

GENDER DIMENSIONS OF TRADE FACILITATION:
EVIDENCE FROM BANGLADESH, BHUTAN, INDIA,
NEPAL

Towards recovery: Women entrepreneurs coping with the pandemic

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Background

- ▶ **Gender Dimensions of Trade Facilitation: Evidence from Bangladesh, Bhutan, India, Nepal**
- ▶ Since 2018; led by CUTS International (India) with Bangladesh Women Chamber of Commerce and Industry (Bangladesh) and Bhutan Media and Communication Institute (Bhutan)
- ▶ **To identify existing barriers that inhibit women entrepreneurs' participation in international trade and trade-related activities**, and provide policy recommendations
- ▶ Later addition: survey of the COVID-19 pandemic on women entrepreneurs

About this survey

- ▶ **Examine the impact of the COVID-19 pandemic on the women entrepreneurs'** ability to do business
- ▶ Surveyed **25 entrepreneurs** (from Kathmandu and Surkhet; done in October-November 2020)
- ▶ **Limitations**
 - ▶ Small sample size
 - ▶ No control group for comparison
 - ▶ Only registered businesses surveyed
 - ▶ Does not include services sector

Impact on the economy

- ▶ Economic growth estimates for FY19/20 downgraded to **0.6%** (NPC, 2021) against the projected 8.5%; April 2020 estimate was **2.28%** (CBS, 2020)
- ▶ Nepal Rastra Bank's survey: **61% businesses were not operating** (July 2020), **9% not operating** (November 2020); businesses able to maintain 29% of productive capacity (July 2020), 50.5% of productive capacity (November 2020); the most impacted sectors are **mining and quarrying, real estate activities, accommodation services, wholesale and retail trade, education and manufacturing.**
- ▶ MoICS Survey: **10.8% enterprises not operating** (3/4th of these are micro enterprises; 54% of the surveyed firms reported productivity decline as much as 50%

Women entrepreneurship in Nepal

- ▶ Firms owned by women: **26.8%**
(247,880)
- ▶ Firms managed by women: **29.6%**
(273,436)

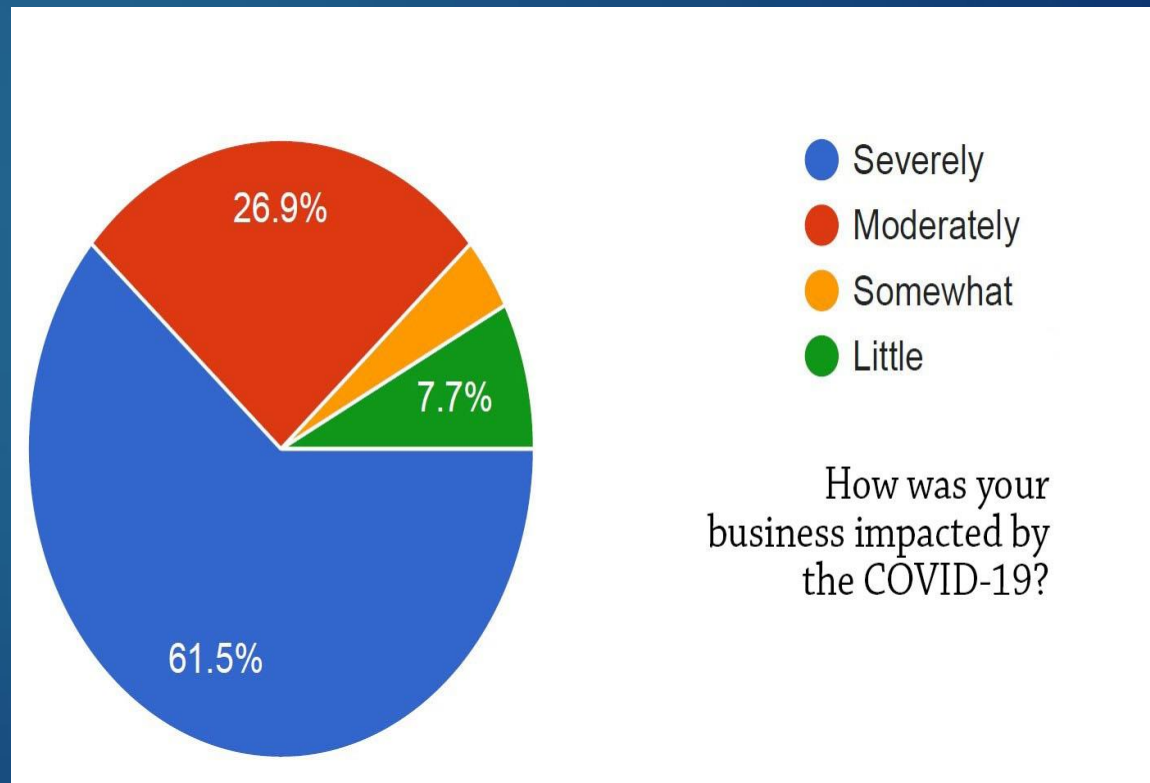
Major sectors*	Share of the sectors among women-owned enterprises*	Productive capacity utilization compared to before COVID-19 (%)**	
		July 2020	Nov 2020
Wholesale and retail	64.4	31.49	57.22
Accommodation and food	20.4	7.13	18.11
Manufacturing	9.5	41.19	61.93

Major findings

Respondents' profile

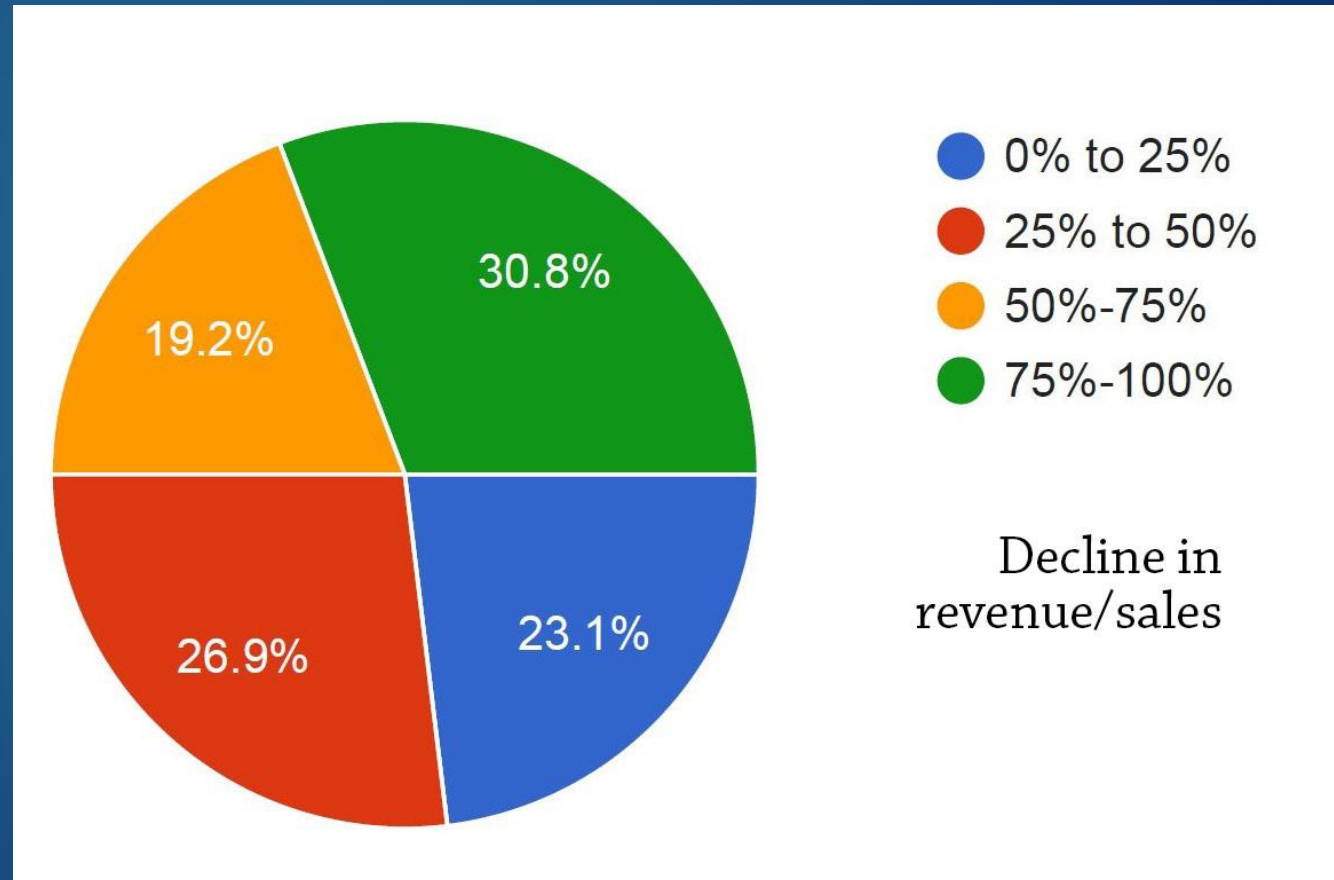
- ▶ Average age: **51.7** (distributed across 24 to 72 years);
- ▶ **handicrafts, food products and agri-processing**;
- ▶ **half were cottage and micro enterprises: 50%, small: 37.5% and medium enterprises: 12.5%**
- ▶ Respondents **tend to hire more female workers** (average no. of female workers: 27 and average no. of male workers: 5)

Impact on businesses



Major findings...

- ▶ **Decline in sales/revenue**
- ▶ **44% reported decline in demand**; 8% have received no order
- ▶ **57% have taken loans** to cope with the pandemic; among them **66% have borrowed from formal channels**



Major findings...

- ▶ Top coping mechanisms reported were **reducing employment temporarily or permanently, borrowing money, rescheduling lending**, putting more efforts in **marketing products**, and **look for alternatives** to sustain the business
- ▶ Businesses ranked '**unfavourable macro environment for business**' as the biggest challenge followed by **lack of knowledge** about available facilities
- ▶ **92% not aware of the available support packages** offered by the government. Lack of information regarding government support policies including subsidized loans, refinancing services, technical grants (offered by local and provincial governments)

Emerging coping pattern

- ▶ **Relatively large and export-oriented businesses expected to bounce back quickly** than others; but they also fear about the resilience of their buyers
- ▶ Biggest concern is regarding **managing cash flow** as they do not have enough reserves **to pay rent, wage and vendor repayment**
- ▶ **non-availability of raw material** due to restricted transport was also another concern and many feared non-availability of reliable workers and **inability to pay back loans**

Emerging coping pattern

- ▶ 68% respondent cited **increased care burden** at home for not being able to devote more time to business
- ▶ 28% respondent **sought alternative business to ride out the pandemic** such as, expanding product portfolio (frozen food, manufacturing and exporting masks, etc.) and engaging in agriculture
- ▶ More entrepreneurs have **opened up to digital commerce** as 56% responded that they sought e-commerce platforms for sales during the period

Takeaways

- ▶ Limited access to information
- ▶ Access to finance strained
- ▶ Capacity building required in the areas beyond skill-training

Way forward

- ▶ Government policies
 - ▶ **Relook existing lending mechanism**
 - ▶ **Launch a special purpose financing vehicle**—can provide equity investment
 - ▶ Policies to **promote procurement** from women-owned businesses
- ▶ Capacity building
 - ▶ Business chambers and association can **provide structured trainings on managing businesses, improving product quality, digital trade-preparedness**
- ▶ Enhance access to information
 - ▶ Govt., business chambers and civil society organization can come together to **disseminate relevant information**

Thank you

