

COVID-19 & The New Normal for Women in the Economy in South Asia



Bangladesh, India,
Nepal, and Pakistan



The Asia Foundation

South Asia Economic Policy Research

COVID-19 and the New Normal for Women in the
Economy in South Asia

February 2021

Acknowledgements and Key Takeaways

The Asia Foundation (Foundation) wishes to thank the many research partners that provided technical support for this timely research project. This report is a part of a broader rapid response effort of the Foundation to better understand the granular impacts of the pandemic on the most vulnerable of Asia's communities, among them informal women workers in South Asia: Bangladesh, India, Nepal, and Pakistan. It would not have been possible to produce this report without the financial supported provided by the United States Government's General Grant appropriation to the Foundation.

The Foundation expresses gratitude towards a regional team of research specialists who drove the research process: Dr. Prabir De –for consulting with country level teams, synthesizing the analyses, and compiling the report. Furthermore, the Foundation appreciates the role that our research partners played in the data gathering and analysis for country level reports, including Dr. Abu Eusuf – Research and Policy Integration for Development (Bangladesh); Dr. Neha Malhotra (India); Shilshila Acharya – Himalayan Climate Initiative (Nepal); Dr. Faisal Bari, Ahsan Farooqui and Sahar Kamran – Institute of Development and Economic Alternatives (Pakistan).

The Foundation also acknowledges the pivotal role that many institutions played in all four countries to help identify and connect the researchers with respondents who are otherwise difficult to identify and reach, enabling us to build a robust sample set and interview pool. The diversity of the research focus was enriched by the Foundation's country staff – Ashray Bikram Pande, Diya Nag, Junayed Jamal, Shabbir Shawkut and Sarim Jamal – who bring deep technical knowledge, insights and networks which tremendously contributed to the the research design and review of this report.

Our key takeaways from this research are:

- Women in the informal economic space are asymmetrically affected by the pandemic;
- Policy making should not be gender blind and this principle should be enshrined to pandemic policy making during COVID-19 and in prospective recovery phase;
- A coordinated and consultative effort is needed to bring about tailored policies to address the nuanced challenges that women face in the informal workspace;
- While safety nets do exist, steps need to be taken to ensure that women informal workers have equal access and benefit equally from such policies;
- South Asian countries may come out of the COVID-19 crisis if appropriate vaccine(s) are made available on mass scale and governments closely coordinate to mitigate economic fallout with niche segments such as informal working women;
- Regional knowledge sharing, especially related to inclusive labor force policies, more relevant now in a post-COVID-19 scenario, is required to deal with common challenges in South Asia.

Nandita Baruah
Country Representative India

Meghan Nalbo
Country Representative Nepal

Kazi Faisal Seraj
Country Representative
Bangladesh

Sofia Shakil
Country Representative
Pakistan

Table of Contents

1. Introduction.....	6
2. Data and Methodology	9
3. Impact of COVID-19 Pandemic on Women Workers: Major Findings	13
3.1 Bangladesh.....	13
3.2 India	19
3.3 Nepal.....	23
3.4 Pakistan.....	27
4. Recommendations to Safeguard and Boosting Women’s Participation	34
5. Conclusions	43

1. Introduction

The COVID-19 pandemic has had a significant impact on South Asia's economies. By the end of September 2020, South Asia became one of the top five affected regions in the world. As of October 10, 2020, about 36.75 million people had been infected and 1.06 million people lost their lives to COVID-19. South Asia, with 7,914,351 total cases (with 995,237 active cases) and 122,625 deaths; and India with 7.05 million total cases (with 867,459 active cases) and 108,371 deaths rank among the top three affected countries/region in the world (see Table 1). South Asia faces huge asymmetric losses, health or otherwise, with economies dependent on physical activities vulnerable to inertia due to lockdowns. The resultant effect is an unprecedented economic recession.

Table 1: Coronavirus in South Asia (as on 10 October 2020)

Country	Total Cases	Total Deaths	Total Recovered	Active Cases
India	70,53,806	1,08,371	60,77,976	8,67,459
Bangladesh	3,78,266	5,524	2,92,860	79,882
Pakistan	3,18,932	6,570	3,03,458	8,904
Nepal	1,07,755	636	75,804	31,315
Afghanistan	39,799	1,477	33,114	5,208
Maldives	10,859	34	9,683	1,142
Sri Lanka	4,628	13	3,307	1,308
Bhutan	306		287	19
South Asia	79,14,351	1,22,625	67,96,489	9,95,237

Source: WHO

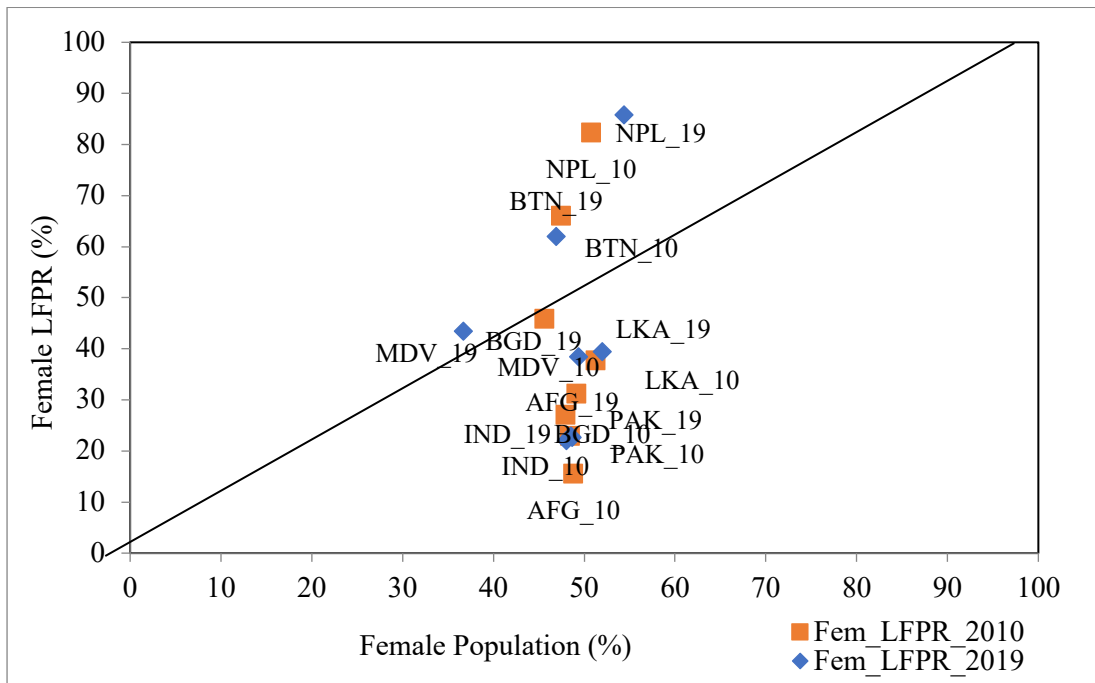
The COVID-19 pandemic has already caused an economic loss worth US\$ 500 billion in South Asia.¹ South Asian countries may come out of recessions if appropriate vaccine(s) are made available and governments closely coordinate to mitigate economic fallout. The daunting task before South Asia countries is, therefore, to bring back the growth momentum while controlling for the next wave of the pandemic and rampant rise of poverty and malnutrition. In a recent study, the World Bank (2020) commented: "Millions of people in South Asia are being pushed into extreme poverty as the region where a quarter of humanity lives suffers its worst-ever recession due to the devastating impact of the Coronavirus pandemic." The World Bank forecast indicates that South Asia is likely to face a record economic contraction of 7.7% for 2020.

¹ Author's own calculation

Workers in the informal sector in South Asia were hit hardest,² and areas which are highly vulnerable to any economic downturn are informal/unorganised sector workers and informal enterprises.³

The economic impact of the pandemic is expected to be particularly significant for women in least-developed and developing economies including those in South Asia.⁴ The channels through which the pandemic has had a greater impact on women in least developed countries (LDCs) and developing economies lie at the heart of gender inequalities, such as lower wages for women, fewer educational opportunities, limited access to finance, greater reliance on informal employment, and social constraints (WTO, 2020). For instance, the remittance and foreign-aid dependent economy of Nepal saw accentuated impacts as the inflow from these sources plummeted.

Figure 1: Female Labour Force Participation Rate (LFPR) of South Asian Countries, 2010 and 2019



Note: Population, female (% of total population) Labour force participation rate, female (% of female population ages 15-64) (modelled ILO estimate)

Source: Drawn based on the World Development Indicators database, the World Bank

Women in South Asia are more exposed to informality in the economy, and face more vulnerable situations than their male counterparts.⁵ Women in South Asia make up a disproportionate percentage of

² It is estimated that lockdown and other related measures bear a significant impact on 1.6 billion informal workers, with women over-represented in the most hard-hit sectors (ILO, 2020).

³ Informal employment represents 90% of total employment in low-income countries, 67% in middle-income countries and 18% in high-income countries (ILO, 2020).

⁴ Refer, World Trade Organization (2020).

⁵ Refer, for example, Chakraborty (2020), among others.

workers in the informal sector, and 80% of women in non-agricultural jobs in the region are engaged in informal employment (UNWomen, 2020). The informal work does not provide resilience against market fluctuations and risks, protection of labour laws, social benefits like pension, health insurance or paid sick leave. It also means women work for lower wages and in very insecure conditions, which increases risks such as sexual harassment or assault. In long term, this makes them vulnerable and keeps them in poverty. A series of studies indicate that the COVID-19 pandemic exacerbates some of these existing risks, and also poses new ones for women in this region.⁶ This is more acute in countries like Nepal and Bhutan, where the female labour force participation rate (LFPR)—the share of working-age women who report either being employed, or being available for work—is as high as 85% (Nepal) and 62% (Bhutan). In another extreme, India's LFPR has fallen to 22% in 2020 from 27% of 2010, suggesting that over three out of four women over the age of 15 in India are neither working nor seeking work. The same trend is vehemently followed by Pakistan and Afghanistan. Where is the women workforce really concentrated in labour market, say in India? Most of the women workers, particularly in urban areas, are engaged in low-skilled odd jobs barring few, who are working in high-skilled white collar jobs, or are self-employed.⁷ At the same time, the overall gender gap has been widening rapidly, despite women's representation in political leadership in South Asia (and rest of the world as well).⁸ In today's economic downturn, South Asia is unique and dualistically placed, where one set of women workers with high LFPR in low-income landlocked/island countries face high vulnerability compared to larger geographically dispersed economies. The disparity is quite striking. The country-level studies carried out by The Asia Foundation in South Asian region indicate fewer women are working, who work presumably long hours for lower pay, compared to their male counterparts. For example, the survival of women-led Micro, Small, and Medium Enterprises (MSMEs) is at considerable risk in the new normal.⁹

Women are more vulnerable to COVID-19–related economic effects because of existing gender inequalities.¹⁰ In this uncertain time, women's economic opportunities activities have been disproportionately affected, with vulnerable women unable to earn and adequately feed to themselves and their families.¹¹ In the lockdown, women were the first to lose jobs, and those in the informal sector (construction workers, domestic helpers, etc. across South Asia) lost livelihood opportunities. Even in formal employment structures, women were managing the dual burden of unpaid care work and office work. And more women lost formal jobs compared to men.

Way forward in post-pandemic recovery must generate an environment not only to get back lost opportunities but also for participation of women in all public affairs so that the recovery becomes more resilient and drives gender-equalisation in South Asia (UN Women, 2020).

Given the above broad context, this regional synthesis study draws upon four country-level studies conducted by The Asia Foundation and its partners¹², and presents the immediate consequences of the

⁶ Refer, ILO (2020a, 2020b)

⁷ Refer, Rukmini (2019), Nepal Country Report (2020), a.o

⁸ The World Economic Forum (WEF)'s Global Gender Report 2020 reveals that it may take almost a century to achieve full parity at the current pace (WEF, 2020)

⁹ Refer, Bangladesh Country Study (2020)

¹⁰ Refer, McKinsey & Co (2020)

¹¹ Refer, ILO (2020)

¹² The partners in country studies are Research and Policy Integration for Development (RAPID) for Bangladesh; Dr. Neha Malhotra Singh for India; Himalayan Climate Initiative (HCI) for Nepal, and Institute of Development and Economic Alternatives (IDEAS) for Pakistan

COVID-19 pandemic on women across four major South Asian countries: Bangladesh, India, Nepal, and Pakistan. For example, Bangladesh country study aims to provide evidence on how the pandemic sets the scene of the new normal for women, especially those who lead MSMEs, in the economy of Bangladesh. The India country study aims to discuss the important characteristics of the platform gig economy including the definition and classification of gig workers, whereas the objective of the Nepal country study is to carry out a comprehensive study focusing on the disproportionate ways in which this crisis has impacted particularly women in Nepal. The Pakistan country study aims to unpack the impact of COVID-19 on women on challenges unleashed by the COVID-19 pandemic.¹³

The remainder of the report is arranged as follows. Followed by the Introduction, Section 2 outlines the data and methodology adopted in doing this study. Thereafter, the impact of the COVID-19 pandemic on women workers in the four target countries, respectively, is discussed in Section 3. Section 4 presents country-wise policy recommendations. Finally, Section 5 provides a conclusion.

2. Data and Methodology

The country studies are largely based on primary data collection methods – both through questionnaire surveys and key informant interviews (KII). The four country-level studies conducted have a considerably large sample; of which Pakistan alone contributes 67% (Table 2). Let's look at the research objectives, samples, methodology and key processes adopted.

Bangladesh

The Bangladesh country study aims to provide evidence on how the pandemic sets the scene of the new normal for women, especially those who lead MSMEs, in the Bangladeshi economy. More specifically, based on a random sample survey of women-led MSMEs, it examined the pandemic-induced challenges facing the women entrepreneurs in Bangladesh and discusses possible recovery strategies. The study is based on the field survey data, collected through a semi-structured questionnaire. The study had a sample size of 100 MSMEs, of which 83 were female-owned and 17 were male-owned. The geographical location covered two divisions, namely, Khulna and Rangpur. Khulna is adjacent to the southern coastal region, whereas Rangpur is located in the northern part of Bangladesh. Both divisions are important business hubs given their proximity to trade borders with India.

India

The aim of the India country study was to discuss the important characteristics of the platform gig economy in light of the pandemic. With a special focus on women gig workers, it provides a perspective on the opportunity created by the platform gig economy for women workers, the barriers that exist and the challenges they face especially in the aftermath of the COVID-19 pandemic. The study also brought to light pressing issues and provides recommendations around social security and worker welfare in the platform gig economy. The India country study employs both primary and secondary research. Most of the platform gig workers who were interviewed were primarily based in Delhi NCR, while some of them were based in Kolkata and Mumbai.

¹³ Refer, country studies for further details as follows: Bangladesh Country Study (2020), India Country Study (2020), Nepal Country Study (2020), Pakistan Country Study (2020)

The interviews with customers were conducted with women who had availed services from platform gig companies given that the focus group of the study was female gig workers who primarily provide salon and spa services. Customers were based in Delhi NCR.

Nepal

Objective of the Nepal country study was to carry out a comprehensive study focusing on the disproportionate ways in which this crisis has impacted particularly women in Nepal. It aims to understand the impacts of COVID-19 on women in Nepal during and after the time the strictest lockdown measures were imposed by the government. The study covers 401 women and 51 private sector firms, all from the seven provinces, and focuses on a variety of impacts of the COVID-19 crisis on women such as socio-economic, psychological, reproductive, and mental health. A questionnaire survey was administered to 51 female employers, representing individual employers (households), Small and Medium Enterprises (SMEs) and informal sector employers, and formal sector employers (large industries), where 27% of the surveyed businesses were either fully or primarily owned by women.

Pakistan

The Pakistan national study aims to unpack the impact of COVID-19 on women by addressing: (i) the extent of vulnerability of women in the informal sector to socioeconomic effects of the COVID-19 pandemic; (ii) coping mechanisms employed by women in the informal sector in order to mitigate the effects of the pandemic; (iii) the government's role in mitigating vulnerabilities that have been exacerbated due to the pandemic; and (iv) smart policy options that can be adopted to provide relief, particularly to women in the informal economy from economic and social shocks associated with the COVID-19 pandemic. The study employs a mixed methods approach to address the research objectives. The study has collected data through a quantitative survey, supplemented with semi-structured qualitative interviews and KIIs. The study conducted a total of 1100 surveys of women belonging to different sub-sectors in the informal economy, along with 20 qualitative interviews and 4 KIIs. The sample for the survey was drawn from Punjab and Sindh provinces, which had 76% of the total reported confirmed cases of COVID-19. Approximately 68% of the respondents belonged to rural areas within the two provinces.

Table 2: Highlights of National Studies

Country	Report	Objectives	Sample Size	Data and Methodology
Bangladesh	COVID-19 and The New Normal for Women in the Economy in South Asia: Bangladesh Country Report by M. Abu Eusuf	<ul style="list-style-type: none"> To provide evidence on how the pandemic sets the scene of the new normal for women, especially those who lead MSMEs, in the Bangladeshi economy. To examine the pandemic-induced challenges facing women entrepreneurs in Bangladesh and discusses possible recovery strategies. 	100	<ul style="list-style-type: none"> Both quantitative and qualitative methods were adapted to deal with the research objectives such as questionnaire survey, focus group discussion (FGD) and in-depth interview, etc. Out of the sample of 100 MSMEs, 83 were female-owned and 17 were male-owned. Analysis is restricted to the samples of female-owned MSMEs. In addition, an FGD as a source of qualitative data was conducted involving selected MSME owners, researchers, and development practitioners.
India	The Platform Gig Economy in India: Focusing on Women Gig Workers: India Country Report by Neha Malhotra Singh	<ul style="list-style-type: none"> Aim of the India country study was to discuss the important characteristics of the platform gig economy including the definition and classification of gig workers. 	43	<ul style="list-style-type: none"> The study is based on primary and secondary information, where primary research is comprised of Key Informant Interviews (KIIs) with an interview questionnaire. In this study, 10 female platform gig workers and 8 male platform gig workers were interviewed, along with 10 customers.
Nepal	COVID-19 and the New Normal for Women in the Economy in Nepal by Himalayan Climate Initiative	<ul style="list-style-type: none"> To carry out a comprehensive study focusing on the disproportionate ways in which the COVID-19 crisis impacted women in Nepal. To understand the impacts of COVID-19 on women in Nepal during and after the the strictest lockdown measures were imposed by the government. 	452	<ul style="list-style-type: none"> The study employed a questionnaire survey, covering 401 women and 51 private sector firms, and focused on a variety of impacts of the COVID-19 crisis on women. The methodology of the study encompassed three stages, namely, desktop review, primary data collection, and data analysis. KIIs were also conducted with government representatives, private sector respondents and relevant institutions.

Pakistan	<p>COVID-19 and the New Normal for Women in the Economy: Case for Pakistan by Faisal Bari, Ahsan Zia Farooqui, Sahar Kamran</p>	<ul style="list-style-type: none"> • To unpack the impact of COVID-19 on women by addressing: (i) what is the extent of vulnerability of women in the informal sector to socioeconomic effects of the COVID-19 pandemic?; (ii) what are the coping mechanisms employed by women in the informal sector in order to mitigate the effects of the pandemic?; (iii) what is the reach of the government to address the vulnerabilities that have been exacerbated due to the pandemic?; and (iv) what are various smart policy options that can be adopted to provide relief - particularly to women in the informal economy - from economic and social shocks associated with the COVID-19 pandemic? 	1124	<ul style="list-style-type: none"> • The study employed both primary and secondary surveys, and is based on data collected through a quantitative survey, supplemented with semi-structured qualitative interviews and KIIs. • Random sampling technique was employed for the study. To ensure proper representation, the sample consisted of women in different sectors based on their numbers in the Labour Force Survey 2017-2018. The study has included a total of 1100 surveys of women belonging to different sub-sectors in the informal economy, along with 20 qualitative interviews and 4 KII interviews.
-----------------	---	--	------	--

Total: 1719

Source: Based on country studies

3. Impact of COVID-19 Pandemic on Women Workers: Major Findings

3.1 Bangladesh

In the Bangladesh country study, a total of 100 MSMEs were surveyed to understand the impact of COVID-19 on the business activities of MSMEs, of which 83 units are owned by women. The study has examined how women entrepreneurs were affected by the adversities of the COVID-19 pandemic. 81 out of the 83 MSMEs are micro enterprises, while the other two were small units. Most of the enterprises are located in the urban areas. In terms of the sectoral composition, majority (83%) of the enterprises operate in the textile or clothing sector while the rest of them are involved in food processing and diversified production.

Women-Owned MSMEs Lost Their Businesses

The restrictions imposed by the government on economic activities of the enterprises led to about half of the women-owned MSMEs closing their business premises to customers and continuing some operations by working from home, while 17% of the enterprises had completely closed their operations. Meanwhile, one-third of women entrepreneurs reported that they had substantially reduced their business, although the business premises were still open (Figure 2). As a result, the women MSME owners experienced difficulty arranging their livelihoods. The survey has indicated that 59% of the women entrepreneurs used their savings to meet living expenses, while 23% of the entrepreneurs relied on loans as well as support from relatives and friends. In addition, 16% of the women entrepreneurs pursued alternative sources of earnings (Figure 3).

Figure 2: Mode of Business Operation during COVID-19-Induced Restrictions

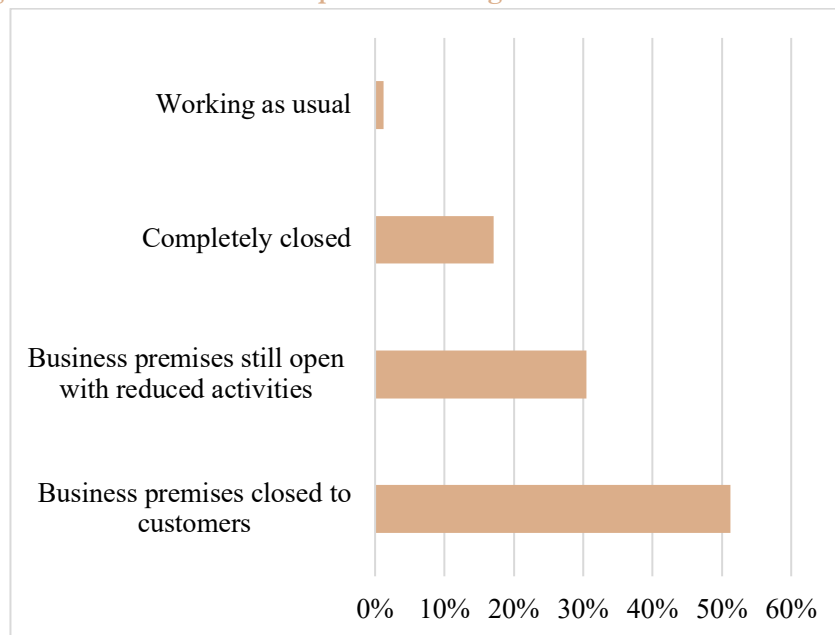
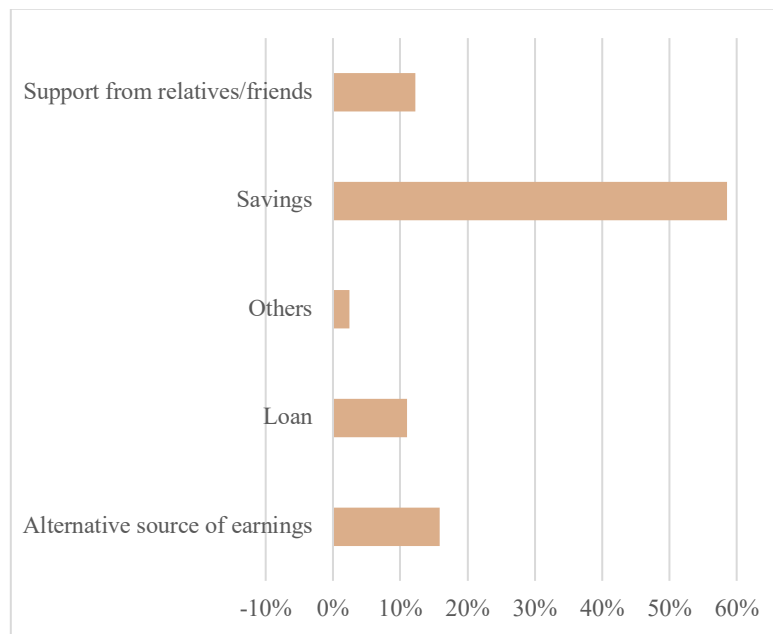


Figure 3: Arrangements for Livelihoods during Reduced Business Operation



When asked about the primary reasons for disruptions in business activities during the time of COVID-19, women entrepreneurs have referred to an array of challenges including the restrictions imposed by the government, personal safety, and increased operation cost. For instance, 39% of the women entrepreneurs attributed reduced business activities to the lack of customers, whereas 34% of the entrepreneurs noted restrictions imposed by the government to limit the spread of COVID-19 as the major reason for disruptions in business operations (Figure 4).

Meanwhile, 22% of the MSME owners reported that they had reduced their business activities since they were not being able to maintain necessary capital investment and employment because of insufficient cash-flow. In addition, 6% of the women entrepreneurs were concerned about safety of their employees and themselves, thereby reducing their business operations. As the business activities of the women-led MSMEs were substantially affected by the exigencies of the COVID-19 pandemic, women entrepreneurs have experienced noticeable loss of their sales or revenues. For instance, 75% of the MSME-owners reported that they had lost at least half of their sales or revenues because of the pandemic, while 20% of the owners completely lost their sales or revenues (Figure 5).

Given the slowdown in business activities that the women-led MSMEs faced, it is feared that the survival of these enterprises will be at risk in the near future. When asked about the level of risk that the women entrepreneurs anticipate, 65% of them have noted a high risk, while 34% have reported a moderate risk (Figure 6). Moreover, 23% of the MSME-owners feared that their enterprises might not survive more than six months under the current circumstances (Figure 7).

Figure 4: Causes of Reduced Business Activities

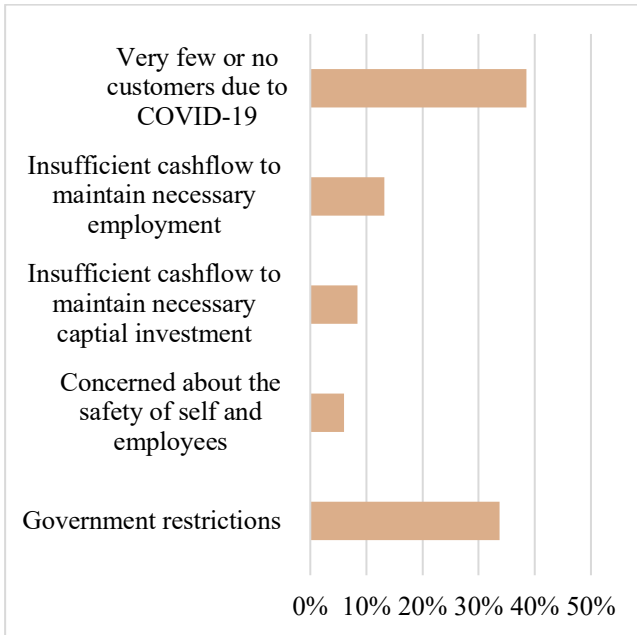


Figure 5: Trend in Sales or Revenues

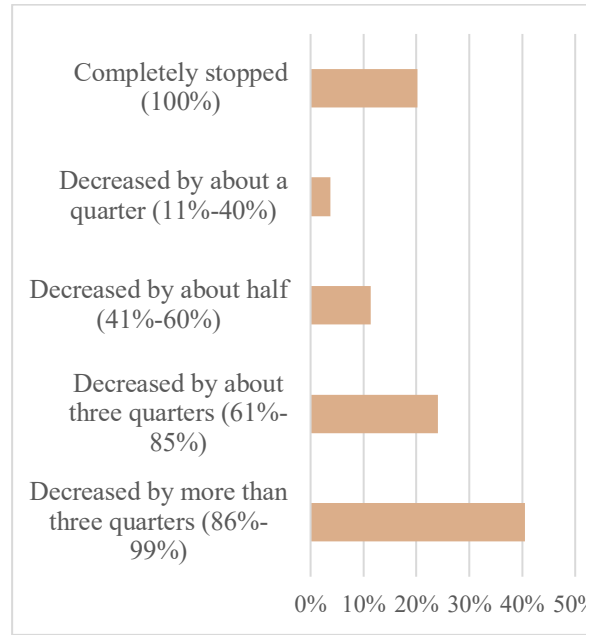


Figure 6: Risk of Business Closure

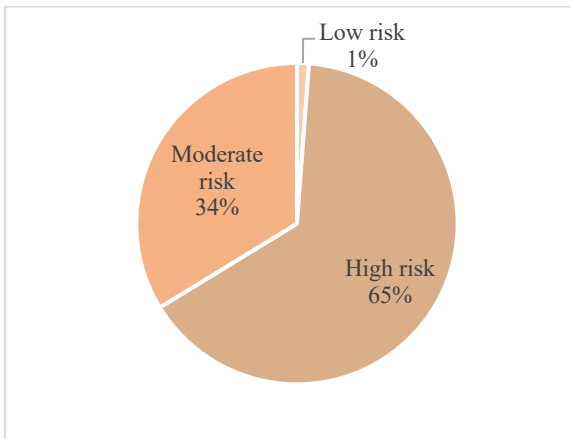
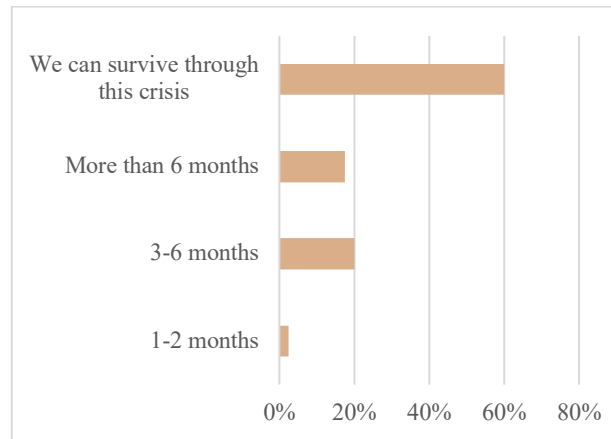


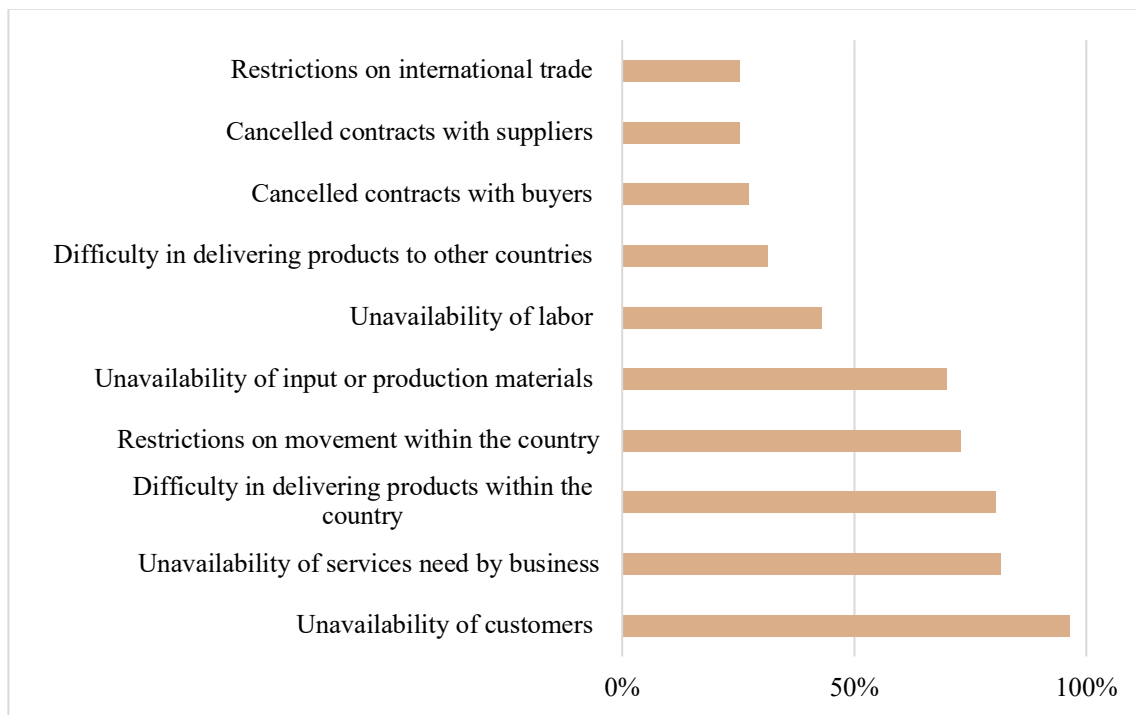
Figure 7: Anticipated Survival Length



Supply Chain of the Women-Led MSMEs Seriously Disrupted

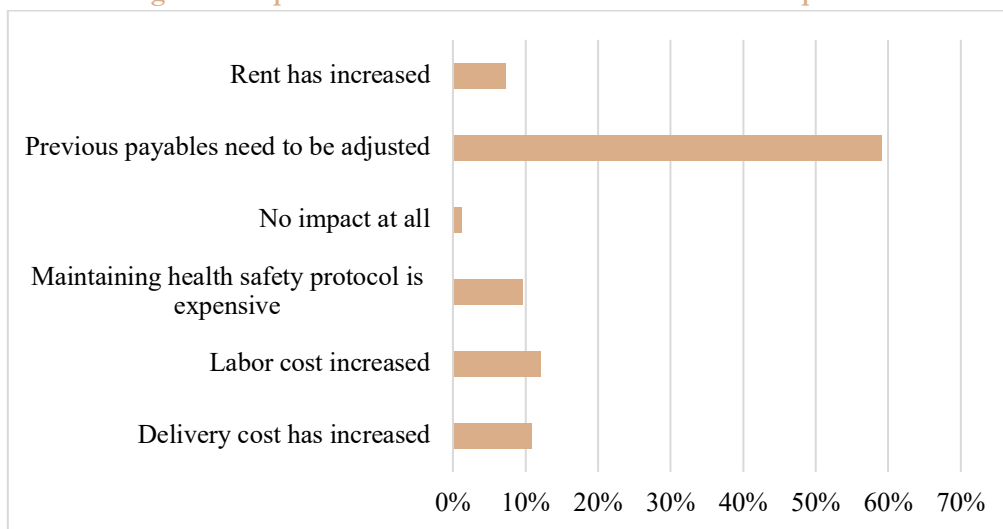
The supply chain of women led MSMEs was seriously disrupted by the ongoing pandemic. When asked about the challenges associated with supply chain of the enterprises, the MSME owners identified a number of factors that eventually put the survival of the enterprises at risk. For instance, as reported by women entrepreneurs (Figure 8), the top five COVID-19-induced challenges associated with supply chain of the women-led MSMEs are unavailability of customers (96%), unavailability of services needed by the enterprises (81%), difficulty in delivering products within the country (80%), restrictions on movement within the country (73%), and unavailability of inputs or production materials (70%).

Figure 8: Factors Affecting the Supply Chain of the MSMEs



Another way through which the supply chain of women-led MSMEs has been distorted is increased production costs. The women entrepreneurs envisioned that their cost of production would increase after they resumed their business operation in the aftermath of the COVID-19 pandemic. When asked about the possible reasons for increased production costs, about 60% of the women entrepreneurs reported adjustment of previous payables, i.e. salaries due to employees, as the major concern. In addition, 12% of the entrepreneurs identified increased labour cost as another reason for higher cost of production while 11% of the entrepreneurs referred to increased delivery cost (Figure 9).

Figure 9: Impact of COVID-19 on the Cost of Business Operation



High Layoffs, Fear a Possible Business Contraction

The COVID-19 pandemic has substantially reduced the size of the workforce in these enterprises. About half of the women-owned MSMEs reported a layoff rate of 76-100%, while about one-fourth of the MSMEs stated that they had laid off 51-75% of their employees during the period of COVID-19 (Figure 10). When asked if the MSME owners were interested in rehiring the laid-off employees after resuming their business operations in the post-pandemic periods, about one third of the entrepreneurs showed unwillingness to rehire all laid-off employees (Figure 11). Based on this finding, it can be inferred that the MSME owners fear a possible reduction in the size of their enterprises in the aftermath of the ongoing pandemic. Consequently, sustainability of local economic development may be at risk in the short and medium runs.

Figure 10:
Layoff Rates of MSMEs

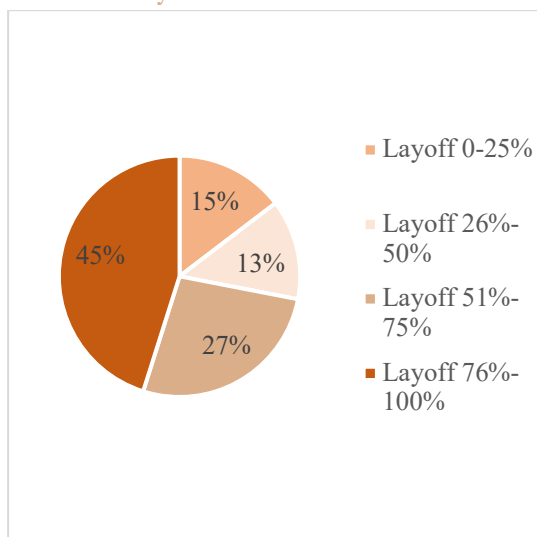
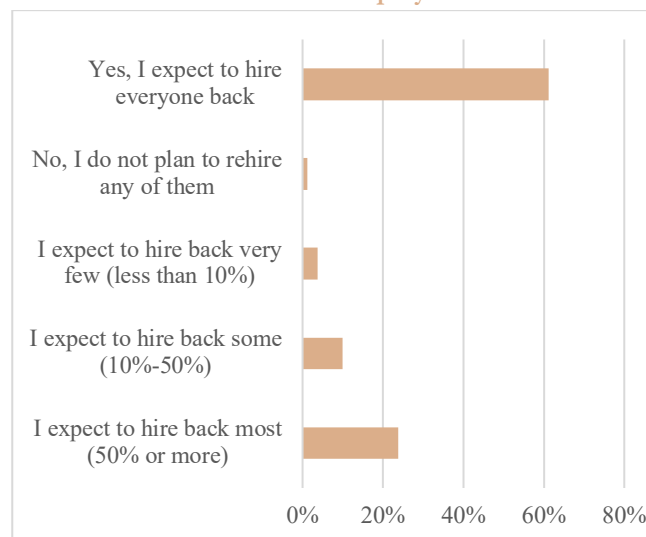


Figure 11: Willingness to Rehire the Laid-off Employees



Lack of Access to Government Stimulus Package

A large portion of the women entrepreneurs seemed unaware of details of the government stimulus package. Moreover, a number of supply side constraints exist for women entrepreneurs' access to resources. These challenges have put the women-owned MSMEs at serious disadvantage particularly in the time of COVID-19. The Government of Bangladesh has declared BDT 20 billion subsidized rate of interest-based loan support for SMEs¹⁴, out of which 5% were been assigned to benefit women entrepreneurs who are affected by the pandemic. However, as the survey results suggest, half of the women entrepreneurs did not have sufficient information about the government assistance programmes for MSMEs. In terms of the government stimulus packages for enterprises affected by the COVID-19 pandemic, only one women-owned MSME, out of 83, in the survey reported that it had applied for benefits under the stimulus package programmes, while no other women entrepreneurs expected to receive any assistance. When asked about the reasons for not applying to the government assistance programmes, the women entrepreneurs in an FGD mentioned the following bottlenecks:

- Lack of necessary information or knowledge about the process of application.
- Inconvenient location of the institutions or agencies through which application is to be submitted. Women entrepreneurs need to drop application to banks, which are located in the Upazila/District

¹⁴ Equivalent to US\$ 236.18 million as on 29 October 2020

level.

- Lack of cooperation from providers or responsible officials.
- Complex application or registration system. Banks asked women entrepreneurs to register with district women chambers/Bangladesh Small and Cottage Industries Corporation (BSCIC), which women entrepreneurs often find difficult. Though the Bangladesh Bank introduced a simple application form, but banks ask for many supporting documents along with the application.
- Unwillingness of assistance providing institutions to help micro and small women entrepreneurs.
- Micro and small entrepreneurs do not have the necessary documents needed to access the stimulus package offered by the government at designated banks, including demonstrable access to collateral (along with original deed documents) and a personal guarantor who has a bank account with adequate balance in the same bank.

Figure 12: Adaptation Challenges in the New Normal

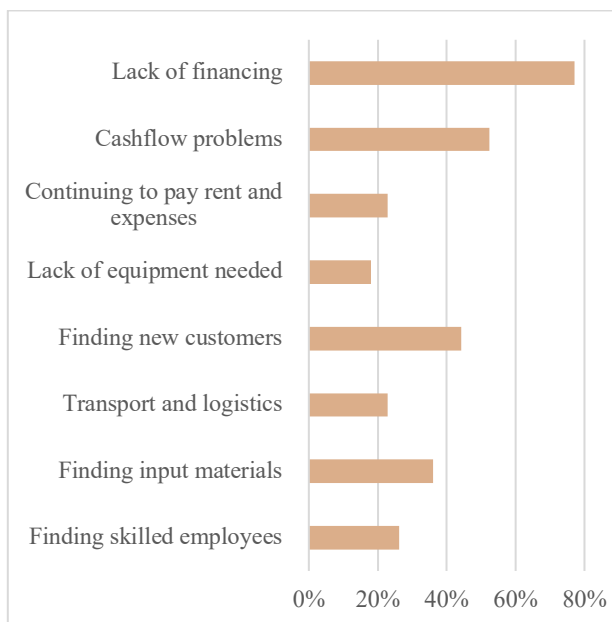
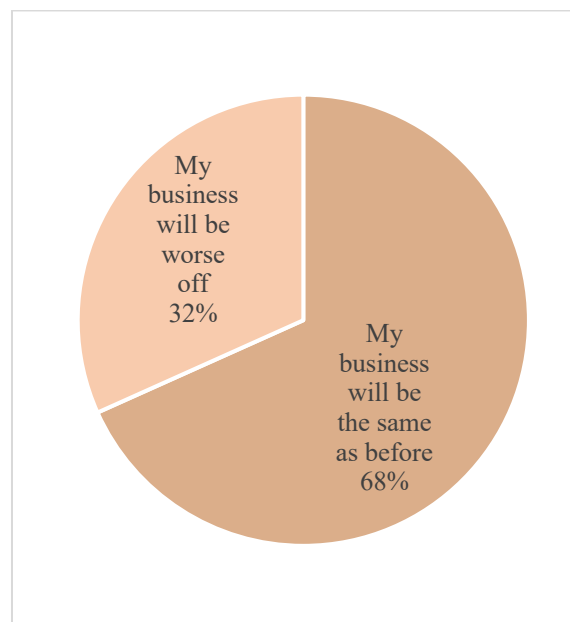


Figure 13: Outlook for Business Operations



Lack of Financing as the Single Most Important Barrier

Women-owned MSMEs, with their limited access to resources, are likely to experience substantial difficulty adapting to challenges of COVID-19. In terms of the primary challenges facing the women-led MSMEs in coping with the exigencies of the new normal, the women entrepreneurs have reported the lack of financing as the single most important barrier. More than 75% of the respondents cited the lack of financing as a challenge for adapting businesses to the new normal, followed by 53% noted that the problems were associated with cash-flow and 44% mentioned concerns over finding new customers (Figure 12). In terms of the capacity for adaption, one third of the MSME owners had a dismal view of their businesses in the long run as they believed that the performance of their enterprises would never return to the pre-COVID-19 level (Figure 13).

3.2 India

The Coronavirus pandemic took a toll on platform gig workers, particularly women, stemming from a sudden collapse in demand for platform-based services.

Challenges Related to Classifying Gig Workers

Mobile-based aggregator platform companies attract workers through non-standard forms of employment. They are not ‘employees’ of the platforms and are instead considered to be partners. This arrangement removes the employer-employee relationship, and therefore absolves platforms from providing any mandatory employment benefits and protections to their gig workers.

Further, even the Indian government’s most recent labour law reform, the ‘Social Security Code 2019,’ defines a gig worker as a “person who performs work or participates in a work arrangement and earns from such activities outside of traditional employer-employee relationship.”¹⁵ Platform based work is defined as “a form of employment in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services in exchange for payment.”¹⁶ A plain reading of the Code indicates that gig workers, platform workers, and unorganised workers are treated equally. Therefore, under this law, gig workers are considered to be informal workers and are not eligible to receive the standard legal, security, and labour protections as in a formal employment set up.

From the gig workers’ perspective, platforms have made their work more organized and professional in terms of providing structured access to consumers, upskilling them, and helping them generate a good stream of work and income. Furthermore, the platform gig economy provides a professional identity to informal workers registered with them as service partners, making them and their work traceable. It also integrates them with the country’s formal banking and finance system as they receive and make payments through their bank accounts, or digital payment services such as PayTM, or Google Pay, for example.

Further, platforms exert significant control over the way gig workers deliver services. For instance, during the COVID-19 pandemic, it was mandatory for salon gig workers to wear masks and share selfies with the platform before initiating each service. Uber and Ola drivers are required to work a minimum number of hours per day or complete a certain number of rides per day to earn basic incentives. Such control makes drivers more like employees rather than independent contractors.¹⁷ To that extent, the platform gig economy may be seen as a form of disguised employment or dependent self-employment where workers fall between the categories of employees and independent contractors and “the rights and obligations of the parties concerned are not clear, or when there are “grey areas” in the law.¹⁸

Also, there is an emerging debate around formality or informality of platform gig workers, and it is difficult to ascertain whether platform gig workers are classified as employees or not, because they do not have access to legal and social protection like formal sector employees. And, without these protections, in the face of the COVID-19 pandemic, gig workers were adversely affected. This was particularly true for

¹⁵ The Draft Code on Social Security, 2019

https://labour.gov.in/sites/default/files/THE_CODE_ON_SOCIAL_SECURITY%2C2019.pdf

¹⁶ The Draft Code on Social Security, 2019 https://labour.gov.in/sites/default/files/375_2019_LS_Eng.pdf (Section 2(55))

¹⁷ Refer, Nair (2019)

¹⁸ Refer, ILO (2019)

women gig workers, who were performing jobs not such as beauty and grooming services which are not considered as “essential.”

Further, the current lack of clarity around classification of platform gig workers has transferred the burden of platform-powered business models unfairly on the platform gig workers. While gig workers continue to be classified as informal and deprived of the security of formal work, the Indian government is planning to bring them under the tax system. The Department for Promotion of Industry and Internal Trade (DPIIT) is considering making it mandatory for gig-based platforms to only engage workers who have a Goods and Services Tax (GST) number and the platforms will be required to keep a log of their work. Such a move indicates that there is a push from the government to formalize this segment of the workforce. The idea is to have a database of gig workers even though they may not be eligible for GST given an annual turnover of less than INR 4 million (or US\$ 55,000).¹⁹

Misclassification of platform gig workers as purely informal based on existing/proposed definitions in India is also a lost opportunity as the platform economy is almost an organic way of formalizing the workforce, who are now clearly visible and traceable.²⁰ There is also another debate around formalizing the gig structure through regulation which may affect the flexibility of this type of employment.

Lastly, although outside the scope of this study, it is important to note that a large number of professionals in sectors such as Information Technology (IT), or consulting are embracing the gig work culture. According to Oxford Internet Institute’s ‘Online Labour Index’, India is a leader in the global online labour market with a share of 24%.²¹ Knowledge-based gig work is increasing the size of the informal workforce - as per current definitions - in India and in turn the proportion of population without legal or social protection.²² This is significantly detrimental to social welfare and imposes huge risks for the society at large.

Drastic Fall in Monthly Income

Demand for gig work dropped significantly from mid-March 2020 onwards, all through April, May, and June 2020. Demand for services provided by online platforms such as Urban Company and Swiggy was down by 40-50%.^{23,24} This resulted in a significant decline in the income earned by gig workers (including those working in shared mobility and e-commerce services).^{25,26}

Women gig workers were hit hard by the pandemic due to the nature of their work. Women predominantly work in the beauty and personal grooming sector, which grappled with extremely low levels of demand during the initial months of the pandemic as these are completely physical contact-based

¹⁹ Refer, Peermohamed (2020)

²⁰ Refer, Korreck (2020)

²¹ Refer, Saleem (2019)

²² Formal employees get benefits, and paid leave, whereas gig workers do not. However, The Asia Foundation’s previous studies indicated that despite inaccess to legal / social protection, women giggers still preferred gig work because of the (i) more income; (ii) flexible nature of work; (iii) ability to balance unpaid care work; (iv) ability to become primary breadwinner in family; (v) ability to take leave (go to village / maternity / holiday) as per their own schedule; and (vi) Be their own boss!

²³ According to end-April 2020 estimates

²⁴ Refer, Kar and Shrivastava (2020)

²⁵ According to end-April 2020 estimates

²⁶ Refer, Kar and Shrivastava (2020)

services, and are considered to be ‘non-essential.’ Respondent women gig workers said that the demand for beauty and grooming services was almost negligible through mid-March to June. Customers also said that their demand for these services declined significantly by 50-100%.²⁷ It is certainly a reality that even within the gig economy, work is gendered. Women perform non-essential jobs such as beauty and personal grooming; while men are employed in essential services as plumbers and electricians, for example. As a result of the gendered nature of this work, during the lockdown and with the spread of COVID-19, women gig workers were the first to lose livelihood opportunities. Respondents shared some telling experiences during the key informant interviews, for example:

“I almost did no work in the initial months of the lockdown till about June” – Women gig worker (salon and spa)

“I made no money during this time. Consumer demand was zero.” – Women gig worker (salon and spa)

“I reduced availing gig services by 50% for beauty and salon and 100% for food as a result of the pandemic. Trend was similar for my friends and family” – Customer

“My demand for services from gig-based platforms reduced by 100% during the pandemic” – Customer

“There was no change in my demand for grooming services as I can control the behaviour of the service professional in my home. I stopped going to the parlour 100%.” - Customer

While the demand for other types of gig work – predominantly undertaken by men – (particularly delivery services) also fell initially as people stopped ordering food online, eventually demand picked up as a result of a rise in home delivery of groceries. Further, customers continued to avail gig services offered by men – such as plumbing, electricians, or appliance repair – during the pandemic as they were linked to home emergencies and repairs. Interviews with men gig workers revealed that although the work did reduce as a result of the pandemic they continued to get some leads throughout the lockdown (unlike women whose salon and beauty work almost came to a standstill).

“I used to get leads even during the lockdown. Work has picked up properly since August and everything should be alright by Diwali” – Male gig worker (carpenter)

“I had enough work that I could run my house.” – Male gig worker (Air Conditioner (AC) technician)

“Although work was down by 40 – 50%, I did have work during the lockdown. In fact, while my private clients were scared and did not call me, I got work through Urban Company.” – Male gig worker (AC technician)

“There was almost no work in March – May” – Male gig worker (carpenter)

²⁷ Although there were some exceptions, where customers said that there was no change in their demand, and that they found it safer for a professional to come home for grooming as compared to going to a parlour. This was mainly true for regular customers who have had the same professional come in several times as customers had more confidence on the hygiene observed by their regular gig beautician coming home.

“My demand for platform gig workers actually increased as several of my appliances broke down during the peak pandemic period.” - Customer

However, men gig workers whose work is fairly seasonal such as air conditioner technicians lost out on their main work months – i.e. the summer season. This will have a lasting financial impact on them.

“The impact of the pandemic was more severe for women in the immediate run as they predominantly offer beauty and spa services which are contact-based. However, over a period of 6 months the impact is likely to be same for men and women. As an illustration, male gig workers undertaking air conditioner servicing got very little work in their main season time – summer – as a result of the pandemic. - Mr. Abhay Mathur, Senior Vice President, Urban Company

“Even in September I am not able to get a daily call. Then AC season will soon conclude. I don’t know what I will do after that.” – Male gig worker (AC Technician)

Financial Setback – Depleted Savings and Loan Liabilities

Women gig workers experienced a major financial setback as a fallout of the pandemic. KIIs have revealed that they were not able to generate any income through alternate sources of work once the pandemic set in. They also did not have any social security net at their disposal. As a result, the women gig workers were forced to deplete their savings to meet basic household needs such as rent, food, loan repayment, and so on. A few of these women managed to get support from other earning members of the family or as a goodwill gesture from loved ones. However, the impact was more severe for many others who were primary earners and had no domestic support.

Some platform companies such as the Urban Company have offered modest interest free loans to their gig workers²⁸. The sufficiency of the support was dependent on whether the gig workers were primary earning members, living in the city or on the outskirts, and so on.

Further, the India country study indicates that the government had not reached out to the platform gig workers (neither women nor men) with support during the pandemic. Except for delivery of government-based entitlements such as rations, gig workers did not receive any further support or assistance from the government.²⁹ One worker who had moved back to her village in the state of West Bengal shared that the government provided financial assistance of only INR 500³⁰ (less than \$7 USD) per month for three months as relief support to women with a zero balance bank account under the Pradhan Mantri Jan Dhan Yojana, which was absolutely inadequate.³¹

²⁸ Noted in the study, “Urban Company offered a loan of INR 5,000 (US\$ 68), however this is not enough for me to even meet my rent obligations for long.”, said by Women gig worker (salon and spa), and “We stay closer to the village and have our own house so expenses are low. We could manage with the INR 5000 (US\$ 68) loan from Urban Company and without savings.”, said by Male gig worker (cleaner)

²⁹ KIIs with gig workers

³⁰ Equal to US\$ 6.80

³¹ The ‘Pradhan Mantri Jan Dhan Yojana’ is a financial inclusion program initiated by the Government of India in 2014 to expand access to formal financial services.

Other Gender-Differentiated Challenges of COVID-19

Most women gig workers interviewed complained of extreme stress during the pandemic due to financial strain along with the fear of contracting the coronavirus in the course of their work, or while unemployed. However, it is surprising to find that there was a mixed response on concern about their own physical health being at risk. Further, given the restrictions on travel and mobility during the lockdowns, there was an increased dependence on men for travel. Women struggled to travel safely for work during the lockdown as local transport such as buses were not running their normal operations. This increased their dependence on other members of the family (in most cases male members in the family) to provide safe transportation, thereby limiting their ability to access economic opportunities even further. The pandemic also saw a significant rise in rates of domestic violence, additional burden of unpaid care work on women as their spouses and children spent significant time at home due to the pandemic.

3.3 Nepal

The lockdown imposed by the government brought the entire economy to a standstill, affecting both the formal and the informal sectors. In Nepal, a whopping 84.6% of the total working population is engaged in informal jobs, the majority (66.5%) of which are women (CBS, 2018). This is of concern because the informal sector remains beyond the government's oversight, regulations, and control, and is therefore deprived of the beneficial provisions and protections extended by the government. During the most stringent period of the lockdown, the private sector faced multiple difficulties.

Reduction in Sales and Revenues and Job Losses

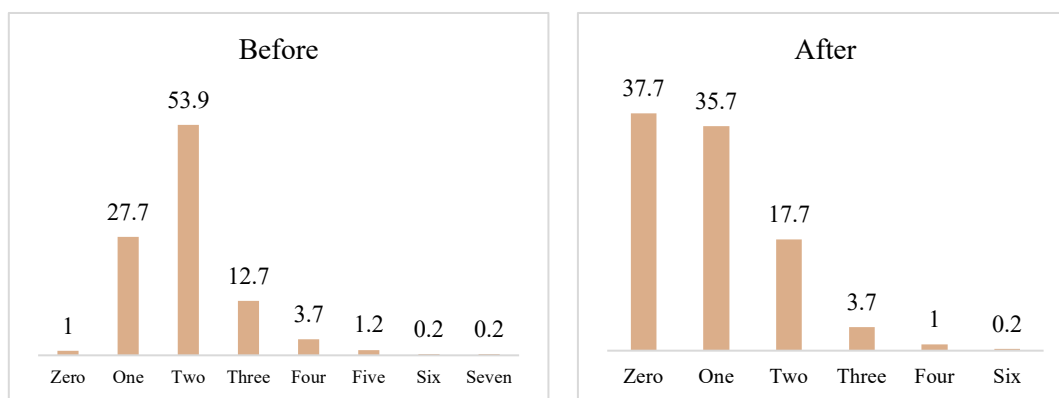
Among the companies those were surveyed, although 58% have managed to operate, the rest were completely closed. As per the Nepal Rastra Bank (NRB), during the lockdown, SMEs faced a lack of operational revenue and struggled selling the produced goods/services, as a consequence of the reduced market demand (NRB, 2020). The difficulty to procure raw materials and lack of transportation further added to the woes of businesses during the lockdown. The primary survey data corroborates these findings, as out of the 75% of businesses that observed reduction in sales, 25% saw an 80–100% decrease in sales revenue.

Production was halted, sales plummeted, outstanding dues could not be recovered, and businesses lacked the cash to continue providing products and services to even collect the outstanding dues. These factors compounded to put businesses in a vicious cycle of cash crunch, making them unable to meet their financial obligations. Businesses were also forced to bring adjustments to their business model, where 21% laid off employees, 17% shifted to work-from-home, and 16% adopted online e-commerce, among others. Also, 24% of businesses imposed a pay cut on their employees. Even in case of some new hires, the businesses had preference for new skills, but no specific preference for or against women. Before the COVID-19 crisis, about 37% of respondents have reported that their businesses were thriving. Almost one-third of businesses were going through expansion, and barely any (3.8%) were struggling. During the lockdown, 48% of businesses were heavily impacted by the social distancing protocols. At the time of this research, about 83% of businesses reported that their profit margin from pre-COVID-19 times plummeted.

Results from the survey have revealed how some businesses (32.7%) found it difficult to meet all of their financial obligations. One in five businesses had already resorted to running their operations

through personal loans and savings, and another 25% were planning to do the same. Other respondents intended to meet their business obligations by applying for bank loans (33%), closing down business verticals (6%), bringing in new investors (6%), selling stakes (4%), merging branches (2%), and offering small kiosks (2%). However, even in attempting to make reparations, 29% of businesses would last for only three to six months if present conditions continued. Another 11.5% said they would be able to sustain their businesses for only a month or two longer.

Figure 14. Number of Income-Earners in Respondents' Family Before Lockdown and During Lockdown



Before the lockdown, a majority (67%) of the respondents were in the informal sector. Two-thirds of the respondents earned a monthly salary of less than Rs. 15,000 (US\$ 126), whereas only 9% earned more than Rs. 25,000 (US\$ 210). Almost half (45%) of the respondents had less than Rs. 5,000 (\$42 USD) as their monthly savings. Once the lockdown was enforced, 41% of respondents lost their jobs, and a majority (88%) of respondents' income decreased. About 38% of families were left without having any income earners (Figure 14).

As per the respondents, these job losses had occurred as a consequence of the business shutting down (13.7%), fear of COVID-19 (11%), being fired from the job (4%), lack of transport (4%), no call from employers (2.5%), migration to new locations (1.5%), and health issues (0.7%). Despite the large number of job losses, only 10.6% of respondents were able to find an alternative income source during COVID-19. Majority of the respondents were compelled to cope with the lockdown by depleting the remaining of meagre savings they had, borrowing money from informal lenders, borrowing food, or reducing number of daily meals, etc. (Table 3).

Table 3: Challenges Faced by the Respondents

Challenges Faced by the Respondents	Respondents (%)
Depleting savings	45.1
Borrowed money from an informal lender	42.1
Borrowed food	33.7
Defaulted on loan/instalment payment	25.7
Reduced number of meals per day	19
Discontinued children's education	16.5
Took loans from banks/cooperatives/finance companies	16.2
Inability to plant/harvest/sell agricultural products	10
Sold animals / livestock	5.7
Sold household assets/goods	5.2
Went an entire day without a meal	4.5
Sold land/house	1.5

Despite their best efforts, about 44% of respondents would not even be able to sustain their families for another month if the crisis were to continue. Since the survey was conducted in July 2020, this indicates that these families struggled immensely afterwards. Families were in dire need of support, with most of them hoping for monthly rationing of food (51%), loan/interest waiver (42%), monthly allowance (41%), rent waiver (38%), healthcare support (35%), and school tuition waiver (26%).

High Rise in Domestic Violence

Results from the primary survey also have found that the lockdown escalated domestic conflicts in 10.7% of respondents' families, and 1.5% suffered from abusive behaviour. A recent report from National Women Commission's helpline for domestic violence reflects a surge in calls; a total of 1361 calls were received within the first two months of the lockdown.³² However, due to the lack of proper directives and infrastructure, the concerned authorities were not able to reach the site once a complaint of domestic violence was filed (Rai, 2020). The situation is riddled with the inability of women to report domestic violence due to the imposed lockdown, lack of infrastructure, closure of judicial services, and general inaction of the authorities (Shrestha, 2020). Further, there are no provisions of separate shelters for the victims of domestic violence nor can they be placed in the regular quarantine facilities due to the risk of spread of the coronavirus (Rai, 2020).

Poor Quarantine Shelters and COVID-19 Containment Management

Women were living in fear of sexual violence in quarantine centres as no separate shelter facility was provided to women, mothers, or separated and unaccompanied children, who face a greater risk of sexual violence. The Quarantine Centre Operation and Management guidelines was announced by the government to arrange separate quarantine shelters for pregnant women, ten-year old children, senior citizens and people with disabilities (MOHP, 2020). However, contrary to the guideline, the existing quarantine shelters lack safe spaces and accommodation for pregnant women, adolescent girls, and senior citizens, and for younger children, lack of proper adequate nutritious food and drinking water in these centres (NHRC, 2020). The unavailability of clean toilets, sanitary pads and hygiene products, absence of

³² Reported in the Nepal country study.

demarcated place for mothers to breastfeed their child, and lack of female guards speak of the poor state of quarantine shelters and the exclusive nature of its management (UN, 2020).

Table 4: Respondents Concerns

Respondents' Concerns	Respondents (%)
Lack of income/job	80.5
Inability to pay rent	38.7
Inability to pay loans	38.2
Inability to pay for food	33.2
Inability to continue kids' education	28.4
Family member stuck in another location	16.5

Increased Domestic Workload and Rise in Mental Stress

Results from the survey show that in Nepal, 28% of respondents faced increased domestic workload, and 35% of respondents also found it difficult to juggle their income-generating activities along with their household responsibilities. The resource constraints to run the household, the increased household work burden, unemployment, and the ensuing poverty have further exacerbated the stress levels of women (Table 4). According to this survey, 67% of the respondents generally felt sad during this time, and 93% have experienced some form of fear. About half of the respondents admitted to feeling fed up with life at times, and 62% of the respondents felt lonely, and 58% occasionally had trouble sleeping. According to WOREC, during the lockdown, 46% of women had to face the burden of multitasking, likewise, 30 % stated that their stress escalated and that their family members expected all household chores to be done by them (WOREC, 2020).

Suicide cases in Nepal also increased at an alarming rate. The number of suicide cases among women one month prior to the lockdown was 127, and cases one month into the lockdown became 134 (Nepal Police, 2020), which is a 6% increase in such cases. Likewise, even health workers in Nepal were ostracized, publicly humiliated, and threatened by landlords and neighbours who have suspected them of being the carriers of the virus. For example, when more than 20 staff members at Bayalpata Hospital in Achham district tested positive for COVID-19, landlords drove them out of their rented rooms in town and they are now forced to isolate in the hospital staff quarters. Many had to resign from their jobs due to community harassment, stigma, and family pressure (Awale, 2020). This had severe implications on a large number of women who represent the healthcare industry as nurses, doctors, and public health professionals.

Delayed Monetary Response to SMEs and Relief Distribution

According to the primary survey, private sector respondents also hoped for financial support in the form of interest waivers (53% of respondents), extension of credit period (41%), instalment postponement (41%), credit (29%), payroll (18%), relief and market support (6%), and tax reduction/waiver (6%). In reality, such support did not reach entrepreneurs as the provisions were not well-communicated, to the Banks and Financial Institutions (BFIs), or directly to the entrepreneurs. From the private sector survey, 63.5% of respondents ranging from the most educated and well-connected entrepreneurs in Kathmandu to the small rural home-based entrepreneurs all over Nepal were uninformed of any government assistance. Here, 43% of them were businesses fully or primarily owned by women. They were

unaware from when/where such low interest rate loans to the cottage industries, SMEs, etc. were available, whether they were eligible to benefit from them, and how to access those loans. In absence of a clear directive from the government, the BFIs also lacked information and clarity on how to execute the provisions announced by the government.

The survey indicates that 65% of respondents from the primary survey were aware about the support and services offered by the government. However, only 31% of them received the support. Some women could not access the relief because many of them were homeowners or came from wealthy families.

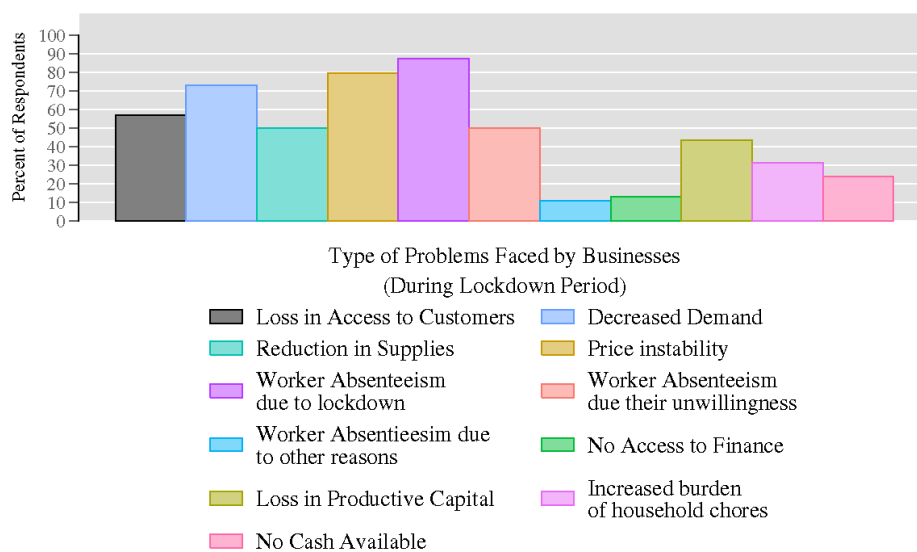
3.4 Pakistan

The economic impact of the pandemic on the informal sector in Pakistan can be categorized into the following themes: (i) the financial fragility of the informal sector, as captured by profit losses and loss in wages; (ii) the impact on business operations and employment of workers in non-agricultural and agricultural activities; and (iii) expectations about the future and coping mechanisms adopted for economic survival.

Financial Losses and Vulnerability

For this study, financial losses are measured by calculating profit losses experienced by business owners, reductions in wages and salaries of non-agricultural employees and reduction in number of hours worked by women farm workers. Similarly, vulnerability is also analyzed by measuring lost jobs of other household members and subsequently, the loss of overall household income. Women business owners were questioned about their average sales and average costs for four different periods: (i) 2019; (ii) Between January; (iii) Between February and March and (iv) Between March and May, which was the lockdown period in Pakistan. This has the rationale and called for an assessment of changes in the profits earned by the businesses.

Figure 15: Problems Faced during Lockdown



Source: IDEAS Women in Informal Sector Survey 2020

Figure 15 presents the problems faced by businesses during the lockdown. The pandemic had already caused massive dislocation among small businesses just several weeks after its onset. In February 2020 alone, small informal businesses experienced around 40% decrease in profits. More than 50% of the

samples have reported earning lower profits than the previous year. On average, they earned 64% lower than the profits earned in the last year. Qualitative data suggests that as soon as the country went into the lockdown as a result of widespread of the pandemic, panic started setting in.

Disaggregating these results by sub-sectors suggests that home-based work, small scale industries and arts and entertainment were the worst hit businesses. Home-based workers have suffered more than 40% losses, followed by arts and entertainment (33%) and industrial workers (30%).

Women who were employed in various sub-sectors also faced severe economic shocks. Twenty-two% reported reduction in hourly wage or salary. The economic shock had a differential impact across various sub-sectors. Service providers have experienced 90% reduction in wage payment, followed by agricultural workers (46%) and home-based workers (44%). More than 37% have reported delays in wage payment. About 16% have further experienced reduction in non-pecuniary benefits.

As businesses adapted to the changing dynamics during the lockdown period, women workers employed in these informal businesses had to employ measures to shield them from the impact. In February 2020, more than 75% of the women switched jobs from what they were previously doing. Almost 40% of the employees spent savings to cover income losses, and 40% borrowed money. Half had to sell their assets to cover the losses incurred, while 20% were forced to violate lockdown measures to earn a living.

Similarly, 75% of farm workers in the sample used their savings to cover the losses in terms of reduced working hours. About 50% used their social capital to cover their losses, while almost 45% borrowed money as well. Although the government guaranteed the continuation of basic food supplies, the agriculture sector was largely exempted from lockdown measures. However, 49% of the women engaged in informal sector had worked few numbers of hours compared to the previous crop cycle of the same crop. Additionally, KIIs suggested that women involved in livestock farming and management quickly ran out of fodder and food items for their livestock, due to the clampdown on transportation.

It was reported that these women farmers found it more difficult to feed the animals than to provide food for their own families during this time. Additionally, women were also unable to access local markets or larger supply chains because of lack of adequate transportation. As a result, large amounts of agricultural by products such as eggs, butter, milk and cheese often went to waste. Daily income that came from the sale of these food items was lost, which put an additional financial strain on the households.

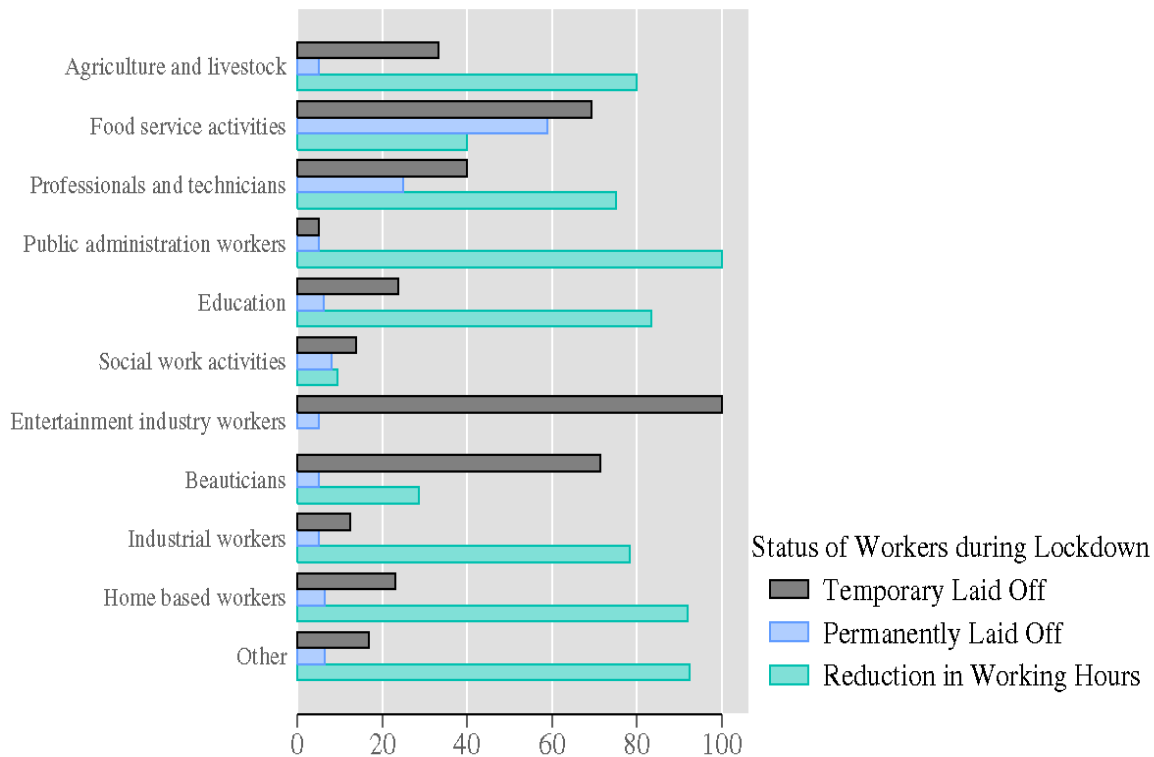
About 10% of the respondents have also reported having a member who lost his/her job. Similarly, five% of the respondents have reported that household members under 18 years of age had lost their jobs as well. On average these households had lost PKR 16,000 (US\$ 100), which is almost 39% of the average household income in Pakistan (CEIC, 2020).

Declining Employment Trends

A recent survey by an Islamabad-based research organization (Gallup) has found that Pakistan's unemployment rate is predicted to surge to 28% as result of COVID-19. A 30% lay-off in the formal sector is also projected due to a prolonged lockdown, resulting in a PKR 189 billion (US\$ 1.19 billion) impact on the private sector.

For the informal sector, the situation is just as dire. Survey findings show that business owners had to temporarily layoff 60% of their workforce. Twenty-five% reduced earnings of their employees to sustain them for the business operations. Less than 10% had to permanently layoff their workforce as they were more severely hit during the lockdown.

Figure 16: Impact on Workers during Lockdown



Source: IDEAS Women in Informal Sector Survey 2020

Figure 16 illustrates the COVID-19 impact on workers during the lockdown. Workers employed in various informal sectors have also portrayed a grim picture. Overall, 17% of the workers were temporarily laid-off, 2% lost their jobs permanently while 82% of the workers had experienced reduction in the pay. Disaggregating declining employment trends by sector, almost all of the arts and entertainment industry workers were temporarily laid off, followed by beauticians (70%) and food service providers (65%). It is worth noting that although home-based working sector had experienced reduction in wage payment, only 20% of them had lost their jobs. The hospitality industry (Accommodation and food service) was the worst hit sector in terms of permanent unemployment, where almost two-thirds of the workers were permanently laid off, followed by technicians and professionals where permanent lay-off rates were as high as 25%. Most of the sectors experienced fairly high reductions in working hours, because during the lockdown period, markets were opened for only a limited period of time and were closed on weekends.

Differential Coping Mechanisms

Amidst losses in profits and wages and decreasing employment trends, women in the informal sector employed different mechanisms to cope during the pandemic. Data shows that women had two fiscal reactions to cover their losses: borrowing money, and decreasing spending. On average respondents borrowed PKR 35,000 (US\$ 220) from various sources. This accounts for almost 100% of the spending during the lockdown period.

Given the degree of informality of the businesses in which business and operational expenses are not easily demarcated, the data suggests that this approach of borrowing was also used to keep the business running as well. Results show that most of the borrowing took place informally, sourcing resources from friends and family, the community or from the local general store.

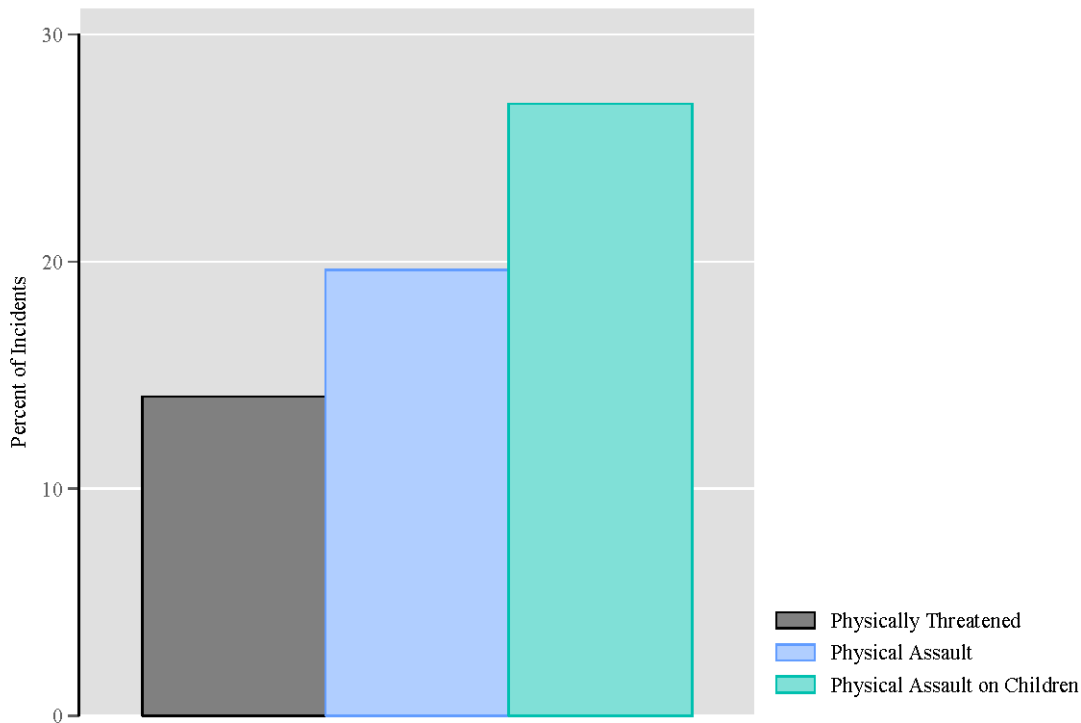
This study indicates that people engaged in arts and entertainment industry have borrowed the greatest sum of money (PKR 50,000 or US\$ 315), followed by home-based workers (PKR 38,000 or US\$ 239) and industrial workers (PKR 30,000 or US\$ 189). These three types of businesses were adversely affected due to lockdown measures to different degrees. As stated earlier, the arts and entertainment industry workers have reported having the highest temporary laying-off coupled by second highest loss in profits during the same period and hence the large size of borrowing taking place. This sub-sector was followed by home-based business owners had more than 40% profit losses followed by industrial workers.

Similarly, in order to cope with loss in wages, respondents had to decrease the spending as well. On average women respondents reported 10% decrease in spending during the lock-down period as compared to spending levels in February 2020. At the time of writing, it was also expected that for next six months, respondents would keep their spending at low levels to cope with financial vulnerability and unemployment.

Increase in Domestic Violence

Civil society organizations reported that women working in the informal sector were most impacted by domestic violence during the pandemic. Many had lost their jobs and were confined to small homes where physical distancing from abusive relatives was not possible. Government officials have reported a 25% increase in domestic violence incidents during the lockdown across the Punjab province, with authorities registering 3,217 cases between March and May 2020. For this study, domestic violence was measured through two questions to respondents: whether they personally knew someone from within their community who was either threatened physical harm by their husbands or were physically assaulted by their husbands.

Figure 17: Incidence of Domestic Violence

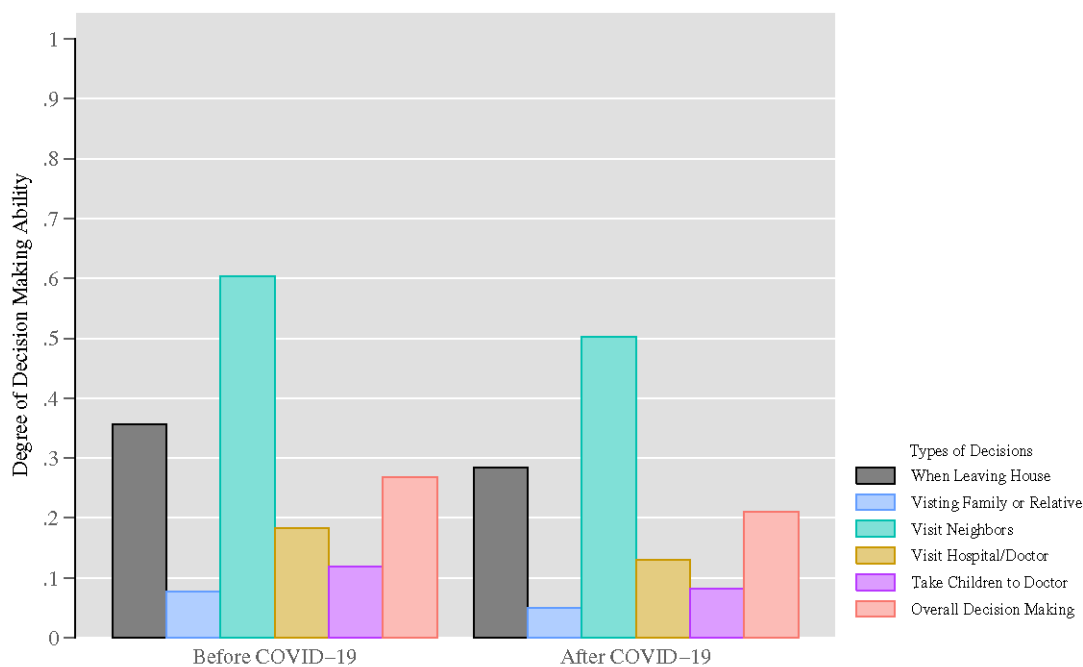


Data indicates that 13% of women knew someone in their community who was threatened physical harm by her husband. 19% knew someone who was physically assaulted by her husband. Around 27% knew of cases where children were beaten by their parents. And, 20% have reported that incidences of threatening women with physical harm would take place quite often while 25% have reported that incidences of physical assault were frequent even prior to the pandemic and the lockdown. Following the onset of the pandemic, a staggering 40% of respondents reported increase in incidences of threats of physical violence, 46% reported increase in incidences of physical assault from a spouse and 52% reported increase in incidences of increased child beating at home.

Decision Making Ability Further Curtailed

In conservative cultural settings as is the case of Pakistan, financial decisions are usually taken by the male members of the household (Mahmood, 2002a). Women in rural areas have also reported that while they are able to make decisions with regard to their children's education, their husbands and other family members play a predominant role in deciding whether or not to seek medical treatment or attention, decisions around household purchases, and their own mobility. Literature has also indicated that women who are able to make decisions about their mobility are likely to have a greater participation in household decision making in general (Mahmood, 2002b). This study also suggests that changes in household decision making processes helps women achieve greater levels of freedom pertaining to mobility that they enjoy.

Figure 18: Change in Decision Making Ability



Source: IDEAS Women in Informal Sector Survey 2020

Primary survey results show that there has been a marked decrease in women's decision-making abilities to leave the house to visit friends and relatives, go shopping, and overall decision-making pertaining to health, education and household finances. Through key informant interviews, it has also been ascertained that due to financial constraints being faced, male members who have lost their jobs are likely to exert greater control and influence over not only the household finances, but also over the social lives of their wives and daughters. This manifests as a result of stress related to lost incomes and being confined to their homes due to lockdown and social distancing protocols.

Increased Domestic Responsibilities and Rise in Unpaid Care Work

Globally, the COVID-19 crisis has laid bare the gross imbalances in the gender distribution of unpaid, domestic work. According to estimates by the United Nations, women were involved in nearly three times as much unpaid work and responsibilities around the house as compared to men.³³ During the lockdown, all offices and educational institutes were required to remain shut. As a result, large families found themselves stuck at home in cramped or closed spaces for an extended period of time (UNWomen, 2020). Women faced the additional responsibility of cooking and cleaning up after household members who also spent the entire day at home. This work is largely invisible and goes unrecognized, and is not valued formally in a country's Gross Domestic Product (GDP) calculations.

However, the physical and emotional strain it puts on women – especially those who cannot afford to work from home can have severe consequences for the emotional well-being of women. Figure 18 shows that female distribution of time spent has changed significantly. They spend 31% more time on looking after children. About 60% more time on looking after elderly, and 70% more time on household chores and time spent on income generating activities has decreased by 60%.

³³ Refer, UNWomen (2020)

About 86% of the women in the sample reported having children currently enrolled in schools. While upper middle and high income families are able to transition to online learning fairly smoothly due to stable internet connections and access to electronic devices, lower income groups cannot afford this luxury. Almost 40% of the mothers in the sample have reported that the transition towards distance learning or homeschooling has not been smooth. About 12% of the respondents reported that their children have discontinued their education altogether. Additionally, women were burdened with domestic responsibilities and found themselves tasked with home-schooling their children. The study also shows the steps taken by women to ensure their children's education continues during the lockdown: 25% of respondents reported home schooling their children, and 15% continued paying school fees. An equal proportion kept encouraging children about school and helping them with homework.

Future Expectations

While high end and formal businesses may have the capacity to provide pay to their staff in order to retain their trained workforce, small and mid-sized businesses might not be able to do so. With the disruption of supply chains and dramatic decreases in demand, employees in small and mid-sized businesses had to forgo wages that they were previously owed while also potentially losing their jobs. Easing of the lockdown conditions resulted in the resumption of business activities, however as expected, having incurred heavy losses and reduced workforces, small and informal businesses could no longer operate at full capacity. For the first few weeks after lockdown was lifted, all business activities were limited to weekdays and during designated hours.

Although 81% of the businesses remain open, there is high degree of uncertainty among women business owners about its longevity in the next six months. While only 18% of women business owners expect that their investment will decrease from the previous year, more than 40% of the business owners expect that they will earn less than they did the year before indicating low expectations of the profits earned.

Due to strict standard operating procedures defined by the government, these businesses will have to reduce the number of workers and clients they allow into their facilities at a certain time. Business owners expect that in the next six months of those employees they temporarily laid off during the lockdown period, they have to permanently lay off 25% of them.

This is further evident where between 50 – 60% of agricultural and non-agricultural workers expect to switch jobs. About 55% of informal workers and almost 60% of the farmers expect to further utilize their savings, followed by 50% of the respondents who expect that they have to sell their assets in the coming future. Almost 60% of the farmers assume that they have to rely on family and relatives in the future as well. About 20% of the non-agricultural workers think that they will have to violate lockdown measures if any lockdown happens in the future. This clearly shows the vulnerability and low expectations about the future. More than 65% of the respondents also expect there to be a high chance that they will miss a crucial payment like house rent, utility bills or any other financial liability.

3.5 Common Challenges

This study demonstrates there are several common challenges among the four countries (Exhibit 1). The most critical challenge is job loss, followed by fall in income level, business contraction, financial losses and vulnerabilities, and lost business of women owned MSMEs.

Exhibit 1: Common Challenges



There are several non-economic common challenges as well. For example, respondents from almost all the countries said that there has been steep rise in domestic violence on women and children along with rising stress and anxieties of women workers. There was a sharp rise in unpaid workload with extended work hours. Respondents also highlighted that government stimulus packages were yet to reach to women entrepreneurs and workers.

To deal with such challenges, the country-level studies also identified a set of recommendations, which will be discussed in the next section.

4. Recommendations to Safeguard and Promoting Women's Participation

The COVID-19 pandemic has already posed a serious challenge to women's participation in the 'new normal'. Results and analysis from this study clearly indicate that women, marginalized communities, and MSMEs were disproportionately impacted by the pandemic. Therefore, the way forward should consider the disproportionate impacts on the vulnerable groups and attempt to address this with the recommendations as shown in Table 5.

Table 5: List of Recommendations

Country	List of Recommendations
Bangladesh	<ul style="list-style-type: none"> ● Streamline the delivery of financial assistance for women entrepreneurs ● Adopt an innovative financing model that would ensure quick access to finance for women entrepreneurs ● Introduce a target-based approach ● Promote sustainability of women led MSMEs ● Establish a Women Development Bank
India	<ul style="list-style-type: none"> ● Revisit definitions of formal and informal workforce ● Build an overarching social security system for platform-based gig workers ● Clarify application of India's law against workplace sexual harassment ● Upskill the platform gig workforce, especially women ● Ensure fair pay and a balance between demand and supply ● Bring about an ideological change in formulating and implementing labour law
Nepal	<ul style="list-style-type: none"> ● Inclusion of women in decision making at all levels and promote appropriate use of the federal structure ● Formalize the informal economy and informal workers ● Ensure safe quarantine facilities for women and separate shelters for GBV victims / survivors ● Enact a new law empowering the provincial government to take decision ● Keep provisions for availability of Sexual and Reproductive Health related services ● Provide economic stimulus packages that reach and benefit SMEs ● Undertake skilling of returnee migrants ● Conduct skill enhancement trainings for women
Pakistan	<ul style="list-style-type: none"> ● Market current economic safety nets such as Ehsaas programme to the female informal and gig economy-based workers. ● Use monetary incentivizing mechanisms under the Ehsaas programme, to encourage both indirect and direct stakeholders to allow female education participation. ● Launch an immediate recovery-based capital influx programme only for women entrepreneurs and contextually market it. ● Create a task force for women centric economic recovery with women chambers, government ministries, private sector, and civil society organizations. ● Launch distance-based counselling to deal with the trauma emanating from increased proximity to sources of abuse. ● Create manuals and outlets for families to deal with the friction drivers, which come through COVID-19 economic austerity. ● Increase awareness about government mandated reporting channels for physical and sexual abuse through public service announcements

*Major recommendations only

4.1 Bangladesh

Recommendation 1:

Streamlining the delivery of financial assistance for women entrepreneurs

The problem of limited access to financial assistance for women MSME owners can be divided in two groups: the demand side problems and the supply side problems. The demand side problems mostly include the lack of overall knowledge among women entrepreneurs of the available business opportunities and credit facilities, hesitation in applying for a loan from a commercial bank or financial institution, high loan interest rates, rigidness about loan-related papers and collateral, lack of knowledge and information regarding where they should go to receive assistance, and lack of business or technical experiences. On the other hand, the supply side problems include absence of a proper policy framework and a negative attitude among lending agencies toward women entrepreneurs. Moreover, in absence of reliable guarantors or collateral, the formal lending agencies remain reluctant to provide loans to women MSME owners who usually fail to satisfy such requirements.

To overcome the challenges facing the women-led MSMEs especially in the aftermath of the COVID-19 pandemic, the government and its development partners must focus on streamlining the delivery of financial assistance for women entrepreneurs. In a resource-constrained country like Bangladesh, especially where women's asset ownership is scarce, lack of financial resources pushes back the advancement of women entrepreneurs. Although the government has taken a number of initiatives to promote access to finance for women, problems still remain as women entrepreneurs identify lack of capital as the major barrier to the development of their entrepreneurship.

Recommendation 2:

Adopt an innovative financing model that would ensure quick access to finance for women entrepreneurs

The existing framework for providing financial assistance to women MSME owners needs to be replaced with an innovative financing model that would ensure their quick access to finance. A separate institutional arrangement can be established which would form a joint-liability lending mechanism involving the loan-recipient women entrepreneurs as well as the representatives from women chambers, local government and administration, rural development agencies such as Palli Karma Sahayak Foundation (PKSF), and sector-specific development actors such as SME Foundation.

Recommendation 3:

Introducing a target-based approach

The central bank may consider introducing a target-based approach, where targets will be set for the financial institutions to provide assistance to a certain minimum number of women MSME owners each month.

Recommendation 4:

Promote sustainability of women led MSMEs

It is evident that women led MSMEs are particularly vulnerable to the risk of closure or shutdown as they lack resources necessary to operate in a sustainable manner. Existing policy measures should, therefore, put special emphasis on the sustainability of women led MSMEs. One important lesson

in this regard can be channelling adequate resources through an effective mechanism that would help women entrepreneurs, especially those who lead micro and small enterprises, receive business development assistance.

Recommendation 5:

Establishment of a Women Development Bank

Unlike the medium and large entrepreneurs, micro and small entrepreneurs are less capable of mobilizing resources, and should, therefore, be provided with separate policy incentives. For instance, grassroots-level organizations such as micro finance institutions (MFIs) and local NGOs may be involved in the process of financial service delivery so women micro and small entrepreneurs can have an easy access to resources. Therefore, establishment of a Women Development Bank (WDB) can be taken into consideration as a means of responding to the needs of women entrepreneurs effectively in the long run, especially in the time of extraordinary situations such as the ongoing pandemic.

4.2 India

Recommendation 1:

Revisit definition of formal and informal workers

There is an urgent need to reconsider the definition of informal workers in light of new age employment trends, and the future of work.

One way to take this forward is to formalize gig workers in the eyes of the law, as was done by the state of California in the United States. However, this route is challenging as it disturbs the very foundation of the gig economy where platforms stay lean by distinguishing between employees and independent contractors, absolving themselves from costs and compliances but at the same time offering gig workers the opportunity to work as per their own convenience. The latter of course is being highly debated as platforms seem to exercise a fair bit of control on the way and conditions of work performed by gig workers, making them more like employees instead of independent contractors.

Another emerging school of thought is to move out of black and white classifications of formal and informal or employee and self-employed and create a separate category of gig workers placing them along a spectrum based on measures such as level of control of platforms, dependence on platforms, and volatility of income and level of earnings,³⁴ for example. Based on this a unique set of social and legal security benefits such as leaves, insurance, and pension should be identified and workers may be made eligible to these benefits based on the factors such as number of hours worked. Of course, some aspects such as safe working environment are non-negotiable and should be available to all workers, including gig workers.

Recommendation 2:

Build an overarching social security system for gig workers

Leveraging the opportunity under the ongoing labour reform – the Social Security Code 2019, and extending the infrastructure of existing government schemes, the government may consider establishing a social security system for platform gig workers which offers them benefits such as provident fund, gratuity, and insurance, based on the volume and value of work undertaken by platform gig workers. The fund may

³⁴ Refer also Pai (2020)

involve multi-party contributions from existing government welfare programs, platforms, customers, funding organizations – private and public foundations, NGOs, international organizations, and gig workers themselves.

Recommendation 3:

Clarify the application of sexual harassment at workplace law for platform-based gig workers

A key concern around the safety of women gig workers is the risk of sexual harassment. There is a grey area around the application of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with regards to its application on platform gig workers since they are engaged by platform-based companies as “individual contractors” rather than “employees.” There is scope for the judiciary to interpret this further.

Besides, there is merit in platform companies engaging with women’s groups to equip gig workers through training and mentorship to (a) observe maximum caution while going to deliver a service (for example, detecting signs of danger early), (b) undertake appropriate action in case of an unsafe incident (for instance, reaching out to platform response team, exiting the client’s premises), and (c) recovering from post-incident trauma (for instance, taking counselling sessions). It is also important to make women gig workers aware of legal remedies available to them in the event of a violation.

Recommendation 4:

Upskill the platform gig workforce, especially women

India faces a large skill gap. Further, providing skilling opportunities is an excellent way to change gendered work in the gig economy and help women explore opportunities other than in beauty and personal grooming related work. There is a huge opportunity for the government to significantly expand its ongoing initiatives such as Skill India and help boost employment in the platform gig economy. Another important skill development initiative to focus on involves certifications and skill grading (e.g. beginner, intermediate, expert). Grade-wise certifications through the National Skill Development Council (NSDC) or Industrial Training Institutes (ITIs) will provide an excellent way for gig workers to establish their credibility and level of expertise in the gig economy and command a price accordingly.

The work being done by platforms such as the Urban Company and BetterPlace in collaboration with NSDC to train the gig workforce is also commendable. However, they do not yet have dedicated initiatives to help women break occupational barriers related to gender.³⁵ This is something which certainly can be pursued in partnership with the relevant civil society organizations and women’s groups active across India such as the Centre for Social Research (CSR). Platforms can also consider initiatives such as ensuring that they have at least one or two women gig workers in their trainee batch for non-beauty work (for example, as plumbers, carpenters, or in appliance repair). Women gig workers may be given incentives to sign up for non-beauty related work with platforms. The government and platform companies must work together to design and implement focused programs on imparting these skill sets to the gig workers.

Recommendation 5:

Ensure fair pay and a balance between demand and supply

Gig workers such as delivery executives and cab drivers are increasingly raising issues around falling earnings from platforms. The platforms must ensure that supply is increased only in proportion to

³⁵ There are new initiatives. For example, Sakha Cabs (<http://sakhaconsultingwings.com>) helps train and employs women drivers.

demand and the government must step in here to ensure that living wages are earned and the practices of the platform (for example, incentives, number of workers versus demand) - leading to a drop in earnings - are not detrimental for the gig workers. The promises made by the platform should not be one-off opportunities for gig workers to profit and then slowly for the earnings to slide away. Platforms must offer only that what it finds sustainable. There must be a lower earning threshold guaranteed to gig workers – a combination of rate per gig, availability of gigs within a comfortable radius and at a comfortable time, which should be set up after deliberations with gig workers. Companies may also consider introducing a minimum commitment of a certain number of hours to help gig workers maintain some income security.

Recommendation 6:

Bring about an ideological change in formulating and implementing labour law

India is currently reforming its labour regulation. The government is looking to do away with archaic laws. It would be useful to balance the need to revive the economy while still looking after worker welfare, particularly for vulnerable populations. As the future of work is redefined across the globe, policy decision makers may consider holding stakeholder consultations with platform-based companies, gig workers, and experts in this area of work. While some regulation of this sector is certainly welcome, basing these changes on extensive stakeholder discussions will give the government a broad sense of where these regulations are required, and where the market should take over. Transferring the complete burden of providing social and legal security (currently borne by gig workers alone) on platform companies alone will break down their business models and lead to collapse of the platform gig economy. Further, over regulation of the platform economy will likely take away the flexibility offered to gig workers, which may be more harmful than beneficial for their ability to participate in the work force, especially for women. In fact, encouraging self-regulation by platform companies might be a good route to adopt. Platforms have also themselves offered insurance benefits to gig workers and came forward on their own initiative to support the gig workers through loans during the pandemic to the extent possible. A nuanced discussion and consultation serving the interests of all stakeholders would be very valuable to ensure that the gig economy thrives, while also providing safe and viable employment to all gig workers.

4.3 Nepal

Recommendation 1:

Inclusion of women in decision making at all levels and appropriate use of the federal structure

All decision-making bodies should ensure diversity and representation of all marginalized groups, especially women, local health experts, provincial and local governments, women frontline health workers to have a holistic, inclusive and effective response.

Recommendation 2:

Formalizing the informal economy and informal workers

Short term: to avoid the risk of a permanent exit of women in the informal economy from the labour market, ensure assistance to the people currently in the informal economy by launching direct cash transfers, food support, and extending insurance programmes on a nation-wide level on a need-blind basis that does not involve complex bureaucratic vetting and red tapes.

Long term: to formalize the informal economy, compulsorily registering each and every MSME in the government system and introducing policies to ensure social security schemes for the businesses and their employees.

Recommendation 3:

Ensuring safe quarantine facilities for women and separate shelters for gender-based violence (GBV) victims

Quarantine spaces should cater to the special needs of women: provision of separate toilets, safe spaces for breastfeeding, nutritional requirements of lactating and pregnant mothers, security of women inside the centers, provision of sanitary pads, pills, and other reproductive health essentials, availability of reproductive and mental health experts inside quarantine centers. Furthermore, it is equally important that quarantine shelter volunteers should be trained to respond to GBV with elaborate guidelines and standard operating procedures. Convert some hotels into shelters for the women who are victims of domestic violence to escape the abuse at home, and widely disseminate information about the services that can be availed by women experiencing GBV. Enact a new law empowering the provincial government to take decisions

Recommendation 4:

Provisions for availability of Sexual and Reproductive Health (SRH) related services

Ensure that the ‘Interim Guidance for Reproductive, Maternal, Newborn and Child Health Services in COVID-19 Pandemic’, requirements under the Minimum Initial Service Package (MISP), and regulations under the Right to Safe Motherhood and Reproductive Health Act 2018 are immediately and fully implemented throughout the country.

The supply chain of contraceptives and reproductive health services like abortion, pre-natal, post-natal services, maternity wards of hospitals, ambulance service, etc. must be kept operational at all times during the crisis complying with safety guidelines.

Use of telemedicine should be expanded so that the physical visits to the hospital can be minimized and women health care workers must be trained to provide telemedicine services.

Properly implement the provisions of free health insurance to the families of women health volunteers across the country to run sanitation, health awareness and health insurance campaigns as envisioned in the Presidential Women Upliftment Programme.

Recommendation 5:

Economic stimulus packages that reach, and benefit the SMEs

Encourage banks to promote liberal microfinance policies and secure the sustainability of the SMEs through access to training, technology, and innovative financial instruments so that the SMEs would not be forced to resort to informal lending channels charging high interest rates.

Majority of the private sector respondents expected some form of technological training and access to relaxed credit facilities immediately to handle and recover from the crisis. Hence, preparation of a step-by-step guide or handbook to enable them to learn about all the facilities and provisions of the government and the process of accessing these services/facilities, and an effective channel/ communication campaign to disseminate such information to the target audience seeking such information is urgently required.

Recommendation 6:*Skilling of returnee migrants*

Nepal's government may consider carrying out skill identification of the returnee migrants and providing entrepreneurship support to them which would then lead to grow the local and rural economies and create women-friendly jobs all over the country. This can be done by registering returnee migrants and creating their database as soon as they arrive in Nepal, identifying their skills, topping up their existing skills with other complementary skills and providing entrepreneurship support to them (access to finance and access to markets). It would be necessary to also transfer their knowledge, to economically engage the large number of returnee migrants and create inclusive, rural employment opportunities for everyone, including women.

Recommendation 7:*Skill enhancement trainings for women*

The Government of Nepal along with other agencies may also consider conducting skill enhancement trainings for women to align to the new opportunities post-COVID. This would require conducting large scale trainings to increasing the access to mobile, internet, social media, radio, etc of women and to increase online payment and formal banking systems for women entrepreneurs and workers to prepare for, and be aligned to the post-COVID economy.

Recommendation 8:*Conduct study to better utilizes the opportunities*

Conduct a detailed study on the profile and skills brought home by migrant workers and their needs and aspirations so that they can be better integrated into the new economy post-COVID-19. It should be detailed micro-level study focusing on the response of the provincial governments to understand the policies and responses they adopted, what worked and what did not, if they were able to come up with women-friendly policies, what enabled them to do so, etc. so that the best practices and learning from the experiences can be better understood, replicated all over Nepal.

4.4 Pakistan

Recommendation 1:*Stimulating and incentivizing business activities*

Women-led micro and small businesses have been particularly affected by the pandemic. Policies aimed at providing financial stability and stimulation to these businesses are the need of the hour. By making use of data collected at the national level and collaborating with civil society organizations and NGOs, the government should aim to identify and reach women entrepreneurs who have been severely affected by the pandemic. Policies should be aimed towards providing financial support through easy access to micro finance loans, reducing interest rates across the board and replenishing working capital that women require to restart their businesses or to protect them from closing down. Multiple business development training can also be conducted to teach female entrepreneurs how to rebuild or restructure their businesses in light of the effects of the pandemic. It is necessary to launch an immediate recovery-based capital influx programme only for women entrepreneurs and contextually market it. Pakistan may set-up a task force for

women centric economic recovery with women chambers, government ministries, private sector, and civil society organizations.

Recommendation 2:

Extension of coverage of social protection programmes

Pakistan spends only about two% of its GDP on providing social protection such as cash transfers to the poor and pension packages. Nearly 35% of the respondents of Pakistan country study believe that cash transfers or unemployment benefits for a certain period of time could help offset the losses in income due to the pandemic. Additionally, the cash stimulus provided by the government before the imposition of the lockdown was perceived to be useful; however, limited in its reach. The safety net catered to ultra-poor recipients of the Ehsaas Programme, previously Benazir Income Support Program (BISP). Many women in the informal labour force were unable to access these cash transfers due to the eligibility criteria defined by the government. There is a need to redefine the eligibility criteria for receiving the social protection benefits and improve targeting to include not only the destitute, but also those who have become economically disadvantaged and vulnerable due to recent losses in business and income.

While cash transfers may be able to provide temporary relief, it is necessary to ensure that the skilled female labour force does not become too reliant on government's relief efforts. Any future cash transfers or unemployment benefits should therefore be time constrained and conditional on efforts to ensure reemploy ability such as attending training for skills development. Finally, use monetary incentivizing mechanisms under the Ehsaas programme, to encourage both indirect and direct stakeholders to allow women's education participation. Besides, market current economic safety nets such as Ehsaas programme to the women informal and gig economy-based workers.

Recommendation 3:

Combating the social impact of the pandemic

With high rates of stress due to the spread of the coronavirus, lockdown and loss of employment and income it is important that strategies to ease the burden on women and provide safety from gender-based violence are devised. There is a need for mass media campaigns that aim to change gender norms and normalize male participation in domestic responsibilities. Campaigns may also make use of text messages and SMS services to deliver important social messages to the public. Equitable division of household labour will ease women's return to the workforce, with the added benefit of reducing the burden on women. It is worth launching a distance-based counselling to deal with the trauma emanating from increased proximity to sources of abuse.

Given the increase in gender-based violence, where women are either physically harmed or threatened with violence, established support systems need to be revitalized and additional avenues should be provided to guide women to deal with difficult domestic situations. Apart from domestic violence helplines, the government should also seek to set up portals through which women are able to receive mental health counselling. Lastly, as schools are set to re-open, the government and private sector are also faced with the monumental task of ensuring children return to school. It is expected that school dropout rates will increase, with fewer girls returning to school as compared to boys. Mass and social media campaigns will also be required to highlight the importance of girls continuing their education. In certain cases, a monetary incentive program may also be required to ensure return and regular attendance of girls in middle and high schools. All policies developed to mitigate the effect of COVID-19 in the economic and social sphere should be linked to broader reforms aimed at improving resilience of systems to pandemics and legislation aimed at formalizing and documenting the female informal workforce.

6. Concluding Remarks

Workers in the informal sector in South Asia were hit hardest by the COVID-19 pandemic, and areas which are highly vulnerable to any economic downturn are informal/unorganized sector workers and informal enterprises. The economic impact of the pandemic is expected to be particularly significant for women in South Asian countries. In the aftermath of COVID-19, women were the first to lose jobs, and those in the informal sector (construction workers, domestic helpers, etc. across South Asia) lost livelihood opportunities. Even in formal employment structures, women were managing dual burden of unpaid care work and office work. The gender disparity is quite striking. The country-level studies carried out by The Asia Foundation in South Asia indicate that fewer women are working, and those who work do so for presumably longer hours for lower pay, compared to their male counterparts. The bottom-line is that women are more vulnerable to COVID-19–related economic effects because of existing gender inequalities.

This regional synthesis draws upon four country-level studies conducted by The Asia Foundation and its partners, and presents the immediate consequences of the COVID-19 pandemic on women across four major South Asian countries, namely, Bangladesh, India, Nepal, and Pakistan. Based on both quantitative and qualitative information, collected through field surveys, the four country studies have provided strong empirical evidences that women workers and entrepreneurs have been disproportionately affected in South Asia.

This study demonstrates there are several common challenges among the four countries, and the most critical challenge is job loss, followed by a drop in income level, business contraction, financial losses and vulnerabilities, and lost business of women MSMEs. There are several non-economic common challenges as well. For example, respondents from almost all the countries said that there has been a steep rise in domestic violence against women and children, along with rising levels of stress and anxiety among workers. There has been sharp rise in unpaid workload with extended work hours borne by women. Respondents have also identified that government stimulus packages are yet to reach to women entrepreneurs and workers. To deal with such challenges, the country reports have also identified a set of recommendations to safeguard and promote women’s participation.

To conclude, the COVID-19 pandemic has already posed a serious challenge to women’s participation in the ‘new normal’. Results and analysis from this study clearly show that women, marginalized communities, and MSMEs are disproportionately impacted by the pandemic. Therefore, the way forward should consider the disproportionate impacts on the vulnerable groups and attempt to address this with the recommendations as shown in this study.



The Asia Foundation

The Asia Foundation is a non-profit international development organization committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, our programs address critical issues affecting Asia in the 21st century – governance and law, economic development, women’s empowerment, environment and regional cooperation.

Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, DC.