



**SEWA Samvaad 2020**  
**Resilience and Women Micro-Entrepreneurs: COVID-19 and Beyond**

*A SEWA Bharat webinar in partnership with UN Women*

November 2, 2020

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Mahila (Women) Micropreneurs have existed in the fabric of society at every intersection. They are women who have taken charge of their situations and created meaningful livelihoods for themselves. There are 63.34 million micro-enterprises in India, employing approximately 111 million people<sup>1</sup>. Women own 20% of these enterprises and approximately 90 per cent of such enterprises are in the informal sector<sup>2</sup>. Studies report that 79% of micro and small enterprises have been impacted negatively due to the COVID-19 pandemic, due to which, many of these enterprises will shut down as the year progresses.

In an effort to highlight the current realities of women's micro-enterprises in the informal sector during COVID-19 and share stories of leadership from the ground, SEWA Bharat in partnership with UN Women recently organised a webinar titled **"Resilience and Women Micro-Entrepreneurs: COVID-19 and Beyond"** on November 2, 2020. This webinar focused on the theme of 'survive and revive' and how we can move our conversation from building back better to one on building forward stronger. The event brought together SEWA's local leaders along with national and international experts from the World Bank Group, Small Industries Development Bank of India (SIDBI), Global Alliance for Mass Entrepreneurship (GAME), and Women in Informal Employment: Globalizing and Organizing (WIEGO).

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<sup>1</sup> [NSSO Survey of Unincorporated Non-Agricultural Enterprises in India](#), Jun. 2017

<sup>2</sup> International Finance Corporation, [Micro, Small, and Medium Enterprise Finance: Improving Access to Finance for Women-owned Businesses in India](#), Jan. 1, 2017

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**The key highlights from the conversation are as follows:**

- **Recovery demands that women micro-entrepreneurs have a seat at the table:** The COVID-19 public health crisis has now given way to an unprecedented economic crisis. As per a recent UN Women survey, 69% of Micro, Small and Medium Enterprises (MSMEs) have been impacted during the lockdown, 11% MSMEs are on the verge of shutting down, and 68% of the enterprises are on the brink of taking heavy loans from formal financial institutions. Women are extremely vulnerable in the labour market. The pandemic brought on increased unpaid care work and domestic violence. While women micro-entrepreneurs make up a significant section of the workforce, their needs are not accounted for. Banks are inaccessible to women for various reasons including lack of personal transport and digital technology is still inaccessible due to the growing gender digital divide. Moreover, the Ebola crisis showed us that either women took twice as long to come back to work or dropped out of the workforce entirely. Despite this data, conversations about recovery for women micro-entrepreneurs at the base of the economic pyramid have not applied a gendered lens to the issue and women's micro-enterprises are left out. Women micro-entrepreneurs must themselves have a seat at the table.
- **Investment in social protection for women is key for revival:** Most women-owned enterprises function without employees, which puts the entire responsibility of work on one woman who is in charge of running it. Such enterprises have less average income, as women are unable to devote their time to the business due to household responsibilities. There has been a 43% increase in unpaid care work by women during the lockdown<sup>3</sup>. Globally, around 21% women-run enterprises want to scale down or close, due to a rise in domestic responsibilities. During the lockdown, it became more difficult for women entrepreneurs to go to work, due to inaccessibility to the marketplace, extra unpaid care work, and other psycho-social issues, including domestic violence. This has also disrupted the supply chains, especially in the case of agro-based products. An integrated solution needs to be made to support women-run micro enterprises not just financially, but also through social security schemes like childcare.
- **Financial institutions need to fund women's micro-enterprises actively:** On an average, the distance between a bank and a woman is 3 kilometres, but without access to public transport during the lockdown, women were not able to access the direct bank transfers'

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<sup>3</sup> GAME, LEAD at Krea University, [Impact of COVID on Microbusinesses: a Gender Perspective](#), 2020

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money. There is a need for a system which acknowledges these issues, and prioritises delivery to women entrepreneurs. 35% of women entrepreneurs have no savings and they are 1.5 times more likely to be rejected when it comes to government schemes. Because of this Credit Counsellors become more necessary than ever before. SIDBI's Certified Credit Counsellors for MSMEs: Ushering Credible Credit Connect (CCC4CCC) program focuses on exactly this. Certified Credit Counsellors are professional credit intermediaries/advisors for MSMEs, who help bridge the information gap and thereby help banks to make better credit decisions. They operate through "SIDBI's udyami mitra portal" and attend to online hand holding requests from loan aspirants. The program is an attempt to strengthen the supply side by enhancing access to credit as also it gives due thrust to demand side issues of MSMEs, particularly those at the bottom of the pyramid. Banks ought to move from a collateral-based credit system and instead adopt psychometric measures to understand who a reliable borrower is.

- **Women's access to digitisation and technology must be prioritised for revival:** When providing support to micro-entrepreneurs, policies focus on developing large-scale infrastructure, while the main problem lies with micro-level issues like access to digital technology. The COVID-19 pandemic has made it clear that digital technology is essential not just for operations, but also for payments and capacity building. Globally, women are 20% less likely to have access to a mobile phone and the internet. Women-run enterprises thus are more likely to face a shutdown.
- **Capacity building of women to adapt to market situations is the need of the hour:** Organizations like SEWA, UN Women, and public institutions like SIDBI have recognised the importance of adaptability for enterprises. When micro-enterprises adapt to the changing market conditions and demands, economic downturns have less of an impact on them. SIDBI's effort to build the capacities of women knitters was met with a lot of initiative and enthusiasm, leading to it becoming a nation-wide program. Bankers are looking for bankability while issuing credit, which means that micro-enterprises need to be able to adapt to the changing market conditions. Women's micro-enterprises in the rural economy require mentoring and hand-holding to help build their capacity and thrive in the long run. Ensuring that all women are able to build up an entrepreneurial mindset is a step in the right direction.
- **Government policies require implementation and awareness:** While the Government schemes attempt to revive enterprises, the focus needs to be on improving data collection and awareness creation of existing policies so that policies are more effective

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and are better implemented. It was found that 60% of the women are unaware of government schemes and their application processes<sup>4</sup>. There needs to be a holistic approach for the entire ecosystem, where ministries work together to integrate social security with women-run enterprises. More female workers need to be included in implementation agencies, to increase sensitivity towards the needs of women workers. The gaps, deficiency and biases tend to be very sector specific, and so interventions need to be more sector specific too.

- **Importance of collectivisation:** Small enterprises find it difficult to do all formal documentation etc., women are not sure of application processes to access schemes and other formalities. There have been cases where a MUDRA loan was rejected because the woman applied alone as an individual. This is where collectivisation can help tremendously. The power is in collectives and collective models - the SEWA cooperative model is being replicated across the world, and it is imperative to put focus on the 3Ps - Public, Private and People. 28% of women have considered Self-Help Groups to be a huge support, and peer networks an effective way to get inspired from each other<sup>5</sup>; banks like SIDBI are trying to test the effectiveness of community-based credit models; and the government is more actively looking to include stakeholder communities in the decision-making processes.

SEWA Bharat is the national federation of the SEWA movement. In its fight for women informal workers' rights in India, SEWA has taken critical steps across our various program themes to nurture, support and promote women micro-entrepreneurs. We are currently working towards mitigating the impact of COVID-19 on women in the informal economy.

To know more about the SEWA Movement and initiatives, visit: SEWA Bharat and SEWA Bharat's research website. For further details on the webinar, please contact: Radhika Saxena at [radhika@sewabharat.org](mailto:radhika@sewabharat.org), Chitranka Banerjee at [chitranka.banerjee@sewabharat.org](mailto:chitranka.banerjee@sewabharat.org) and Pallavi Siddhanta at [pallavi.siddhanta@sewabharat.org](mailto:pallavi.siddhanta@sewabharat.org).

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid.