



Ensuring Economic Emergency Programs Reach Women-led SMEs

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Gender dimensions of COVID 19

Health conditions/ behaviors

More men than women among fatalities – implications for females left behind

Disruptions in maternal/reproductive health services – increased maternal mortality and adolescent fertility

More female healthcare workers – frontline workers – higher exposure to contagion

Education

School closures and economic necessity can lead boys and girls to drop out of school

Intra-household allocation of resources for home schooling (computers, internet time) and/or at the community-level might be redirected to boys over girls

Economic conditions

Female dominated jobs/occupations hit hard – least protected

Increased care work – constraints on time, reductions in working schedule

Market disruptions hit small scale female traders, female SMEs, female farmers disproportionately

Agency

Documented increases in gender-based violence

Negative coping strategies – early marriage, teen pregnancy

Stretched capacity of preventive and immediate protection/support services reduced

Gender norms that restrict women's mobility, etc. may be exacerbated

Firm dimensions of COVID 19

General

- Falling demand
- Disrupted input supply
- Liquidity crunch
- Rising and high levels of uncertainty

WSMEs

- Particular sectors hard hit, e.g., retail, tourism, agriculture
- Smaller, less-diverse networks
- Less access to capital (pre-existing \$1.5 trillion financing gap)
- Less access to information on where to go for business support (crisis management techniques)

Public sector responses



Informal firms best targeted through social protection, microfinance, Fintech solutions

Micro, small formal firms could benefit from grants, cost reductions (including suspension, reprofiling tax, SS obligations, expedited VAT refunds, accelerated payments of receivables from public sector)

Consider delaying, reducing import tariffs

Public sector responses, cont.

Expansion of public procurement initiatives

- I.e. proposal for temporary “government-as-buyer-of-last-resort” program, Saez & Zucman, 2020

Direct transfers to SMEs (e.g. grants for rental payment, utility bills, or direct support for covering wage bills)

Amend insolvency & restructuring frameworks to respond to the needs of MSMEs and prevent rapid increase of bankruptcies

Relax regulatory compliance requirements, particularly in low to medium-risk sectors; shift towards risk-based inspections; fee waivers

Public sector can help maintain access to finance

Central Banks and Monetary Authorities are implementing policies to increase lending, including:

Lowering the borrowing rate for eligible banks

- ie. Singapore lowered to just 0.1 per cent per annum for a two-year tenor, allowing Banks to provide government-assisted loans at much lower interest rates

Conditionally forgivable loans

- ie. The USA's Paycheck Protection Program: SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

Ensure ample liquidity is available for banks and NBFIs; monitor flow of liquidity across financial institutions, particularly those in the same financial group

Private sector responses



Large firms can support WSMEs through supplier finance, credit guarantees (linked to corporate taxes paid in prior year)

Banks can defer, waive payments, reduce interest rates, eliminate late fees, provide emergency loans, zero transfer fees for tax payments (specific examples below)

Credit card companies can waive late fees, provide cash back on specific items, reduce interest rates, increase time for payments, zero interest for a specified period for supermarket bills, zero transfer fees for tax payments

Bank Actions (*drawn from IFC Banking on Women*)

Continuation and scale-up of online support and customer service (BRAC, BHD Leon, and Santander)

- Call center available 24/7 (Brac)
- Web seminars for women business owners to help them with strategy and business during a pandemic (BRAC, BHD Leon, and Santander). BHD Leon also has a YouTube channel with online business courses and short clips

Digital payments and internet banking

- Emergency cash facility introduced in collaboration with no.1 MFS of the country bKash (Brac)
- Unlimited phone data for mobile banking (BHD Leon)
- Banking activity requests taken from registered emails without customers needing to visit branch (Brac)
- Internet Banking is providing both account and Card related enquiries (Brac)
- Information about online transactions and Internet banking capabilities (BHD Leon)
- Campaigns with E-Commerce partners and with online stores to promote online payments (Brac)

Increased withdrawal limits

Flexibility with loan payments for microfinance sector

Branches and ATMs

- 83 out of 187 branches open upon complying with all relevant directives of Central Bank (Brac)
- Increased the withdrawal limit from ATMs (BHD Leon)
- Ensure that ATM network is up and running with sufficient cash

Medium Term Response (digital) using existing mechanisms



Scale up of tech infrastructure

Invest in digitalizing female-run businesses and development of online platforms with priority access to female SMEs

Collaborating with tech companies to provide SMEs and self-employed with free/discounted access to internet and tech tools

Scale up of financial and digital literacy programs

Building and sharing data on women business –guaranteeing data privacy.

From business as usual to business
unusual