

Policy Workshop on

COVID-induced Stimulus Packages for SMEs & Women-led Enterprises *Exploring Research-Policy Interlinkages*

Presentation by
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Study on
‘Did Research Get Attention in COVID-induced Public Policy Responses?
Analysis on Research-Policy Interlinkages on MCSMEs and Women-led Enterprises’

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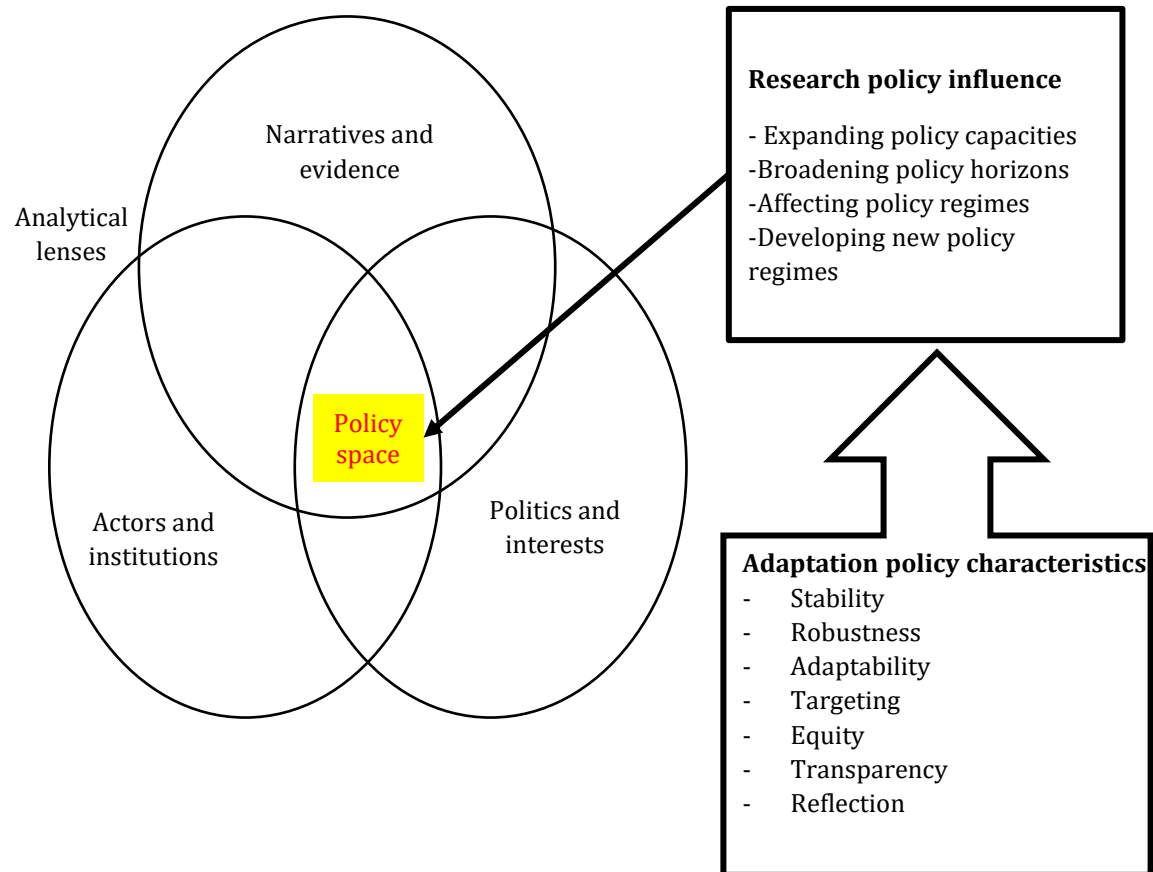
1. Introduction

- The COVID-19 pandemic challenges all areas of research and public policies
 - Demanding contemporary evidence and requiring immediate-short-medium term solutions (El-Jardali, et al. 2020; Mourad, et al. 2020)
- Despite that, the research and policy world have been actively pursuing their works
 - To explore more evidence-based and target-oriented solutions
- In Bangladesh, the adversities of pandemic on MCSMEs and women led enterprises are depicted in different studies
 - Public policies to address the above-mentioned challenges are noticeable
- There are debates over public policy responses against the demand of the marginalised categories
 - Including SMEs and women-led enterprises
- The aim of the study is to examine the relationship between public policies and research during the period of the pandemic
 - In case of addressing the challenges of the marginalised businesses – SMEs and women-led enterprises

2. Analytical Framework

- The idea of public policy informed by research although seems attractive but less so in evidence
- The fields of knowledge generation, policy formulation and policy implementation are three different issues
 - They are guided by three different sets of factors
- Policy space denotes the opportunity, paradigm, and means
- An ideal policy process incorporates the interest of all parties
 - Irrespective of their background, motives and agenda through policy space

A conceptual model to identify policy space from research findings

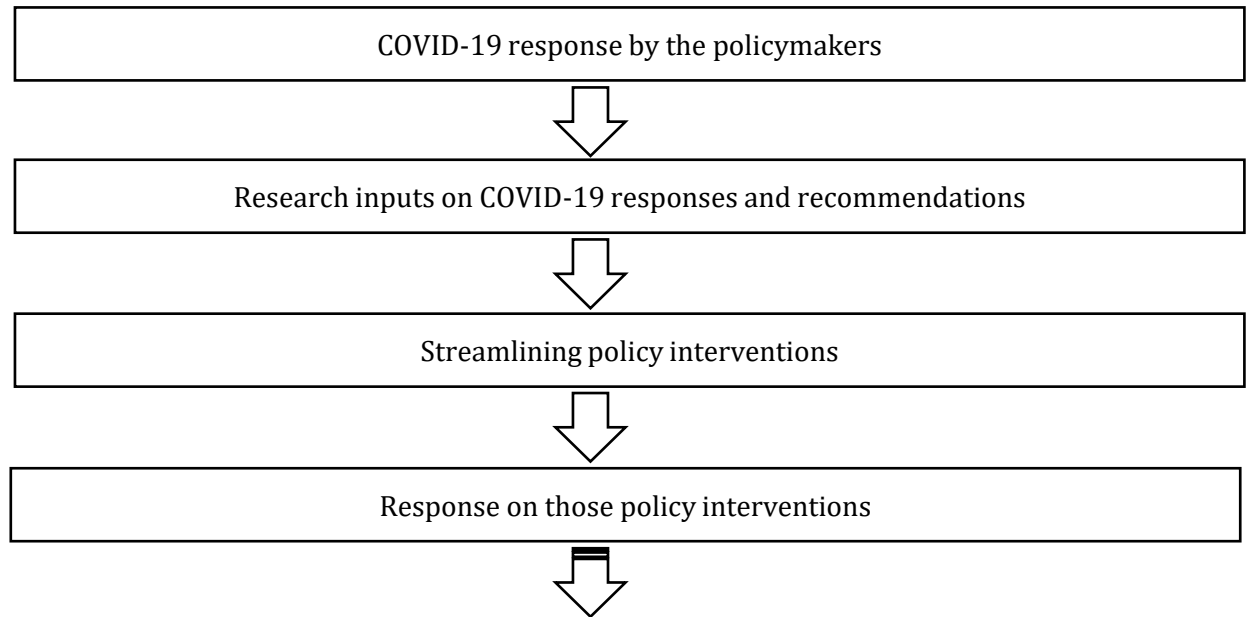


Source: UNESCO, 2011 and IDS, 2006

2. Analytical Framework

- In the context of COVID-19, researchers are expected to respond to the pandemic-induced interventions of the government
- As follow up, policymakers may respond to the research activities to streamline the COVID-19 related policy interventions (Figure 2)

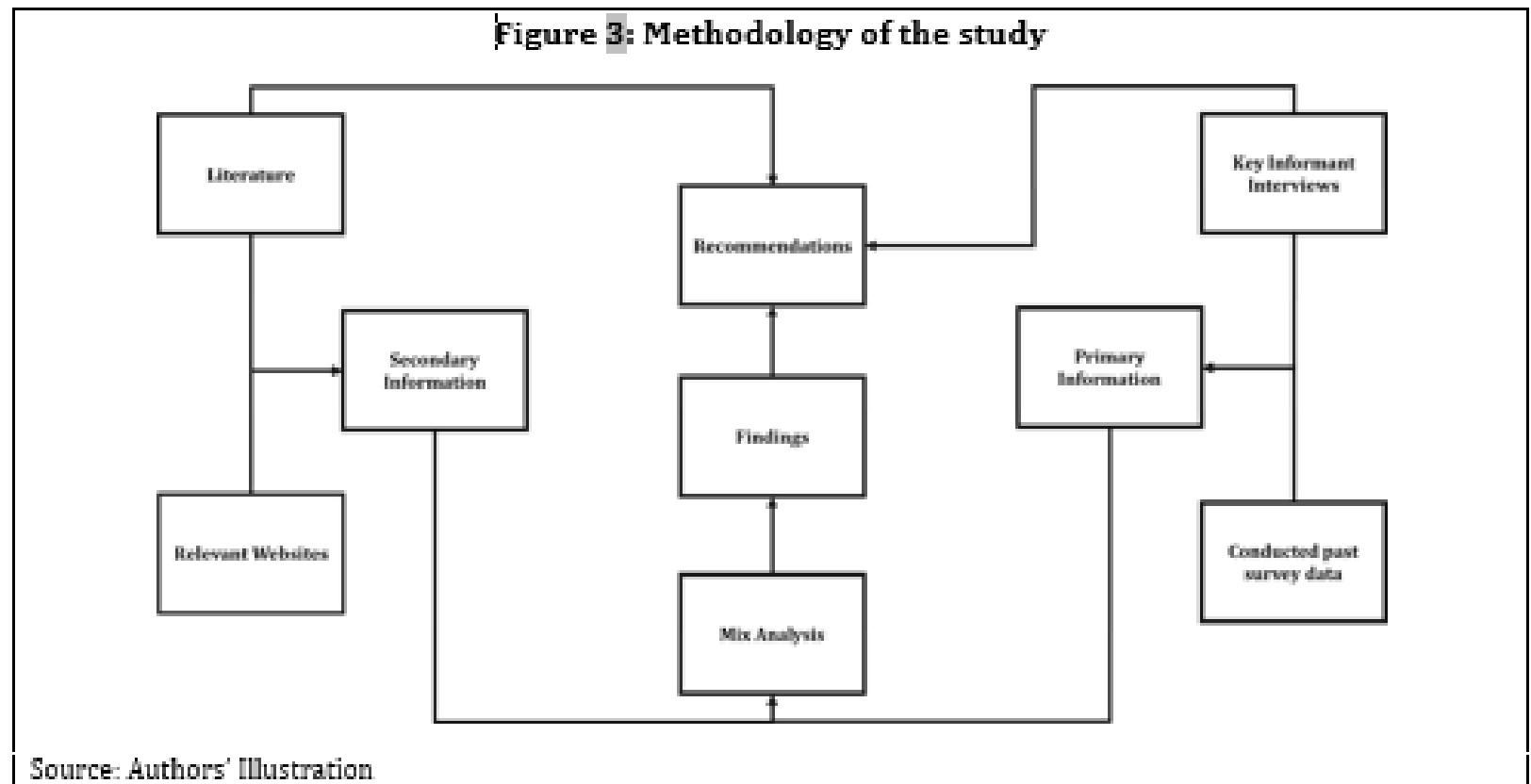
Figure 2: Influence of research input on COVID-19 response



Source: Authors' illustration

3. Methodology

- The study has been carried out based on the primary and secondary data and information from different sources (Figure)
 - A detailed literature review has been conducted
- The KIIs have been carried out in following categories of respondents
 - (a) government officials; (b) bank officials; and (c) beneficiaries (SMEs and women-led enterprises)



4. Public Policy Responses during the Pandemic

- During the pandemic period, a total of twenty-seven (27) stimulus packages have been announced with a combined fiscal and financial support of BDT 1.29 trillion
- Overall stimulus packages include a diverse range of intervention
 - But the support for SMEs and women entrepreneur are rather insignificant.
 - Especially, coverage for women entrepreneurs is limited
- Bangladesh Bank has issued a total of 564 circulars related to different stimulus packages

Stimulus packages declared by the government during COVID-19

Serial No.	Name of the Package	Crore (Tk)
1	Special Fund for Salary support to export-oriented manufacturing including RMG industry workers	5,000
2	Working Capital loans provided to affected industries and service sector	40,000
3	Working Capital loans provided to SMEs, cottage industries	20,000
4	Expansion of facility provided through Export Development Fund (EDF) by Bangladesh Bank	12,750
5	Pre-Shipment Credit Refinance Scheme	5,000
6	Special Honorarium for doctors, nurses, medical workers	100
7	Compensation in case infection/death	750
8	Free Food Distribution	2,503
9	OMS of rice at 10 taka/kg	2500
10	Cash Transfer to targeted poor people	1,258
11	Expansion of Cash Allowance Programs	815
12	Construction of home for homeless people	2,130
13	Additional procurement of paddy/rice (2.0 lac ton)	860
14	Support for farm mechanization	3220
15	Subsidy for agriculture	9,500
16	Agriculture Refinance Scheme	5,000
17	Refinance scheme for professional farmer and small traders	3,000
18	Low interest loans to poor rural farmers, expatriate migrant workers and trained and unemployed youth for business and self-employment in rural areas	3200
19	Social protection programme for jobless and poor workers in export oriented RMG, leather and shoe sectors	1500
20	Subsidy for commercial bank's suspended interest of April-May, 2020	2000
21	Credit Guarantee Scheme (CGS) for SMEs	2000
22	Export assistance for cottage, small and medium enterprises	1500
23	Develop the living standards of people (disadvantaged elderly people, widows and female divorcees in the country's 150 upazillas) at the grassroots level	1200
24	For 1724740 people of day labour, transport workers. Small business people, shipping workers	450
25	OMS at urban areas	150
26	Food assistance by district commissioners to the poor people who will make call	100
27	Working capital loan as salary & allowance to tourism industry	1000
	Total	128986

Source: Bangladesh Bank, MoF, 2020, and newspapers

4. Public Policy Responses during the Pandemic

- The public policy support for SMEs and women entrepreneurs during the pandemic period has taken place in different phases
 - CGS facility; start-up fund; 10% CMSME loan for women; refinance facility; Tk.20000 cr. refinance facility; Tk.10000 cr. refinance working capital; BB's special enterprises refinance scheme especially for women; introduction of help desk in bank branches; 'special monitoring cell' in banks
- A total of 49 circulars/office orders have been issued by the Central Bank
 - 38 circulars are related to stimulus package for SMEs and the remaining 11 circulars are related to women enterprises

Total number of circulars issued targeting SME and women entrepreneur by SMESPD of Bangladesh Bank

Category	Total number of official orders related to stimulus package
Agriculture, Manufacturing, service, trade	6
CMSE	12
CMSME	2
Manufacturing	4
Manufacturing & service, trade	17
RMG	5
Start up	3
Total	49

Source: Based on BB circulars, 2020-21

Refinance Schemes of BB for the CMSMEs

Name of Fund	Size of Fund (in billion BDT)
Refinance Scheme for New Entrepreneur in CMSE Sector	0.5
Refinance Scheme for Setting up Agro-based Product Processing Industries in Rural Area	7
Small Enterprise Refinance Scheme	8.5
Refinance Scheme for Shariah Based financing in Agro-based Industry, Small Entrepreneurs and New Entrepreneurs in CMS Sector	Initially 3.75 billion At present 1.25 billion

Source: Bangladesh Bank, 2021

4. Public Policy Responses during the Pandemic

- Bangladesh Bank has created several refinancing schemes totaling Tk 415 billion
 - With a one-year special repo facility, and a credit guarantee scheme for exporters, farmers, and SMEs to facilitate the implementation of the government's stimulus packages
 - Out of these, Tk. 200 billion has been announced for SMEs as refinance facility.
 - Additionally, BDT 15 billion package has been announced for the micro credit and marginal people's lifestyle development programme
- The policy responses were made against the demands from banks/financial institutions and borrowers' end
 - The challenges of borrowers were less heard by the central bank due to the information gap with the SME borrowers
- Despite that, the central bank has made several changes to their master circulars to expedite the loan disbursement processes
 - Loan disbursement to the women entrepreneurs were made women-friendly through changes in the circulars

4. Public Policy Responses during the Pandemic

- Specification to different criteria is missing (Table)
- Initially there was imposition on minimum allocation of the CMSME stimulus funds to the rural areas
 - The disbursement condition was withdrawn for accomplishing speedy loan disbursement target to the sector
- This urban-biased policy intervention does not seem appropriate during the crisis period
 - Female entrepreneurs at least got the attention in the policy document through gender responsive measures
- The discrimination between different categories of enterprises is visible
 - In terms of amount and disbursement, level of coverage and number of beneficiaries.

Features of the policy response targeting SME and women entrepreneur

Category	Location	Occupation	Gender responses/allocation
Agriculture, Manufacturing, service, trade	Not specified	Agro processing enterprise establishment	
CMSE	Not specified	Not specified	Reserve at least 10% Portfolio Guarantee Limit (PGL); previously was 5%; Collateral free
CMSME	Not specified	Not specified	
Manufacturing	Not specified	Not specified	Min. 15% women will receive net loan & 1% incentive as cash back upon repayment
Manufacturing & service, trade	Uran-village proportion: 15% to village target postponed by 3 September 2020 circular	Not specified	8% women entrepreneur
RMG	RMG factories		
RMG	Dhaka, Gazipur, Narayanganj, Chattogram district		
Start up	Not specified		At least 10% to women entrepreneur

5. Key Attributes of Public Policy Making

5.1 Issue identification

- During initial period of 2020, Bangladesh Bank had lower scope to consider the research input due to the paucity of research materials addressing COVID-19
- Leaders of the associations met with Bangladesh Bank to materialise their demand during the formulation of these packages.
 - Issue identification process was done by the demands from associations
- Following the initial phase, findings of the research studies (BB's) have been published
 - Those have been increasingly getting attention in policy making

Process of stimulus package formulation during COVID-19 by the Bangladesh Bank

Process of package formulation in 2020	Process of package formulation in 2021
Based on instant decision of government	Based on associations' needs and applications
Based on association needs and application	Based on Bangladesh Bank's own research findings from bank level data (stakeholder data and individual level data). Based on its own research findings, some changes were made. (E.g., extra loan provision facility was provided based on this)
No research input was considered due to the paucity of research materials addressing COVID-19	Think tanks' recommendations influenced Bangladesh Bank's policy formulation process indirectly; Some of the recommendations were referred by BB to its higher authority for further evaluation A few policies were adopted based on the experience of other developing countries (such as India, Sri Lanka and Malaysia) except for SMEs

Source: Prepared by Authors based on the KII on Bangladesh Bank officials, 2021

5. Key Attributes of Public Policy Making

5.2 Target setting

- Availability of relevant data is a major requirement in setting targets which is required for formulating stimulus packages
 - The data of prospective borrowers is not available to the banks.
 - Considering the setbacks, the government had decided the targeted amount of allocation based on the previous year's disbursement
 - SME Foundation (SMEF) formulated stimulus package based on government's decision

5.3 Terms & conditions setting

- The terms and conditions have been set under the existing policies of the Bangladesh Bank
 - Other than that, all the eligibility criteria to avail loans are like the pre-pandemic level
 - Loan deferral facility was provided by Bangladesh Bank where the conditions were amended and made easier over time

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.1 Overall Focus of the Researches/Studies

- A total number of 52 studies have been identified which are related with the COVID-19 pandemic and its association with SMEs and women entrepreneur related concerns
 - Studies have been undertaken during March 2020 to July 2021
- Research objectives have been highlighted on the impact of COVID-19 on different SME/women-led enterprise issues
 - Livelihoods and crisis coping mechanisms of the economically vulnerable population, vaccination programme, roles of different actors including trade unions and workers' rights activists, international buyers, RMG owners, and the government

Distribution of the types of studies conducted Linking COVID and SMEs & women entrepreneurs

Sector	Freq.	Percent
Business confidence survey	4	7.69
MSE, SME & MSME	28	53.85
All aspect of SMEs and women	6	11.54
Trade union	2	3.85
Women Issues	12	23.08
Total	52	100

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.2 Methodological Issues

- About 88% of the research studies have adopted various methodological intervention tools targeting SMEs and women entrepreneurs
 - Of which, 41.7% studies are field survey based and the rest (58.3%) are interview-based (KIIs and FGDs).
 - Different private and public research organizations and think tanks including CSOs have pursued field survey-based studies

6.3 Sources of support for conducting the studies

- These studies have been carried out with the support of different national and international organisations
 - including local and international NGOs
- Private organisations/CSOs (34.1%) and individual (18.2%) level of interventions are also commendable
 - Except the studies executed by public org. (9.1%)

Frequency distribution of research studies

Clusters	Parameters	Percent
Types of support	Funded	54.6
	Own	45.5
	Total	100
Published by	Individual	18.2
	International	38.6
	Private/CSOs	34.1
	Public	9.1
	Total	100

Source: Prepared by authors, 2021

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.4 Prioritisation of research topics

- Private organisations or CSOs in cooperation with the international organizations and development partners have contributed to research studies targeting SMEs and women entrepreneurs
- Survey based research studies have been conducted based on the funds of international organizations including development partners
 - SME related issues have been addressed by individual researchers with their self-interest targeting publications in the peer-review journals
- Overall, impact of COVID pandemic on SMEs and women enterprises got more focus in the research studies undertaken during the pandemic period
 - Researches are relatively small in number in case of non-traditional issues such as process of recovery in businesses and means and instruments used in this process
 - Often research studies have been undertaken with the support of international organizations/ development partners with mutual interest

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.5 Summary observations and recommendations of the research studies

- The studies related to MCSME and women-led enterprises largely focus on
 - Level of vulnerability, coping mechanism, level of access to stimulus packages, weaknesses in pursuing SME related researches (such as due to data availability), payment burden of the small businesses, orientation with digital market place, exploring the medium term impact, resilience and recovery etc.
- Female labour-intensive enterprises have been hit the hardest which have caused growing number of job loss and widening gender gap (Islam et al., 2021)
- In case of SMEs the recommendations include
 - Demand-oriented business and OSH related training for SMEs, OSH training at free of cost, extending support in digital platform, digital dashboard for real time tracking, supportive financing for cluster-based backward and forward linkage SMEs, increased allocation for SMEs, distributing loan through SMEF, introducing CGS, increasing grace period for loan repayment, diversifying supply chains, create digital market, promoting remote working practices and disbursement of credit at subsidized rates

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.5 Summary observations and recommendations of the research studies

- In case of women-led enterprises, the suggestions include
 - Ensuring stimulus package for women enterprises, adopting multi-stakeholder approach to identify gender-specific needs, strengthening technical education and apprenticeship on digital literacy, awareness raising campaign on CGS, special incentives for commercial banks to extend credit to women enterprises, reduce pressure of unpaid care work, developing loan policy considering gender specific issues, ratifying ILO conventions related gender issues include convention 190, and encouraging women to join trade unions and workers organisations

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.6 Period-wise Changes in Challenges related to SMEs and Women Entrepreneurs observed in Research Studies

- Research studies have identified several challenges experienced by SMEs and women-led enterprises
 - The pattern of these challenges are different in terms of their nature and types with the evolving nature of the pandemic
- The recommendations made in these studies are different considering the evolving character of the challenges.
 - During the first wave of pandemic (April-May, 2020), most of the challenges confronted by these enterprises are related with challenges of survival and difficulty in getting access to the packages.
 - After the first wave, nature of challenges has changed – most of the challenges are related with limited access of the stimulus packages, size of the stimulus packages, coverage and effectiveness of those packages to the targeted beneficiaries

6. Research on SMEs and Women-led Enterprises during the Pandemic

6.6 Period-wise Changes in Challenges related to SMEs and Women Entrepreneurs observed in Research Studies

- In the second wave of the pandemic, the challenges have evolved particularly related to the difficulty in recovery
 - Such as limited capacity of digital marketing, lack of ability to use digital technologies by women entrepreneurs, introduction of new package for female entrepreneurs and effectiveness of credit programmes undertaken during the pandemic period

7. Research-Policy Linkages

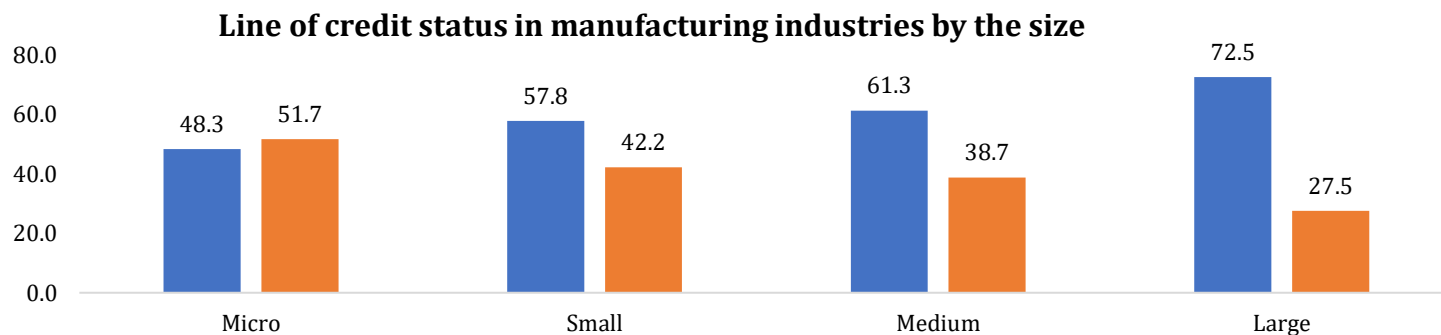
- Following analyses reveals how the researches have been reflected in the policy recommendations through a gap analysis
- A total of four gaps have been identified
 - (a) selection process gap; (b) implementation gap; (c) issue related gap; and (d) operational modality gap

7.1 Selection process gap

- In terms of figuring out policy tools, not only the conventional challenges but the emerging challenges have also been influencing the selection of policy tools
 - The policy making were influenced by urgent need of assistance of businesses which was raised by business associations and pressure from large borrowers
 - The policymakers have considered the concerns of other stakeholders including the SMEs and women-led enterprises in the later phases
- Due to lack of sufficient guidance from the policymakers in case of selecting borrowers, the packages have been made broad-based covering all the SMEs
 - Hence a number of challenges emerged in the selection process such as lack in specification of area, gender and racial issues

7. Research-Policy Linkages

- Stringent regulatory challenges, lack of coordination between the government agencies, misinformation from the supply-side actors and lack of awareness among the demand-side actors, lack in market support and linkages—have influenced the borrowers' reluctance and curtailed their possibility to access the packages
- CMSEs do not have sufficient access to the financial support related packages
 - From the pre-pandemic period, these enterprises are in backfoot to avail the government declared support packages
 - Medium and large enterprises are mostly involved with the banking channel even before the pre-pandemic period (Figure 4)
 - In fact, the process of selection was faulty even before the pre-pandemic period
 - The supports for CMSEs were even availed by medium and large enterprises by doing the unethical business practices



Source: SMI, BBS, 2019

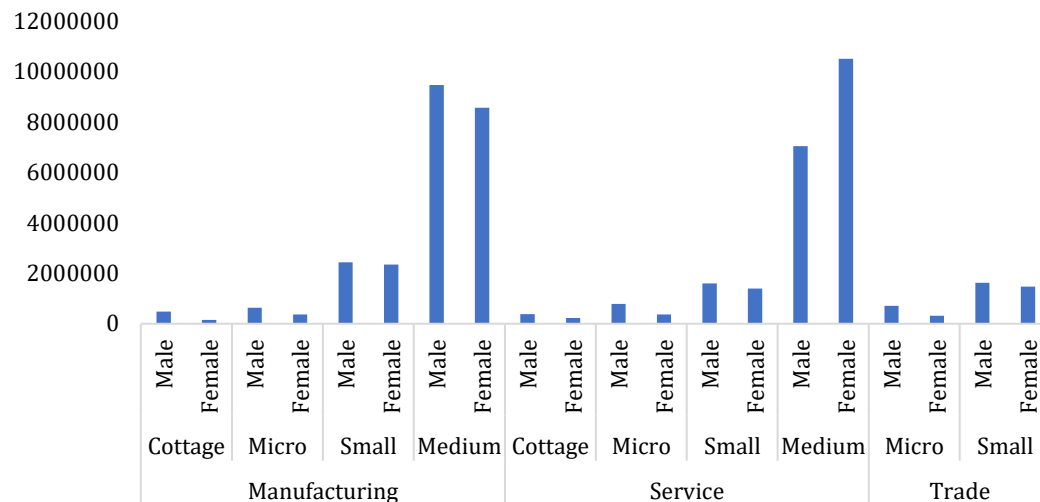
■ % of firms in line of credit ■ % of firms not in line of credit

7. Research-Policy Linkages

7.2 Implementation gap

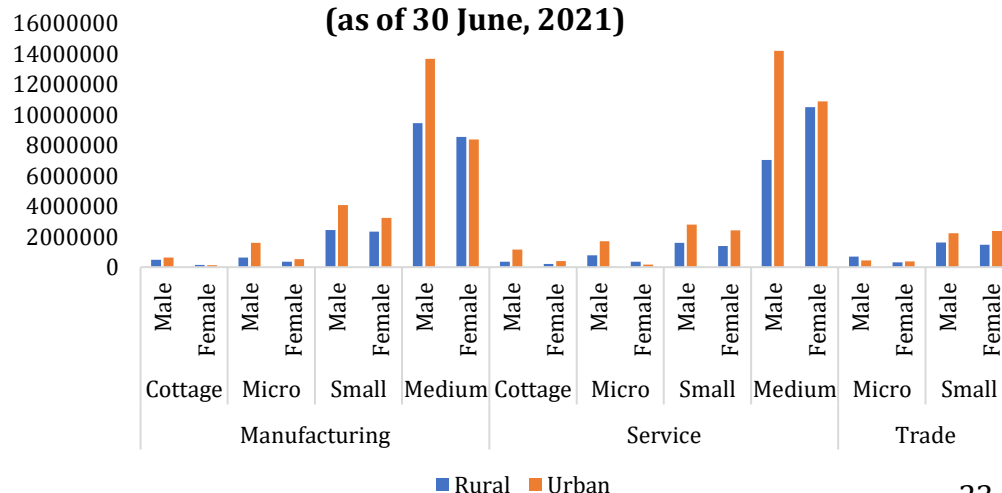
- Conventional policy tools which were applied during the pre-pandemic period have been found to be of limited effectiveness during the crisis time
- A major observation is that SME loans were mostly urban-focused perhaps with a view to quick implementation of package
- Actions against the reluctance of banks/financial institutions to finance women entrepreneurs especially in rural areas and their unwelcoming attitude towards new female borrowers have not been addressed

Average loan enterprises received in rural areas (in crore Tk and data as on 30 June 2021)



Source: SMESPD, Bangladesh Bank, 2021

Average loan enterprises received in rural urban areas (as of 30 June, 2021)



Source: Prepared by authors, 2021

7. Research-Policy Linkages

- Lack of sector-specific need assessment has affected the design and implementation of the SME packages
 - Rural-urban difference in the disbursement of stimulus loan has created a disparity during the crisis time
- The loss caused by the COVID-19 to the SMEs and women entrepreneurs could not be recovered overnight
 - Short duration (e.g. one year subsidized loan) of the stimulus package loan is not suitable to the SMEs and women entrepreneurs as they need long term support to revive from their losses
- Alike to the condition of other packages, loan distribution based on “banker-client relationship” has been benefitting existing borrowers and leaving new borrowers behind
 - SMEs and women entrepreneurs because of their weak financial statements could not get necessary credit support
- Male-female loan distribution shows a dismal picture of gender sensitive policy interventions
 - Women entrepreneurs in CMSME sectors are behind in terms of access to finance

7. Research-Policy Linkages

7.3 Issue related gap

- The stakeholders during the interviews, have identified a number of issues where gaps persists between policy-researches
 - These include lack of research materials addressing COVID-19 related challenges for SMEs and women entrepreneurs, lack of voices and representation of SMEs and women-led enterprises at national policy level meeting
- The supportive measures addressing linkages with market over online platforms and related supports, were missing
 - These include improving digital literacy on virtual market platforms among women entrepreneurs

7. Research-Policy Linkages

7.4 Operational modality gap

- Loan disbursement under the stimulus package have caught the attention due to subsidized interest rate
 - The package is accessible to the formal sector SMEs who have the financial records as well as documents on compliance related issues
- These types of SMEs have a satisfactory level of bank-client relationship which is a criterion to avail the stimulus package loan
 - This particular condition is more like a barrier to the new and marginal entrepreneurs to access the stimulus package loan as these entities do not have any prior banking records
 - No major change in share of loan received by cottage industry between pre-covid and covid period

Category wise Loan Disbursement of CMSMEs

Year	Indicators	Cottage	Micro	Small	Medium
2019	Share of loan received	0.8	9.8	60.5	28.9
	Loan received per establishment	508211	582092	2393540	11839624
2020	Share of loan received	0.8	12.4	57.7	29.1
	Loan received per establishment	287080	627477	2204260	11724509

7. Research-Policy Linkages

7.5 Institutional gap

- Bangladesh Bank considers the supply side challenges of the loan schemes
 - Demand side issues have been reflected indirectly by the Central Bank as it has limited scope to communicate and record the concerns of borrowers
 - It is usually the bankers who present the borrowers' challenges during their meeting with the Central Bank
- Difference in time is another challenging factor due to time-lapse between background research studies and the formulation of policies.
 - Policy makers faced the difficulty in bridging the time lapse between the two

8. Research-Policy Interlinkages: Conceptual-Empirical Review in the Context of Bangladesh

- Due to the urgency of COVID responses, policy makers/government officials took measures in a 'top-down approach'
 - Such policy responses are found in case of credit programme for CMSMEs and women-led enterprises
- It is important to note that relevant policies have made a number of amendments afterwards
 - The inputs provided by the research studies, in most cases, did not necessarily reflect in the amendments of the policies/measures fully
- There are legal/procedural issues involved which need to be considered while revising the operational plan of policies
 - Thereby, the revised policies could not accommodate the research recommendations in full

8. Research-Policy Interlinkages: Conceptual-Empirical Review in the Context of Bangladesh

Table 17: Policymakers-Researchers Interlinkages

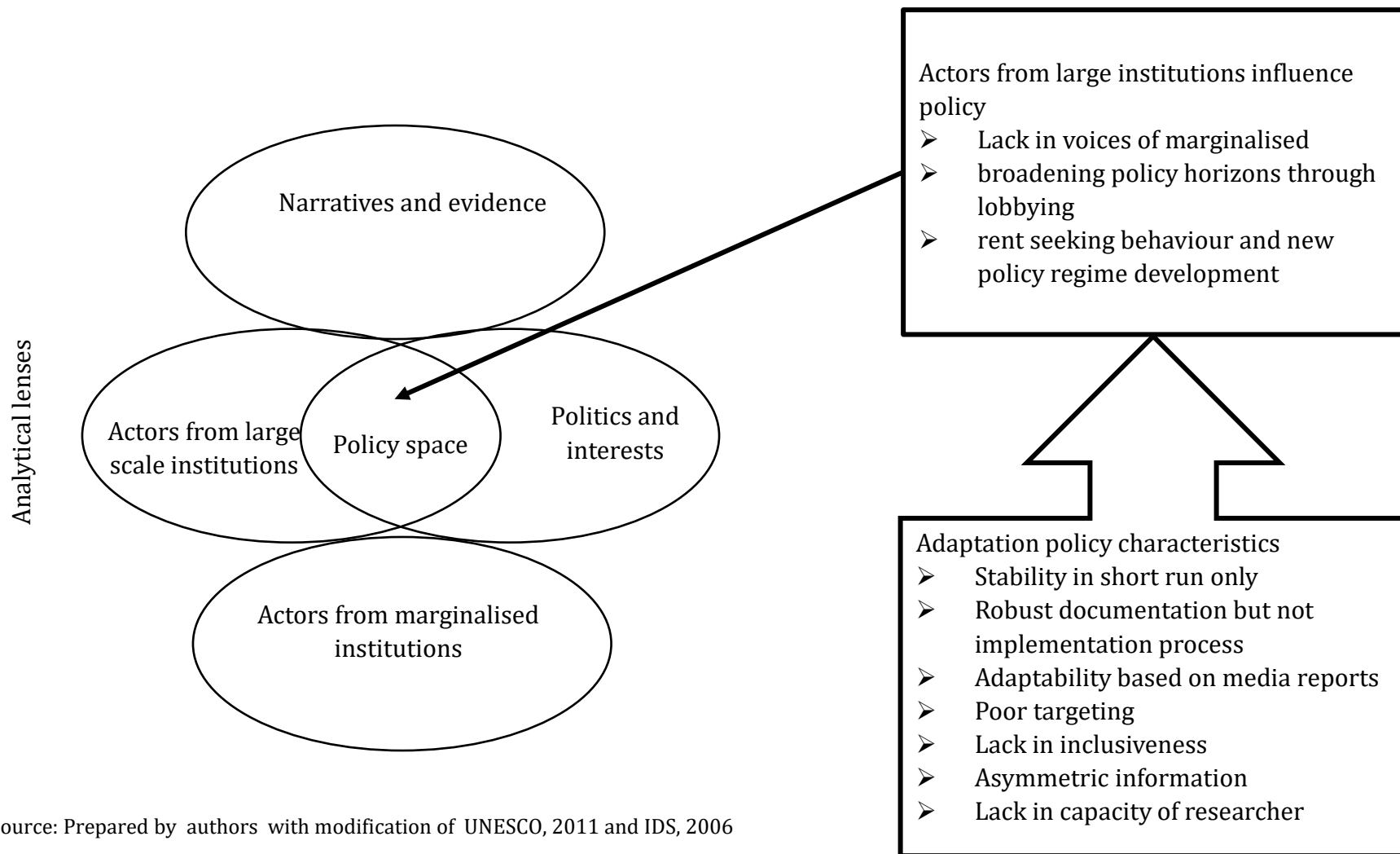
Policymakers' Immediate Response to the COVID	Researchers' Inputs	Policymakers' Response on COVID Development/Research Inputs
<ul style="list-style-type: none"> Special credit facilities for the CMSME sector 	<ul style="list-style-type: none"> Increase the disbursement Reach rural entrepreneurs, Increase coverage, Expand stimulus packages Continue packages for 2 to 3 years 	<ul style="list-style-type: none"> Additional Refinance fund for COVID-19 affected CMSME sector from FY22. Loan to be distributed for 3 years under refinance facility
<ul style="list-style-type: none"> Incentives to women entrepreneurs in the CMSME sector to disburse loans 	<ul style="list-style-type: none"> A new package for women, reducing cost of fund, expansion of package and increasing quota for women 	<ul style="list-style-type: none"> Min. 15% to go to women entrepreneurs where 1% incentive as cash back upon repayment Interest rate at Bank end refixed 0.5% and at borrower end 5 from 3% & 7%
	<ul style="list-style-type: none"> Credit Guarantee support to the CMSMEs 	<ul style="list-style-type: none"> Credit Guarantee Scheme for Cottage, Micro and Small Enterprises (CMSE) introduced
<ul style="list-style-type: none"> BDT 500 crore start up refinance fund introduced 	<ul style="list-style-type: none"> Reduce tech-literacy gap, develop digital platform media, training and awareness on technological issues, market linkages of SMEs and their capacity development 	<ul style="list-style-type: none"> Fund may be used for the SMEs for the innovation and advancement of new products/ services/ processes/ technologies that are new and innovative. Training certificate can be used as collateral
<ul style="list-style-type: none"> Addendum of credit facility for COVID-19 related investments to RMG factories under Social-Upgradation of SREUP. 	<ul style="list-style-type: none"> Tailored OSH and business training to enable their resilience capacity 	<ul style="list-style-type: none"> Pre-finance credit facility to upgrade work environment on improving safety/health hygienic facility

8. Research-Policy Interlinkages: Conceptual-Empirical Review in the Context of Bangladesh

- Among the four components in the policy-space, strong role is played only by two components
 - Actors of large scale institutions (public and private)
 - Politics and interests
- Very limited influence is observed by other two indicators
 - Actors from marginalized institutions
 - Narratives and evidence
- The policy making mechanism is found to be weak
 - Most of the entrepreneurs are not fully aware about the policy making process targeting the vulnerable groups
- A major challenge in expanding research-policy interlinkages is that the marginalized groups have lack of voices and lack of lobbying capacity
 - This could hardly be changed by the research unless government and policy makers provide necessary support in these cases
- In terms of adaptation of policies following features are identified
 - Stability in short run only
 - Robust documentation of policy measures but less engagement in implementation
 - Media reports play an influential role in terms of adaptability
 - Poor targeting affected policy adaptability
 - Lack of inclusiveness
 - Asymmetric information affects the adaptability process

8. Research-Policy Interlinkages: Conceptual-Empirical Review in the Context of Bangladesh

A modified research-policy interlinkage based on COVID context of Bangladesh



9. Way Forward

Background

- In a politico-economic environment of top-down nature of policy-making, establishing research-policy interlinkage is not so easy
- The situation gets more complex when the country confronted an unprecedented health and economic emergency such as COVID-19 pandemic
- Despite various structural weaknesses and operational limitations, a modest level of relationship between policy responses and research related with SMEs and women-led enterprises has been observed
- The relationship is not strong enough to transform the policy-making process, to fully transparent and accountable operational modalities, and ensuring effective outcome from the policies

9. Way Forward

Recommendations for establishing strong policy-research interlinkages are:

- a) Effectiveness of large number of official circulars on stimulus packages could be strengthened if demand side issues raised by research studies are properly taken into account***
- The large number of official circulars issued by the Bangladesh Bank on disbursement of credit indicates various initiatives undertaken to smoothen the loan operations of the commercial banks/financial institutions.
 - In those circulars, supply sides issues (such as challenges of banking operations) have been more addressed compared to that of demand side issues (challenges of borrowers)
 - *The Central bank should take into cognizance of supply sides issues based on various research studies undertaken on these concerns*

9. Way Forward

b) Better specification of stimulus packages in terms of level of vulnerability of different categories of entrepreneurs as reflected in research findings could ensure better outcome

- The stimulus packages for SMEs and women-led enterprises are often found with limited level of specification which could partly contribute to the need of the target groups
- In this context, researches have extended evidence on specification and targeting of stakeholder groups related to SMEs and women-led enterprises
- *Policy makers should take the findings into account.*
 - *Despite having the specification, the target groups would not be benefitted much, if adequate fiscal space is available to the government for implementing broad-based loan programme*

9. Way Forward

c) Research should focus on generating evidence based on rigorous analytical frame, robust methodologies and survey-based data

- While a large part of research undertaken during the pandemic period on SMEs/women-led enterprises are survey-based, the findings are sometimes found with little specificity
- *In order to get better attention in the policy making process, research should generate evidence which could be used as per requirement of the policy making process*

d) Policy-space created during the pandemic period should ensure equal access and influence of key stakeholders/factors

- The policy making during the pandemic period is largely influenced by large scale institutions under public and private sector and political processes
- The voice and representation of the marginalised in the process is largely missing
- *The voice and representation of the marginalised groups including SMEs and women-led enterprises need to be ensured*
 - *So that more inclusive policy making could be possible*

9. Way Forward

e) The terms and conditions at the borrowers' end need to be flexible as research reveals those as barriers for disbursement of stimulus packages

- A major weakness in loan disbursement during the pandemic period is – the terms and conditions for loan disbursement have been kept remain same as those in the pre-COVID period
- Hence, prospective borrowers found it difficult to comply with the terms and conditions given the new reality of business related difficulties during the pandemic period
- *Taking the findings into account, the terms and conditions followed by the commercial banks/financial institutions need to be flexible for SMEs/women-led enterprises*

f) Easing policies targeting SMEs and women entrepreneurs

- Targeting policy tools for SMEs and women entrepreneurs is always difficult in terms of selection and identification of the beneficiaries since these entities are mostly informal and are not registered with government database
- *Government can generate data through GO-NGO collaboration and reaching the doorstep of the beneficiaries*
- *That sort of policy interventions can be availed from surveys and census of BBS as well as through inter-ministerial collaboration*

9. Way Forward

g) A comprehensive database could facilitate undertaking evidence-based policy making

- There is no comprehensive database on SMEs and women-led enterprises which suffered both the policy making process as well as undertaking in-depth research
- *Formalization of these small enterprises is an important step to keep them in the public policy loop*
 - *Such formalization could help develop a comprehensive database on these enterprises*
- *Researchers would be able to undertake more robust studies which could better facilitate the policy-making process*

9. Way Forward

h) Bridging time gap between research interventions and policy responses is highly important

- During the early stage of COVID-19, government took some rapid policy response based on the initial information received from associations, media, and also in line with the demand from the large businessmen
 - There is paucity of research materials targeting SMEs and women entrepreneurs during the early phase of pandemic
- Researchers made better contribution during the following periods
- *Reducing the time-gap between public policies and research studies could positively contribute to better policy making*
 - *Quick availability of fund for the researchers and research institutions is highly important to undertake time-befitting research studies*

9. Way Forward

i) Availability of fund at the national level could further expedite evidence-based policy-making targeting SMEs and Women-led enterprises:

- *Availability of fund at national level with scopes and opportunities for undertaking research on specific issues could always enhance the domestic knowledge hub*
- *The terms and conditions for using those funds should be flexible*
- *Research studies should be rigorous and at par with international standard*
- *It would have been better for the government if it could arrange domestic funds for the researchers to identify right policy intervention*

j) Adoption of cutting-edge technological intervention for emphasizing evidence-based policy

- It has been found that the vulnerable groups are not aware of availing the stimulus package-related amenities
 - Several pathways have been suggested by the researchers during the COVID time to address these challenge
- *The policymakers should monitor the vulnerable groups through a digital dashboard or the local government offices or local government office branches.*
 - *These local level organisations can contribute largely in terms of generating evidence and suggesting appropriate policy measures*

9. Way Forward

k) Introducing 'bottom-up' approach in policy making taking into account the evidence-based research findings particularly related to SMEs and women-led enterprises

- The policy formulation particularly for businessmen is largely top-down in nature and influenced by the big enterprises and large borrowers
- Interventions from large scale enterprises in the policy formulation process may generate negative externality for the smaller or vulnerable like SMEs and women entrepreneurs and for the society as a whole
- Policy for the short-run issues may seem as effective but in the long-run that particular policy can be a burden at a broader scale
- Scientific basis of policy formulation does not get attention on a regular basis
 - Research studies have weaknesses in many accounts which make the policy makers less interested on the research findings
- *Policy making should be inclusive, broad-based and bottom-up in nature where research could provide necessary support on data and evidence*
- *The policy makers and government offices should focus on such bottom-up policy making*

Thank you.