Tales of grit and courage - The journey of women entrepreneurs in India during COVID-19

Economy

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Reinvention and swift adaptation to the ‘new normal’ proved to be the determining factor between some businesses succeeding, with others shutting down permanently.

The COVID-19 pandemic disrupted health and financial systems across the globe and brought run-of-the-mill social and economic activities to a standstill. Moreover, the gendered impact of the pandemic has been disproportionately skewed towards women, exacerbating already-existing gender inequalities in the health, security, and socio-economic spheres. Globally, female job loss rates resulting from COVID-19 are about 1.8 times higher than male job-loss rates. This translates to a higher unemployment rate for women at 5.7 per cent, versus 3.1 per cent for men.

India too has witnessed the negative impact of COVID-19, with the unemployment rate in February 2021 standing at 6.9 per cent. The second wave of COVID-19 has resulted in catalysed job loss and unemployment, both in the metropolitan and rural areas, with semi-urban and rural areas experiencing a far more intense after effect of the pandemic than it did during the first wave. A report by Bain and Company reveals that almost 73 per cent of women-run enterprises in India were negatively impacted by COVID-19; while the revenue of almost 20 per cent of women entrepreneurs dwindled to zero.

Muted customer demand, disrupted supply chains, and a lack of financial resources have resulted in more and more women-led enterprises shutting down. In fact, our recent report under the UdyamStree campaign had 57 per cent of women entrepreneurs cite a deterioration in their business since April 2020, resulting in loss of avenues of income. Furthermore, businesses reliant on offline modes of production and delivery models, have experienced far greater losses than those that conform to digital channels.

Certain enterprises also witnessed an increase in revenue. As seen in EdelGive’s Landscape Study on Women Entrepreneurship that was spread across 13 states and had a sample size of 1,200 women, 19 per cent of the women surveyed cited an improvement in their fiscal gains. Increases in revenue have been predominantly driven by two factors - increased relevance of specific products and services during the crisis, and a rapid realignment of the business model to address immediate needs. Reinvention and swift adaptation to the ‘new normal’ proved to be the determining factor between some businesses succeeding, with others shutting down permanently.
With the announcement of the lockdown in India, Maharashtra-based Savita Dishe who sold brooms at weekly haats, lost her income due to dwindling access to markets and networks. However, noting pandemic induced reverse migration that saw people migrating from Mumbai and Pune back to their villages, she quickly adapted to a new approach to overcome the challenge. Leveraging WhatsApp as a marketing tool, Dishe advertised herself as the best Mumbai-style vada pao seller, in both her own village and the neighbouring villages. With her entire business model i.e., sourcing, marketing, and sale, dependent on an online platform, Dishe soon began to earn more than what she did in her previous offline enterprise. With a license for her kitchen obtained from Food Safety and Standards Authority of India (FSSAI), Dishe, today, proudly claims to be the first woman in her family to run a business at such a scale.

More and more women in rural India are now embracing digital tools to both sustain and start new ventures. The internet adoption rate in rural India has grown by 13 per cent to 299 million users over the past year. The IAMAI Kantar ICUBE 2020 report in fact suggests that by 2025, the number of internet users in rural India will exceed the number in urban India. Leveraging the availability of affordable smartphones and cheap internet data packs, women entrepreneurs in rural India have, despite socio-cultural odds, embraced digital solutions to successfully sustain their business enterprises. The post-COVID-19 era has seen a swift acceleration in the adoption and transformation of previously interactive models, to digitally accessible ones. In the face of adversity, women swiftly discovered that their survival hinged on quick adoption of the digital model, which they went on to embrace through upskilling ventures made available to them by various stakeholders in the ecosystem.

In 2018, Mastercard partnered with Mann Deshi Foundation to set up a Rural Women Chamber of Commerce in Maharashtra, with the aim to increase services for women-led businesses and strengthen sales networks among them. With the onset of the pandemic, the chamber has gone on to educate women to both digitally market products and conduct digital financial transactions.

The imposition of the lockdown in India led to Roopali, a micropreneur and member of the chamber of commerce in Satara, running a school uniform business, facing the loss of avenues of income with schools transitioning to online models. With fabric in stock, Roopali innovated and reinvented her business by utilising the fabrics previously purchased with the intent of making uniforms, to make masks, thereby resulting in the Maharashtra police becoming her first customers. To ensure the further success of her business model, she went on to hire more staff and trained them virtually. Having sold a million masks to date, Roopali continues to source, market, and sell her products successfully online.

In the era of COVID-19, social networking platforms like Facebook and WhatsApp have become marketing tools for women entrepreneurs, enabling them to maintain a connect with their existing customer base while scaling outreach to geographies beyond their purview. The ability to navigate digital modes of payment which were earlier optional, have now become imperative for women entrepreneurs in the country. They have transitioned to the digital economy, with net digital payments in India, with tier II and tier III cities being the major priority for India since demonetisation. However, in the post-pandemic era, the same has become imperative for the survival of small and medium-sized businesses. In fact, the government in its efforts to boost digital transactions in the country, in the Budget 2021-22 announced a proposed scheme with Rs 1,500 crore earmarked to provide financial incentives to promote digital modes of payment in the country.

Driven by the hunger to sustain their families and succeed, women entrepreneurs have had no choice but to adopt and adapt to digital business models in the face of the pandemic. Upskilling and innovation have become the tools of both survival and success, for MSMEs and women entrepreneurs in the country. While many women have succeeded in doing this, a large number have also witnessed the complete loss of avenues of income. For women entrepreneurs to successfully override the negative impact of COVID-19, it is imperative that stakeholders come together to accelerate their inclusion into the digital economy through sector-specific interventions, targeted mentorship models, and extension of avenues of opportunities, through an expansion of incubation and accelerator models. Equipped with the resilience of spirit and adaptability, the constraints of the COVID-19 era has revealed that active support across the ecosystem is all women need to succeed as entrepreneurs.

(Ms. Naghma Mulla is CEO, EdelGive Foundation)
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