at the same time exploring new product options. LSM plans to make ayurvedic immunity boosting medicines and is looking to tie-up with experts to further explore this. It will also look at producing sanitary napkins, increasing its market base through portals like [Government E-marketplace \[GeM\]](#) and hopes to leverage digital technology for better sales and day-to-day operations. Karnbhoomi has been connecting with local haats, mandis and markets to help with sales. E-rickshaw and door-to-door selling are some of the options being explored. Karnbhoomi is also linking women farmers with government schemes, arranging for subsidized inputs by purchasing inputs in bulk, and delivering inputs locally, saving their cost of transportation. Karnbhoomi is looking to tie-up with big sellers like Reliance Fresh, Big basket etc. to accelerate sale of the agri-produce. Ruaab has started planning for the gifting season, is ideating for gift baskets and is looking to partner with corporates, Government E-marketplace [GeM] and other online portals for larger orders.

- **Women farmers are facing difficulty in arranging curfew passes**

Due to reduced market timings and problems in accessing the market, women agri-workers are suffering losses. In addition, women agri-workers in certain parts have not been able to arrange curfew passes for transportation of goods as they do not own

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two-wheelers or other vehicles in their name. “Transportation linkages are essential at this point to be able to take produce from the field to market and women agri-workers should be given curfew passes, as 60 percent of all agricultural activity in India is still carried out by women farmers,” said Dasantiben, General manager of Karnbhoomi.

- **Grassroots enterprises need support and handholding to adopt digital technology**

Enterprise members are connecting with each other through WhatsApp and Zoom to stay in touch and continue with production to ensure better sales for the coming season. E-learning and communication apps are helping enterprise members to stay connected and upskill themselves. However, according to Anohita, CEO of Ruaab, only 70 percent of the enterprise members have smartphones. Ruaab and other enterprises are looking to incorporate digital technology into every aspect of their day-to-day work and are hoping to increase the presence and participation of their respective grassroots enterprises on online platforms, but need capacity building and infrastructural help to embark on that journey.

SEWA Bharat develops and supports women’s grassroots enterprises to remove barriers to their growth, and is the national federation of the SEWA movement. To know more about the SEWA Movement and initiatives, check out: [SEWA Bharat](#), and [SEWA Bharat’s research website](#).