AN IMPRESSIONISTIC STUDY
ON THE STATE OF
KUDUMBASHREE MICRO ENTERPRISES
DURING THE COVID 19 LOCKDOWN PERIOD

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Kerala, along with the rest of India, went into a ‘lockdown’ on 25th March 2020 as part of the fight against COVID 19. This has kept the State’s life and economy, which were already facing restraints of different kinds even before the actual lockdown, in suspended animation. As the people of the State fought the pandemic with resolve and rigour, gaining unparalleled success in taming the virus down to a few clusters, limiting the death to a few cases, and preventing community spread so far, the impact of the lockdown on the economy looms behind the scenes. While the state is in the process of financing the immediate relief operations and keeping the bare essentials in place, the medium and long term impacts of the pandemic on the economy is felt at best as a premonition.

The impact is mostly on people with uncertain incomes and unsecured employment tenures. These include a wide range of the working population; from the casual wage labour to the housemaid and from the barber in the street corner to the woman who earns an income by stitching a few clothes for her neighbours on her run-down black machine. It includes the farm labour, the construction workers, petty shop owners, the lottery-ticket sellers with or without physical disabilities, the street vendors, auto-rickshaw drivers, and odd job workers. It also includes specialist workers ranging from the plumber-cum-electrician next door to the quintessential women fish vendors of Thiruvananthapuram and Kasaragod. The list is long and potentially distressing to think about if one places their probable routes to recovery also in perspective.

Kudumbashree, the State Poverty Eradication Mission of the Government of Kerala, has been in action, working closely with the Local Self Government Institutions across the State in various activities for preventing the spread of the disease as well as in providing relief. With a state-wide network of more than 43 lakh women organised into close to 3 lakh Neighbourhood Groups (NHG) and their federations, Kudumbashree is leveraging on its field presence to make things effective. Ironically as in the context of any disaster, Kudumbashree, while engaged in the fight against COVD, is also an organisation with its members among some of the worst impacted. They have been sustaining without work and incomes through the lockdown phase; few would notice the struggles behind the brave faces that Kudumbashree women are identified with.
Among the impacted, the micro-entrepreneurs form a different category. Different because they had dared to invest their hard earned savings in their very small businesses to eke a living out of them. While many groups rose to the challenges of the time and took the state by surprise through their endless adaptations by stitching clinical masks and mixing hand sanitizers, it is not difficult to feel the presentiment of a bleak business future in their expressions, if one bothered to heed. Stocks have been lost in many businesses, working capital locked up in others, the entire investment is in peril in some of them.

According to the database kept by Kudumbashree, there are 23,789 active enterprises in its network; almost evenly divided between production, and trade or service sectors. There are enterprises that do a combination of production and trade, production and service, or trade and service. The nature of these enterprises differ from single person units to those that employ a number of persons. There are group enterprises as well as individual enterprises. The 23,789 enterprises together have a total of 64,475 entrepreneurs; close to three entrepreneurs on an average. One could safely assume that these entrepreneurs are from as many families too; they benefit many more families in the Kudumbashree network as many among them employ a number of women and men too in some cases.

Kudumbashree enterprises are distributed across all the districts of the State. Ernakulam has the highest number of units (9058) followed by Thiruvananthapuram (5569), Alappuzha (5416), Palakkad (5356), and Kozhikode (5091). Kollam (4899), Malappuram (4751), Kannur (4662), and Thrissur (4142) have more than 4000 enterprises each while Kottayam (3593), Pathanamthitta (3449), Idukki (3075), and Kasaragod (3046) have above 3000; Wayanad has the lowest number of enterprises (2368).

Kudumbashree enterprises are diverse in terms of the nature and categories of the businesses that they run. While tailoring units, garment sales, food processing units, catering services, restaurants, hygiene and home care, and nutrimix units lead in terms of numbers, the enterprises include a wide range of traditional and modern businesses. Of late, Kudumbashree has also diversified into urban service businesses too.

This report looks at the way the micro enterprises run by Kudumbashree women have been affected. In the context of the battles against COVID, there was no scope for a meticulous study and systematic presentation of results. Therefore, what has been attempted here could at best be called impressionistic; its strength however, lies in the fact that it still is based on the responses of these entrepreneurs over phone calls. A total of 1015 entrepreneurs in 28 business categories (clubbed into 20 categories here) ranging from tailoring shops to catering services and petty trades to grocery stores were contacted over a three days from 29th to 31st March.
An advantage has been about using knowledge to seek information, as it was the Micro Enterprise Consultants under the Kudumbashree network, Kudumbashree’s barefoot business development specialists who have helped the women set up these businesses in the first place who made the phone calls. Therefore, though impressionistic, this report can claim the authenticity of having been put together from the spontaneous responses of genuine entrepreneurs to their comrades in arms.

The highest number of the enterprises contacted were tailoring units (154), followed by general/kirana stores (123). Small restaurants, café units, and tea stalls formed the next category with 95 respondents. There were 83 bakery units, 81 catering agencies, and 73 units that traded in garments. Annexure 1 has a summary of the respondents, category-wise. Nine enterprises with few numbers among them have been clubbed together as a 20th category. Annexure 2 has the indicative list of questions used for the telephonic interviews.

The following is a summary account based on the responses of the 1015 women entrepreneurs who responded to the phone calls.
1. TAILORING UNITS

Most units cited that the shop was totally closed during the lockdown. With no orders being taken, there was no cash in hand as well as there was no source of raw materials available. The products that were stitched for credit are yet to receive payments against them. Some finished goods are still lying in the shop for the orders taken before the lockdown and there have been no enquiry by the customer regarding the same, which again makes it unclear by when would the money be credited for the same, since customers have cited their inability to make the purchase at the moment.

The month of April, in normal circumstances, would have seen higher demand for stitching in the market due to the upcoming festivals. The festivals stand cancelled in the current situation and this may see a downfall in the demand for stitching, thus adversely affecting the tailoring units. Even the upcoming marriages and functions have been postponed indefinitely, which again led to cancellation of orders and would not fetch any new orders in the coming months. The supply chain of tailoring units that used to manufacture dress items in bulk to sell for exporting to other places has also been hit.

In the initial period of the lockdown, there was a high demand for facemasks in the market, seeing which some units started stitching the same. Various organizations had placed bulk orders for stitching facemasks. However, payments for the orders received have not been made yet and bulk of the facemasks are still lying in the units; women have no idea of how to sell them in the market.

The Luxury of Essential Services

“Even though cloth is an essential commodity, in a situation like this, buying a new set could be a luxury”, Khadija, an entrepreneur running a garments cum tailoring shop in Padanna Bazar in Kasaragod says. Her shop has been closed since the eve of the lockdown.

Khadija, left alone with three small children after the husband deserted her found a new meaning to life after she joined Kudumbashree in 2018. Starting from a single-machine tailoring unit, her business grew through support from Kudumbashree. She now specialises in women’s undergarments, employs five women and supplies to 20 shops in and around Padanna.

“As the festival season of April-May was approaching, we had bought materials worth Rs 4 lakh”, Khadija says. Now with the lockdown, the entire working capital is held up, and there is no certainty about the future of the business. Six families are affected due to lockdown as Khadija cannot run the business.
2. GENERAL STORE/KIRANA STORE

Most units observed that even before the lockdown, due to panic buying in anticipation of a curfew, stock items were exhausted. There are only a few units that are able to function by selling essential items like milk, rice etc. Lack of working capital and unavailability of transportation facilities have made it difficult for the entrepreneurs to purchase goods for selling to customers. Income from sales is very low on a daily basis. Many grocery items have been damaged and hence the entrepreneurs have incurred losses.

General Store entrepreneurs whose households had relatives coming from abroad before the lockdown faced a boycott. People have shown reluctance to buy anything from their store and hence they have suffered massive loss. Many customers, who are buying few essential products, do not have sufficient cash to pay for the purchase, due to which credit sales have been happening, with uncertainty of the return. Timings of the enterprise functioning has reduced significantly, for the ones that are still operational.

Summary:

Cancellation of the orders due to postponement of functions and events like weddings etc. No demands as expected during festival seasons, huge raw material stock due to which working capital is held up, and lack of transportation facility for operations. Inability to meet the sudden high demand of facemasks due to lack of raw materials for bulk production.

Summary:

Regular sales disrupted due to panic buying before lockdown, supplies affected, fear of COVID-19 causing less or no footfall in stores with family members who returned from foreign countries, increase in credit sales with uncertain repayment timeline.
3. **BAKERY**

Most of the bakery units contacted observed that due to fewer customers from only close by areas, very low per day sales are recorded. This created another problem of loss of inventory since most of the baked products with shelf life of maximum 2-3 days have already perished. The packed products with shelf life of 30-45 days shall also be in their last stages of expiry after 21 days of lockdown period. Products that already sold have mostly been on credit. Some entrepreneurs followed door-to-door delivery mechanism after making the products at home. Now that process is not possible as the current situation does not allow this method.

Some local stores that are able to sell a few items regularly are unable to make purchase from wholesale stores on time due to lack of transport facilities, thus losing out on the opportunities of doing business. None of the shops has insurance coverage of their stores. No new orders have been placed for any product ever since the lockdown and there is no possibility of any functions or events happening in the near future as well. Some units have a huge stock of raw materials that were bought for production prior to the lockdown.

Some units have been into trading business, wherein they would take bulk from the large-scale producing units and sell it by packing in small packets. There is a huge decline in this process since there is no money in hand for purchase and credit is also not available. Units are not only facing loan repayment issue; they are also facing problem for paying rent, chitty, and other regular commitments. For some units, suppliers were engaged in making products available to the bakery shops; however after lockdown the only option left is to buy directly from the wholesale store but that is not possible due to lack of transportation facilities.

The regular sales of tea, coffee, snack items, and juices have stopped completely. This has affected some shops that depend on these as main source of revenue. Initially the bakery shops closed for 5 days. But even after getting permission to open, there is hardly any progress in sales since people stay home; authorities have banned the sale of soft drinks and cool drinks. This is adversely affecting revenue.

**Summary:**

Loss of inventory due to perishable products, logistics issues for productions, lack of transport facilities to buy raw materials and ban on selling soft drinks leading to significant drop in sales.
4. CATERING

Major loss incurred by catering units has been from cancellation of the previous orders due to sudden postponement of functions like marriages. Most of the catering units are non-functional during this lockdown period. Perishable raw materials procured for delivering on existing orders caused significant losses as they could not be used. Most of the raw materials, as per the earlier practice, were bought on credit to be settled later on receiving payment from the customer. There is an overhead now on the entrepreneurs to meet without any cash in hand. Not all units have gotten a chance to be a part of the community kitchens set up at various places. This has altogether affected the only means of income to many families.

The currently operational catering groups are getting limited orders from some offices; and cost of production is has been rising. The units that are engaged in community kitchens do not have an income currently but are expecting to recover from the earnings expected from the government sources. ‘Budget hotel’ project turned out to be helpful to a few units. For others, they are going to be in a situation where they may take orders after lockdown only if they get the raw materials on credit or some advance payments for the order.

**Summary:**

Loss of inventory due to perishable products, logistics issues for productions and lack of transport facilities to buy raw materials leading to significant drop in sales.
5. CLOTH TRADE/GARMENTS

Cloth or garments trading units reported no sales since the first day of the lockdown. Many units focused on door-to-door delivery and since that is not possible due to social distancing as well as lack of transportation, there is no possibility of sales. Credit sale is a major factor in cloth trade. And due to lack of money available, a lot of credit sales made to the existing customers has not been received. There is no cash in hand for purchasing new stock. The available cash had been given to the shops where the garments were purchased prior to the lockdown.

Garment trading businesses were looking forward to a peak sale period during the month of April because of upcoming festival of Vishu. However, the cancelation of all celebrations and also loss of income for most families, the sales of garments are expected to hit an all-time low. For cloth trading businesses the worry is that even after lockdown period is over, people may not be in a position to spend on cloth, resulting in a loss of their business. There is an issue cited regarding pending repayment of loan and room rent. Many units have existing stocks that they expect to sell after the lockdown period is over.

Summary:

Cancellation of new orders, credit sales of previous finished goods, lack of transport facilities and raw materials hinder meeting pending orders, door-to-door sales not allowed. The immediate future beyond lockdown also looks bleak.

Fear beyond Quarantine

Laila, the SVEP entrepreneur running a grocery shop in Valiyavayal in Vamanapuram Block of Thiruvananthapuram District, had adapted to the changes necessitated by the lockdown with grit and flexibility. Once the frantic buying fearing lockdown stopped, she managed supplies without much problems. Then there was a drop in the number of customers visiting the shop as the government directed the shops to close by 5 pm. “The rush hours at the shop are typically from 6 pm onwards; but as people started adjusting to the new timing, sales picked up. But it never reached the pre-lockdown level as there was always a shortage in supplies due to inadequacies in transportation”, says Laila.

The real shock came one week into the lockdown period. A neighbour family, who is a customer of Laila’s shop had a member returning from Dubai kept under home-quarantine. This created confusion initially, and then people stopped coming to the store out of fear. Since then there has not been any sale in the shop; Laila does not open it anymore. “You can’t blame people”, says Laila. “Their fear is not baseless”. Eventually the person who returned from Dubai tested negative for corona virus. He is out of quarantine too. Still, Laila is not able to resume the business as customers are reluctant to visit the shop.
6. CAFÉ/RESTAURANTS/TEA STALLS

Some of the café/restaurant units functioned for a limited time schedule with adherence to the government protocols as mandated by the health department. Most units that are functioning are providing home delivery and parcel facility only, as sit-ins are not allowed. Most perishable raw materials like egg, milk, fruits, and fish have been damaged. Overall, the sales from these units are not able to meet the daily expense of the unit. Lack of transportation has made it difficult for café/restaurant units to get raw materials for the daily activity.

There are payments yet to be received from some monthly credit buyers, which has made the business run into cash deficit. Problems in repayment of loans and payment of rent are anticipated in coming months. Some Community Kitchen units are now working for free expecting they can be a part of Janakeeya Hotel later. Most of the tea stall entrepreneurs are from poor households and are faced with a shutdown of their business activities. No offices, public services, work or gatherings are being allowed and hence there are no people around to serve the tea and snacks to.

Police authorities had asked the entrepreneurs to keep their units closed. The materials purchased in bulk, before the lockdown, for making snacks and other items were given to nearby houses, as it was compulsory to keep the shop closed. Because of this, they have lost money, which spent for buying the raw materials. Wholesale shops are also not open for buying raw materials, in case any order is placed.

Summary: Fewer cafes/restaurants are able to contribute to community kitchens, most have remained shut due to lack of customer demand and lack of raw material availability, some continue with parcel/delivery facilities. Tea stalls suffered the most.
7. AUTO-RICKSHAW/TAXI

Transport services have halted; therefore no regular road trips are happening. Some auto-rickshaw and taxi services are being utilized for urgent hospital cases only. For most of the entrepreneurs, this is their only means of income for the family and thus the impact is higher. Services to schools are also suspended. Due amount for the previous month is also pending to be received. Some entrepreneurs are also concerned about the maintenance-service required for their vehicle due to lack of regular usage for a long period. Vehicle loan repayment is pending for many auto-rickshaw and taxi drivers.

8. FURNITURE WORK

Furniture workshops are shut during the lockdown. Advance payments had been received for orders taken before the lockdown, but work has been stalled completely since it does not come under essential items category. Due to lack of available transportation, completed orders have not been delivered and raw materials purchase has not been made for the next assignments. Cancellation of many orders has also happened.

For the completed assignments, payments have been pending from the customers who have cited lack of available cash in hand as a reason for non-payments. None of the furniture work stores have insurance support. A few of the entrepreneurs who had established a small workshop in their home shed, are able to work on the pending assignments from home.
9. BAG MAKING/ PAPER BAG MAKING UNIT

Bag making units have stated that they are not much affected currently because their finished goods can be stored for longer periods. However, sales have been affected due to the lockdown as their enterprises are completely closed. For the orders that were taken before the lockdown period, raw material purchase could not be undertaken due to lack of wholesale market and transport facilities. Repayment of loans for most units are pending because of lack of working capital in hand. Some units that established at home are undertaking production with the available resources. Though there are some orders for bags, collection of bags from the units and delivery of the same to the customer is a major issue currently.

Summary:

Units working from home are able to manage, stock can be stored for long, raw material and transport not available, no current demand for production.

10. HYGIENE PRODUCTS

Hand sanitizers and soap solutions saw swift sale during the initial phase of COVID-19 detection. Most units that manufactured hygiene products were able to sell their stocks and some could initiate production seeing the market demand. However, none of the units had adequate capacity or money to buy raw materials and undertake bulk production. Due to the current status of lockdown, it is difficult to produce and sell. Most soap and detergent units, are in dearth of stock as well as raw materials for further production.

Summary:

Initial rise in sales of stocks, unavailability of raw materials for producing in bulk for sudden demand.
11. ALUMINUM FABRICATION/WORKSHOPS

Most of the Aluminum fabrication and workshop units had made huge investments in assets and machineries. These investments have been made using loans taken from banks and other institutions that need to be repaid. They depend on the income from the business for their household needs as well. This is one of the sectors that have been affected hardly by the lockdown because of huge overheads and working capital deficits. Units cited lack of transport and laborers as a reason for stalling of pending work. Wages of the employees is also pending disbursement. Most units have not received pending payments from their customers either. No new orders have been received in past two weeks. Paying rent of the shop will also be a point of concern for the coming months.

Summary:
Pending bank loans on machinery, work stalled for indefinite period, workers payments are pending and credit has not been received.

12. BEAUTY PARLOR/BARBER SHOP

All the beauty parlors and barbershops had to close even before the lockdown. Bride and groom services for weddings, car decoration orders etc., have been cancelled due to postponement of all functions and events. Cosmetics items with longer expiry durations shall be usable even after lockdown period is over. The main concern arises from the pending payment of salaries for employees and the room rent that needs to be paid. For some units, banks loans are also pending. Many customers prefer credit services and hence there is pending payment from the customers’ side as well. Covid 19 hit these enterprises more than others perhaps, as they had to close even before the lockdown and the entrepreneurs are unsure of opening many units even beyond lockdown; the reason being the difficulty in keeping physical distance by the very of their operations.

Summary:
Cosmetics items with long expiry duration can be used after the lockdown, all booking for functions, weddings etc. stand cancelled, no current work. Badly hit as they had to shut shop even before the lockdown, and entrepreneurs are worried about their future.
13. VEGETABLE TRADE/FISH TRADE

For both vegetable and fish trading units, the main issue is the unavailability of the stock. Due to district and state wise restrictions in border movements as well as lack of transportation facilities, the authorities have restricted vendors. Most of the vegetable and fish sellers belong to poor households with dependency on daily income for meeting needs. Wholesale dealers are also not selling vegetables and fish in bulk quantities. Vegetable trading units are also facing the issue of high price of the vegetables in the market.

For fish traders, the main selling product was the sea fish, which is now unavailable due to closure of fishing harbors and absence of transportation. Also, unavailability of cold storage to stock left over vegetables and fish has ended in spoilage of some stock. Some fish traders have started to sell backwater fish, but due to low availability, its price has soared high in the market.

Summary:
Unavailability of vegetables and fish due to lockdown, affected severely because these are poor households dependent on daily earnings.

14. CONSTRUCTION UNITS

All the construction work have stopped due to the lockdown. For most of the construction units, a large amount of building and construction materials are stored at various construction sites and the units face the risk losing those. Many of the employers have postponed the work leaving it where it had reached, which means that eve after the lockdown is over, there may not be much work in the market. Payments against completed work are pending. New assignments received before lockdown had been cancelled. Due to sudden cancellation of the work, payments have not been made to many labourers.

Summary:
Work stands cancelled, payments are pending to the workers, fear losing construction materials kept at site, and slow take off expected in demand post lockdown phase.
15. FOOD PRODUCTION UNITS (PICKLE/CHIPS, CURRY POWDER)

All the units are shut since the first day of the lockdown period. There are stocks of finished goods pending delivery. Products that were kept in nano-markets and super markets had to be taken back as their expiry dates would be over by lockdown period. Raw materials were purchased on credit in larger quantity anticipating the festival season sale. As is the case of masala processing, the pickle units also are facing the issue of selling and damage of finished products.

Most of the entrepreneurs depended on monthly markets for selling pickles, masala powders, and curry powders. Since there shall be no monthly market in the coming months, the situation is not going to be any better for these units even after the lockdown. Door-to-door delivery of the products is also not possible for the units anymore. Raw materials of these products may get damaged during the lockdown period. Some payments for the items sold before the lockdown period are pending. A few units have been able to sell their products to some community Kitchens. The wholesale stores, which are available, are demanding high price for raw materials, which makes the business activity unviable. Some units working from home have demand for the products but not able to supply due to non-availability of raw materials.

Summary:

Monthly markets are the main avenues of sale, which are now cancelled due to the fear of gatherings, finished goods cannot sell, some units could provide their products to community kitchens.

16. FLOURMILL UNITS

Most flourmill units have been struggling with the spoilage of finished goods as well as raw materials because the lockdown did not allow them to market or deliver their products. There has been no business operation ever since the lockdown began. Customers canceled many of the previous orders because of lack of transport facility and cash availability to make the purchase. Perishable food materials are now a big burden for the entrepreneurs to handle. The units anticipate difficulty in selling off the accumulated stocks once the lockdown period is over.

Summary:

Loss on perishable raw materials as well as finished goods, no orders being received currently.
17. COMPUTER SALES/DTP CENTRE

The photocopy centers/computer sales/DTP centers are non-functional during lockdown period. The units have relatively large bank loans spent on assets. Payment of room rent is pending and will be causing issues in the wake of no-income days. The bulk copies of different forms that are stocked up shall not be valid by the time lockdown is over. No new orders are being received at the moment. Long duration of lockdown and no usage of the machines may result in hardware complaints is what the entrepreneurs are concerned about currently.

Summary:

Loans from banks for assets and machinery, no new orders, previous orders stand cancelled.

18. COLD STORAGE / CHICKEN CENTER/MEAT TRADING

Due to the lockdown, the cold storage units, chicken and meat centers in most places have been shut. For most entrepreneurs in this sector, this is the main income generating activity of their family, due to which the sustenance is at stake. In some units, distress sale of chicks happened in the wake of unexpected lockdown. Repayments are pending to suppliers; payments are pending from the customers. Entrepreneurs also fear that the fixed assets may become inoperative due to long periods of shutdown.

Summary:

No units are operational; entrepreneurs fear having complains with the machinery due to long duration of shut down.
19. NUTRIMIX UNITS

All nutrimix units are functioning during the lockdown period. According to the entrepreneurs, there is adequate wheat quantity available to carry on production activities for the next three months. The problem that they face is about the other raw materials including groundnut and sugar. As the regular supply chain has been interrupted, and as prices went up from the days towards the run up to the lockdown, the units had to procure at higher prices. Also, they had to pay in cash at the time of purchase. These added to the cost of production while the price of the product is fixed. This, according to the entrepreneurs, would lead to them accumulating losses during the lockdown period. The units are working as per the government protocols of maintaining extra precautions to curb the spread of COVID-19.

Summary:

Nutrimix units are functional as usual; however, they may accumulate losses during the lockdown period as their regular raw material supply lines have been interrupted.

20. OTHERS

For other units like, pottery, toyshop, cane work and hardware stores, there has been no business since lockdown. The entrepreneurs are not able to sell the finished goods and hence the families' income have drained. Lack of transport facilities, raw materials and no demand from customers is making sustenance of their business operations difficult. Previous orders have been cancelled and some pending payments from the customers have not been received.

The Very Small Window between Seasons

Varalakshmi pottery unit in Vandazhi Grama Panchayat, Palakkad is an enterprise well-run by Ganesh, who got support under the Start-up Village Entrepreneurship Programme (SVEP) implemented by Kudumbashree. Ganesh belongs to a family of traditional potters; his product goes to several districts across the State from Kasaragod in the north to Ernakulam in the south. “For a pottery unit, these are the most critical months of the year” says Ganesh. It is the time for both raw material collection as well as peak production.

“Over the years, with shift to metal utensils, pottery sells mostly during the festival season, which is March-April. And as clay is to be collected before the rains and the sowing season, it is also the time to collect it from paddy fields”. This is where pottery units take an undue brunt of the lockdown on them. And the impacts are manifold. More than 1300 vessels produced at the unit and sent to various districts with the retail sellers lay unsold due to lockdown; the products are worth Rs 25,000. The regular demand expected during March and April is gone. And they cannot collect the raw material either. Unfortunately, all these happened a month after Ganesh took a loan from the Community Enterprise Fund (CEF) under SVEP and upgraded the unit.
Fear of rusting or damaging of the existing stock is another concern of the entrepreneurs. The entrepreneurs of coir rope making units are working from home with available stocks, but sale is under threat and further raw material purchase is not possible. Many were eagerly waiting for the festivals to come for good sale period. Toys businesses follow a chain cycle - from one festival to another with a neat calculation by the entrepreneurs. But everything stands cancelled. After the lockdown, festival season will be over. Hence, more chances that the stock may remain idle with the entrepreneurs for long. Most people involved in these businesses are poor.

Santhwanam volunteers are now becoming a workforce of Kudumbashree as they are working along with the health department for the activities against the spread of COVID-19. However, this is at the cost of their regular business.

**Summary:**
Most small enterprises like coir rope making, pottery, toyshop etc., suffer due to lack of demand and face uncertainty in returning back to normalcy in the coming days. Cancellation of monthly and festival markets shall be a missed opportunity for these units. Santhwanam volunteers are active with the health departments in the COVID-19 relief work.
CONCLUSION

All the microenterprise categories under the Kudumbashree network have been impacted significantly by the lockdown. In the case of food based enterprises such as bakeries, the main impact has been the losses from rotten stocks and spoiled raw materials. Almost all businesses with a seasonal spike in revenue during festival times lost out on the opportunity while incurring additional costs in locked up working capital. Even the nutrimix units with a regular product-raw material arrangement are making losses as the regular supply lines are affected.

Most of the entrepreneurs covered by the study were seen unable to meet their overheads in the wake of the lockdown. Many expressed apprehensions on the probable low demand for products and services beyond the lockdown period too. Repayment of monthly installments of bank loans is another area of concern. Event related business opportunities have been hit, adversely affecting enterprises those derive their demand from them such as catering services and beauty parlours. Construction groups see a continued slump in demand extending much beyond the lockdown period.

Realization of revenue against pre-lockdown credit sales as well as payment against supplies made before the lockdown are troubling different enterprises. While COVID 19 offered its own opportunities for a limited number of business categories such as stitching of masks for the tailoring units and production of hand-sanitizers for the enterprises specializing in hygiene products, the revenues from these are yet to realize. Also, units are not in a position to address the local demands in these products due to the restrictions imposed by the lockdown.
The list created by the district teams consists of 20 enterprise categories across the 14 districts of Kerala. The number of units that could be contacted over phone under each of the 28 categories were then used to compile a common observation regarding the situation of the enterprise categories respectively. Some of the categories have been clubbed together into one in the following table. The list of enterprises is as follows:

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<th>S.No.</th>
<th>Enterprise Category</th>
<th>Number of Enterprises</th>
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<tr>
<td>1</td>
<td>Tailoring Units</td>
<td>154</td>
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<tr>
<td>2</td>
<td>General Stores/Kirana Stores</td>
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<tr>
<td>3</td>
<td>Bakery</td>
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<td>4</td>
<td>Catering</td>
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<td>5</td>
<td>Cloth Trading/Garment trading</td>
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<td>Café/Restaurants/Tea stalls</td>
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<td>Furniture Work</td>
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<td>Bag making/Paper bag making</td>
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<td>Hygiene products</td>
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<tr>
<td>11</td>
<td>Aluminum fabrication/Workshops</td>
<td>24</td>
</tr>
<tr>
<td>12</td>
<td>Beauty Parlours/Barber Shops</td>
<td>23</td>
</tr>
<tr>
<td>13</td>
<td>Vegetable trade/Fish Trading</td>
<td>37</td>
</tr>
<tr>
<td>14</td>
<td>Construction units</td>
<td>20</td>
</tr>
<tr>
<td>15</td>
<td>Pickle unit and curry powder</td>
<td>95</td>
</tr>
<tr>
<td>16</td>
<td>Flour mills</td>
<td>17</td>
</tr>
<tr>
<td>17</td>
<td>Computer sales and services, DTP</td>
<td>12</td>
</tr>
<tr>
<td>18</td>
<td>Cold Storage/Chicken Centre/Meat trade</td>
<td>12</td>
</tr>
<tr>
<td>19</td>
<td>Nutrimix units</td>
<td>9</td>
</tr>
<tr>
<td>20</td>
<td>Others</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>• Pottery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Hardware Shop</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coir Rope making</td>
<td></td>
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<tr>
<td></td>
<td>• Toy Business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cane work</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Swanthanam Volunteers</td>
<td></td>
</tr>
</tbody>
</table>

Total 1,015
A set of discussion points were used as indicative inquiry points for collecting information regarding the status of a representative list of micro-enterprises during the lockdown period in Kerala. This was only an open-ended guide and the resource persons had their autonomy in driving the conversations to understand the difficulties and challenges faced by the entrepreneurs. The details are as follows:

1. Basic details of the micro enterprise and the entrepreneurs
2. Whether the enterprise activity is running or is closed? If closed, how is it affecting the family?
3. What is the money loss due to the loss of working days? (For individual units)
4. What is the loss faced due to perishable stocks and stopping of production activities? (Eg: Bakery items, food products, fruits etc.)
5. What is the status of the non-perishable stock items held-up due to the lockdown? How much working capital invested in it? (Stocks could be raw materials, work in progress or finished goods)
6. Tailoring units, hygienic product manufacturing units and catering units got bulk orders for facemasks, hand sanitizers and community kitchens from Kudumbashree. How did it help the units in these sectors?
7. Are there any business units that are operating during the lockdown as per the government directions? What is the sale value for them?
8. What are the issues faced by the businesses that are operating during the lockdown?
9. Enterprises that had paid for raw materials but did not receive the supply due to the lockdown and lack of transport available, what has been their status?
10. Enterprises that had made sales on credit, how are they managing now? Are there payment issues? If yes, how is it being handled?
11. With no income due to non-functional enterprises, how are the units that have banks and NHG loans managing to make the repayment?
12. Do the enterprises have insurance for their units?
13. Any support received from Government/ Kudumbashree/ LSG/ any other agency?
14. Any other remark/doubt/relevant remark