

GLOBAL ALLIANCE FOR Mass Entrepreneurship



Covid left a long and lasting impact on businesses, particularly the nano, micro, small and medium enterprises. Some experienced partial business standstill, and some completely to the point of shutting down the business. We present before you stories of a few entrepreneurs and their ordeal to stay afloat during the pandemic.

VENGADESH (WELDING SHOP)



Vengadesh employs seven people in his welding workshop in the town of Tirunelveli in Tamil Nadu. They all have worked with him for over a decade, and four of his

SATISH (OWNER OF PAINT WORKSHOP)

Despite suffering a significant lull in business due to the pandemic, this entrepreneur from Trichy, Tamil Nadu, pays his four employees weekly.

"My staff has been working with me for close to four years. How could I suddenly

employees have migrated from another state.

"Due to the lockdown and movement restrictions, business orders have been reduced, leading to a cash crunch. Even with restrictions easing up, the footfall of customers has been limited to 2-3 per day. These are mainly those who come for urgent repair work. My average daily income dropped from Rs. 3000 per day before the lockdown to Rs. 500 per day. Despite this situation, I did not consider laying off my workers. I continue to pay two of my workers who were willing to come in for work and have retained the others without salary."

abandon them in tough times? I dipped into my savings to pay their dues and asked them to come to work once the business resumes operations."

CHANDRA (PROPRIETOR, TAILORING UNIT)

45-year-old Chandra is the proprietor of a tailoring unit in Karur District. Chandra believes that her employees are the foundation of her enterprise. The business has seen tremendous growth in the last four years with their support. She moved out from her home-based business seven years ago to set up a tailoring unit with the help of her spouse and son. The revenue from this microbusiness is their primary source of income.

"I cannot afford to pay my staff their full wages, but I pay them 50% of their pay, even though some are not coming to work."



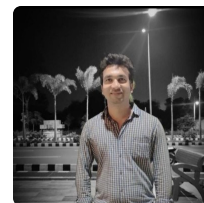
We also present voices of industry experts who recount their experiences from the field:

**SABYASACHI
CHAKRABARTY
(BANKER, SMALL
FINANCE BANK)**



"Immediately post lockdown, businesses scrambled for cash to pay for expenses. While initially, they could borrow from friends and family, these sources became a little unreliable with larger uncertainty in the ecosystem. Businesses with banking relations tended to apply for overdraft credit immediately, and the government scheme with maximum uptake addressed the moratorium needs for existing borrowers."

**PUSHPENDRA
TIWARI
(HAQDARSHAK
EMPOWERMENT
SOLUTIONS)**



"The two biggest challenges entrepreneurs face in adopting financial products are communication and relationships between banks, government departments, and entrepreneurs. Suppose the bank-entrepreneur relationship is regularly maintained and all the documents required for a particular kind of loan or scheme are in place. In that case, the process of availing loans becomes easy."

**PRATHAMESH
KHARAT
(SECTOR EXPERT,**

**HELLY BHATT
(SECTOR EXPERT,**

LABOUR AND EMPLOYMENT)



"There is a range of benefits given to workers by their employers by registering them under Labour Welfare Boards. However, the employer has to initiate this; currently, no schemes provide insurance against unemployment. A mechanism through which all MSME workers can register themselves to gain unemployment insurance benefits will be extremely beneficial to them. It is also important to note that large corporations tend to employ contract workers through MSMEs and thus avoid offering several benefits they will otherwise have to provide."

LABOUR AND EMPLOYMENT)

"In Gujarat, construction workers can submit a self-declaration online to register themselves under BoCW (Building and other Construction Workers) and avail of several benefits. Extending this process to all MSME workers (those working in physical outlets or small manufacturing units) can enable better access to social security benefits and have a wider reach. In some states, the Artisan Card benefits workers in the informal textile sector. However, this is not comprehensive or pervasive across the country."

GAME and **LEAD** at [Krea University](#) conducted a study during 2020 and 2021 in two rounds, each across 1461 microbusinesses, to understand the impact of the COVID-19 pandemic and lockdowns on microbusinesses and our report provides high-quality and timely data to help inform industry and policy interventions. For more on how micro businesses navigated this, check out our report at the link.

[Read Our Report](#)

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