



COVID-19 Enterprise Response Research:

A resurvey of closed enterprises

November 2020

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We are grateful to the field operations team at LEAD for their undeterred support in conducting this survey. We would also like to thank the respondents for taking the time to participate in the survey, during a challenging time.

LEAD AT KREA UNIVERSITY

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About the re-survey



Between June-July 2020, LEAD at Krea University surveyed 2,083 women in Madhya Pradesh, Bihar, Chhattisgarh and Odisha to understand the impact of the COVID crisis and lockdowns on women-led enterprises in rural India.

In November 2020, we re-surveyed 205 enterprises that previously reported business closures in round 1 of the survey to document how many women-led businesses had recovered since June-July.

This survey was completed between 21 November - 29 November 2020.

To see findings from Round 1 of the COVID Enterprise Response Research, please [**click here**](#).

Key Insights



Recovery in business outlook

73.2% of women-led businesses (that reported permanent closures in round-1) have reopened



Trading enterprises fare better on recovery

70% are wholly operational and note greater improvements in income vis-à-vis others



Improved income levels

58.4% of businesses have reported an improvement in income levels from round-1



Festive season encouraged businesses to reopen

More than 25% of enterprises reported improved demand in the festival season was a key motivating factor for businesses to reopen. **91%** of businesses reported a less profitable Diwali season this year as compared to last year.



73.2% still missing support

Nearly three-quarters of businesses did not receive any external support (NGOs, SHGs, Govt) to restart their businesses

Resurvey components

- *Status of operations and recovery timelines*
- *Income improvement*
- *Profile of recovering enterprises*
- *Causal factors*

Status of Operations

We see recovery across states, with many enterprises back to pre-covid levels of activity.

While 39% of enterprises were wholly operational by November 2020, and an additional 33.7% were partially operating their businesses:

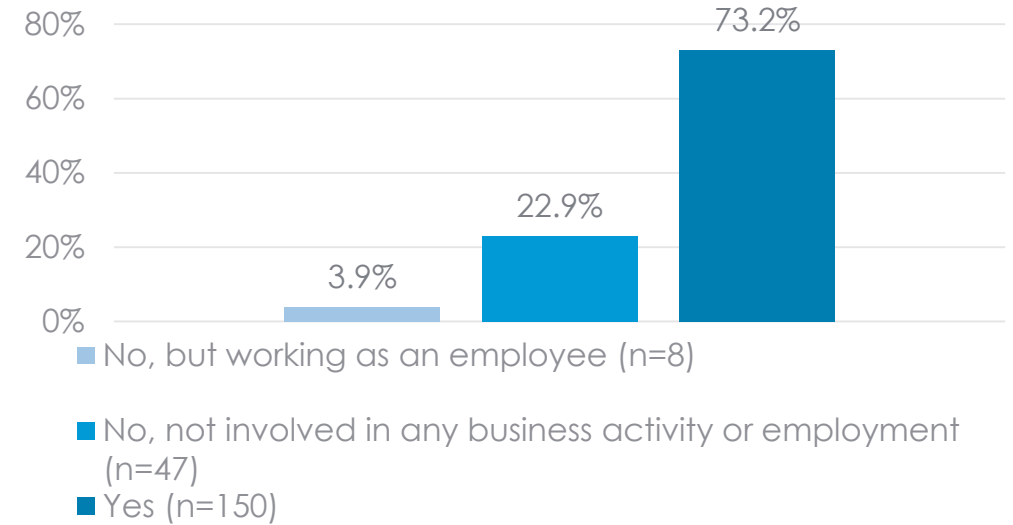
27.3%

Of businesses were still not operational

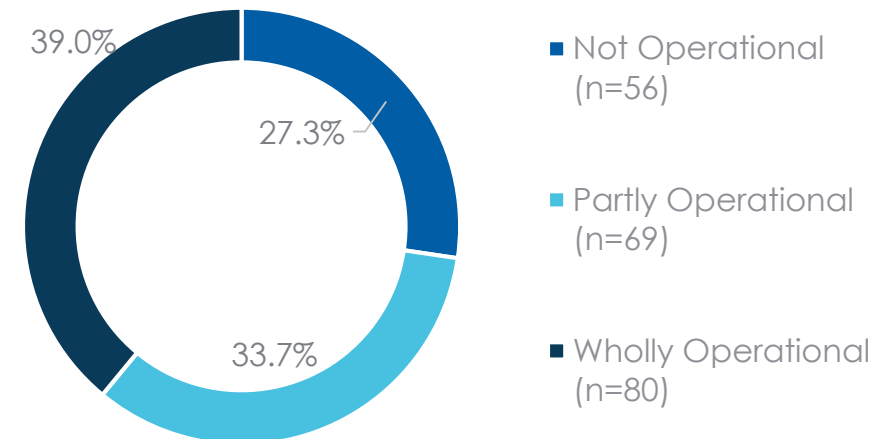
97.3%

Enterprises that reopened continued the same business activity as before

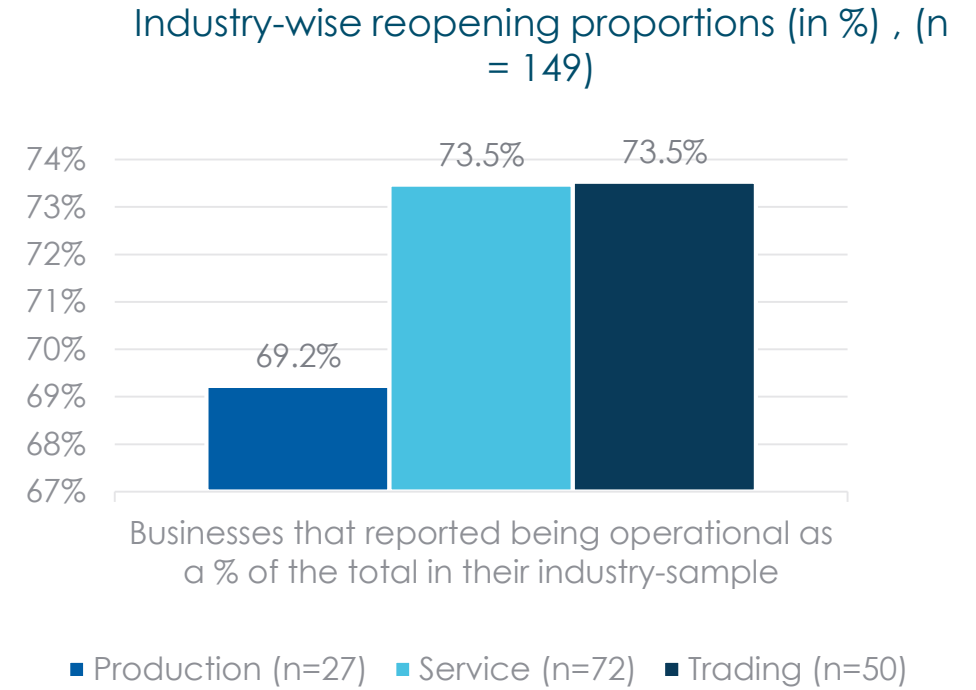
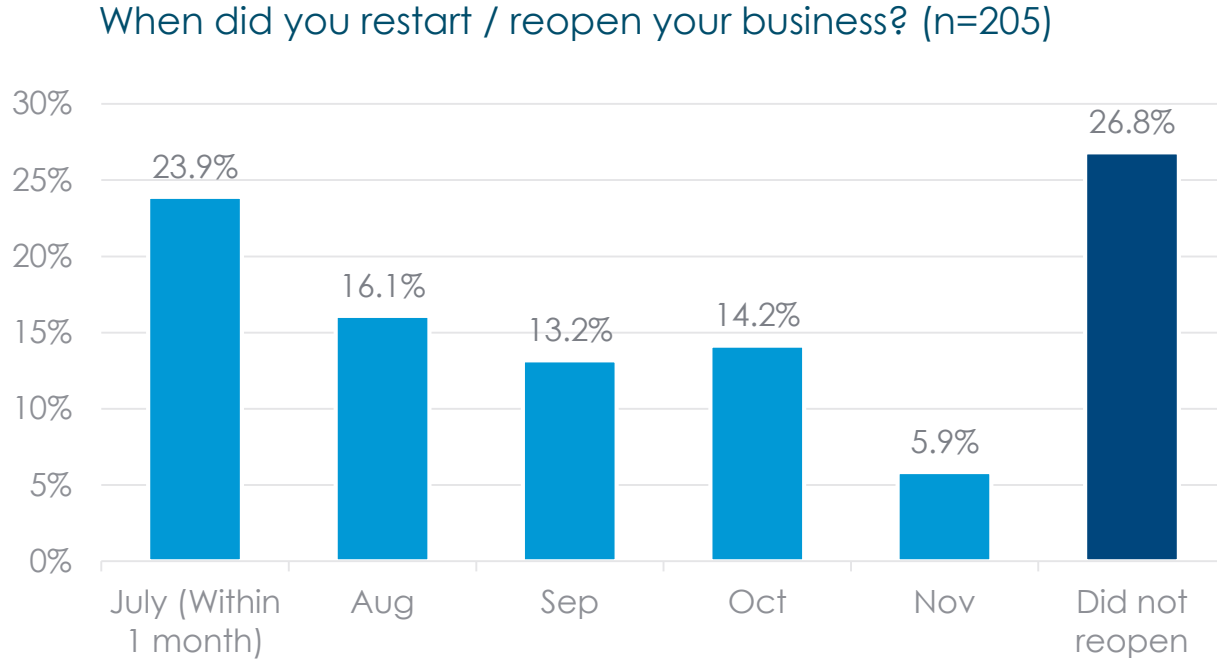
Are you presently involved in any business activity? (n=205)



Operational Status (n=205)



Recovering businesses – Timeline and industry



24% of permanently closed businesses reopened within a month or two of the first unlock measures (June-July). However, many businesses (26.8%) did not reopen even after 6 months.

Significant proportion of enterprises in the services and trading sectors were fully functional - 74% each.

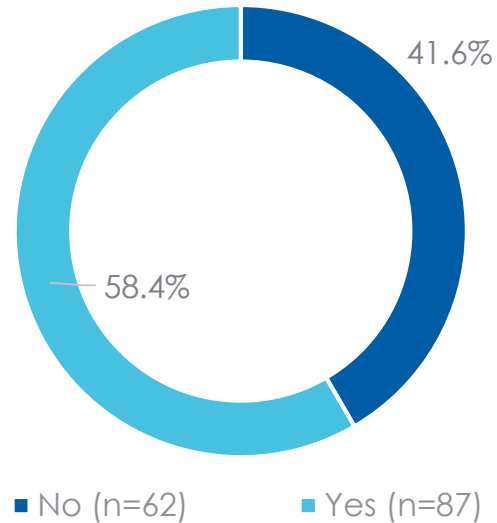
- Trading enterprises were the highest to report fully functional as well – 70% were wholly operational at present, whilst most service or production enterprises were still partly operational (55.56% for both).

Recovering businesses – Income improvement & who is recovering

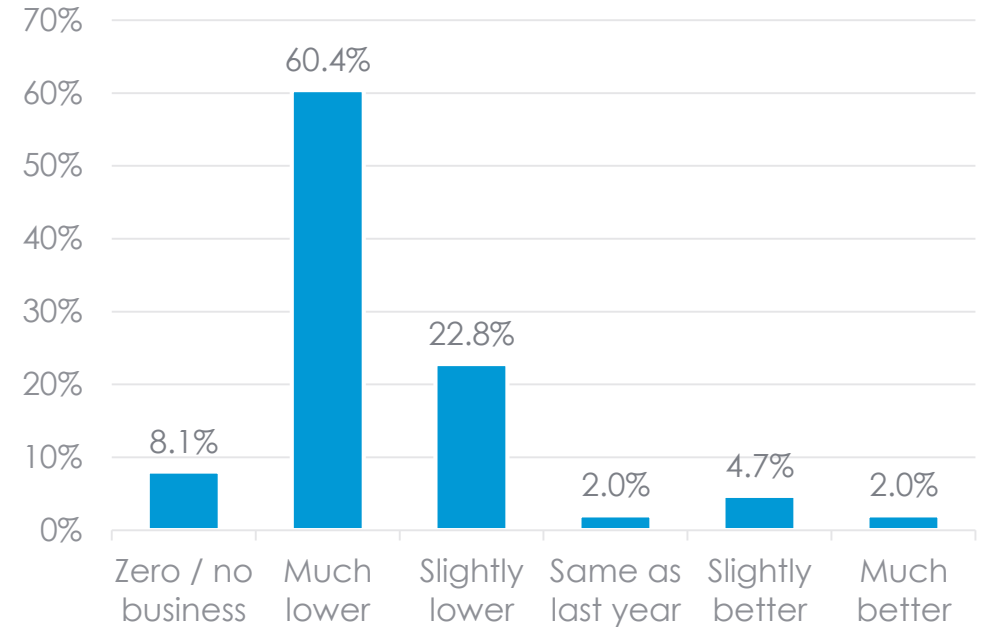
58.4%

enterprises reported an improvement in their income between the two rounds of the survey.

Have you noted an improvement in your income since we last spoke to you? (n=149)



How much business have you had this Diwali as compared to last year? (n=149)

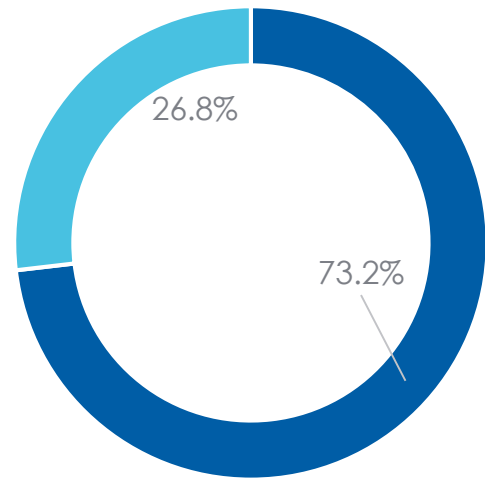


1. For those whose income had improved, Mean monthly income was INR 4199.93 and median monthly income was INR 3000.
2. Most businesses expectedly reported much lower business this Diwali as compared to last Diwali (60.4%).

Recovering Businesses – Causal relationships and reopening

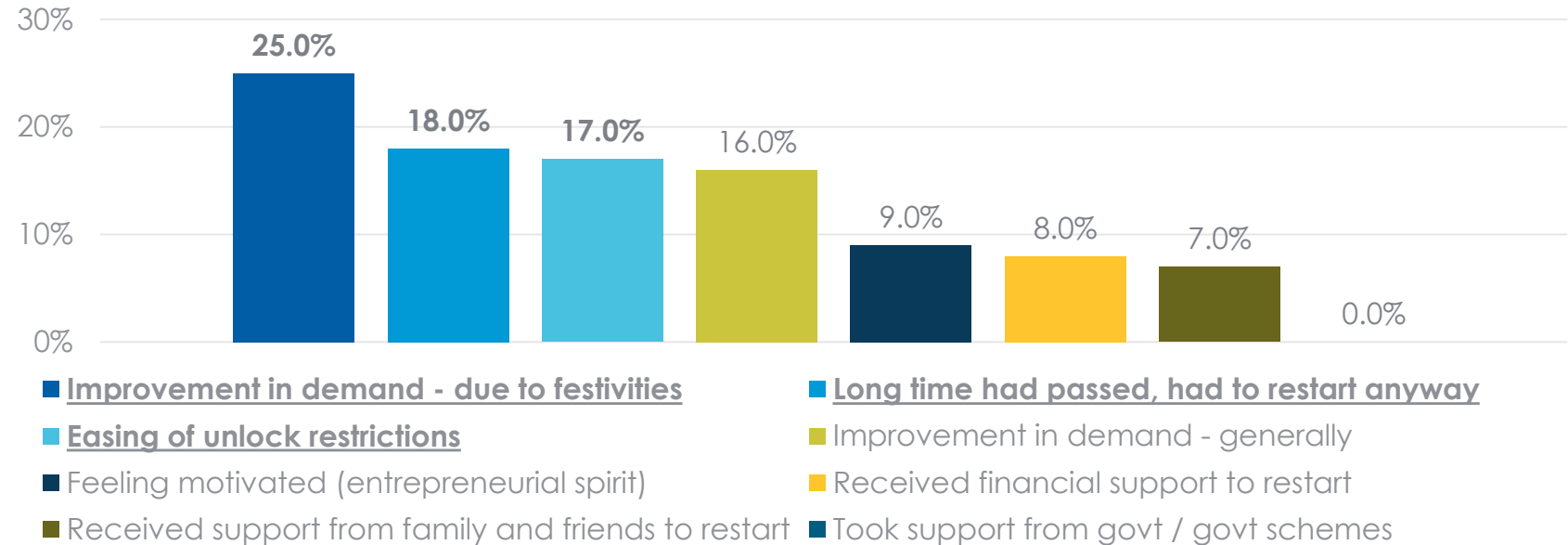
73% women responded that they did not receive any external support (NGOs, SHGs, Govt) to restart their businesses

Did you receive any external help (NGOs, SHGs, Govt.) to restart your business? (n=149)



■ No (n=109) ■ Yes (n=40)

All factors you think contributed in restarting your business?



Top 3 responses / Most-common responses to help received:

1. Help from SHGs,
2. No help received as such, had to restart business to meet expenses
3. Help from family and friends

About STREE:

In 2018, through the [National Rural Economic Transformation Project \(NRETP\)](#), the Ministry of Rural Development (MoRD) and the World Bank collaborated to build on the learnings from DAY-NRLM and pilot a new generation of economic initiatives including high-growth entrepreneurship models in 13 low-income states of India. The project aims to support about eighty thousand rural enterprises by June 2023.

To further propel NRLM's vision of creating a robust enabling entrepreneurial ecosystem for women in rural India, a technical assistance program, [Solutions for Transformative Rural Enterprises and Empowerment \(STREE\)](#) was inceptioned in 2019. The STREE program is spearheaded by LEAD at Krea University and is supported by the Bill & Melinda Gates Foundation.

Follow us on Twitter @LEADatKrea

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LEAD is a part of IFMR Society with strategic oversight from Krea University.

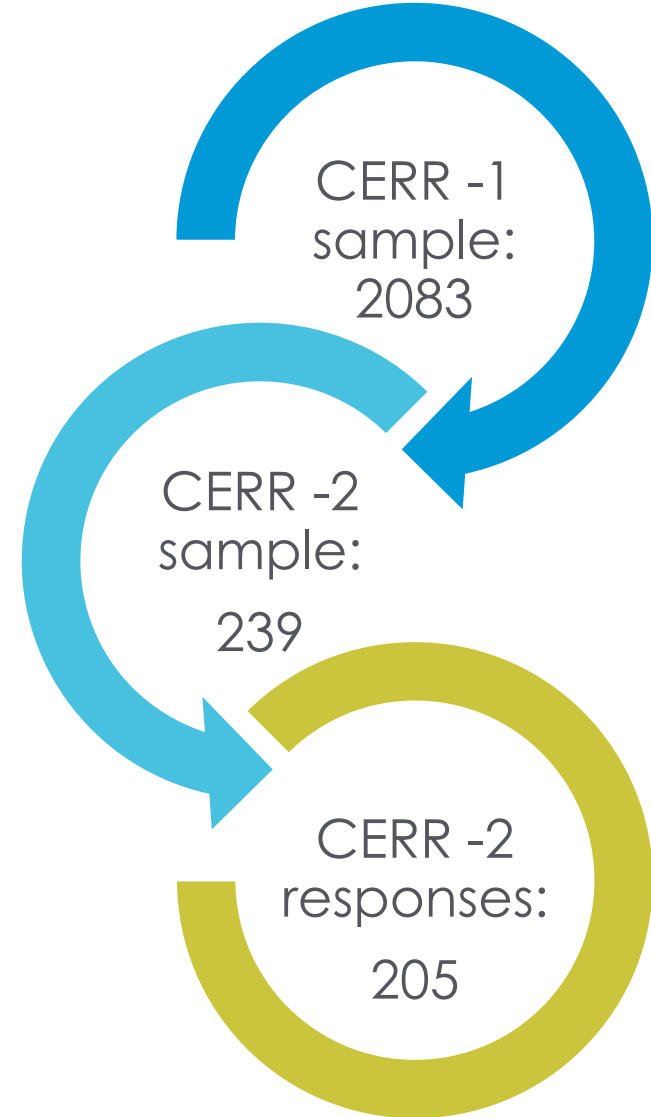
www.ifmrlead.org

ANNEXURES

- *Sample structure, response rates*
- *Respondent profiles*

Data quality, Sample and Responses

- Our sample comprises entire of female respondents. Both rounds of survey included women-led micro or small enterprises.
- We contacted all 239 enterprises that reported permanent closures in part 1 of our study (June-July 2020), out of a total of 2083 enterprises.
- We were able to reach 85% of the sample that reported permanent closures (205 of 239) in our resurvey.
- Of the 205, most of the survey responses were recorded for women reporting an operational business at the time of the resurvey i.e., n = 149 enterprises



Profile of enterprises (n=205)

