

Policy Brief

September 2021



সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
Centre for Policy Dialogue (CPD)

Building Resilience of Women During COVID-19

Fahmida Khatun and Syed Yusuf Saadat

Highlights

- COVID-19 liquidity support and fiscal stimulus packages were not designed keeping women in mind, and hence could not meet women's special needs during the pandemic
- Most women are unaware of the government's COVID-19 liquidity support and fiscal stimulus packages
- Many women felt that the application process was complex and were apprehensive that they would not be able to repay their loans
- Women need cash handouts more than loans and so fiscal measures would be more effective in easing the burden of the pandemic on women than monetary measures

1. INTRODUCTION

While all sectors of the economy and all human beings are being affected due to the unprecedented impact of COVID-19, women, especially the poor and low-income earners are the worst hit. Self-employed women, who are owners of cottage, micro, small and medium enterprises (MSMEs), have been affected due to shocks in domestic supply chains as well as in global value chains. The impact ranged from loss of employment and earnings and depletion of savings, to consequent reduction of household expenditures and scaled-down business operation. These enterprises do not have the capacity to cope with such risks.

COVID-19 has not only shattered the economy, but has started to reverse some of the social achievements including gender empowerment taken place during the last few decades. This may hamper the attainment of the Sustainable Development Goals (SDGs) to be achieved by 2030. Women and girls are being disproportionately affected by the COVID-19 pandemic due to a surge in domestic violence, additional care work owing to the closure of schools and day-care centres and exposure on the front lines in fighting the virus. Lockdowns imposed to curtail the spread of COVID-19 have compelled many women to remain in close proximity with their partners for prolonged periods, which has often made them victims of domestic violence. In South Asia, 37 per cent of women reported suffering from domestic violence, and in Bangladesh, 49 per cent of women and girls reported feeling safety and security risks since the imposition of lockdowns and general holidays (UNESCAP, 2020). In a survey conducted in 17 countries, it was found that women continued to do the majority of unpaid household work during the pandemic, even though men spent more time at home due to lockdowns (UN, 2020). In Bangladesh, 55 per cent of women and 44 per cent men reported an increase in the time spent to do unpaid domestic work while 58 per cent of women and 56 per cent of men reported an increase in the time spent to do unpaid care work since the start of the pandemic (UN Women, 2020a). Worldwide, women consist of 70 per cent of the total number of healthcare workers which means that they are at a higher risk of getting exposed to COVID-19 (UN Women, 2020b).

AUTHORS

Dr Fahmida Khatun, Executive Director, Centre for Policy Dialogue (CPD), Dhaka, Bangladesh. She can be reached at: fahmida@cpd.org.bd

Mr Syed Yusuf Saadat, Senior Research Associate, CPD. He can be reached at: saadat@cpd.org.bd

Keeping pace with several impacts of the COVID-19 pandemic on Bangladesh's economy, the government has proposed a variety of relief packages for the affected groups—both local and export-oriented businesses and vulnerable groups. These packages are meant to boost public spending, expand social security net coverage and improve cash availability for the immediate, medium, and long term.

In the above context, this study has examined the adequacy of stimulus packages and challenges in accessing the stimulus packages by women. Specific objectives of the study were the following: i) analyse the announced stimulus packages by the government from a gender perspective, whether and how they would help address issues of women, and what are the gaps; ii) identify whether the proposed measures address area of concern for women entrepreneurs, to mitigate the impacts of crisis, as well as support their recovery and resilience; iii) determine whether the proposed measures address the increased burden of care borne mostly by women and girls, and increased vulnerabilities to gender-based violence, to promote substantive and transformative gender-responsive actions.

2. FINDINGS FROM SURVEY ON WOMEN ENTREPRENEURS

Among the surveyed women-led SMEs, 49 per cent of the women-led SMEs continued their business operations even after the start of the pandemic, where 41 per cent enterprises had to shut down their businesses altogether. Besides, 7 per cent of the respondents said that they had to reduce the size of the business space, and 3 per cent women-led SMEs relocated their business to a smaller place than before.

Due to the restrictions on the movement of people, many businesses had to shut down their operations entirely. Even after the closure of the businesses, many enterprises had to pay rent, taxes and utility bills which was an added burden from them. From the survey, it was revealed that 53 per cent of the respondents managed to pay rent regularly, while 44 per cent could not pay rent regularly after the start of the pandemic. It was also found that 50 per cent of the women could not pay all the taxes and bills associated with their business regularly, while 44 per cent managed to pay the taxes and utility bills during the time of the pandemic.

Among the women who could pay rent after the start of the pandemic, 88 per cent continued their business operations while

the remaining 13 per cent had to shut down their businesses. Moreover, among the women entrepreneurs who continued businesses after the pandemic, 65 per cent managed to pay all the taxes and utility bills, whereas 25 per cent could not pay the taxes and utility bills.

COVID-19 struck a major blow to women entrepreneurs, as the survey findings indicated that 96 per cent of them experienced a fall in income after the start of the pandemic. Among the women whose incomes had fallen, 46.2 per cent reported that their income from their business fell by more than 90 per cent. To make things worse, only 14 per cent of women reported that they had managed to increase their sales after the withdrawal of the lockdown. Some survey respondents were optimistic and believed that they could recover the losses from the pandemic and get their businesses on track in as little as 9 months. However, others were more realistic and believed that it would take at least 2 or 3 years before they could fully recover from the losses caused by the pandemic and get their businesses back to the pre-COVID stage. Many of the survey respondents were deeply worried about their financial position, as they were emotionally shattered and felt that they had no hope of survival without immediate and comprehensive support from the government, business associations and financial institutions.

The pandemic had affected not only the women entrepreneurs, but also their workers. The number of employees in the businesses run by women were reduced after the outbreak of the pandemic. It was found from the survey that the proportion of businesses with less than five employees increased from 59 per cent before COVID-19 to 71 per cent after COVID-19. On the other hand, the proportion of businesses with more than five but less than 10 employees decreased from 17.6 per cent before COVID-19 to 16.7 per cent after COVID-19. Thus, the majority of the women entrepreneurs had to reduce their number of employees in order to offset the impact of the pandemic.

From the survey, it was found that 62 per cent women entrepreneurs did not fire their employees, but 37 per cent women entrepreneurs had to lay off their employees to tackle the negative impact of the pandemic. The findings from the survey revealed that 22.6 per cent of the women entrepreneurs reduced the wages of the employee by less than 25 per cent, and 47 per cent of the women entrepreneurs did not reduce the salary of their employees at all.

Even in the midst of the pandemic when women entrepreneurs were already suffering from economic hardship due to their failing businesses, they were not spared from the burden of unpaid care work at home. According to the survey, 60 per cent women reported that the burden of their unpaid care work at home increased during the pandemic. The survey reveals that before COVID-19, 13 per cent women spent 3 hours per day doing unpaid care and domestic work, but after COVID-19, 16.7 per cent women spent 3 hours per day doing unpaid care and domestic work. Furthermore, before COVID-19, 3.3 per cent women spent 6 hours per day doing unpaid care and domestic work, but after COVID-19, 16.7 per cent women spent 6 hours per day doing unpaid care and domestic work.

It was also observed that the change in the burden of unpaid care or domestic work due to the pandemic depended on the gender of the household head. Among women who were themselves the household heads, 64 per cent reported that their burden of unpaid care or domestic work did not increase after the pandemic. On the other hand, among women who were not the household heads, 57 per cent reported that their burden of unpaid care or domestic work increased after the pandemic.

Although several months had passed since the declaration of the liquidity support packages by the government, most women entrepreneurs were not aware about the matter at all. From the survey, it was found that 59 per cent women did not know about the liquidity support packages announced by the government. Those who knew about the packages, heard of them from various sources such as television channels, newspapers, and personal relationships with bank officials. Most women entrepreneurs said that there was no widespread public campaign regarding the packages by the government and most bank officials were not interested to let them know anything related to this matter.

Although 41 per cent of the respondents were aware of the liquidity support packages, 93 per cent did not apply for the loan under the liquidity support packages. Moreover, even though 67 per cent of the women in the survey had collateral or mortgageable property for taking loan, 93 per cent of such women still did not apply for the loans. This tendency ultimately implies that there may be many procedural complexities for accessing the loans under the liquidity support packages, which eventually discourage the women from applying. The women entrepreneurs in the survey mentioned several reasons why they did not apply for the loans under the

government's liquidity support packages. Most of the reasons were along the following themes: i) lack of encouragement, or even discouragement, by the commercial banks and central bank; ii) long and complicated process; iii) reluctance of banks to provide loans to single women without male guarantors; iv) lack of clear information regarding the loan eligibility requirements and application process; v) contradictions between central bank circulars and statements by commercial bank officials; vi) inability of banks to provide the required sums of money; vii) uncertainty regarding ability to repay during the COVID-induced economic downturn; and viii) unwillingness of banks to provide new loans to women who have not fully repaid their existing loans.

In the absence of support from the government's liquidity support packages, 50 per cent of the survey respondents said that they would sustain their business during the pandemic by cutting their operational costs. Other respondents mentioned that they would lay-off their workers, try to increase sales, or retrieve funds from personal savings. However, 21.9 per cent of the respondents mentioned that they would borrow money to sustain their business during the pandemic, indicating that there would be a demand for loanable funds in the market which would have to be supplied by some lender other than commercial banks.

3. FINDINGS FROM THE KEY INFORMANT INTERVIEWS (KIIS) WITH GENDER RIGHTS ACTIVISTS

The gender rights activists who were interviewed felt that most of the gender-specific problems faced by women and girls during the pandemic, such as violence against women, burden of unpaid care work, and child marriage, existed before, but the advent of COVID-19 and the imposition of lockdowns made them worse. On the other hand, some of the gender-neutral problems faced by women and girls during the pandemic are new, and did not exist before the advent of COVID-19 and the imposition of lockdowns (Table 1).

Table 2 shows that the advent of COVID-19 caused a shift in the vulnerability of women from the less vulnerable end to the more vulnerable end of the vulnerability spectrum. As a result of such a shift, women who were previously not very vulnerable have become newly vulnerable, while women who were previously vulnerable have become even more vulnerable than before.

Table 1 Problems faced by women and girls before and during the pandemic

		Problems	
		Gender-neutral	Gender-neutral
Existence	Before COVID-19	<ul style="list-style-type: none"> • Social stigma limiting women's civic space • Rape, domestic violence by partners and violence against women and girls • Burden of unpaid care and domestic work • Child marriage 	<ul style="list-style-type: none"> • Digital divide—lack of devices and connectivity • Hunger and starvation
	After COVID-19	<ul style="list-style-type: none"> • Increase in rape, domestic violence by partners and violence against women and girls in general • Increase in burden of unpaid care and domestic work • Increase in child marriage • Inability to purchase sanitary napkins • during lockdowns 	<ul style="list-style-type: none"> • Delay in education and dropouts from educational institutions • Decline in state of mental health • Economic hardship due to loss of jobs and income • Increase in hunger and starvation

Source: Authors' compilation based on the survey conducted by CPD.

Table 2 Spectrum of women's vulnerability

	Least vulnerable Most vulnerable						
Before COVID-19	<ul style="list-style-type: none"> • Women who are small business owners 	<ul style="list-style-type: none"> • Urban women working in formal jobs 	<ul style="list-style-type: none"> • Middle class housewives 	<ul style="list-style-type: none"> • Lower-middle class housewives 	<ul style="list-style-type: none"> • Women working in informal or semi-formal jobs 	<ul style="list-style-type: none"> • Women from climate vulnerable regions 	<ul style="list-style-type: none"> • Ultra-poor women in rural areas
After COVID-19					<ul style="list-style-type: none"> • Urban women working in formal jobs • Women who are small business owners 	<ul style="list-style-type: none"> • Lower-middle class housewives • Middle class housewives 	<ul style="list-style-type: none"> • Ultra-poor women in rural areas • Women from climate vulnerable regions • Women working in informal or semi-formal jobs

Source: Authors' compilation based on the survey conducted by CPD.

Note: For simplicity of exposition and illustrative purposes only; does not encompass all women or all vulnerable groups.

4. CONCLUSION

This study has revealed that the majority of women have not been able to receive the benefits of the credit support provided to them. The central bank's instruction to disburse loans to affected businesses on the basis of bank-client relationships has not worked efficiently. There are a variety of difficulties with the

distribution of women's loans. First, many micro and small entrepreneurs do not have any credit history, and thus there is no record of loan servicing or relationships with banks. While many commercial banks have dedicated loans for women, many women still find the systems complex and are not encouraged to go to banks for loans. Second, a lot of banks do not want to offer woman entrepreneurs with loans. Banks do not deem women's

business ideas feasible because they have a limited ticket size and would raise the operating expenses of the banks. Third, banks are unsure whether women will repay their loans on time. Fourth, there is no collateral available for a great deal of woman entrepreneurs. Fifth, many women entrepreneurs outside major cities are not aware of government's COVID-19 liquidity support.

Unfortunately, unless they receive immediate support from the government, most women entrepreneurs will be compelled to shut down their businesses. Since many women defy the critics in their families to become entrepreneurs, it is unlikely that they would get much support from their family members. Banks are also unaware of small women-led businesses' fundamental problems. Thus, women entrepreneurs have fallen into a desperate situation since the pandemic, with minimal access to financial resources.

5. POLICY RECOMMENDATIONS

During the course of this study, women entrepreneurs, gender rights activists, bank officials, as well as experts from a wide range of fields have shared their views on strengthening government stimulus measures to boost women's economic empowerment and recommended mechanisms for making these measures impactful, inclusive, transparent and accountable. They have also proposed holistic human rights and gender-responsive approaches to respond to the crisis and support the building of a more equal and inclusive society that is more resilient in the face of crisis of different kinds, and support progress on efforts towards the attainment of 2030 Agenda for SDGs. These policy recommendations are as follows.

Improving the implementation of liquidity support packages:

- Providing simple loan products for small borrowers, so that they are certain regarding their cashflow and their repayments
- Revising the definition of trading so that small retailers are recognised as retail service-providers and not traders
- Increasing the quota for providing loans to traders, considering that a vast portion of entrepreneurs may fall under this category
- Extending the repayment period of the loans, considering the major economic downturn and slow pace of recovery
- Encouraging more women entrepreneurs to come under the ambit of the formal banking system, open and maintain business-related bank accounts, keep records of

business-related transactions with their banks and take steps towards obtaining a trade license

- Designing and declaring special liquidity support packages with a dedicated focus on women in order to allow them to adjust with the adverse repercussions caused by COVID-19
- Increasing the quota for women in the existing liquidity support package for the CMSMEs
- Instructing all banks to phase out requirements for women to have a male guarantor for obtaining loans
- Training bank officials on gender-related issues so that they become more gender-sensitive and take women entrepreneurs seriously
- Classifying women entrepreneurs and women who are marginalised separately, both during the design of government support and during the provision of loans

For improving the implementation of fiscal stimulus packages:

- Distributing stimulus packages to the people in need, instead of giving them to people who are politically well-connected
- Providing direct cash support, instead of liquidity support, for small borrowers and new borrowers, as well as those who are the poorest and most vulnerable so that these groups can adjust to the shocks of COVID-19
- Conducting a national COVID-19 needs assessment in order to understand the extent of damage done by COVID-19, the amount of support required and the people who need the support
- Ensuring support services for women by providing sanitary napkins and contraceptives
- Bringing more women under social safety nets, and gradually making the transition towards universal social protection
- Collaborating with the non-government organisations (NGOs), international development partners and other stakeholders to ensure efficient allocation of COVID-19 related support
- Making the status of COVID-19 support disbursement, along with the lists of beneficiaries publicly available in order to ensure transparency and accountability
- Undertaking a census of women entrepreneurs to estimate the number of women entrepreneurs and understand their needs

Recommendations for addressing women's needs and concerns:

- Acknowledging the actual scale of the COVID-19 crisis and then formulating a specific and target-oriented post-COVID recovery plan that aims to build back better

- Formulating policies on the basis of multi-stakeholder dialogue and discussion, and revising the regulations based on the feedback received from the relevant stakeholders
- Addressing the gap in digital education by trying innovative programmes, like door-to-door education for poor people who do not have any computer, mobile phone, television or radio
- Reducing information gaps so that women and girls know what to do when facing problems such as violence and early marriage
- Campaigning nation-wide using all forms of media available to raise public awareness regarding child marriage, women's burden of unpaid care and domestic work, violence against women and girls, and exclusion of women and girls from the use of technology
- Providing training to women entrepreneurs so that they can benefit from the fourth industrial revolution (4IR).
- Raising public awareness and organising training programmes on the liquidity support and fiscal stimulus packages so that the general population can clearly understand what kinds of support are being provided by the government, who are eligible for such support and how to obtain that.

ACRONYMS

4IR	Fourth Industrial Revolution
CMSME	Cottage, Micro, Small and Medium Enterprise
KII	Key Informant Interview
NGO	Non-Government Organisation
SDG	Sustainable Development Goal

REFERENCES

- UN. (2020). *The Sustainable Development Goals Report 2020*. New York: United Nations. Retrieved from <https://unstats.un.org/sdgs/report/2020/The-Sustainable-Development-Goals-Report-2020.pdf>
- UN Women. (2020a). *Surveys show that COVID-19 has gendered effects in Asia and the Pacific*. Retrieved from <https://data.unwomen.org/resources/surveys-show-covid-19-has-gendered-effects-asia-and-pacific>
- UN Women. (2020b). *The Impact of COVID-19 on Women*. Retrieved from <https://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2020/policy-brief-the-impact-of-covid-19-on-women-en.pdf?la=en&vs=1406>
- UNESCAP. (2020). *COVID-19 and South Asia: National Strategies and Subregional Cooperation for Accelerating Inclusive, Sustainable and Resilient Recovery*. Retrieved from https://www.unescap.org/sites/default/files/South%20Asia%20Covid-19%20Paper_5.pdf

This Policy Brief is based on the study conducted by CPD as part of the *Rapid assessment of the gender and human rights dimensions of proposed socio-economic recovery measures by the Government of Bangladesh, including stimulus measures* research project, supported by UN Women.



Centre for Policy Dialogue (CPD)

House 40/C, Road 11 (new), Dhanmondi, Dhaka-1209, Bangladesh
 Telephone: (+88 02) 48118090, 55001185, 58156979 Fax: (+88 02) 48110414
 E-mail: info@cpd.org.bd Website: www.cpd.org.bd