



LED Session #5 How have Women-led Social Enterprises adapted to the COVID-19 challenge? What can we learn for an inclusive recovery?

Key Takeaways

Opening Remarks:

Aly Zulficar Rahim, Practice Manager, Social Sustainability and Inclusion, World Bank

Welcome everyone! It's great to have such a breadth of participants with us today. As we know, COVID has affected the most vulnerable, disrupted supply chains and devastated communities, women's groups, and informal workers. The World Bank is committed to building back better and ensuring that recovery is inclusive. This recovery requires fresh ideas for women, youth, and social entrepreneurs. Today, we will focus on how women-led social enterprises have adapted to the COVID-19 challenge and what we can learn from them to facilitate an inclusive recovery. IMAGO works with grassroots organizations and social enterprises to assist them to achieve inclusive growth and scale. Social entrepreneurship exists at the center of local economic development, and the World Bank is increasingly seeing the value in supporting them. Social enterprises also solve market failures in order to reach the bottom of the pyramid. Of course, this is a critical group to focus on. Today we will hear from three social enterprises as well as the Gates Foundation. These groups are providing much needed support during the pandemic; highlighting the ability of social enterprises to adapt quickly under significant constraints.

Moderator: Isabel Guerrero, Founder and Executive Director, IMAGO Global Grassroots

Thank you for joining everyone. We have heard about women responding to the pandemic in highly creative and adaptive ways. Today we will delve into examples of women at the grassroots who have provided incredible leadership.

Our speakers include:

- **Mirai Chatterjee**, Chairperson, SEWA Federation
- **Jean Guo**, Founder and Executive Director, Kinexio
- **Aishwarya Lakshmi Ratan**, Senior Program Officer, Bill & Melinda Gates Foundation
- **Olasimbo Sojinrin**, Country Director, Solar Sister Nigeria

Fireside Chat

Isabel: Can you introduce your organization and its purpose?

Mirai: I'm representing the SEWA cooperative federation. It is a state federation of 107 women's cooperatives. We have been promoted by the Self-Employed Women's Association: a union of almost 2 million informal workers. We focus on six sectors, agriculture, dairy, services, handicrafts, labor, and financial services. We exist to organize informal women workers for their rightful place in the economy. We believe that local development led by women will enable the reconstruction of livelihoods.

Jean: Kinexio exists in the context of a rapidly digitalizing world, yet there are many people who are digitally excluded today. In Europe, 170 million people don't have the skills to integrate into the digital labor market. Kinexio seeks to support these groups to have the capacity to take advantage of digital opportunities as they emerge. We have expanded to Malawi through UNHCR and hope to continue in Kenya and Jordan for digital inclusion.

Aishwarya: I'm a part of the Gates Foundation, which exists to distribute funds in a way that substantially reduces poverty. We invest in innovative solutions and the development of stronger systems. The Foundation adds value as a convener. We span different sectors and actors to bring together powerful stakeholders and mobilize around collective problems.

Olasimbo: Solar Sister is a network of women entrepreneurs who distribute clean energy solutions across underserved communities in Nigeria. We have a dual mission of building a business around clean energy solutions, and female empowerment. Energy poverty disproportionately affects women, and we provide them with an opportunity to earn money through facilitating access to clean energy.

Isabel: What has been the biggest challenges that your organization has faced during COVID? How has being a women-centered organization created unique challenges?

Olasimbo: We have almost 5,000 entrepreneurs across Nigeria and Tanzania. Lockdowns at the onset of the crisis meant that women couldn't continue their daily work to gain income. This required that many entrepreneurs use their capital for survival. Many couldn't continue their business during and after the lockdown. We found that many women were not coping well since they couldn't earn or go outdoors and were faced with an increased care burden within the household. Our trainings were also forced to go adapt given the technology level of our constituents.

Mirai: India has also faced severe lockdowns. Cooperatives first focused on the health of its members and their ability to seek medical care and information. Livelihood restoration was also vital. We sought to provide members with some source of income since 94% of women in India are informal workers. We focused on distributing food and medicine to last-mile groups and to help them link with government services. India has under-invested in public health for many years. Thus, SEWA sought to ameliorate health shortcomings while staying afloat financially. When the lockdown was lifted, the challenge shifted to restoring livelihoods where social enterprises had depleted their reserves and felt anxious, stressed, and exhausted from the additional burden of care work for women. Women need childcare centers in order to return to work. Further, our sisters live in small homes, which cause greater mental health issues during lockdown. Post-lockdown, we saw that men were much more able to return to work. To this day, women coop members are still struggling to return to work. Lastly, many women lack internet or smartphones, which has highlighted the gender digital divide.

Jean: The digital divide, job loss, and job insecurity have been our greatest challenges. When we entered lockdown and our classrooms were closed, more than half of our students lacked computers and or stable internet to continue their training. We often work with people at the first stage of digital literacy, which complicated continuing their learning. The three pillars of digital integration are infrastructure and equipment, skills, and stable internet, which were challenged in both France and Malawi. In the U.S., only

4% of people without a high school degree were ready to work remotely at the beginning of the pandemic, highlighting the severity of inequality. More than ever, there is a need to prepare the digitally excluded by equipping them with skills, equipment, and internet. Job loss has also been severe. More than 1 in 4 women have considered downsizing their work or leaving the workforce during the pandemic. Our training programs encourage women, given their unique challenges of remaining in the labor market. We seek to provide them unique opportunities to push ahead. In a post-COVID world, we need to prioritize those who have been the most hurt to rebuild their careers.

Aishwarya: I work on both women's collectives and research and evidence as well as women's work and how to remove barriers to it. In Spain, a cooperative enacted a 5% temporary cut in salaries, but compensation continued for all workers. This tradeoff seemed to prioritize equality. Also, women versus men led enterprises provide interesting insights. Participation and performance rates in the SME sector are also low for women at 30% in Europe and 20-25% elsewhere. Why are fewer women able to grow their businesses? Regarding financial returns, it has become clear that women led businesses work mostly in the service sectors, retail, and accommodation. These were the hardest hit sectors due to COVID. 82% of women businesses in the hotel and restaurant sector were more likely to report shocks compared to 74% among men (World Bank). Mothers of young children are also suffering from higher unemployment rates, which doesn't disappear when childcare centers reopen.

Isabel: Tell us about how you have managed these challenges, and about the breakthroughs you have discovered during the pandemic.

Jean: Some of the trends we had been seeing have been accelerated. In our classes, which were stopped due to lockdown, digital divide became an even larger issue. We adapted our offerings by moving some trainings completely online from a previously blended format. These will remain permanently online. Second, we moved into additional territories and countries. We moved faster than expected in Jordan and Kenya to establish agreements. Further, we learned how to lead through a crisis and adjust to feedback. We were not sure how long the crisis would last, and we determined that it was important to lean into and adapt to the crisis. Our work culture shifted in order to work together to solve problems and to anticipate rather than react.

Olasimbo: As soon as the lockdown began, we started the Entrepreneurial Listening Project. This weekly survey explores how entrepreneurs are coping. We used this data to advocate for their immediate needs, which often included PPE or COVID information. At the end of the week we responded to their needs and sought additional partnerships. Data science became very important to us. We are exploring how to use real time feedback to inform programming. This gave us a chance to look at our model from above in order to anticipate such crisis rather than react. Also, we quickly switched to phone conferencing since most of our entrepreneurs don't have a smartphone. Our trainings adapted to coaching modules which we will continue. These structured mentoring calls have proven beneficial. We have also developed a digital literacy module and expanded our supply chain to become more resilient for the future.

Mirai: We have discovered new opportunities for livelihoods such as mask production. Health cooperatives also began creating sanitizers, obtaining large orders from government. After the lockdown, women farmers supplied vegetables. This new line of business, Farm to Table, links farmers to urban consumers through cooperatives. Another breakthrough has been the entry of women informal workers in the digital world. We also learned the importance of building solidarity organizations at the local level. Since our health cooperative was already working at the grassroots, we were able to quickly collaborate with health officials to spread quality information. We also have an insurance coop which worked with insurance companies to provide a low-cost COVID cover for low-income people. Furthermore, many

women claim that the solidarity provided by coops saved lives and allowed them to feed their children. Our artisan coops partnered with MIT to make masks, while the Gates foundation provided vital resources as well. Our work with the government health system was also effective. We had embedded local empowerment centers, which were used by the government to provide cash transfers to women. Additionally, we gained opportunities for Ayurveda business. We also raised increased investment for a small subset of social enterprises; demonstrating the importance of such working capital for women's businesses to jumpstart local economies.

Aishwarya: Scale and governance differ among women's collective enterprises versus microenterprises. Regarding governance, these groups are very responsive to women's needs. For example, in Nepal a women's collective offered both material and moral support to its members. The benefits of scale enable greater opportunities and adaptability. Regarding research and evaluation innovations, we have shifted to utilizing more digital ways to collect data and administer surveys. For women, this has been very difficult due to the gender digital divide. Fewer women have phones and women have less time to respond to surveys. I see the greatest opportunity in how we harvest administrative data. We can merge huge, anonymous data sets to explore patterns and see variability in the social impact of COVID. We have seen how minority communities have suffered the most. The ability to quickly harmonize and utilize data is a critical opportunity.

Breakout Rooms

What are the lessons from what you heard?

- Women cooperatives are powerful! They facilitated a strong and fast response to COVID and effectively reached the poor. These arrangements should be set up prior to a crisis.
- Solidarity and cooperatives help build the resilience of women and function as a strong support system.
- There is a spectacular intersection between workers' ownership and cooperatives. The industrial commons in North Carolina are building worker-owned businesses. This enables greater resilience.

How can multilaterals better help social entrepreneurs?

- Multilaterals can set up this agenda at a higher level and create a platform to share lessons. They can also provide evidence of what works and what doesn't so that solutions can be scaled.
- Multilaterals can reinforce women's collectives.
- There is a huge gap between the multilateral level and that of social entrepreneurs. This gap should be closed. Multilaterals can also help enterprises identify sustainable business models.

Final Remarks from Speakers

Mirai: I'm delighted that there has been such a focus on solidarity organizations. Multilaterals and governments should invest in livelihood recovery through collectives and cooperatives, which are close to people and decentralized. We need to provide working capital so people can jumpstart their businesses. Basic income and cash transfers need to actually reach recipients. Social protection and primary healthcare also need greater public investment. Lastly, government and multilaterals should invest in women frontline workers who are collective members. They have proven their dedication, low-cost approach and ability to create sustainable and resilient systems at the grassroots level.

Olasimbo: Leave no one behind. Multilaterals and governments need to look at their population's needs and the health sector especially. Governments need to strengthen the social welfare of its people.

Jean: Livelihoods will be key. Multilaterals should help organizations on the ground reach the last mile. There are indeed disconnected communities suffering from the digital divide. We should explore networks that have proven results to bridge the digital divide.

Aishwarya: Low-cost, patient capital is distributed by the Foundation and the World Bank. It should focus on women's and collective enterprises. Investments in infrastructure and public goods such as data systems are critical. Low-income countries lack these data systems. Support systems for enterprises are also essential. Lastly, we should work more deeply on the underlying gender structures.

Parmesh Shah, Global Lead, Rural Livelihoods and Jobs, GSG, World Bank

Thank you to our moderator and stimulating panelists. I was struck by the agility shown by social enterprises and cooperatives. We have to invest more systematically in these institutions. We must invest in the care economy and in overcoming the digital divide. Mentoring and coaching have maintained their effectiveness despite COVID. We need to invest in social collectives, knowing that they possess the capacity to foster resilient recovery. Almost all welfare payments were run through the women's collective network in India. We also need to create a new culture of digital capacity for women. Finally, there is a great need for incubators and accelerators around women's collectives. All materials from the webinar series is available on our [website](#).