



The Power to Empower


IMPACT OF COVID19 ON LIVES AND LIVELIHOOD OF WOMEN 2020-21





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Acknowledgement

FLO is the women wing of the Federation of Indian Chamber of Commerce & Industry (FICCI). It's an all India forum for women and has its headquarters in New Delhi, with 17 chapters covering different geographical regions of India. FLO represents over 8000 women entrepreneurs and professionals. With over 37 years of experience, FLO has been promoting entrepreneurship and professional excellence among women through workshops, seminars, conferences, training and capacity building programmes etc. The objective of the organization is to encourage and facilitate women to showcase their talents, skills, experiences and energies across sectors and verticals of the economy, for a truly inclusive economic growth trajectory.

While handloom, handicraft and agriculture are the areas dominated by women both in formal and informal sectors, services in the domain of tourism and hospitality is also getting popular as livelihood opportunities among women. Irrespective of the sector, the outbreak of COVID-19 in the midst of economic crisis which has exacerbated thereafter, have hit the various sectors badly.

Though the government had initiated several measures to revive the economy, the impact on lives and livelihoods of women has been tremendous.

In order to understand the impact of the covid19 pandemic and lockdown on livelihoods of women and women entrepreneurs in Handloom, Handicraft, Agriculture and MSME & SMB sectors, FLO conducted a survey.

I would like to extend my gratitude to Dharitri Patnaik, Chapter Chairperson of FLO Bhubaneswar for conceptualizing, designing, editing and execution of the study.

My special thanks to FLO Lucknow, District Administration, Sundargarh, (Odisha) and Humara Bachpan Trust for the data collection and Rashmi Sarita, Executive Director, FLO for her support. I would like to take this opportunity to thank Mr. Neel Lohit Pandey and Ms. Riah Rath for collating the data and compiling the report.

Regards,

Jahnabi Phookan

National President, FLO

2020-21

BACKGROUND

The World Health Organisation has defined pandemic as the worldwide spread of a new disease. An influenza pandemic occurs when a new influenza virus emerges and spreads around the world, and most people do not have immunity against it. Disease and pandemics, considered as 'positive checks on population' in Malthusian thinking, are not new to human history. Infectious diseases like the Bubonic plague(1347-1351), Spanish Flu(1918-1919), HIV/AIDS etc have marked some of the most significant turns in human evolution. The year 2020, has joined the likes owing to the devastating impacts of COVID-19 which brought the whole world to a standstill.

In a world where most countries are transitioning to the latter stages of demographic transition marked by improved per capita welfare and greater disease burden of Non Communicable Diseases, it is easy to downplay communicable diseases. However,

with globalization, high population density and more livestock than ever before the possibility of zoonosis(disease passed from an animal or insect to a human) and subsequent contagion is more likely. This is what COVID-19 reminds us. The current pandemic is however unlike the past pandemics given that it's highly contagious and unlike Swine Flu (RO=1.4 to 1.6), it has a RO of 2.5 or higher. There have been over 46 million COVID-19 cases and over 1 million COVID-19 related deaths worldwide. The measures thus taken were extreme with countries implementing quarantines, social distancing practices and partial to complete lockdown. About 4.2 billion people or 54% of the global population, representing almost 60% of global GDP, were subject to complete or partial lockdowns as of the 28th of April and nearly the whole global population was affected by some form of containment measures.(IEA (2020), Global Energy Review 2020, IEA, Paris <https://www.iea.org/reports/global-energy-review-2020>)

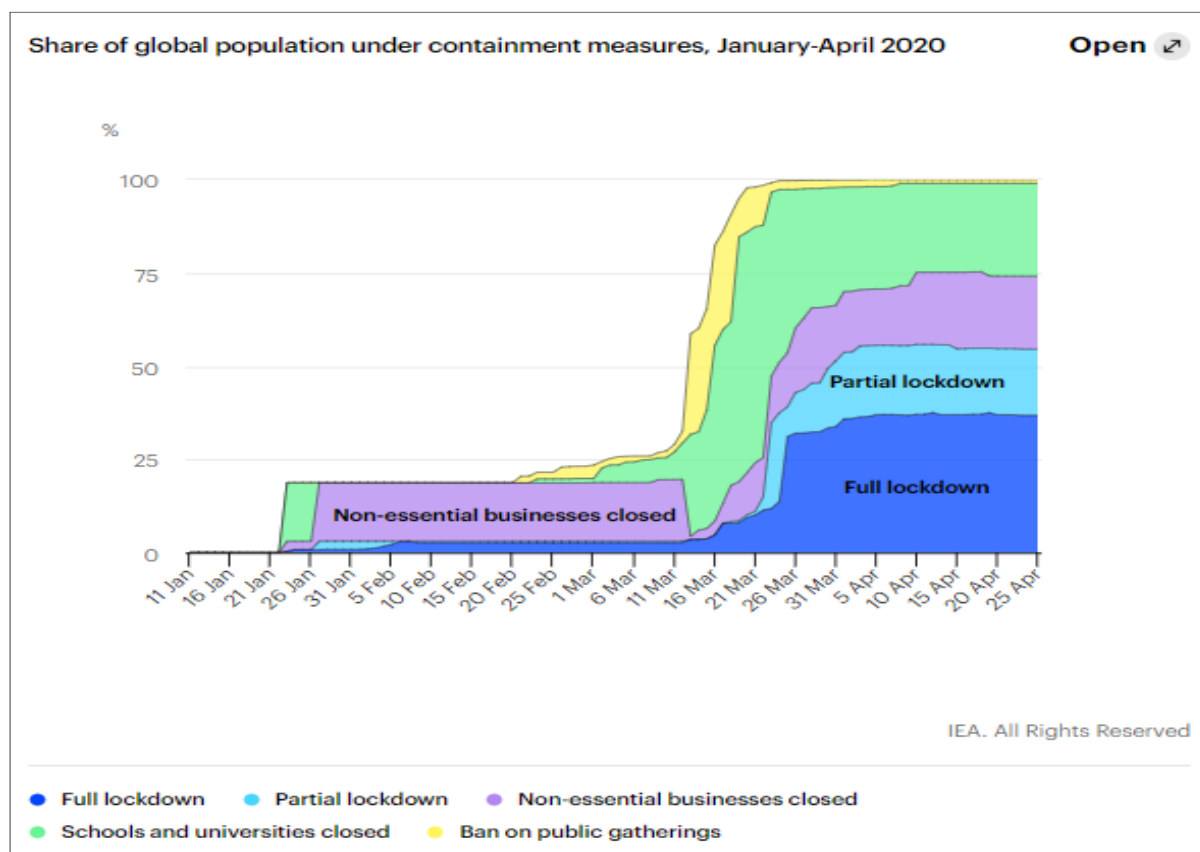
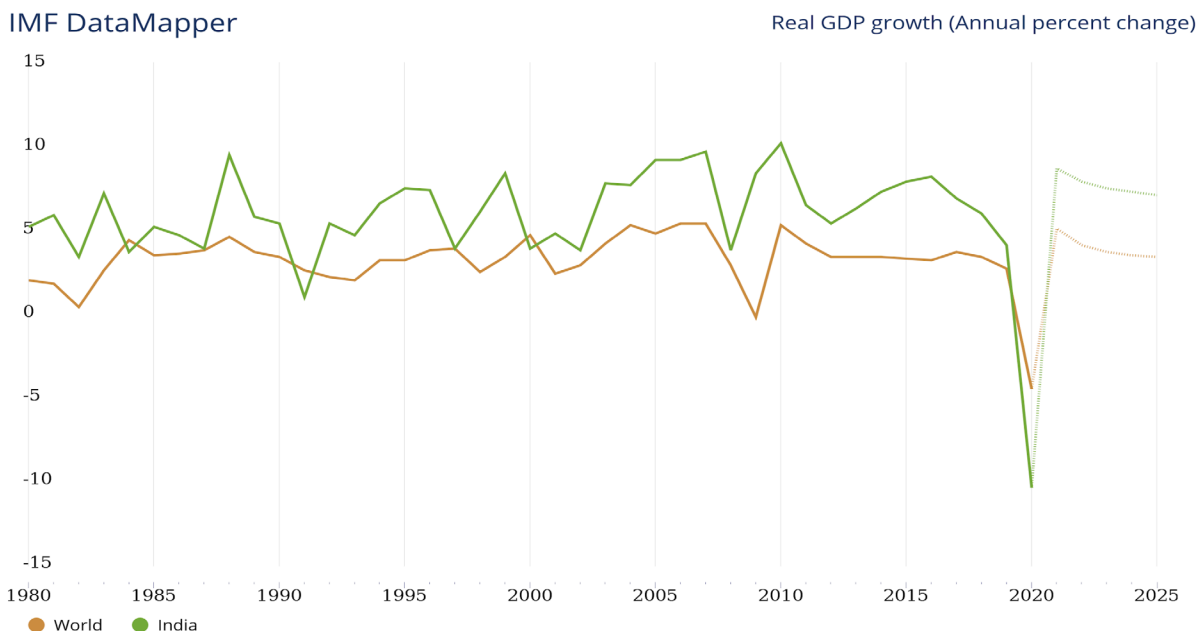


Figure: Share of global population under containment measures



©IMF, 2020, Source: World Economic Outlook (October 2020)

Source: World Economic Outlook, IMF

Figure: Real GDP Growth (Annual Percentage Change)

COVID-19 pushed the world into a global economic slowdown, that is the first of its kind post the 2008 financial crisis. In terms of numbers, this crisis is about three times as bad as the global financial crisis of 2008 in terms of GDP decline on an annual basis. According to IMF's estimates, the global economy in 2008, grew at a rate of 3% annually while the growth rate for 2020 has fallen to -4.4%. The World Bank and the International Monetary Fund said that the global economic contraction caused by the ongoing coronavirus pandemic is the largest in the last eight decades, raising the world poverty rate, exacerbating inequalities and damaging long-term economic growth prospects. Thus, it comes as no surprise that COVID-19 coupled with the Great Lockdown had and continues to have unprecedented impacts on lives, livelihoods and countries.

The condition in India as previously projected by IMF was far worse than the global average. After decades of growth rates above the global

average, the Indian economy faces a negative growth rate of -10.3% in 2020 (as can be seen in the figure), the third steepest decline after Spain and Italy, and the sharpest fall among emerging markets and developing countries.

However, a steady contraction of active Covid-19 cases accompanied with a low case fatality rate creates a picture of optimism in India amidst the gloomy projections. There has been a sustained surge of activity levels in India and according to the Monthly Economic Review for October, 2020 conducted by Department of Economic Affairs,

“ Movement of high frequency indicators in October clearly point towards broad based resurgence of economic activity, notably in healthy Kharif output, power consumption, rail freight, auto sales, vehicle registrations, highway toll collections, e-way bills, rebound in

GST collections and record digital transactions. Rural consumption has stayed strong, in part helped by sustained MSP procurement of food grains by the government at higher prices.”

Some major structural reforms in the face of the pandemic have placed India in recovery phase wherein it is expected to reach pre-Covid levels soon unless hit by a second wave of Covid-19 cases owing to the lack of social distancing now. The continuous improvement in forward looking RBI indices of consumption and business sentiment for the next year augurs hope of a strong economic rebound. Such optimism is also shared by IMF’s October 2020 projections which say that India is expected to rebound in 2021 with 8.8 percent growth which is an upgrade of 2.8 percentage points relative to the June update. These projections make India’s growth rate highest in 2021-22, ahead of the Chinese rate of 8.2 and the global growth rate of 5.2.

GENDERED IMPACT OF COVID-19

COVID-19 has indeed disrupted lives across nations, income classes and age structure but the magnitude of the shock hasn’t been the same for all. The migrant crisis in India bears testimony to the fact that the heaviest burden in any crisis is borne by the most vulnerable population. COVID-19 risks reversing the hard-won development gains made so far in reducing the gender gap. The situation in India is even more worrisome for the following reasons:-

India has enjoyed rapid economic growth over the past few decades, with increased education of the females, it was expected that this would create positive linkages with the female labour force participation rates (“FLFPR”). However, the economic growth and improved education hasn’t translated into higher female labour force participation which has slumped in both the urban and rural sectors and remains nearly one third of the male labour force participation rate. Post the 2004-2005 period where the urban female labour force participation stood at 24.6 while

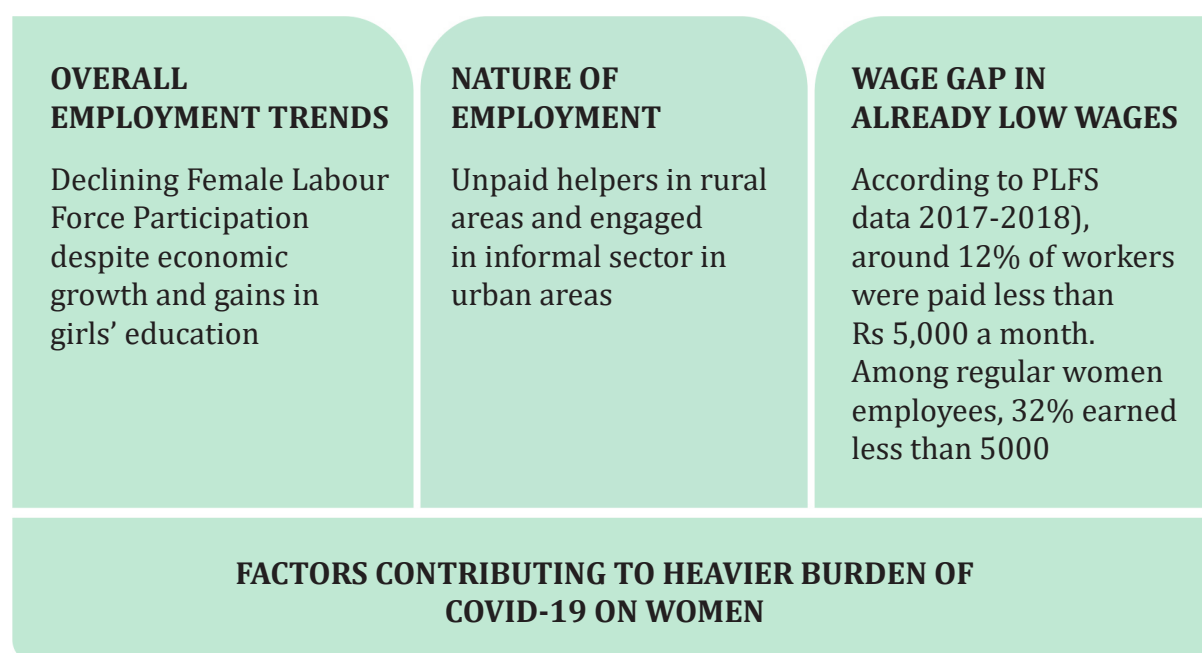


FIGURE 01

the rural female labour force participation stood at 49.7 (both of them being the highest rates reached so far), the rates have slumped. While the urban FLFPR fell to 19.4 in 2009-10, the rural FLFPR fell to 37.8 in the same period. While the urban FLFPR has improved marginally to stand at 20.4 in the 2017-2018, the rural FLFPR continues to decline to stand at 24.6 in the same period (figure below).

This problem of low female labour force participation is further compounded by the nature of work the women are engaged in. In 2017-18, around 40% women who reported themselves to be employed in rural areas said they were unpaid helpers, working mostly on family farms. Another 30% reported themselves as wage workers involved in casual (public and non-public) works, 20% reported themselves to be self-employed and around 10% said they held regular, salaried jobs (Figure 3). In urban areas, while the percentage of women employed is at low levels, there has been

a rise in the share of salaried workers by nearly 10 percentage points from 2011-2012 to 2017-2018. By 2018, women in regular salaried jobs comprised more than half of the female workforce, however most of these jobs despite being regular, were in the informal and unregulated sectors, implying that, women could not avail benefits provided under labour and social welfare legislations, including maternity benefits, provident fund or pensions. The lack of these benefits meant absence of a safety net amidst the livelihood disruptions and uncertainty caused by COVID-19 and the subsequent lockdown.

Given their nature, there is a risk that the women led businesses such as beauty parlours(owing to their requirement for physical proximity) and small grocery shops(owing to people's preference for no-contact and online shopping amidst pandemic) will be impacted more by this pandemic. Their sustenance for longer

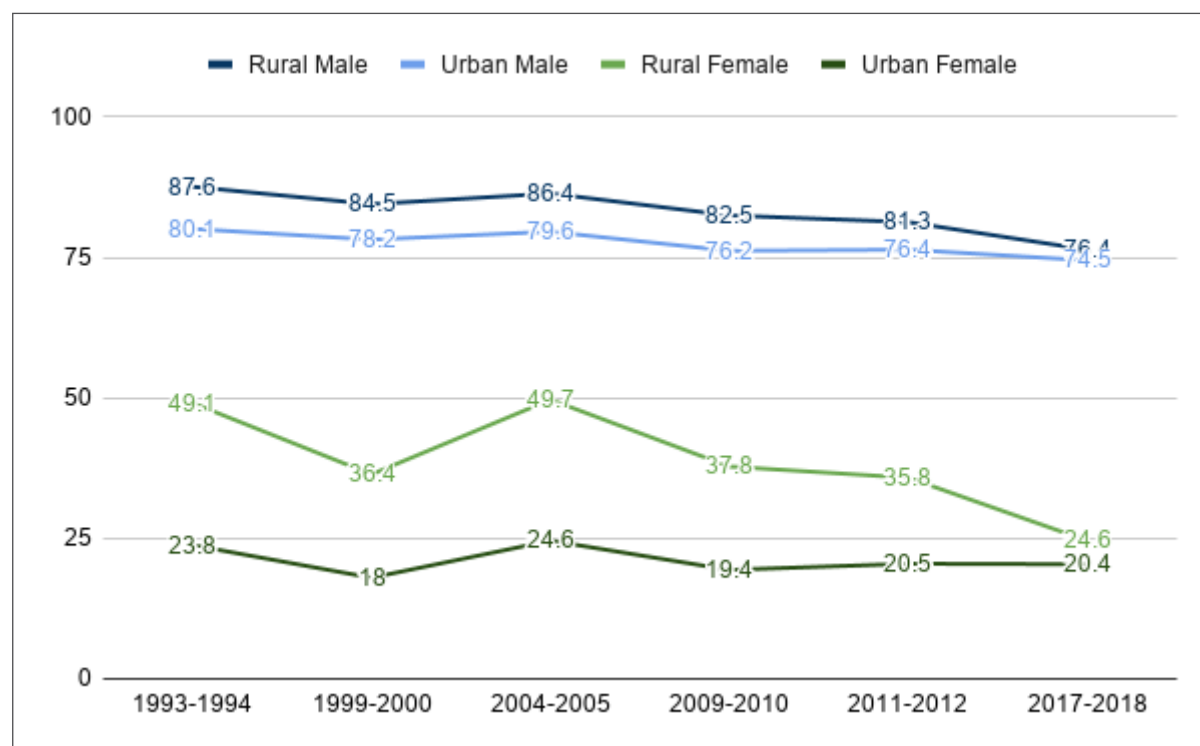
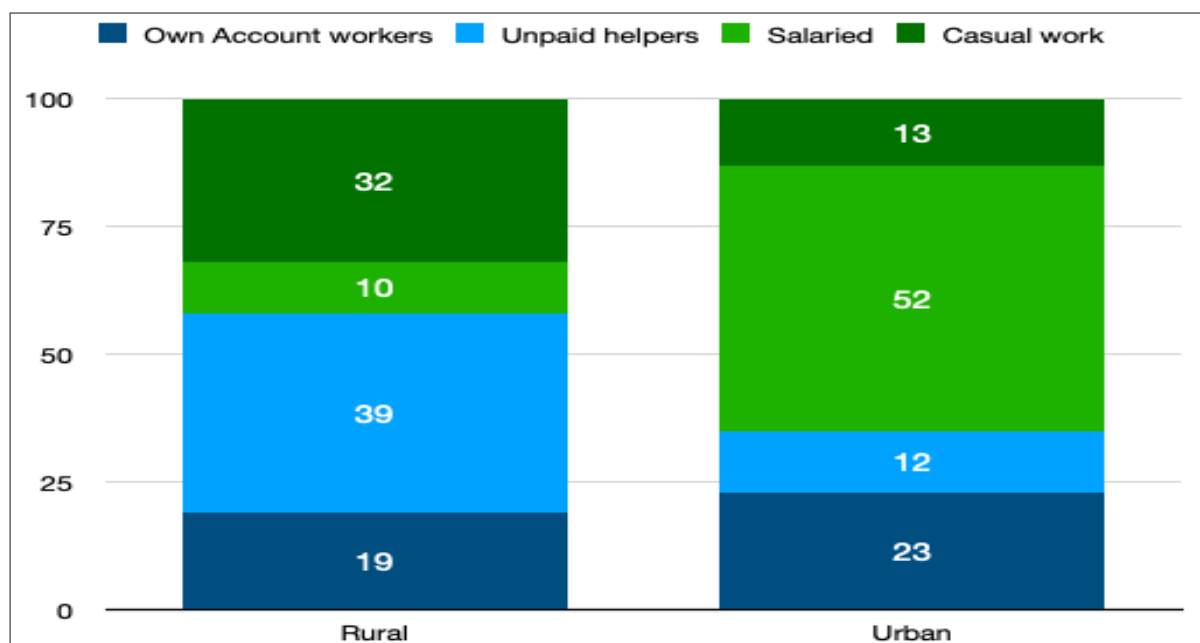


Figure: Labour Force Participation Rates (a gendered comparison)



Source: PLFS 2017-18

Figure: Composition of Female Workforce

duration amidst falling demand will be difficult and may even face perpetual closure on account of failure to repay debts, lack of fiscal stimulus and deficiency of labour, to name a few.

The past two decades have seen a rapid rise in the employment of females in the informal sector. Post the Asian economic crisis, rapid growing economies of East and South-East Asia have experienced a decline in formal wage employment and a concomitant rise in informal employment of females. Even before the crisis, official statistics indicated that the informal sector accounted for over half of total non-agricultural employment in Latin America and the Caribbean, nearly half in East Asia and as much as 80 percent in parts of Asia and Africa. While the official statistics point out at increased employment of females in the informal sector, it can also be argued that this number is even larger than that. This argument is constructed upon the fact that much of women's paid work in this sector (not just their unpaid work) is not counted in official statistics. If the magnitude

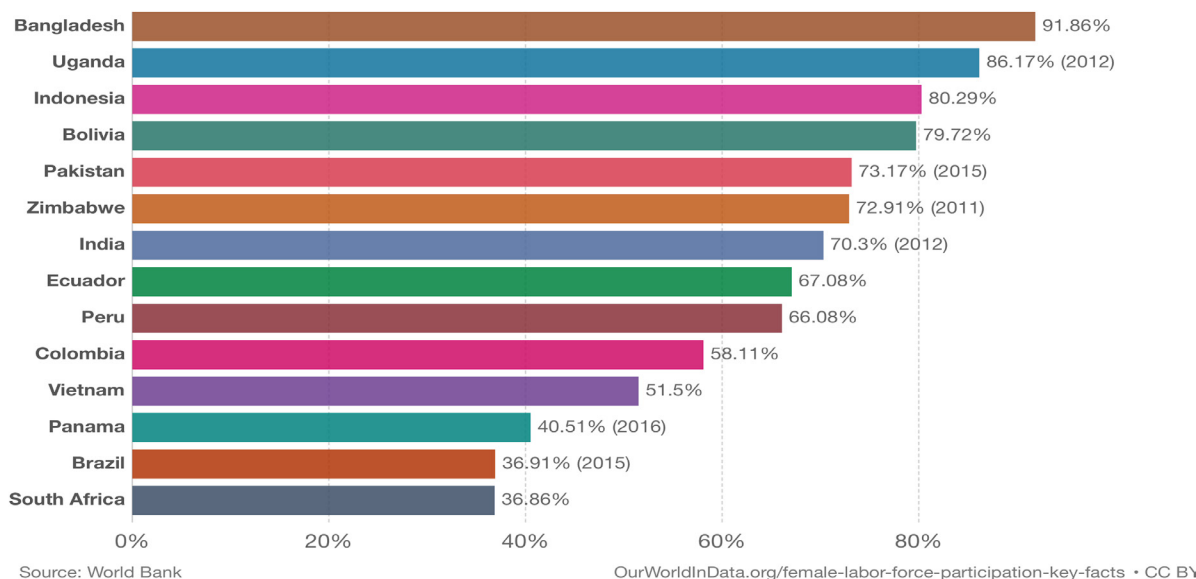
of women's invisible paid work, particularly home-based remunerative work, were to be fully counted, both the share of women and the share of informal workers in the workforce would increase. The female labour force faces a precarious situation of informality in India.

In India, nearly 70% of female employment is informal employment. Globally, India is centrally placed among developing economies. According to some other estimates, which were a result of surveys conducted by SEWA, this percentage can be as large as 80%. The informal sector in India has many linkages between being female and suffering from various disparities. In India, the contribution of women in the informal sector to total GDP is greater than their share of employment in the informal sector. A major reason for this is the fact that women are more likely than men to engage in multiple activities. This feeds into income disparities as well. Being engaged in multiple activities, females tend to have a lower skill set for a specialised job which might have better income returns. In addition to this, they have relatively low levels

Women in informal employment as share of female employment, 2017

Employment in the informal economy as a percentage of total non-agricultural employment. It basically includes all jobs in unregistered or small-scale private enterprises that produce goods or services for sale. Self-employed street vendors, taxi drivers and home-base workers, regardless of size, are all considered.

Our World
in Data



Source: World Bank

Figure: Women in informal employment as share of female employment

of education and skills or are less likely to own property or have market know-how.

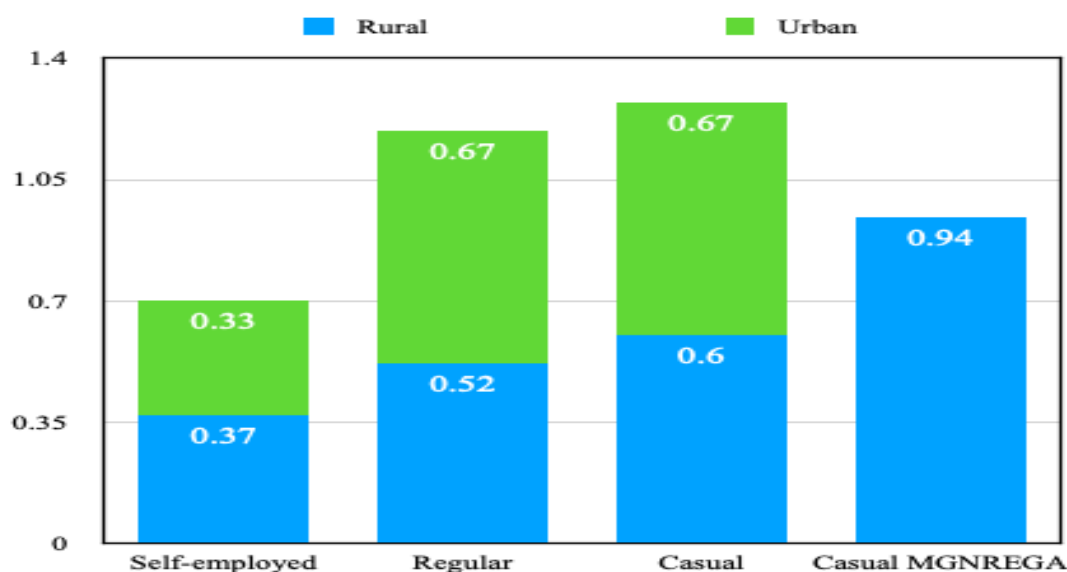
Further, women's time and mobility are constrained by social and cultural norms that assign the responsibility for social reproduction to women and discourage investment in women's education and training. Even though the overall incomes for both men and women are lower in the informal sector, the gender gap in income is higher due to two interlinked factors:

1. Informal income in India tends to decline as one moves across following types of employment: employer - self employed - casual wage worker - sub-contract worker
2. Female workforce in India is under-represented in high income activities and overrepresented in low income activities

It is a well acknowledged fact that a higher incidence of informality in any aspect is a

major challenge for sustainable livelihood.

Informality creates negative linkages like absence of worker's rights, lack of social protection, decent working conditions and the rule of law. It further weakens the development of sustainable enterprises in terms of low productivity and lack of access to finance, public revenues and government's intervention in terms of economic and social policies, robustness of institutions and fair competition in national markets. Another major problem due to employment of female labour force in the informal sector arises due to the nature of production of the informal economy. The production in this sector is either underestimated or often not recorded in national accounts which makes it difficult to pin-point the underlying problems and create a policy framework to protect the rights of workers in the informal sector. The female labour force in the informal sector tends to be more heavily affected by the economic crisis because they stand to lose their only source of income without the possibility of benefiting



Source: PLFS 2017-18

Figure: Wage Differential

from social and legal protection during lockdowns.

According to the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI)'s global multidimensional poverty index (MPI) 2018, 364 million or around 27 per cent of India's population lives in multidimensional poverty. Even as Indians continue to face a lack of access to healthcare and education, many others are becoming poor based on technology, education and climate. Women are the poorest of the poor, i.e, they are further marginalised owing to social norms and gender biases.

In the case of regular wage/salaried employees and casual labourers (other than public works), women earn a little more than 50% of what the males earn in the same sectors, with the gap being slightly lower in urban areas.

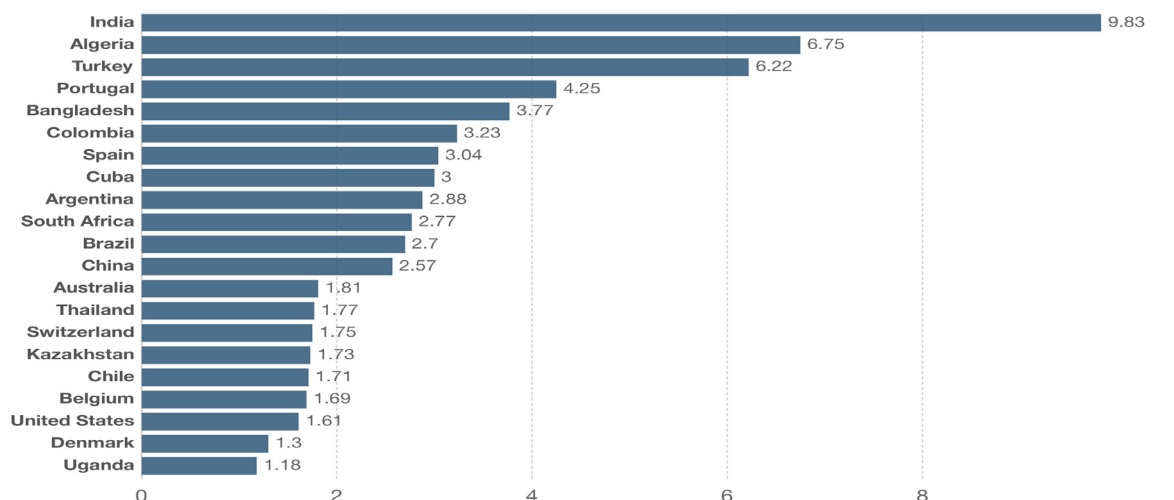
This makes them comparatively more vulnerable in times of crises like COVID 19. As per the data released by the Centre for Monitoring Indian Economy, in the month of

February 2020, the overall unemployment rate was 7%, with a segregation of 6% for men and 18% for women. However, post the commencement of the lockdown, the rate of unemployment reached 23% in March 2020 to April 2020, within which the share of unemployed women was significantly high. There was a marked rise in domestic violence and in time spent on unpaid(domestic) work when the lockdown was imposed. As the work from home and online schooling culture is becoming the new normal, the burden of unpaid domestic work can push working women to drop out of work. As per the Organisation for Economic Co-operation and Development ("OECD"), Indian women spend around 360 minutes per day on unpaid domestic work as compared to the 36 minutes spent by men on the same . In this regard, India is at the highest point of the spectrum, where women work nearly 10 times more than men in unpaid services provided within the household, which goes uncounted and unrecognized. Limited access to digital technologies and lower rates of information technology (IT) skills further reduce women's opportunities for teleworking

Female-to-male ratio of time devoted to unpaid care work, 2014

Female to male ratio of time devoted to unpaid care work. Unpaid care work refers to all unpaid services provided within a household for its members, including care of persons, housework and voluntary community work.

Our World
in Data



Source: OECD Gender, Institutions and Development Database (2014)

OurWorldInData.org/women-in-the-labor-force-determinants/ • CC BY

Source: OECD Gender, Institutions and Databases

Figure: Female-Male Ratio of time devoted to unpaid care work in countries

and e-commerce, and thus for adapting to the current crisis. In terms of global numbers, the female-male ratio of time devoted to unpaid care work remains highest in India and stands at 9.83 which is far greater than growing and developing economies like South Africa, Brazil and Argentina. The ratio remains low for developed countries which offer better employment opportunities for their female labour force. This low ratio can be attributed to better education and skill levels of females in developed countries.

With migrant labourers returning home owing to lockdown and job uncertainty, the competition for jobs in rural areas is more likely to increase. There is a heightened chance of the male migrant labourers replacing women in those jobs. As per a World Value Survey, 52% of Indians agree that when job opportunities are scarce, it should be given to men (25% refrain from giving their opinion). Further, 40% Indian women, when asked whether they should take up a job, be a caregiver at home or do both, themselves

believe, due to social norms and conditioning, that, they should only care for their families.

ABOUT THE SURVEY

From the street vendors and domestic workers to subsistence farmers and seasonal agriculture workers, women make up a disproportionate percentage of workers in the informal sector. In India, it is estimated that nearly 94% of all women workers are engaged in the informal sector, of which around 20 percent work in the urban centres. Majority of women workers in the informal sector come from poor families where they are the sole supporters of their families as well. These women workers are likely to be among the most affected on account of the COVID-19 and the subsequent economic slump that it triggered. Even though the businesses have started reopening again, there is still a significant rallying by governments, policymakers and health professionals for social distancing and maintenance of hygiene. The “Indian elephant” looks to move slowly

yet surely again. However, we have to closely monitor the path through which the women workers can also reach an economic parity.

While the large enterprises and corporates were able to stay afloat, the daily wage women workers or the female workers engaged in value addition or finishing of products suffered a major loss in their livelihoods, as the markets remained inaccessible due to the lockdown. For example, according to estimates, more than 400000 “Chikan-embroidery” workers in Lucknow were out of work since the first week of March and many of them are still affected because many businesses are operating only with a limited staff. Agriculture workers were hit severely as they were unable to bring their produce to the markets and the larger traders had stopped coming to them. The worst hit sector from this was the vegetable vendors. Since their products are perishable in nature, they faced huge losses and if at all they were able to sell their vegetables, they were often at a negligible price. With lockdown restrictions lifted, these sectors have shown signs of recovery.

In order to understand the economic impact of covid on women workers, FLO developed survey questionnaires and conducted surveys in the following sectors to find the impact on Covid19 and lockdown on livelihoods of women and women entrepreneurs in the following sectors:

1. Handloom
2. Handicraft
3. Agriculture and allied activities
4. MSME & SMB
5. Tourism

The purpose of the surveys was to understand the:

1. Status of women and their livelihoods
2. Challenges faced
3. Interventions required post lockdown
4. Cluster Development

Data Collection was done across various states where FLO is present with a minimum sample size of 4424 women across all sectors. FLO closely monitored the process, reviewed the responses received, and coordinated with FLO state chapters to identify and obtain necessary linkages/contacts in different states. The number of respondents in each state and sector varied based on the prominence of a particular sector in a given state, information available from FLO Chapters and other sources on women entrepreneurs, and challenges faced in reaching out and interacting with target respondents owing to pandemic and lockdown related challenges. The MSME department and State Rural Livelihood Mission in each state were also approached and available public information was also reviewed to get an overview of the women owned enterprises. Attempts to cover both the formal and the informal sectors were made

The primary mode of survey was telephonic interviews as there were travel restrictions imposed due to COVID-19. Snowballing technique was used to reach out to respondents. However, a few personnel/ in-person interviews were conducted particularly with those women entrepreneurs who were in the informal sector. The survey instrument were the questionnaires prepared by FLO for the purpose. The questionnaires captured the major challenges faced by women entrepreneurs in different states and sectors.

HIGHLIGHTS FROM THE SURVEY

1. The sample size of the survey was 4424 and the percentage of female labour force employed in various sectors closely resembled the national average. Largest number of females from the sample were employed in agriculture followed by Micro, Small and Medium Enterprises (MSME) and Tourism.

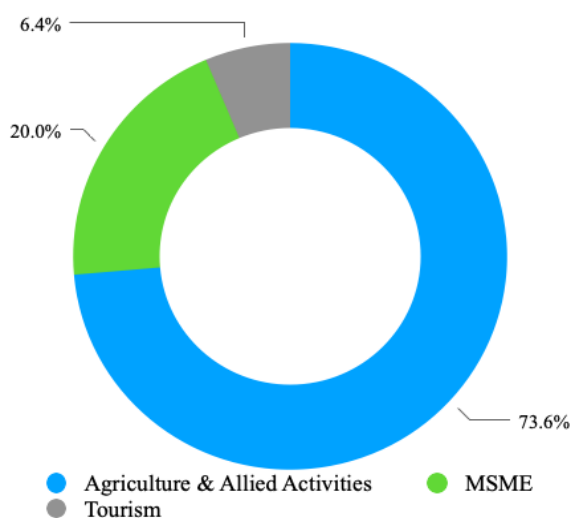


Figure: Employment by percentage in various sectors

Agriculture

2. In terms of asset ownership, only 390 women in the agriculture sector had their own land, while 173 women farmers were working on rented lands. The remaining number of females worked on a family owned land or farm which was usually owned by the male member of the family. Percentage of female owned agricultural lands were low in large agrarian states like Madhya Pradesh, Uttar Pradesh and Punjab. Out of all the states that were covered by the survey, Punjab and West Bengal were worse off in terms of land owned by females. In comparison with the Northern States, the Southern States of Karnataka and Tamil Nadu did well in terms of land owned by females. Even

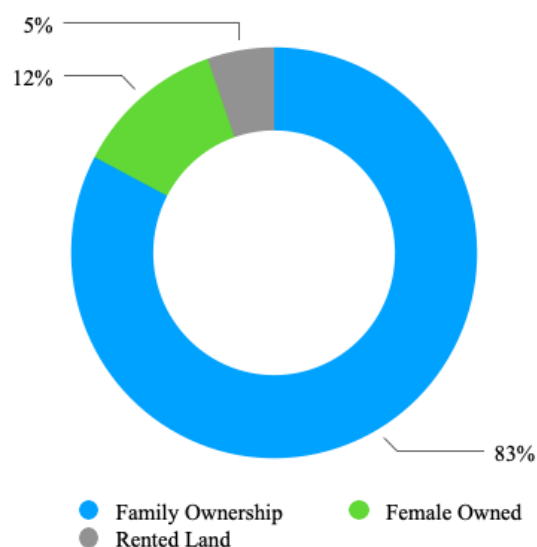


Figure: Agricultural Land Holding Patterns

the Northeastern states were better off in terms of female owned agricultural land. This was in line with the national statistics, according to which Meghalaya and Arunachal Pradesh had the highest percentage of female owned agricultural land.

3. Similar to the agriculture census 2018, the FLO survey also highlights that the majority of female farmers in India also had small land holdings. The land holdings patterns have significantly fallen over the years. The average holding size in 1970-71 was 2.28 hectares(Ha) which fell down to 1.08 Ha in 2015-16. The demographic pressure has pushed down the average cultivable land size in India. NITI Aayog has been vocal about implementing a legal framework to consolidate these land holdings. We classified the land holdings in three categories: small (<1 hectare), medium (1-4 hectare) and large (4-10 hectare). 2812 female farmers had small land holdings which accounted for 86.3%. Such a huge percentage of female farmers having small land holdings highlights the fact that the business potential of these farms haven't been harnessed.

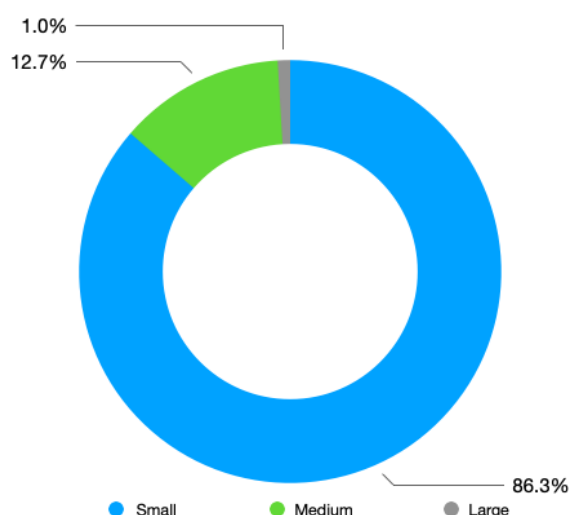


Figure: Size of Agricultural Land Holdings in India

Small land holdings hinder income augmenting activities on farms like pursuing plantations or making investments in wells, tube wells or advanced irrigation facilities. Such hindrances contribute to low productivity of agriculture. Further, the investment continues to fall in rural areas as farmers find it difficult to dispose of their land to institutions which would work for land aggregation. In addition to that, small land holdings also restrict the development of infrastructure like road, water supply and electricity in areas where small subdivisions are distributed over the entire area.

4. In terms of credit borrowing, 61% of female farmers preferred institutional financial borrowing as opposed to 36% female farmers meeting their credit requirement through non-institutional sources like relatives and money lenders. The remaining 3% met their credit requirement through both institutional and non-institutional source

It was noted that the majority of female farmers opting for non-institutional borrowing were the small and marginal

farmers or the ones who didn't have their own land. The survey noted that the reason for non-institutional borrowing could be: (i) inability of landless female farmers to provide collateral security ii) poor credit rating of small and marginal farmers, and (ii) involvement in unviable subsistence agriculture. Further, the share of agricultural credit going to the agriculture allied activities was very low and contributed a meager 7% credit.

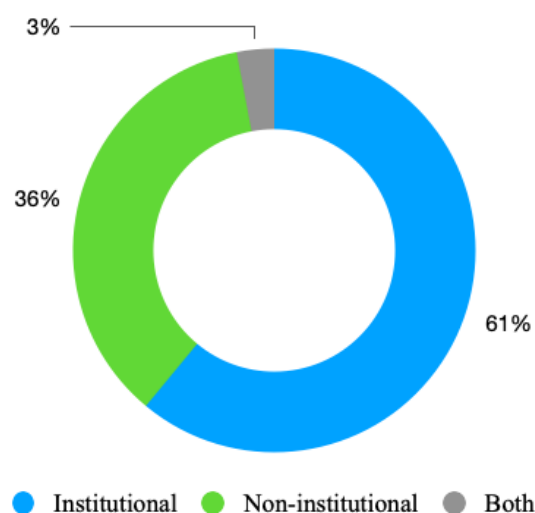


Figure: Credit Source

Amongst the institutional lending, the Scheduled Commercial Banks (SCBs) contributed a major share (77%) in agricultural and allied credit. The co-operative institutions contributed to 18% of the agricultural credit while the remaining 5% was contributed by Regional Rural Banks (RRBs). Amongst the states surveyed, RRBs have significant presence in states like Himachal Pradesh and Uttar Pradesh where they provide 10% agriculture credit. The co-operatives play a significant role in providing agricultural credit in states like Odisha (46%), Maharashtra (31%), Madhya Pradesh (27%) and Karnataka (22%).

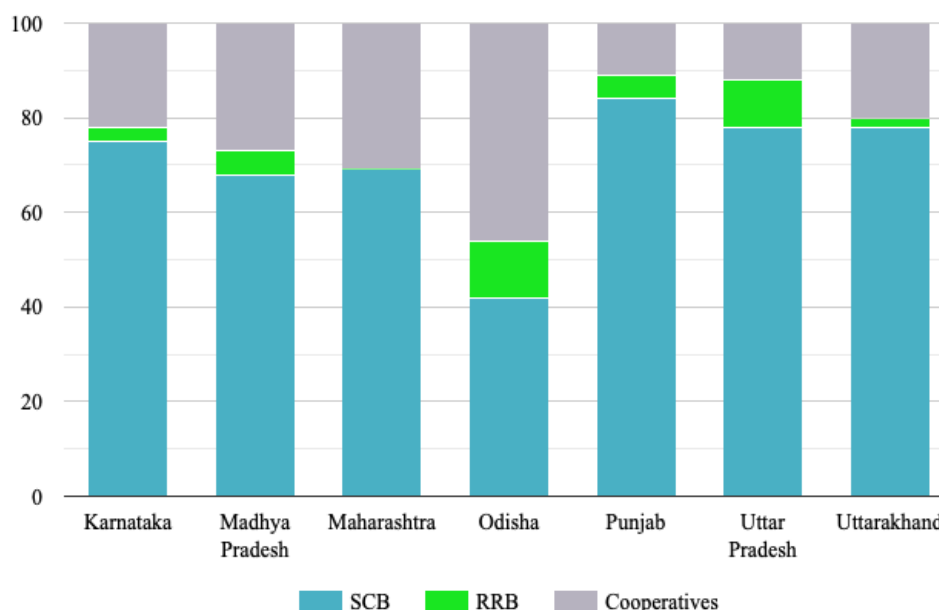


Figure: State Wise percentage share of institutional sources in providing agricultural credit

5. Before the survey, we conducted a pilot study to understand and identify the challenges that female farmers could face. Based on various studies and our own pilot, we identified the following challenges: 1. Further increasing Covid-19 cases 2. Lack of Knowledge to cope up with the pandemic, 3. Lack of capital to carry forward the agricultural activity, 4. Transportation and communication challenges and 5. Added family responsibility. In order to know the views of the respondents, they were asked to rank these challenges according to their situations. In order to analyse the ranking, we created a relative importance index which showed what challenges the female farmers faced the most. It didn't come as a surprise that the highest rating was given to the challenge of added family responsibility. As suggested by previous results too, the female farmers often constitute "missing numbers" in agriculture where there are less female headed holdings along with women often getting involved in unpaid care work. With

labourers migrating back to their native lands during the lockdown, a majority of the females (75%) were pushed back into the household care economy.

Further, the challenge of lack of capital to resume agricultural activity hurt a significant number of female farmers too. With 80% of them suffering major income loss, especially the small and marginal farmers who were dependent on agriculture entirely.

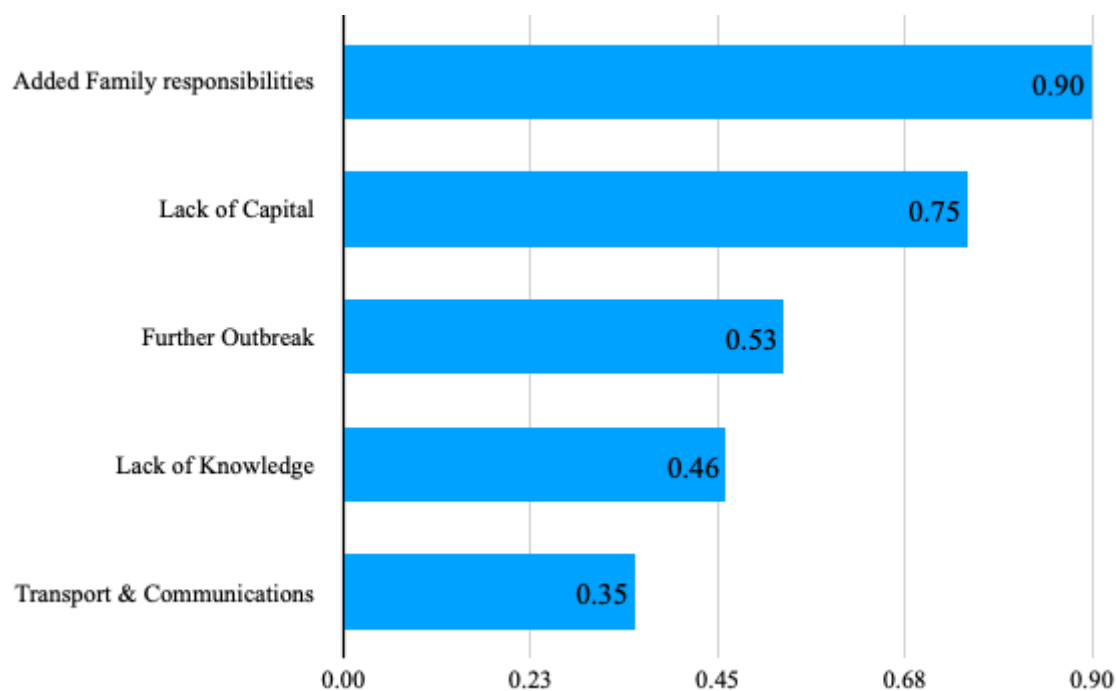


Figure: Relative importance index of challenges faced

Medium, Small and Micro Enterprises (MSME)

Termed as the “new age catalyst” for the Indian Economy, the MSME have largely contributed to the growth curve of the Indian Economy over the past decade. The MSME sector has added strength to India’s resilience to ward off various global economic slowdowns and shocks. The MSME sector contributed significantly in the manufacturing of PPE kits, making India the second largest manufacturer of PPE kits in the world. The MSME sector accounts for 31% of India’s GDP and 45% of our country’s exports. Estimates suggest that there are nearly 55.8 million MSMEs in the country which employ close to 130 million people. While only 12% of the MSMEs in India are women owned, they are mainly in the informal sector and are often not covered under the government or public assistance programmes. According to one of the surveys conducted by the All India Manufacturers Organisation (AIMO), nearly

35% of MSMEs were about to shut down despite the financial packages announced by the centre, due to their inability to ward off the economic shocks generated due to Covid-19.

The Central Government has been decisive in designing the packages for the MSME sector and making it accessible to the people that the sector employs. Despite the country being troubled with a slow credit rate, disbursements for MSMEs under the Emergency Credit Line Guarantee Scheme (ECLGS) have been on the rise. Of the ₹ 2.03 lakh crore sanctioned under ECLGS, an amount of ₹ 1.48 lakh crore has been disbursed as of October, 2020. In addition to this, a new definition of MSME has been decided by the Government depending upon the broadened thresholds of amount of investment made with respect to (i) plant and machinery in case it undertakes manufacturing; or (ii) equipment in case it provides services. In addition to this existing investment conditionality, a new criterion for turnover has been introduced.

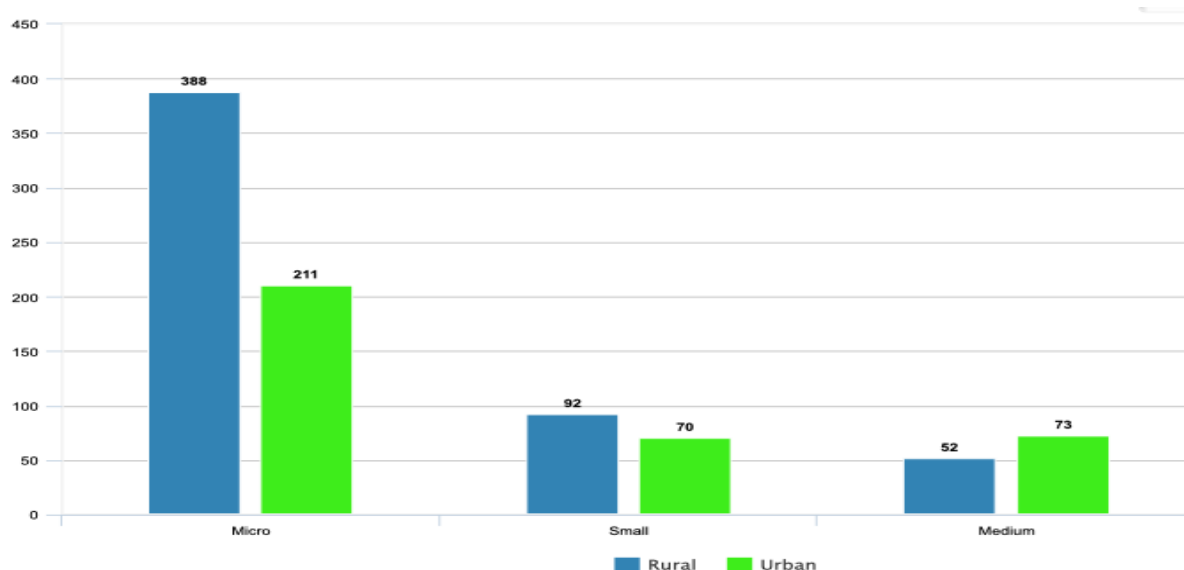


Figure: Urban-rural distribution of MSMEs

1. While MSMEs exist in both the urban and rural sector. The micro enterprises are more abundant in the rural areas. Also, MSMEs involved in the manufacturing sector also dominate the rural landscape more prominently. According to the FLO survey, 67% of the units surveyed were micro enterprises, with the majority of them being in the rural areas. The small enterprises had near about equal distribution in rural and urban areas. While 56% small enterprises were in rural areas, the other 44% were in the urban areas. Of the surveyed enterprises, only 14% were in medium category.

In terms of employment generation, medium enterprises seem to provide maximum employment. On an average the medium enterprises in urban areas employ 29 people as compared to rural medium enterprises employing an average of 60 people.

2. While the sub classification of MSME is really wide to cover various nature of enterprises, for the survey we divided it into: a. Manufacturing, b. Services, c. Textiles, d. Mineral Based Industry, e.

Wellness and Cosmetic. One significant observation was the fact that nearly 43% of the females were not registered as MSME units. This highlights the precarious situation where the women work in groups without being registered as MSME units and are unavailable to avail the benefits of various government opportunities. These unregistered enterprises constitute the “missing majority” in MSME and the informal nature of their economic activity is associated with low levels of economic development and poverty.

The survey found 505 registered MSME units. Textiles, which included handloom, handicraft and associated activities as well engaged the maximum female labour force followed by the Mineral Based Industry which included metal art, clay art, etc. It was also observed that women’s engagement in these sectors was at low skill levels and a very small portion of them engaged in value addition services. Such linkages induce low productivity levels, lower quality jobs and lower income levels too.

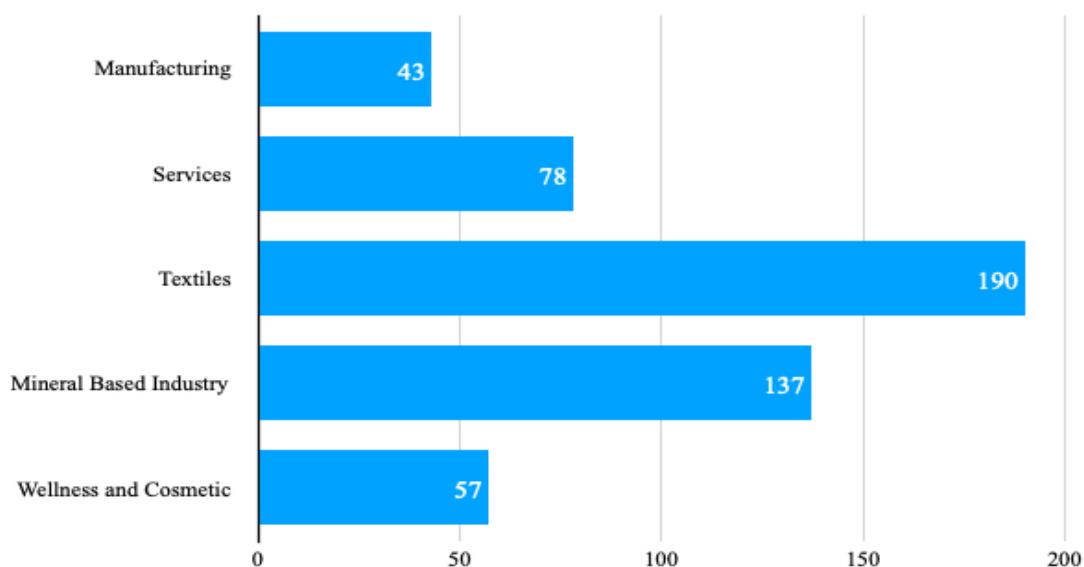


Figure: Nature of MSME Unit

- There was a wide gender gap in terms of ownership of the MSMEs as only 27% MSMEs were female owned. While this percentage is slightly better than the national average which stands at 20% of female owned MSMEs, yet it reiterates the existence of gender disparities in the MSME sector as well. Further, it was observed that the nature of ownership is disproportionately skewed towards sole proprietorship as 80% of the female owned businesses were registered as sole proprietorship businesses. This

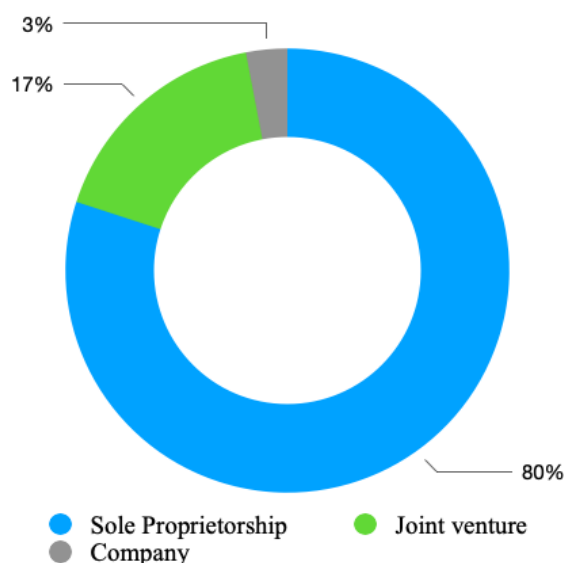


Figure: Ownership pattern of MSMEs

can be attributed to the simplicity attached with the establishment of sole proprietorship business. 17% of the businesses were registered as partnerships or joint ventures while only 3% of businesses were registered as companies. It was also observed that the company form of ownership only existed in medium scale enterprises and were completely absent in micro and small scale enterprises. The underlying reason for this finding were the complexities associated with the establishment of a company form of enterprise.

- The surveyed MSMEs showed a higher percentage (78.3%) of enterprises opting to self finance their businesses. Nearly 97% of the micro enterprises were self financed. Only 12.4% of the females used institutional financial credit line to finance their businesses. 6.5% female enterprises were financed by non institutional borrowing while the remaining 2.8% would use any or a combination of the above mentioned options. Even though female account holders in the country have increased steadily after the

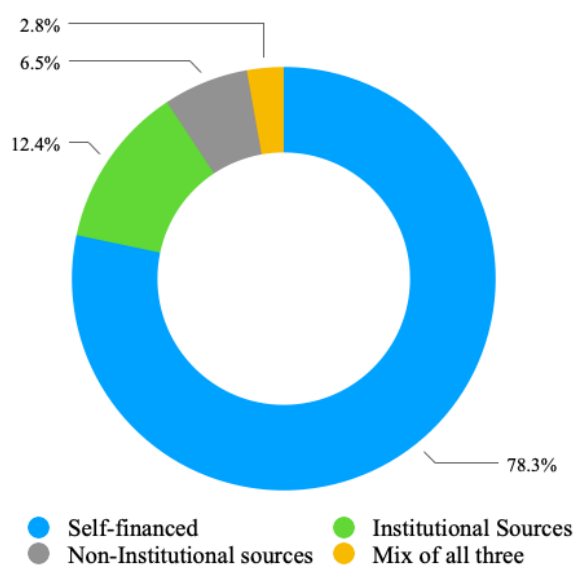


Figure: Source of Credit

implementation of the Pradhan Mantri Jan Dhan Yojana, women face financial exclusion in forms of dormant accounts or proxy accounts operated by their husbands. The micro enterprises were the worst hit enterprises, owing to the informality associated with their economic activity along with their dormant or proxy accounts coupled with low levels of financial literacy. The survey highlighted another problem which was the fact that only 23% of the surveyed MSME units

availed the credit under the Emergency Credit Line Guarantee Scheme. It was majorly the medium enterprises along with a few small enterprises.

5. Pilot studies conducted by FLO highlighted multiple challenges that the MSMEs faced due to the ongoing Covid-19 crisis and the economic shock associated with it. The challenges were grouped into broad aspects like: 1. Insufficient Demand, 2. Difficulty in Accessing Raw Materials, 3. Difficulty in Marketing of the Products, 4. Inaccessibility of Open Markets for Sale, 5. Delayed payment from clients, 6. Transportation issue, 7. Lack of Capital. A recent survey conducted by the All India Manufacturers Organisation (AIMO) highlighted the fact that over 35% of MSMEs and 37% of organisations with self employed people would shut down their operations despite the financial packages announced by the Government. The pandemic disrupted the MSMEs and impacted their cash cycles pushing them into precarious situations of suspended operations, credit crunch, etc.

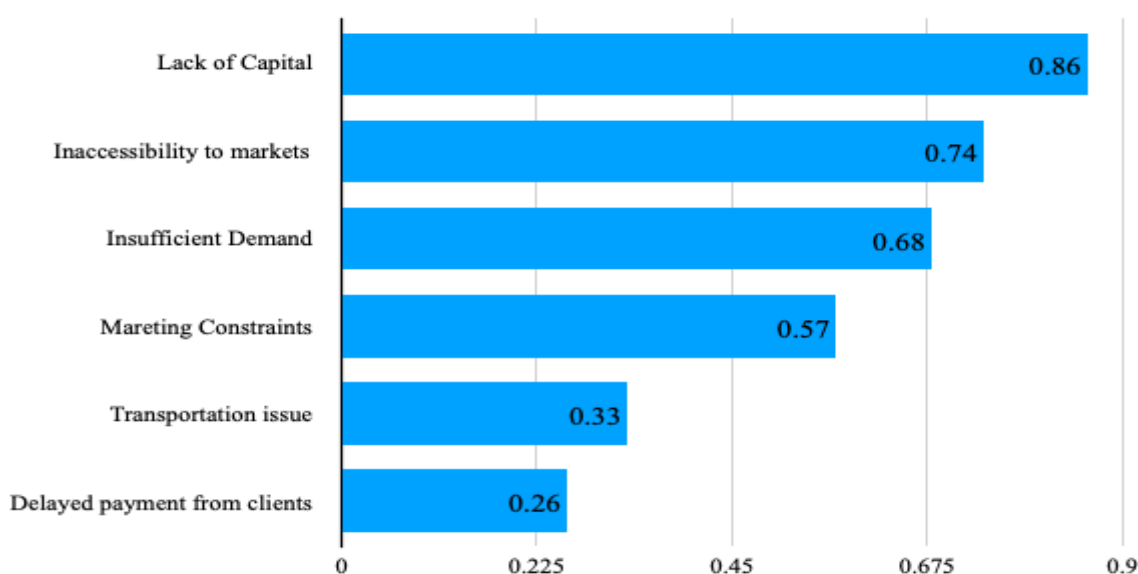


Figure: Relative Important Index of Challenges Faced

A relative importance index was used to assess the views of females on the challenges that would most likely affect their enterprises during and/or after the Covid-19. The highest rating index suggested that the MSME units would most likely be hit by the problem of credit crunch, the worst hit enterprises were the micro and small units. The survey highlighted the trend of increasing fear amongst the businesses owing to challenges faced by insufficient demand for their services and/or products along with inaccessibility to markets for sale. Further, lower ratings to logistics challenges suggest that these would moderately affect the businesses.

Tourism

Going by the numbers given by the World Travel Tourism Council, the tourism sector is estimated to provide 330 million jobs globally while contributing to 10.3% of the global GDP. The growth in the tourism sector leaped ahead of the growth in the global economy, the former grew at 3.5% against the latter's 2.5%. Tourism is a key sector which enables the world to achieve the commitments under the 2030 Agenda for Sustainable Development which includes gender equality, women empowerment and better leadership opportunities for females. The global numbers suggest that tourism is one of the sectors which has the highest percentage of female employment. With approximately

54% females being employed in the tourism sector, the tourism sector asserts its unique characteristics in overcoming various bottlenecks that women face in other sectors. The sector is less focussed on formal education and training and lays more emphasis on personal and hospitality skills. It doesn't have entry level challenges like the requirement for a heavy startup financing and also provides diverse and dynamic entrepreneurial opportunities for the females.

The Indian numbers in terms of female participation in tourism are not promising. While the women's share in tourism has grown in most emerging economies, India still lags behind. The "Travel & Tourism: Driving Women's Success" report by the World Travel

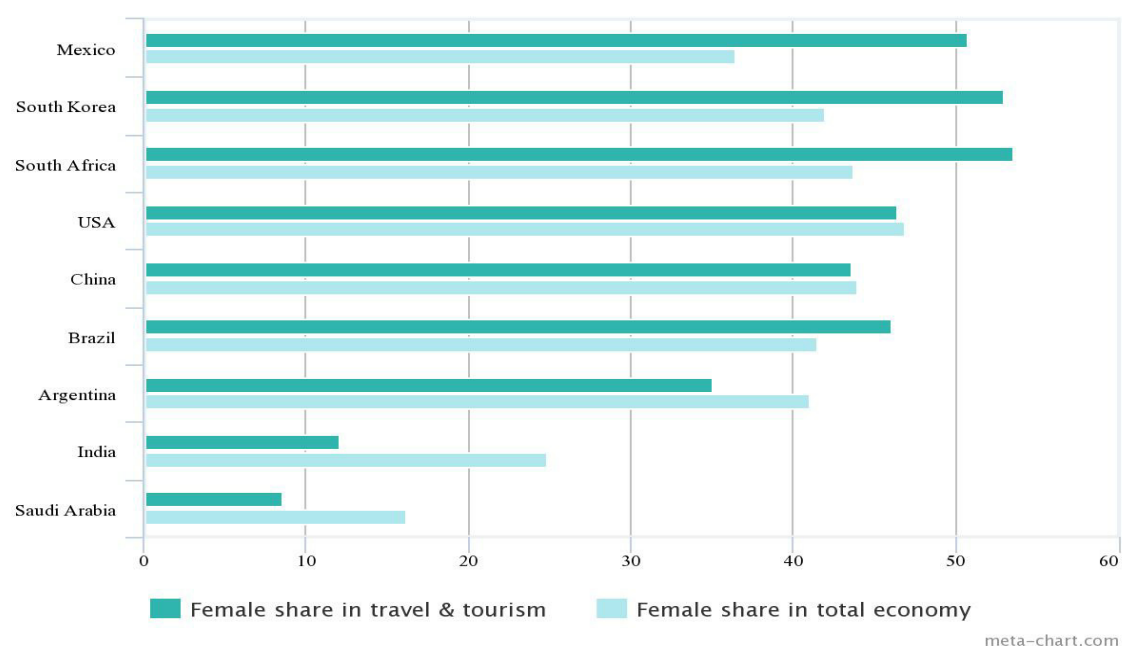


Figure: Women share in tourism vs Female share in total economy

& Tourism Council suggests that In India, the female share of employment in tourism significantly trails that of the total economy, 12.1% vs 24.8%.

According to the report, the difference between the female share of employment in Tourism and the overall economy was highest in Mexico (50.8% vs 36.4%), followed by South Korea (53.0% v 42.0%) and South Africa (53.6 vs 43.7). Both the USA and China's women's share in the sector's employment is in line with the overall economy, which further contributes to the success of their tourism sector. In India, the females in the Tourism sector constitute a major percentage of the sector's "missing numbers". This is due to the absence of females directly engaged in the tourism sector. The females in Indian Tourism are either replacing their male members or they engage in shops of various kinds as workers. Their involvement in the hospitality business, guiding tourists and managing projects is very low. Even with their limited involvement in these services, they are usually stuck at the low entry level jobs.

1. The tourism industry in India is human resource intensive and involves various communities, enterprises and establishments working together in the value chain. An important observation about the Indian tourism sector is its dependency on people engaged in the unorganised sector in India. According to our survey, we found out different layers of female workforce in the tourism industry.

The sectoral division showed that nearly a comparable percentage of females are employed in each of the sectors but a closer look highlights multiple problematic trends. It can be observed that the broad participation of females in the tourism sector happens in two forms:

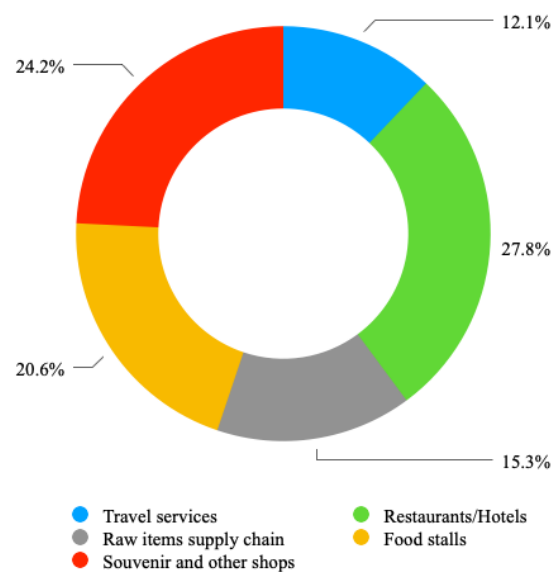


Figure: Female workforce percentage by sectors in tourism

1. Participation in tourism related services (Travel and Restaurant/Hotels Businesses) and 2. Participation in market products, which is further divided in durables (Souvenir/Gift shops) and Consumables (Raw material supply chain and food stalls). The smallest percentage of females were involved in tourism services, which is one of the sub sectors within the tourism sector which offers entrepreneurial opportunities (the other sub sector is restaurant/hotel business). Nearly all of the females engaged in the travel services worked as tour guides, however, 79.4% of such females were temporary or contractual workers in this field, majority of them being in the urban sectors. The remaining 20.6% were permanent workers, however the majority of them were in the rural or urban-rural tourist spots. Even though the highest percentage of female workers (27.8%) were engaged in the restaurant/hotels business, their involvement was in contractual or casual economic activities which are often confined to stereotypical gender roles like cooking, cleaning and caregiving.

Souvenir and other kinds of shops had the second highest percentage of female employment which stood at 24.2%. The food stalls (20.6%) and raw items supply chain (15.3%) had a combined female participation of 35.9%. When clubbed together, this becomes the sector with the highest female participation, however, this sector is flooded with various problems since this involves the sale of consumables. Besides being dependent on the volume of tourist footfall, the durables have a smaller shelf life which hurts the businesses even more in case of demand disruptions. This sector sees the participation of women in the form of vendors and artisans and they often come from traditional occupations of agricultural and allied activities which offer low income opportunities.

2. In terms of ownership, only 37% of the businesses were female owned. In terms of sub sectoral analysis, the highest percentage of female owned businesses were food related businesses (72.4%), followed by shops (63.2%) which was followed by restaurants/hotels businesses (34.6%). However, the worrying trend was the absence of female owned businesses in travel services and in suppliers of raw materials for various tourism related markets.

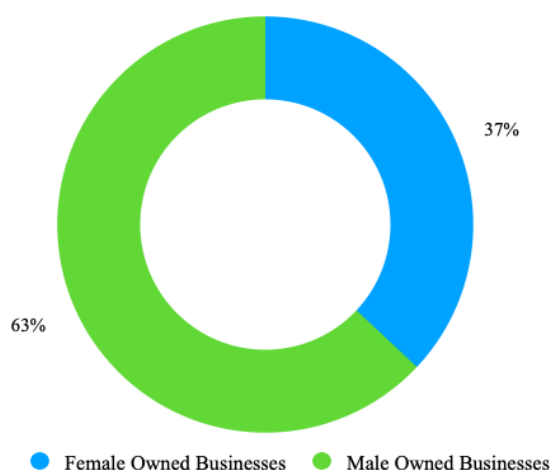


Figure: Percentage of female-owned businesses

3. The entire sector faced a significant fall in the revenues generated which caused the fall of income for the workers engaged in the sector. According to the “Covid-19 and Tourism: Assessing the Economic Consequences” report by UNCTAD, the low skilled workers faced the threat of unemployment due to the fall of “traveller’s expenditure on accommodation, food, recreation and other services”. This is one of the major problems that has been faced by the Indian tourism sector. Majority of the females employed in the sector are low skilled workers who faced a significant loss in their income and many of them were also unemployed. While the female owned businesses were able to ward off this issue, the other surveyed businesses suffered huge losses of employment due to the pandemic.

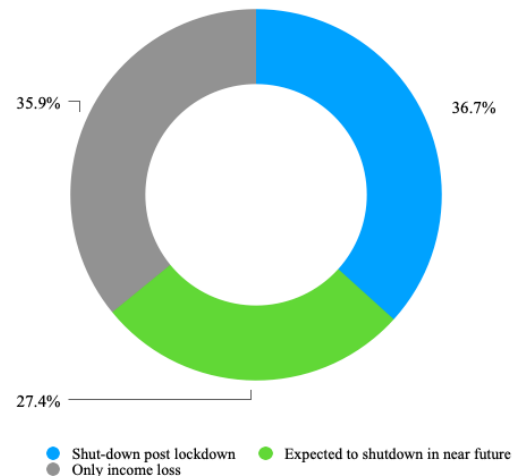


Figure: Percentage of businesses shutdowns due to Covid-19

POLICY RECOMMENDATIONS

The head of WHO Emergencies programme, Dr. Mike Ryan, has warned that COVID-19 is neither the last nor the most severe pandemic and that more severe pandemics can be expected in near future. It is, thus, important to remember the lessons learned from the prevailing pandemic in order to minimise the blow of future pandemics, especially for the marginalized and most vulnerable sections of society. The present economic crisis is 3 times as bad as the 2008 financial crisis. According to the IMF, the global economy grew at 3% in 2008 whereas in 2020 it grew at -4.4%. The impact hasn't been uniform and has been more severe for Low Income groups(hence the Migrant crisis in India) and marginalized sections(women, elderly etc). The focus of this report has been one such marginalized section- women. This has been done to know the causal factors of higher vulnerability of women to ease the impact of present pandemic as well as to reduce the vulnerability in future pandemics.

Following policies have been recommended based on the gendered and sectoral study of impact of COVID -

MSME

According to the survey and our background study, the underlying challenges in the MSME sector are:

1. Majority of MSME units with female employment were micro units. The rural areas are dominated by micro units.
2. There is a gender gap in terms of ownership in MSMEs. According to the survey, only 27% of MSMEs were female owned.
3. Lots of women work in economic units without registering under MSME due to



lack of awareness about the registration process and miss out on availing social benefits and accessing institutional credit line

4. Engagement of women in low level skill jobs

These challenges are not airtight and they cannot be targeted with singular policy measures. For instance, the lack of women's ability to deal well with complexities is one of the reasons for lack of registration of MSME units and also lack of access to institutional credit. However, the lack of access to institutional credit is also related to poor financial literacy of women. Similarly, engagement of women in low level skill jobs make them more vulnerable to job losses due to economic disruptions while it also limits their income augmentation opportunities.

In order to overcome these challenges, the policies should focus on the linkages between these challenges while also focussing on the implementation of existing programmes.

A. Increase registrations of female centric economic units into MSME:

The government has eased out the registrations of new MSMEs and their classification under the Udyam registration portal. The new process is completely paperless and based on self declaration. This is an important move which would incentivise female centric economic units to register themselves as MSME units without going through the complexities of managing multiple documents and registrations. They would benefit from the single window system at Champions Control which facilitates the registration process across India. This would have positive impacts in the form of:

1. Identifying women owned MSMEs as beneficiaries of various schemes like collateral free credit, subordinate debts for distressed MSMEs ,etc and pass on their benefits to them directly without any spillovers
2. It will also solve the problem of lack of capital faced by various MSMEs due to the disruptions caused by the pandemic by allowing them to access institutional credit under schemes like Emergency Credit Line Guarantee Scheme.

B. Improve Financial Literacy and Technological Skills of Women: [Financial Awareness Messages (FAME) By Reserve Bank of India (RBI) and National Strategy for Financial Inclusion (NSFE) by National Centre for Financial Education (NCFE)]

With the recent mode of businesses and registration processes shifting to digital mode, women are the worst affected. According to the 2019 survey conducted by the National Centre for Financial Education, 80% of the

women are financially illiterate. Their low income levels and informal nature of economic activity doesn't incentivise them to acquire financial and technical understanding.

It is important to focus on this aspect to ensure that the females could directly benefit from the convergence of schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY). While the PMJDY has reduced the gender gap in account ownership through its supply side efforts, the lack of efforts on the demand side has created problems of female accounts being reduced to proxy accounts (used by male members) or not being used at all.

In this regard the components of National Strategy for Financial Education (NSFE) can be utilised, which are:

1. Basic financial education of women to help them understand the importance of savings, staying clear of bad loans and understanding value of money, etc
2. Sector Specific Financial Education to help them understand the " what of financial services" sector wise along with grievance redressal
3. Process Education through which the women can learn the usage of formal financial services along with ATM usage and digital payments.

Finally, the working of Financial Literacy and Counselling Centres (FLCCs) set up by leading banks of a district can be improved by linking them with NSFE and/or FAME.

C. Creating an enabling environment for micro units :

The disproportionate percentage of high number of micro units in the MSME sector which is considered as "the new age" catalyst of the Indian economy is a worrisome fact. Even after years of existence, the micro units have not been able

to overcome challenges related to absolute scarcity of raw materials which is further worsened during times of economic disruptions.

Thus, it is important to create links to link these micro units with the Agriculture and allied sectors. The agriculture and allied sectors can solve the challenge of scarcity of raw materials while benefiting from MSME's potential of being a job creator which can provide opportunities to the "underemployed labour" of the agricultural sector. MSME's can further promote interventions to develop the capacity of small scale farmers and agriculture focussed SMEs.



AGRICULTURE

According to the survey and our background study, the underlying challenges in the agriculture sector are:

1. Low asset ownership of female farmers
2. Small land holdings among female farmers
3. High prevalence of non institutional borrowing among female farmers especially small and marginal ones
4. Added unpaid care and household responsibility

5. Lack of capital to resume agricultural activity

The study revealed that only 390 women (out of 3256) had their own land and 173 worked on rented land. This meant that the majority of the female farmers were engaged as unpaid helpers on family farms leaving them with little or no savings for times of crises. The problem of low asset ownership was heightened by the fact that most of the female farmers had small land holdings (less than 1 ha). Both these challenges combined resulted in hindrance to investment in machines, infrastructure and led to low productivity (hence low incomes

and high vulnerability) due to absence of economies of scale. The high prevalence of non institutional borrowing especially among small and marginal farmers(worst affected by the pandemic) reflected that credit schemes introduced amidst the pandemic to ease the impact may not reach intended beneficiaries owing to borrowing patterns. This further fed into the lack of capital to resume agricultural activity which was ranked second in terms of relative importance of challenges by the respondents.

A. Improve financial literacy to increase penetration of institutional credit:

The survey conducted by us reiterated the problem of poor penetration of institutional credit in agriculture with female farmers being worse off than their male counterparts. Even though the percentage of institutional credit has improved over the years, the gendered disparities are a worrisome sign. The lack of financial literacy amongst the female farmers keeps them from availing the benefits of institutional credit along with various government schemes as well.

1. In this regard, the states need to push for efficient delivery systems to improve institutional credit delivery through technological driven solutions to reduce the financial exclusion of female farmers. This should also be supplemented with vocational skills of female farmers on a larger scale to improve their financial literacy along with the technical know-how.
2. Women are much more likely to feel agency over how to use funds when the money arrives in their accounts directly. That's why campaigns and

messaging around G2P disbursements should strongly identify and provide support specific to women. At a minimum, funds should be delivered to women's own mobile wallet or bank account.

B. Improving productivity through economies of scale:

Most of the female farmers are small and marginal farmers. This, along with low penetration of institutional credit, prevents them from investing in machinery and infrastructure which leads to low productivity and hence lower incomes, forming a vicious cycle. While increasing the size of land holdings requires land reforms and hence is a long drawn process, short term interventions include providing capital to SHGs, loaning of machinery to farm clusters to divide the cost etc.

Mahila Kisan Sashaktikaran Pariyojana (MKSP) , The Department of Agriculture Cooperation and Farmers Welfare have been providing additional support and assistance to female farmers, over and above the male farmers under various Schemes namely Agri-Clinic & Agri-Business Centre (ACABC), Integrated Schemes of Agricultural Marketing (ISAM), Sub-Mission of Agricultural Mechanization (SMAM) and National Food Security Mission (NFSM). Further, schemes like Agri-Clinic & Agri-Business Centre (ACABC), Integrated Schemes of Agricultural Marketing (ISAM), Sub-Mission of Agricultural Mechanization (SMAM) and National Food Security Mission (NFSM) have provided additional support and assistance to female farmers, over and above the male farmers.

C. Making the urban informal sector more resilient to shocks:

The migrant crisis was a result of lack of resilience of the urban informal sector to absorb shocks. While women employed in urban areas have regular jobs, they are not formal jobs. This means that there is no safety net or income security to fall back on in times of crises except going back to their villages and depending on agriculture. This not only increases disguised unemployment but also increases the competition for MGNREGS jobs. Given the social norms, these jobs are most likely to be taken up by their male counterparts and the same was reiterated by a World Value Survey, according to which, 52% of Indians agree that when job opportunities are scarce, it should be given to men (25% refrain from giving their opinion). Further, 40% Indian women, when asked whether they should take up a job, be a caregiver at home or do both, themselves believe, due to social norms and conditioning, that they should only care for their families.

The code on Social Security Bill 2020 and the Occupational Safety, Health and Working Conditions Code Bill 2020 is a significant step to make the informal workers resilient to shocks by expanding the social security net rather than blanket formalisation which would have led to rising costs of unemployment.

D. Linking female farmers to agricultural value chains:

Such a linkage to agricultural value chains from production all the way to processing and marketing, helps make traditional farming more productive and commercially viable. These inclusive value chains also offer opportunities for employment for females.

1. Flagship schemes of the Ministry of Agriculture and Farmer Welfare in areas of food security, agricultural mechanisation, organic farming, marketing storage, etc. should effectively provide for structural, functional and institutional measures to empower women farmers.
2. There women farmers should be covered under skilling programmes which would allow them to overcome the constraints faced while entering management roles in rural markets and consequent inability to access private sector organised markets. These skilling programmes should also include post harvest management skills as well.
3. Self Help Groups can be involved in procurement and mandis to create a conducive environment for female farmers. The Self Help Groups can further create awareness on procurement grades and standards, analyse price trends, maintain inventories along with managing operations of women led Farmer Producer Organisations.



TOURISM

The main problems in the tourism sector were:

1. High degree of gender role stereotyping with women disproportionately concentrated in lower paid clerical and “care” related jobs
2. The lack of equal opportunities for women, particularly in decision-making processes have negatively affected the progress of tourism while it continuing to stall the advancement of women in the sector
3. Lack of women in managerial and entrepreneurial activities in the tourism sector along with disproportionate high numbers in gender stereotype jobs related to care economy\

4. Temporary nature of jobs in tourism services due to the involvement of women in part-time, informal, seasonal, agency and casual work

In order to design policy measures to overcome these challenges, it is important to understand the causes of these inequalities. Various studies have highlighted the fact that women are more likely than men to have childcare and other family care responsibilities, and suffer from information asymmetry, financial and technical constraints and have fewer assets which could be used as collateral. The survey found out that the employment in women majorly in gender role stereotyping jobs is due to the mobility, cultural and security concerns preventing females from being involved in diverse activities in the tourism sector. The policy recommendations have to create an environment for females within the sector which enables them to exist as equals to their male counterparts.

A. Measures to improve the employment of females in Tourism: These measures should strictly target the low percentage of women in tourism sector which currently stands at 12% in India while also enabling them to expand beyond the gender role stereotyping jobs. In this regard, following measures can be taken up:

1. The Government in collaboration with private sector must examine the wage, position and work segregation between men and women in tourism to identify the underlying causes of the gendered inequality observed
2. Providing training opportunities and skills to women which enables them to expand into segments and jobs with fewer women while also enabling them into positions of responsibility and leadership. In this regard, more women in tourism need to be covered by Government's Support to Training and Employment Programmes for Women (STEP).
3. The Government must support female entrepreneurs in gaining access to finance and information to scale up their operations. This would ensure more number of informal units converting into formal business units within the tourism sector

B. Measures to expand women's role beyond the gender role stereotype jobs: The survey found the majority of the women involved in low paid jobs which were informal in nature and offered limited opportunities for career progression. Despite the tourism sector having the potential to offer entrepreneurial opportunities, the women find it difficult to venture beyond

the gender role stereotype jobs like: hospitality, cleaning, etc.

1. The Government must focus on expanding and diversifying women's market access and fair trade for their tourism products and services while also supporting them to diversify their tourism products. This diversification would protect women against demand shocks which disrupt the tourism industry
2. The Government along with its agencies and in collaboration with the private sector should support female entrepreneurs in gaining access to finance and information to scale up their operations. This must be done with a special focus on expanding women's access to digital technologies, including digital tourism platforms.
3. Tourism linkages with agri business and retail sectors need to be strengthened which would increase women led businesses in tourism supply chains and tourism services.
4. Increase women's participation in the development of tourism plans, policies and products. This can be achieved by increasing female representation in tourist boards, destination marketing organisations and various tourism related institutions

WORK DONE BY FLO

1. FLO's Incubation cells have handheld women led young businesses with high growth potential and provided them with necessary guidance. The initiative has also created awareness about National Incubation Cells and helped many women led businesses with entrepreneurial skills to associate themselves with suitable incubation centres.
2. FLO's 3Cs (Competency, Capacity and Confidence) Initiative building through transformational life skills & Technical Education Adopt ITI Programme(AITIP) empowered women with technical tools and that knowledge to enable them to become economically independent. The initiative helped women overcome negative behavioral patterns, become self reliant and enable them to be more productive.

Under the initiative, FLO signed an MoU with the National Skill Development Corporation for empowering women through Skill Training in order to enhance their employability and create entrepreneurial opportunities for them. FLO and NSDC are working towards supporting short term training of women across MSME, agriculture and allied activities, healthcare, tourism, etc.

3. FLO's collaboration with Women on Wings (WOW) to increase livelihood opportunities and growth of women artisans. Under the collaboration, social enterprises working with women in sectors such as agriculture

and allied activities, eco-tourism, textiles and handicrafts, etc were identified and supported through various mentoring workshops.

4. FLO's and Travel Agents Association of India (TAAI) collaborating with Ministry of Tourism on the model of "Tourism as a Sustainable Livelihood Model for Women's Economic Empowerment". This initiative aimed at skilling women and empowering them through creation of job opportunities along with improved livelihood opportunities. The strategy of the initiative was to look at the systematic planning, skill enhancement and policy integration in the tourism sector to work towards the mission of creating sustainable livelihood for women's economic upliftment, empowering women to become self-sufficient and job creators from mere job seekers.
5. FLO's collaboration with Government eMarketplace (GeM) to enable women entrepreneurs, women led MSMEs, women self groups and women artisans to sell their products directly to various Government ministries, departments and institutions.
6. FLO's life skills training programme for women under which Personal Advancement and Career Enhancement (P.A.C.E) life skills training was conducted for 4500 women in Odisha in partnership with district administration of the areas and Hamara Bachpan Trust. The programme aimed at providing skills to underprivileged women and enable them to earn an independent living and provide a sustainable pathway

out of poverty. The thrust of the programme is to help women increase their business competitiveness through capacity-building training in entrepreneurial skills and business management, among other things.

7. FLO worked towards improving the financial literacy of females through its “Financial Literacy” workshops under the FLO learning series. In collaboration with the Hamara

Bachpan Trust, the workshops covered important aspects like financial planning, institutions for borrowing, importance of saving, investment, etc. These workshops were conducted through online mediums and radio programmes. The success of these workshops in Odisha, would allow us to conduct these workshops across various FLO chapters spread across the country

“ WHEN WOMEN COME
TOGETHER WITH A
COLLECTIVE INTENTION,
MAGIC HAPPENS.

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