

DaringCircles

by the Women's Forum for the Economy & Society

#Women4Business

Leading through adversity: Women entrepreneurs and Covid-19

A series of interviews by the Women4Business Daring Circle

Interview with Chetna Gala Sinha
Founder and Chair, Mann Deshi Bank & Foundation

 **WOMEN'S FORUM**
FOR THE ECONOMY & SOCIETY

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#Women4Business Interviews

How are women being impacted by COVID-19, and how are they leading to address the challenges faced by others? To learn, The Women's Forum for the Economy and Society is conducting a series of interviews with women entrepreneurs and ambassadors for women's empowerment around the world.

These interviews are unveiling unique insights into the far-reaching impacts of Covid-19, and the diverse ways these inspiring women are responding to the crisis with leadership and innovation.

Beyond recovery: designing an inclusive world

In the face of the new reality instilled by this pandemic, we are bound together more than ever. Let's dial up our solidarity as we design an inclusive recovery: for the women who continue to be disproportionately affected, and for everyone else who needs their leadership and positive impact. This crisis has reminded us of how critical our work is: of the urgent need to reshape the world together, driven by our **common purpose** to accelerate inclusive progress.

We care. We share. We dare.

Chetna Gala Sinha, Founder and Chair, Mann Deshi Bank & Foundation

Chetna Gala Sinha is the Founder-Chairperson of Mann Deshi Bank and Mann Deshi Foundation. Chetna founded the Mann Deshi Foundation in 1996 in Mhaswad, a drought-stricken area of Maharashtra, with the aim of economically and socially empowering rural women. In 1997, she set up India's first bank for and by rural women, the Mann Deshi Mahila Sahakari Bank. Today, the Mann Deshi Bank has over 100,000 account holders, has loaned over \$50 million and regularly creates new financial products to support the needs of female micro-entrepreneurs. Mann Deshi runs Business Schools, a Community Radio and a Chambers of Commerce for rural women micro entrepreneurs. To date, it has supported nearly half a million women. Chetna Gala Sinha has been awarded the Nari Shakti Puraskar, India's highest civilian award for women who work in the area of women's empowerment. In 2018 she served as a Co-Chair of the World Economic Forum in Davos.

It is exciting to meet you Chetna. To start, we'd like to hear about your main inspiration for setting up India's first bank for and by rural women.

I was born and raised in Mumbai, but when I was an undergraduate student I met a Gandhian leader. He was taking students to work in rural India. In the passion of being a part of the youth movement, I decided that I would join them. In the rural villages I met a young farmer leader, Vijay Sinha, who was not very formally educated but he could attract the masses and was working with the leaders in the region. I met him, felt in love and married. After one year, I started staying with him in the villages in Maharashtra, a state of India. When working with women there I met Kantabai, who came to me and said: "I want to do savings". I saw her business on the street. She was staying with her family on the street and running a business of a blacksmith. I told her: "You do not even have a house, and you are staying with your family on the street to run your business. Do you have enough money to save?" Kantabai insisted; "I want to save money, because we are staying on the street and in the summer, we have 40°C heat. To protect my family from the sun I want to buy a tuff roofing sheet and that's the reason I want to save." So, I went with her to different banks but they were not ready to open her an account because they said that Kantabai wanted to save less than 25 cents per day.

This was a small amount they said, not enough for her to become a client. I decided Kantabai was not asking for a grant, and she was not looking for any support from the government. All she asked was an opportunity to save her hard-earned money. If the banks are not opening an account for Kantabai, why not start a bank for women like Kantabai? And I decided to mobilize these women and applied for the banking license. Kantabai was my aspiration to set up the bank. We applied for the banking license and all the capital was mobilized. When we applied, it was not easy. We did not get the banking license. It was rejected because the central bank officer said they could not issue the license for the bank whose founding members are non-educated. I was devastated. I came back from Mumbai and I told the women that I could not get the license. The women said "You know what? We could not get the license because we could not read and write. Why aren't you crying? We will try to learn from today to read and write" And the classes started. All the women who were part of the membership of the bank started to learn to read and write.

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After 6 months, we applied again, and at that time I did not go alone. Seventeen women accompanied me to the Central Bank of India. I had no idea what these women were going to say, but I could see the confidence on their faces. When we went to the Central Bank of India, these women told the officer that “you rejected the license because we could not read and write. There were no schools so we are not responsible for our non-education. And they said we could not read and write but we could count. Tell us to calculate the interest on the principal amount. If we fail, do not issue the license. Tell your officer to do it without a calculator and see who can calculate faster”. Needless to say, we got the banking license. Today, Mann Deshi is addressing more than half a million women, and we have more than 100 million of capital.

Have you faced any gender-related barriers in your work founding or sustaining the Mann Deshi Mahila Sahkari Bank? How did you overcome these?

By running the bank and sustaining the bank, we have faced many issues with gender biases. Let me share a few: many times when I went to the Reserve Bank of India, they would make comments about me: “Are you sure you want to start a bank for women? You are a woman and women are not good at finance”. My answer was I would always work hard. Before going to the Reserve Bank, I used to prepare myself. I used to read everything on finance and banking. I had to make sure that I knew more than them.

I had to make an extra effort to equip myself with this knowledge. That was the part on me. Then about the women, because all these women were members when we were setting up the bank. In their communities, men used to laugh at them. They used to say, “You should be cleaning the houses. You are always with the rubbish. And you think that you would be able to handle money?” The women said, “We will save. We will mobilize capital. We don’t need anybody else’s money.” And that’s how the capital for this bank accumulated.

I would like to tell you about when we were designing the products for the bank. I designed one product where women can save in boxes, because these women were wage laborers and they earned daily income. Whatever they would save would be a very small amount and when the boxes get full, that money can be transferred to their saving account. One day, a woman came with a broken box and she said, “You gave us the box to save, but before the bank representative came, my husband broke the box and took all the money. Who is responsible for that?” The lesson I learned was that it is not only access to finance that matters, it is the control of finance. That’s what they are saying they want. So it is important to listen to them. And another thing that I learned from them was never provide poor solutions for poor people, because they are smart. Today our women are using smart phones, digital banking, and all sorts of credit products.

How are the micro-entrepreneurs you work with being impacted by COVID-19? Are some of the entrepreneurs responding to the crisis in innovative ways?

When this pandemic started in India, it was the first week of March, and we were just getting the cases. At the same time, on 23rd March, the Prime Minister of India declared the lockdown, which meant no travel, no business, no school, nothing. This made it hard for our entrepreneurs who were surviving on daily wages and those who had to migrate to different places to work. On one side, there was reverse migration. On the other side, all the street vending stopped and the markets closed. Many of our women were doing business on the street, now there is no business for them. In that situation, the first thing Mann Deshi did was to identify 10,000 families and first started giving relief on humanitarian grounds to give them the food packages. But that would not be enough. They need to survive. They need to start their businesses. Many of the women started to work from home. Many of the street vendors started doing their business They actually contacted their clients on the phones and said they could order from home. When they first started, the first thing they needed was the working capital.

So what Mann Deshi bank did was grant them a working capital loan that would be provided at their doorstep.

Secondly, people who are dealing with essential commodities could revise their businesses, but women who are working at temple, gardens, those types of work which is not essential, they were losing their businesses. So Mann Deshi started giving them the orders of different businesses. One of the businesses that Mann Deshi has been able to give to our women is masks. Many of our women are in textiles, and we found out that many of them have sewing machines at home. So we thought, why don't we produce the masks because masks are required at every level, and there was no masks available in the market. And these are small businesses that are devastated in this whole pandemic. We made the facility of masks and then we started mobilizing the capital, the materials and virtual training of women with small videos of 2 -3 minutes. So they know how to make masks of quality, and some common gentle mistakes they might do were explained. And I am so proud to share with you that more than 300 women are making more than 100,000 of masks.

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How is Mann Deshi Bank being impacted by COVID-19, and what are you doing to adapt to the changing situation? What do you see as the biggest challenges emerging for them now and in the future?

The biggest challenge Mann Deshi Bank faced is that is everything shut down, so the economy stopped. And the majority of our women and clients are surviving on a daily income. At the present, when their businesses are not on, on one side they need food, which we are making it available by providing them food packages; but on the other side, they want to revive their businesses. So many women had to throw away their vegetables, throw away their sweets, or whatever they are making and selling. To recover they require a working capital. What Mann Deshi has done is that they even have a loan, first they can skip the first two installments. They will need to repay but they get the breathing space of three months. They can start repay once their businesses start coming in. This was the first step we've taken, and even the Central Bank instructed other banks to do also. The second, which is very important for the whole banking sector is that how do we do business long distance? How do we do business virtually? Mann Deshi has ATMs and digital banking so we send messages to all our clients: Mann Deshi can provide the doorstep banking so they do not have to come to the bank.

Our staff is equipped with all the precaution we need to take when we go out in this pandemic including sanitizers, hand gloves and masks. With that, we provide the doorstep banking to those people who want to repay and do saving. Those who want the working capital can also get the loan at their doorstep. Still, business is affected. Our business has come down to 30%, whatever we were doing. Every day we were getting more than 800 transactions, we are not doing more than 250 transactions now. So the business has come down, but within a couple of months the business will pick up. So in that situation, what are the major things required? And I am just focusing on one thing - that women own small businesses. What they require is reviving funds, working capital loans because they don't have external work if their businesses are shut down. The first thing they need will be capital, and the second thing they might have to change their businesses. They may require some very small machines. For example, if a woman want to start a spice powder business, she might require a grinder. So design a product like higher purchase to buy the machine.

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What kind of immediate and longer-term actions are needed from institutional actors to enable successful economic recovery which is inclusive of all businesses?

In this sector now the liquidity is very important. The working capital loan and the reviving loan are very important. Those reviving funds will have to come from the financial institutions, and the regulators have to think about small businesses, because small businesses are affected the most. The high-tech businesses can be done virtually. So the regulators have to create policy in such a way that these small businesses can flourish.

What message would you like to share with other women leaders and entrepreneurs at this time?

I would like to share a story of one of our women: Savita. When the pandemic happened and there was a lockdown she was making the uniforms of the school children. Schools were closed so she had no business. And then she thought what should I do in this pandemic? So she decided to produce masks, and she actually went on the street and started to sell masks. And when people got to know that she is making masks, she got the orders. And today she is the master trainer and master trader also. And she is giving business to more than 125 women. So what Savita says is “I lost the business but I did not lose the courage”. So for Savita, her courage is her capital. Now I would like to share with all the women that Savita’s courage is my courage, and it can be yours also. Mann Deshi always says “My courage is my capital”.

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The Women4Business Daring Circle is a global coalition of partners, with an ambition to promote and accelerate women's economic empowerment in business and supply chains.

The Daring Circle is led by P&G, in collaboration with BNP Paribas, Bouygues, Exxon Mobil, Johnson & Johnson, L'Oréal and Publicis Groupe. The Circle is supported by Knowledge Partner AT Kearney, Insight Partner Clifford Chance, and Institutional Partners WEConnect International and UN Women. Expert Partners include Accenture, BY.O Group, founder of Catalyst at Large Suzanne Biegel, HEC, senior expert in gender Meg Jones, and founder of the Global Business Coalition for Women's Economic Empowerment Linda Scott.