



Country Focus  
**BANGLADESH**



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# FROM THE DESK OF SECRETARY GENERAL



March 2021 VOLUME 155

**R**esearch paper on “Perception towards Online Teaching-learning in Medical Education among Medical Students during COVID-19 Outbreak in Nepal: A Descriptive Cross sectional Study” authored by Rakesh Singh, Madhusudan Subedi, Smriti Pant, Pragya Rai, has objective to describe the perception of medical students towards online teaching-learning introduced during the COVID-19 outbreak in Nepal.

In UN section, focus is on ILO. The only tripartite U.N. agency, since 1919 the ILO brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.

In country focus section, our focus country is the Bangladesh. SMEs now occupy an important position in the national economy. They account for about 45 percent of manufacturing value addition, about 80 percent of industrial employment, about 90 percent of total industrial units and about 25 percent of the labor force. Their total contribution to export earnings varies from 75 percent to 80 percent.

Interview with RBI Governor Shaktikanta Das discussed a wide range of issues including liquidity, yields, inflation, banking licence and crypto currencies. He also emphasises if you go back into my monetary policy statements, right from October onwards – October and then again in February – I have given a very clear signal and explicit guidance to the bond markets.

Entrepreneur of month Amrita Chowdhury who is an Entrepreneur, Business Strategist, Innovator, Author, and Board Member. Amrita is a business strategist, engineer & innovator. She brings a unique understanding of business growth, technology, digital spaces and brands. Previously, Amrita served as President & CEO of DY Works (Future Group); Country Head South Asia for Harlequin

WASME CORNER covers event and activities by WASME recently. International Women’s Day was celebrated at World Association for Small and Medium Enterprises (WASME) on Friday, 8th March, 2021 at WASME House, Sector 16A Film City, Noida, The theme was to felicitate women’s contribution as “Aatmanirbhar Bharat – Self Reliance”. More than 100 women participants included entrepreneurs, social workers CEOs, Doctors, Lawyers, Academicians, Beauticians, Physiotherapists participated in the event. About 50 women entrepreneurs were awarded for their achievements and contribution in various fields. MSME –DI, New Delhi in association with WASME

organised a Live webinar on IPR (INTELLECTUAL PROPERTY RIGHTS) held on online platform on Friday, 12TH MARCH 2021 from 2.30 PM – 3.30 PM.

In UN News Scan, we have included the news of 'Industry 4.0' tech for post-COVID world, is driving inequality: UNCTAD, How COVID-19 triggered the digital and e-commerce turning point and UNIDO works to scale up the ICT start-up ecosystem in Iran.

In start-up section, the focus news are How Can You Go Global as a Start-up? and Stripe most expensive start-up in US with \$95B valuation.

Women's wing section we have added news related to Why Women Entrepreneurs Are the Future of the Start-up Ecosystem and Women entrepreneurs fight for funding in man's world of tech start-ups..

**DR GYAN PRAKASH AGARWAL**

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## reader's review



Research paper on "The Word Cloud Analysis to Evaluate the Impact of COVID-19 on Environmental Professionals and Environmental Degree Holders: A PAN India Survey authored by Moharana Choudhury<sup>1</sup>, Srijan Goswami<sup>2</sup>, Sougata Maity<sup>3</sup> and Arghya Chakravorty<sup>4</sup> is knowledgeable and focussed on how COVID-19 affects PAN India employment and the likely impact on education on the different environmental fields.

**Abena Ruth  
Kumasi, Ghana**

Article on UN section, ECOSOC which is The Economic and Social Council is at the heart of the United Nations system to advance the three dimensions of sustainable development – economic, social and environmental is worthy.

**Daniel Annor  
Brisbane, Australia**

Country focus article on Egypt, which is in the process of redesigning its institutional and policy framework for SME and entrepreneurship and is starting to address one of the key recommendations of the SME Policy Index 2014 – which noted that the country should address the fragmentation of the institutional framework by defining the role of the various institutions and government agencies, co-ordinating support instruments and developing synergies among programmes has very rich content.

**Felix Sefa  
Port Louis, Mauritius**

WASME's activities and events covered in WASME CORNER like "An Educational Transformation Initiative by WASME and CODE. that enhances the STREAM & AI education in school children from class 1 to class 12 based on the learning concepts of Robotics, 3D Printing, Coding, Internet of Things, Artificial Intelligence, Aerodynamics and Design Thinking in these children. WASME's International Women's Day held on Monday, 8th March 2021 at WASME International Secretariat, Film City, Noida, India. International Women's Day (March 8) is a global day celebrating the social, economic, cultural and political achievements of women. The day also marks a call to action for accelerating gender parity. It aims to bring together the next generations of women leaders and is to empower women economically and to integrate them with the developmental goals of the nation as Atmanirbhar Bharat.

**Kene Thwala  
Johannesburg, South Africa**

## Perception towards Online Teaching-learning in Medical Education among Medical Students during COVID-19 Outbreak in Nepal: A Descriptive Cross-sectional Study

**Authors: Rakesh Singh, Madhusudan Subedi, Smriti Pant, Pragya Rai, Krishna Kumar Gupta**

### ABSTRACT

**Introduction:** The outbreak of coronavirus disease in Nepal led medical colleges to suspend in-person teaching-learning activities and ultimately online platform was introduced to deliver the contents of medical education. The objective of this study was to describe the perception of medical students towards online teaching-learning introduced during the COVID-19 outbreak in Nepal.

**Methods:** An online survey using a descriptive cross-sectional study design was carried out among 515 undergraduate medical students currently enrolled in medical colleges in Nepal. A semi-structured questionnaire in Google form was utilized to collect data. The link of the Google form was sent to the potential respondents through email and social media. Descriptive statistics, including frequency, percentage, mean, and standard deviation were used to analyze data in SPSS vs20. Ethical approval was sought from Nepal Health Research Council to conduct this study, and digital informed consent was taken from study respondents.

**Results:** The overall score of perception of online teaching-learning was  $17.61 \pm 7.19$ , which indicated many problems in this method of teaching-learning. The mean score of perception of online teaching-learning was found to be different across sex, location of enrolled medical colleges, having a personal electronic device, having an internet connection at residence,

having separate room/space for attending online classes, and self-rated computer skills. Moreover, only 28 (5.4%) of respondents had perceived online teaching-learning as a better method of delivering content of medical curricula.

**Conclusions:** Surveyed medical students in Nepal were found to perceive many problems in online teaching-learning. Moreover, management and faculty members need to take the necessary measures for enhancing the online teaching-learning quality.

### INTRODUCTION

With coronavirus disease (COVID-19) hitting Nepal, the Government enforced lockdown and travel restrictions,<sup>1</sup> which led medical colleges to suspend in-person academic activities of undergraduate medical students. This suspension would lead to a loss of learning time, lower students' self-esteem, confidence, and loss of clinical skills.<sup>2</sup> To reduce this loss, medical colleges in Nepal felt the need to use information technology to deliver medical curricula,<sup>3-4</sup> and resumed undergraduate medical education through online teaching-learning platforms.

The success of online learning hinges on accessibility, usage of appropriate methods, and course content.<sup>5,6</sup> Online teaching provides both opportunities and challenges to students.<sup>7,8</sup> The use of an online platform to deliver medical education is comparatively new in Nepal and its

effectiveness from students' perspective is a must. Hence, this study aimed to describe medical students' perception towards online teaching-learning introduced during the COVID-19 outbreak in Nepal.

## METHODS

A web-based cross-sectional descriptive study was carried out among the Bachelor of Medicine and Bachelor of Surgery (MBBS) students currently enrolled from the first year to final year at medical colleges of different provinces in Nepal, who were 18 years or above, and who gave digital informed consent to participate.

The data was collected via a web-based online survey by sending the link of the semi-structured questionnaire in the form of a Google document to the undergraduate medical students enrolled in medical colleges in Nepal by email and/or social media via purposive sampling. Medical students from 12 different medical colleges were approached for their participation in the survey. These 12 colleges were selected purposively in a way that we covered medical colleges from all provinces where medical colleges are located. The minimum sample size was estimated using the following formula:

$$\begin{aligned} n &= Z^2 \times p \times q / e^2 \\ &= (1.96)^2 \times 0.5 \times (1-0.5) / (0.05)^2 \\ &= 384 \end{aligned}$$

Where,

Z = 1.96 for confidence interval at 95% p = prevalence 50%

q = 1-p

e = margin of error 5%

With a non-response of 20%, the estimated minimum sample size was 461. However, with a larger response than expected, the total number of participants enrolled in the study was 515 within a span of one week of the online survey (12 July to

18 July 2020). Ethical approval was taken from the Ethical Review Board of Nepal Health Research Council (NHRC) to conduct the study (reference number 2810).

The questionnaire used in the online survey assessed background characteristics and perception towards online teaching-learning. The part of the questionnaire assessing perception towards online teaching-learning comprised of: a rating scale adapted from the subscale of students' perception of learning of Dundee Ready Educational Environment Measure,<sup>9-11</sup> and questions exploring perceived experiences of online teaching-learning which were adapted from data collection tool from a similar study.<sup>12</sup> The adapted rating scale consists of 12 items with five points Likert scale (0 to 4).

Each of the twelve items with a mean score of 3.5 is true positive points; 2 are problem areas; between 3.5 and 2 indicate aspects that could be enhanced.<sup>9-11</sup> The maximum score from the rating scale that an individual can obtain is 48 and are interpreted as follows: 0-12 (25% score)= very poor, 13-24 (25-50% score)= many problems, 25-36 (50-75% score)= more positive than negative, 37-48 (75% score)= excellent.<sup>9-11</sup> Moreover, the adapted questions assessing perceived experiences of online teaching-learning explored the preference of online teaching-learning method over in-person, attendant of the online class, enjoyment during online class and its reason, duration of active enjoyment during online class, perception of optimal mix of the online and in-person class, and recommended duration of online class per day.

Data collected via the online survey were imported to an excel sheet, cleaned, and analyzed in SPSS (Statistical Package for Social Sciences) version 20.

## RESULTS

The age of the respondents ranged from 18 to 29 years, with a mean age of  $21.09 \pm 1.96$  years. Out of the total 515 respondents, 284 (55.1%) were female; 146 (28.3%) were enrolled in the first year; 324 (62.9%) were enrolled in medical colleges at Bagmati Province.

While most of them 488 (94.8%) had their personal electronic device for attending online classes, a quarter 128 (24.9%) did not have a separate internet connection at their residence, and around one-third 162 (31.5%) did not have a separate room/space where they could attend online classes. Regarding self-rated computer skills, 216 (41.9%) responded as having only basic skills.

Individual item-wise analysis of the rating scale, none of the items on respondents' perception of online teaching-learning scored more than 3.5 (Table 1). Furthermore, the overall score of respondents' perceptions of online teaching-learning was  $17.61 \pm 7.19$  (36.69% of maximum score) (Table 2).

Table 1. Mean score of individual items of rating scale of students' perception of online teaching-learning (n=515).

SN	Scale items	Mean $\pm$ SD
1	I am encouraged to participate in online class	1.29 $\pm$ 1.01
2	The online teaching is often stimulating	1.14 $\pm$ 1.08
3	The online teaching is student centered	1.07 $\pm$ 1.01
4	The online teaching helps to develop my competence	1.09 $\pm$ 1.05
5	The online teaching is well focused	1.02 $\pm$ 1.02
6	The online teaching helps to develop my confidence	1.71 $\pm$ 1.19
7	The online teaching time is put to good use	1.47 $\pm$ 1.03
8	The online teaching over-emphasizes factual learning	2.53 $\pm$ 1.10
9	I am clear about the learning objectives of the course delivered in online class	1.31 $\pm$ 1.13
10	The online teaching encourages me to be an active learner	1.31 $\pm$ 1.15
11	Long term learning is emphasized over short term learning in online class	1.99 $\pm$ 1.24
12	The online teaching is too teacher-centered	1.67 $\pm$ 1.26

Table 2. Score of overall students' perception of online learning (n=515).

There was a difference in the score of respondents' perceptions of online learning across sex,

Characteristics	No. of items	Obtainable score	Mean	SD	Mean Percent
Students' perception of online learning	12	0-48	17.61	$\pm 7.19$	36.69

provincial location of enrolled medical colleges, having a personal electronic device, having an internet connection at residence, having separate room/space for attending online classes, and self-rated computer skills (Table 3).

Only 5.4% of the respondents perceived online teaching-learning as a better method in medical education (Table 4). Regarding active engagement in an online class of two hours, 39.7% of the respondents were active for less than half an hour, and none were active for the whole two hours of the session.

Three hundred forty six (73.5%) of the

Characteristics	Categories of characteristics	Frequency n (%)	Students' perception of online learning mean score (SD)
Sex	Male	231 (44.9)	16.85 $\pm$ 7.12
	Female	284 (55.1)	18.22 $\pm$ 7.21
Year of enrolment	First-year	146 (28.3)	17.62 $\pm$ 6.48
	Second-year	118 (22.9)	17.00 $\pm$ 6.77
	Third-year	133 (25.8)	17.80 $\pm$ 7.59
	Fourth/Final year	118 (22.9)	17.97 $\pm$ 8.01
Location of enrolled medical college (Province-wise)	Province 1	42 (8.2)	16.38 $\pm$ 6.27
	Province 2	46 (8.9)	14.80 $\pm$ 6.82
	Bagmati Province	324 (62.9)	17.94 $\pm$ 6.95
	Gandaki Province	65 (12.6)	19.78 $\pm$ 8.02
	Province 5	38 (7.4)	15.76 $\pm$ 7.89
Have personal electronic device for attending online classes	Yes	488 (94.8)	17.78 $\pm$ 7.12
	No	27 (5.2)	14.44 $\pm$ 7.91
Internet connection at residence	Yes	387 (75.1)	18.36 $\pm$ 7.14
	No	128 (24.9)	15.33 $\pm$ 6.89
Separate room/space at residence for attending online class	Yes	353 (68.5)	18.62 $\pm$ 7.17
	No	162 (31.5)	15.40 $\pm$ 6.76
Self-rated computer skills	Basic	216 (41.9)	16.65 $\pm$ 7.38
	Intermediate	268 (52.0)	18.07 $\pm$ 6.87
	Advance	31 (6.0)	20.23 $\pm$ 7.79

respondents did not enjoy online learning sessions because of the major reason for teaching and lack of sufficient discussion .174 (50.3%). Further, when asked how many hours of online class per day they would recommend for delivering the medical curriculum content, the respondents' answers ranged from 0 to 4 hours with a mean of  $2.24 \pm 0.78$  hours.

**Table 4. Perceived experiences of online teaching-learning and its reasons.**

Characteristics	Category	n (%)
Attended online class, n=515	Yes	471 (91.5)
	No	44 (8.5)
Duration of active engagement in an online class of 2 hours, n=471	Half an hour (30 minutes or less)	187 (39.7)
	An hour	206 (43.7)
	One and half hours	78 (16.6)
Enjoyed online classes and are helpful for learning, n=471	Yes	125 (26.5)
	No	346 (73.5)
Reason for not enjoying online classes, n=346	Class was mostly one-way and did not have enough discussion	174 (50.3)
	Sessions were too difficult to understand	66 (19.1)
	Felt lonely attending online class	38 (11)
	Did not learn anything from online class	15 (4.3)
	Class schedule was inconvenient	12 (3.5)
	Others (inadequate preparation by facilitators, unorganized content, lack clinical and practical skill session and repetitive content)	41 (11.8)
	Preferred online teaching-learning over in-person method, n=515	Yes
	No	487 (94.6)

## DISCUSSION

The overall mean score of students' perceptions towards online teaching-learning in the current study was 17.61, indicating that there were many problems in the online teaching-learning method. The finding is supported by a study conducted in Pakistan where most medical students had a negative perception of online learning.<sup>3</sup> One of the reasons for this negative perception and ineffectiveness in online teaching-learning was the lack of skill-building and laboratory sessions in this method of delivering medical education. This is consistent with medical students' attitudes in studies in various nations, including Pakistan, China, Malaysia, and Singapore.<sup>3,13-15</sup> Moreover, differences in the score of perception of online teaching-learning were found across characteristics of students, including computer skills, availability of the personal electronic device, and internet connection at residence.

This is logical as online teaching-learning requires reliable internet connection and sound skills on software and hardware.<sup>16</sup> However, there was a similar score of perception of online teaching-learning among respondents of different enrollment years. This may be because whatsoever be the year of enrolment, the medical students in Nepal are on the same page regarding exposure to online teaching-learning, as it is a relatively new pedagogy method adopted in medical education in Nepal.

The mean score of the item regarding getting encouraged to participate in online classes in this

study was 1.29, indicating a problem area that needs to be emphasized while delivering medical education contents via the online method. The lack of effective participation in an online class was found among students in the current study, with 61.3% feeling lonely due to inadequate discussion during online sessions. This result is congruent to the study done in Pakistani medical students, where 84% of students felt increased isolation due to low student-teacher interaction during online teaching-learning sessions.<sup>3,17</sup> Similar responses were observed in a study conducted among Polish medical students where the majority reported to be less active during online learning.

The reason for this inactivity may be a lack of an interactive approach while preparing and conducting online medical education sessions.<sup>18</sup> Similarly, only 26.5% of the present study students perceived online teaching-learning classes to be positive and helpful. The Pakistani study showed similar results where 14% of the medical students considered online learning impact to be positive.

Furthermore, the problem area in online learning indicated by the score of perception of online teaching-learning was also evident from the proportion of students (only 5.4%) who perceived online teaching-learning as a better method of learning in medical education. This finding is similar to the study conducted in Pakistan, where 85% of the medical students preferred traditional in-person teaching over online teaching.<sup>3</sup> This finding is also consistent with other studies where a majority of the students preferred face-to-face

learning.<sup>19-20</sup> However, studies conducted in Korea and Oman suggested that medical and nursing students preferred and were satisfied with e-learning and digital lectures.<sup>21-22</sup>

The reason for this discrepancy may be that online learning introduced during the lockdown phase in Nepal is new for medical education in Nepal as compared to medical education in Korea and Oman.

Furthermore, lack of interaction with patients in the clinical setting and lack of clinical skill learning sessions may be the reasons for fewer adherences to a perceived preference towards online teaching-learning among medical students.

To some extent, use of virtual laboratory materials and virtual patients can be utilized to train medical students and prepare them before encountering a real-life patient,<sup>18,23</sup> and this, in turn, may help generate enthusiasm in online learning among the students during the crisis situations like COVID-19 outbreak where the in-person teaching-learning activity is a challenge.

However, as depicted from the current study's findings, medical colleges' management and faculty members need to frame online classes of not more than two hours session a day. Nevertheless, each online session should not be more than an hour based on an active engagement during an online class.

Moreover, the negative perception towards online teaching-learning in the present study is also reflected by the proportion of the respondents (73.5%) who did not enjoy online classes. This

finding is in contrast with the study done in the United States, where 59% of the medical students enjoyed online learning.<sup>12</sup> This discrepancy in the level of enjoyment of online learning may be due to prior exposure to virtual learning in medical schools in high-income countries.

The limitations of the study include the design of the study because of which the findings need to be interpreted with caution as it does not establish causation.

Furthermore, due to the nature of the study being a web-based online survey, potential respondents who were not in access to the internet during the data collection phase might have been left out whose perspective would have been important for the study.

## CONCLUSIONS

Surveyed medical students in Nepal perceived many problems in online teaching-learning in medical education. The majority of the medical students did not perceive online teaching-learning as a better method of online learning.

In this regard, medical educators in Nepal should emphasize addressing the problem areas in online teaching-learning methods, thereby enhancing medical education quality in an interrupted way during emergencies.

Further study is recommended to determine the perception of teaching medical education via online platforms among faculties as teachers' perception and experience of delivering education contents via virtual platform is an important aspect to be explored to enhance the quality of teaching-learning methodology medical education.

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# International Labour Organization



International  
Labour  
Organization

## About the ILO

The only tripartite U.N. agency, since 1919 the ILO brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.

## History of the ILO

As the ILO celebrates its 100th anniversary in 2019, it is timely to reflect on the many life-changing events which are linked to the ten



decades of ILO history.

The Organization has played a role at key historical junctures - the Great Depression,

decolonization, the creation of Solidarno?? in Poland, the victory over apartheid in South Africa - and today in the building of an ethical and productive framework for a fair globalization.

It was created in 1919, as part of the Treaty of Versailles [PDF 837KB] that ended World War I, to reflect the belief that universal and lasting peace can be accomplished only if it is based on social justice.

The Constitution of the ILO was drafted in early 1919 by the Labour Commission, chaired by Samuel Gompers, head of the American Federation of Labour (AFL) in the United States. It was composed of representatives from nine countries: Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom and the United States.

## How we work

1. The unique tripartite structure of the ILO gives an equal voice to workers, employers and governments to ensure that the views of the social partners are closely reflected in labour standards and in shaping policies and programmes.

## Mission and impact

1. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

## What Works in SME Development

The What Works in SME Development Series is presenting key findings of interventions promoting small and medium enterprises as a means to create more and better jobs. It covers ILO programs as well as interventions of other agencies using ILO products.

The main objective of the new Series is to increase the take up of effective SME programs by leading actors in this field. The issue briefs target ILO constituents, other policy makers, development practitioners, and the private sector presenting key evidence at a glance. Preference is given to rigorous quantitative research, but the Series also covers other research approaches contributing to more evidence on what works and what does not work.

#### List of Issue Briefs on What Works in SME Development

1. Improving market access for smallholder farmers: What works in out-grower schemes - Evidence from Timor-Leste An impact assessment evaluating contract farming models under which larger buyers and small farmers enter into a forward agreement for agricultural production as a way to link farmers to value chains.

2. Growing micro-enterprises: How gender and family can impact outcomes - Evidence from Uganda

An innovative impact assessment from Uganda showing that gender of program recipients matters a lot for the impact of business training and access to finance due to issues of control in the households.

3. The Next 15 Million: Entrepreneurship training at scale - New data on the global outreach of ILO's entrepreneurship training

A global tracer study on the ILO's entrepreneurship training program Start and Improve Your Business (SIYB) showing that global outreach more than doubled in the past five years. With 15 million participants SIYB is the most

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4. Developing markets: How training female entrepreneurs can improve business practices and profits - Evidence from Kenya

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5. Educating entrepreneurs: Can in-school youth be taught to start a business? Evidence from South Africa

Building on ILOs "Know About Business" material a game based version called "Start-Up and Go" was developed for secondary schools in South Africa. This brief discusses the findings of an Impact Assessment done to provide new evidence about whether a package of dedicated experiential entrepreneurship education materials and teaching methods - designed to supplement a standard business studies curriculum - can improve entrepreneurial attitudes and intentions among learners, and increase the number of young people starting formal enterprises after school. After attending lessons over grades 10 to 12, secondary school students in South Africa viewed entrepreneurship more favourably, and were more informed about the feasibility of starting their own business upon graduation.

6. Boosting SME productivity: How to evaluate the impact of SME training programmes - Evidence from Ghana, India and Vietnam

A series of impact assessments based on before

and after case studies of SMEs participating in Sustaining Competitive and Responsible Enterprises (SCORE), an ILO training and in-factory consulting program that improves productivity and working conditions in over 1,400 SMEs.

#### 7. Entrepreneurship Development Interventions for Women Entrepreneurs: An update on what works



This brief adds to the evidence brought forward in the 2014 ILO-commissioned publication on the "Effectiveness of Entrepreneurship Development interventions on Women Entrepreneurs". Recent research largely corroborates findings of the ILO-WED 2014 brief, with further insights now available particularly on access to micro-credit, peer support networks and 'bundled' services.

#### 8. What Works In a Market-Oriented Strategy for SME Development - Evidence From Myanmar

While BDS market facilitation has been regarded as priority in development programmes, seldom has it been operationalized into tangible activities and results. The incentives for projects to directly deliver and pay for services offered to beneficiaries in order to meet the targets are strong. This brief explains how the BDS market facilitation approach was implemented for two projects in

Myanmar and presents the results and key achievements.

#### 9. The impact of management training on small enterprises in developing countries: Lessons from Ghana, Tanzania, and Vietnam

This brief is based on impact evaluations conducted by an independent group of researchers in three countries. Enterprises received training using ILO's Start and Improve Your Business (SIYB) programme combined with basic elements of Kaizen on production management and quality control. Enterprises from a garment cluster in Tanzania increased their value added by 50% compared to the control group. Firms from a metal cluster in Ghana and a garment cluster in Vietnam were able to cope better with the massive competitive pressure of cheap imports. Ghanaian firms reported only a 10% reduction in profit while the control group lost 30%. In Vietnam, where the control group lost 40%, the treatment group had virtually no reduction.

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# Bangladesh

Bangladesh, country of South Asia, located in the delta of the Padma (Ganges [Ganga]) and Jamuna (Brahmaputra) rivers in the northeastern part of the Indian subcontinent.

The riverine country of Bangladesh ("Land of the Bengals") is one of the most densely populated countries in the world, and its people are predominantly Muslim. As the eastern portion of the historical region of Bengal, the area once formed, along with what is now the Indian state of West Bengal, the province of Bengal in British India. With the partition of India in 1947, it became the Pakistani province of East Bengal (later renamed East Pakistan), one of five provinces of Pakistan, separated from the other four by 1,100 miles (1,800 km) of Indian territory. In 1971 it became the independent country of Bangladesh, with its capital at Dhaka.



Bangladesh Encyclopædia Britannica, Inc.

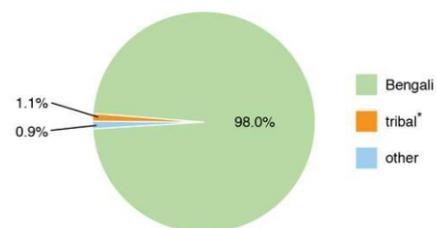
## PEOPLE

### Ethnic groups

The vast majority of the population of Bangladesh is Bengali—a term describing both an ethnic and a linguistic group. The Bengali people are historically of diverse origin, having emerged from the confluence of various communities that entered the region over the course of many

centuries. The Vedda peoples were perhaps the earliest group to settle in the area. According to some ethnologists, they were followed by peoples from the Mediterranean and neighbouring areas, particularly those who spoke Indo-European languages. During the 8th century CE, persons of Arab, Persian, and Turkish origin moved in large numbers to the subcontinent. By the beginning of the 13th century, they had entered what is now Bangladesh. The contention that contemporary Bengali Muslims are all descended from lower-caste Hindus who had converted to Islam, then, is clearly incorrect; a substantial proportion are descendants of Muslims who reached the

Ethnic composition (2011)



subcontinent from elsewhere.

Bangladesh: Ethnic composition Encyclopædia Britannica, Inc.

Non-Bengalis—consisting primarily of smaller indigenous groups—constitute only a tiny fraction of the population. Most of these peoples inhabit the Chittagong Hill Tracts in the southeast, the most sparsely settled area of the country. Some of the groups are related to the peoples of Myanmar (Burma), and many follow Buddhism, although both Hinduism and Christianity also have a significant following. Of the dozen or so ethnolinguistic groups of the Chittagong Hill Tracts, the largest are the Chakma, the Marma (Magh or Mogh), the Tripura (Tipra), and the Mro; the Khomoi (Kumi), the Kuki, and the Mizo

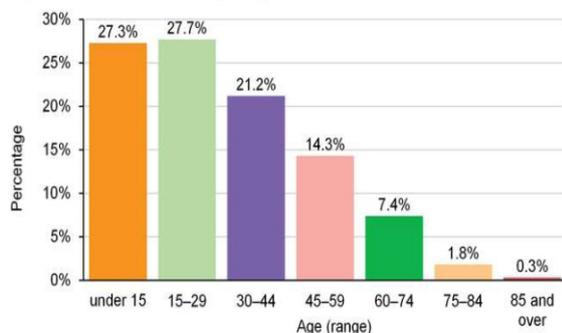
(formerly called Lushai) are among the smaller groups. Since the mid-1970s ethnic tensions and periodic violence have marked the Chittagong Hill Tracts, where many peoples long resident in the area have objected to the influx of Muslim Bengali settlers.

Indigenous minority peoples in other parts of Bangladesh include the Santhal, the Khasi, the Garo, and the Hajang. The Santhal peoples live in the northwestern part of Bangladesh, the Khasi in Sylhet in the Khasi Hills near the border with Assam, India, and the Garo and Hajang in the northeastern part of the country.

## DEMOGRAPHIC TRENDS

In the 2010s more than one-fourth of Bangladesh's population was under age 15. The birth rate dropped from well above the world average at the beginning of the decade to about average. Infant mortality had dropped dramatically since the late 20th century but remained high. Life expectancy was about 74 years. There has been very little immigration since the 1970s. Many Bangladeshis, however, live and

Bangladesh age breakdown (2018)



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work abroad—especially in the Middle East. Bangladesh: Age breakdown Encyclopædia Britannica, Inc.

## Economy of Bangladesh

Bangladesh's heavy dependence on agriculture has long contributed to seasonal unemployment among rural farmworkers, as well as to a generally low standard of living in many areas. To counteract this imbalance, a policy of industrialization was adopted in the mid-20th century. During the period of Pakistani administration (1947-71), priority was given to industries based on indigenous raw materials such as jute, cotton, hides, and skins. The principle of free enterprise in the private sector was accepted, subject to certain conditions, including the national ownership of public utilities. The industrial policy also aimed to develop the production of consumer goods as quickly as possible in order to avoid dependence on imports.

The Pakistani administration established new types of autonomous corporations to deal with industrial development, electricity, water and sewerage management, the development of forest industries, and road transportation. In 1972, however, the government of the new, independent Bangladesh implemented socialist policies, nationalizing these corporations and establishing several new corporations to manage the nationalized enterprises. Hasty change, coupled with the inexperience of those placed in charge of the corporations, produced widespread disruptions, and industrial production nearly came to a halt. In 1973 the government launched a five-year development plan (the first of a series of such plans that have guided the country's economy into the 21st century). The policy of nationalization was gradually revised and was replaced by a 19-point program announced in 1979 that emphasized greater productivity and efficiency. In an effort to encourage private investment, the government also returned many state-owned

enterprises to the private sector.

## **Agriculture and fishing**

Bangladesh has remained largely agricultural, with nearly half the population employed in this sector in the early 21st century. Rice is the predominant agricultural product, but jute and tea, both of which are key sources of foreign exchange, also are important. Indeed, the country is one of the world's leading suppliers of raw jute. Other major agricultural products include wheat; pulses, such as peas, beans, and lentils; sweet potatoes; oilseeds and spices of various kinds;



sugarcane; tobacco; and fruits, such as bananas, mangoes, and pineapples. The country also is a leading producer of goat milk and goat meat.

Bangladesh: tea picker

Tea picker in the Sylhet locality, Bangladesh.

Frederic Ohringer-Nancy Palmer Agency/  
Encyclopædia Britannica, Inc.

Agriculture was at one time wholly dependent upon the vagaries of the monsoon; a poor monsoon always meant poor harvests and the threat of famine. To reduce the risk of crop failure as a result of such adverse weather conditions, a number of irrigation projects—including the construction of dams—have been undertaken to control floods and to conserve rainwater for use in the dry months. Among the most important of these initiatives have been the Karnaphuli Multipurpose Project in the southeast, the Tista

Barrage Project in the north, and the Ganges-Kabadak Project, to serve the southwestern part of the country. Economic planning has encouraged double and triple cropping, intercropping, and the increased use of fertilizers.

The rivers of Bangladesh are particularly amenable to breeding and raising fish, and aquaculture is the source of more than two-fifths of the country's fish yield. However, the rivers and seacoast also offer opportunities for open-water fishing, mostly in the estuaries of the Bay of Bengal. Among the varieties of fish caught are the marine rupchanda, or pomfret, and the freshwater hilsa, a relative of the shad.



## **Manufacturing**

Because the export of raw jute is not highly remunerative, efforts were made under the Pakistani administration to establish mills to produce and export jute products and thus earn foreign exchange. About 45 percent of the jute produced during that period was processed in the territory; the balance was exported raw. After independence, jute and jute products remained an important source of the country's foreign exchange earnings. However, the clothing industry expanded rapidly in the late 20th century, and by the early 21st century the export value of garments, hosiery, and knitwear had far surpassed that of jute manufactures. Frozen fish and shrimp also became major exports.

The bamboo in the Chittagong Hill Tracts and the various softwood trees growing in the Sundarbans provide excellent raw material for papermaking. There are paper mills at Chandraghona, Chhatak, and Paksey, as well as a paper and board mill at Khulna.

By far the most important cottage industry centres on the production of yarn and textile fabrics—mostly coarse and medium-quality fabrics. Another cottage industry produces cigarettes known as bidis. Carpets, ceramics, and cane furniture also are products of cottage industries.

## Finance

The Bank of Bangladesh serves as the country's central bank. Upon independence, Bangladesh nationalized all domestic banks, though much of this nationalization was reversed beginning with a privatization program in the 1980s.

Since the establishment of Grameen Bank in 1976 and through the efforts of its founder, Muhammad Yunus, Bangladesh has served as a pioneering centre for microfinance, a means of extending credit in the form of small loans to nontraditional borrowers, such as the poor. In the 2010s more than 30 million Bangladeshis were members of microfinance institutions.

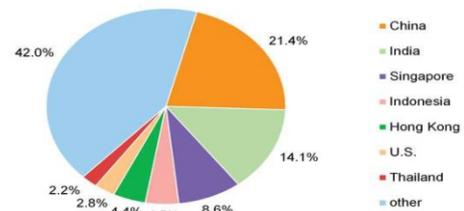
## Trade

Total annual imports typically exceed exports. Imports come principally from China and South Asia, while Bangladesh exports goods primarily to Europe, the United States, and Canada. Major exports include garments and knitwear, agricultural products, seafood, jute, and leather.

Bangladesh: Major import sources Encyclopædia

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Bangladesh major import sources (2017–18)



## SME'S IN BANGLADESH

Different countries and organizations define SME differently. The Government of Bangladesh has categorized SME into two broad classes

- Manufacturing enterprise
- Non-Manufacturing activities

### 1.2.1 Manufacturing Enterprise

Manufacturing enterprises can be divided into two categories;

**Small Enterprise :** An enterprise would be treated as small if, in current market prices, the replacement cost of plant, machinery and other parts/components, fixtures, support utility, and associated technical services by way of capitalized costs (of turn-key consultancy services, for example), etc, excluding land and building, were to up to Tk. 15 million;

**Medium Enterprise :** An enterprise would be treated as medium if, in current market prices, the replacement cost of plant, machinery and other parts/components, fixtures, support utility, and associated technical services by way of capitalized costs (of turn-key consultancy services, for example), etc, excluding land and building, were to up to Tk. 100 million;

1.2.2 Non-manufacturing activities (such as trading or other services) Non-manufacturing activities can be divided into two categories;

Small enterprise: an enterprise should be treated as small if it has less than 25 workers, in full-time equivalents;

Medium enterprise: an enterprise should be treated as small if it has between 25 and 100 employees.

According to Bangladesh Bureau of Statistics different enterprises are defined as;

No. of employees	
Micro	0-9
Small	10-49
Medium	50-99
Large	Above 99

The Ministry of Industries, Government of Bangladesh has been identified following 11 booster sectors;

- Electronics and electrical
- Software-development
- Light engineering and metal-working
- Agro-processing/agro-business/plantation agri-culture / specialist farming/tissue-culture
- Leather-making and leather goods
- Knitwear and ready-made garments
- Plastics and other synthetics
- Healthcare & diagnostics
- Educational services
- Pharmaceuticals/cosmetics/toiletries
- Fashion-rich personal effects, wear and consumption goods.

SMEs now occupy an important position in the national economy. They account for about 45 percent of manufacturing value addition, about

80 percent of industrial employment, about 90 percent of total industrial units and about 25 percent of the labor force. Their total contribution to export earnings varies from 75 percent to 80 percent. The industrial sector makes up 31 percent of the country's gross domestic product (GDP), most of which is coming from SMEs. The total number of SMEs in Bangladesh is estimated to be 79,00,000 establishments. Of them, 93.6 percent are small and 6.4 percent are medium. The 2003 Private Sector Survey estimated that there are about 6 millions micro, small and medium enterprises, with fewer than 100 employees. About 60 to 65 percent of all SMEs are located outside the metropolitan areas of Dhaka and Chittagong. The country's SME sector has created 15 lakh jobs between 2009 and June 2014. Now, private and foreign banks disburse half of all farm loans and a third of these are going to SMEs. Every year about 2 3 million young people join the country's workforce. Half of them find jobs at home or abroad. So, it has become a challenge to create more jobs so that the rest can be employed. SMEs can be an answer to the problem. SME can reduce the urban migration in the capital and other major cities, increase cash flow in rural areas, and thereby enhance the standard of living of the rural people. SMEs are widely distributed all over the country which means developing SMEs will play a major role in bridging the urban-rural income gap and contribute towards inclusive growth. In a way, inclusive growth can only be achieved through a vibrant SME sector in a country like Bangladesh. In Bangladesh contribution of the industry sector in GDP is continuously increasing. According to BBS in the financial year 2015-16 contribution of broad industry in GDP was 31.54%. According to the provisional estimate of BBS in 2016-17 this contribution has reached 32.48%. Contribution

of manufacturing subsector is highest in the contribution of industry to GDP. Considering the industry sector as an important sector for Bangladesh economy Industrial Policy 2016 was formulated. Some notable features of this policy are: (i) to increase production of industrial goods to meet the increasing demand in the internal market, (ii) to identify existing and probable impediments in creating export market and to solve these problems, (iii) to reduce dependence on import of industrial products and to increase availability and use of local raw materials with an aim to sustainable industrialization and diversifying manufacturing industrial products. This policy has given emphasis on strengthening the coordinated attempt of the public and private sectors to develop small and medium enterprises in the country. The Small and Medium scale industries are considered as a promising sector to eradicate poverty through creation of new employment opportunities and thereby addressing the significant portion of SDGs. This sector is making praiseworthy contribution in achieving economic growth through encouraging expanding business activities and taking part in earning foreign exchange.

SME sector of Bangladesh Miah (2007) stated that the major constraints for SMEs are lack of adequate investment, lack of modern technology, high rate of interest on bank loans, irregular /inadequate supply of power, poor physical infrastructure and high transportation cost, poor information about market opportunities and requirements, inadequate availability of raw materials, lack of skilled technicians and workers, lack of research & development facilities, fierce competition, absence of effective and transparent legal system, difficulties in accessing technology, credit constraints, low access to business services, constraint of quality of human resources, low

awareness, low lobbying capacity, rapid changes in policy environment.

Ahmed (2006) observed that availability of finance is a major constraint to formation and growth of SMEs in Bangladesh. Banks are reluctant to expand their SME credit portfolio because they do not consider SME lending an attractive and profitable undertaking. This is so because SMEs are regarded as high risk borrowers because of their low capitalization, insufficient assets and their inability to comply with collateral requirements of the banks. Administrative costs are also higher because close monitoring and supervision the SME operation becomes necessary.

A study (2004) by Micro Industries Development Assistance and Services (MIDAS) revealed that sources of finance are mostly friends and family member in case of SME. MIDAS tried to identify the sources of funds of SMEs. These are: Sources of funds Percentage of finance

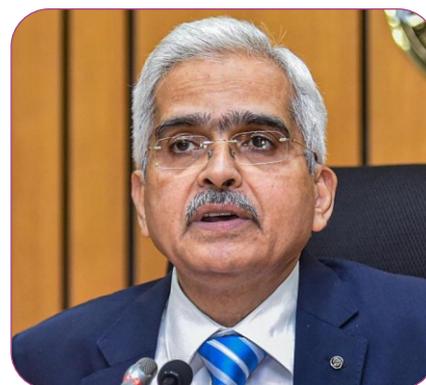
Informal sector 41%  
Family members 20% (interest free)  
4% (with interest)  
NGO 17%  
Bank 18%

According to Hallberg (2002), a stable macro-economy, an open trade and investment regime, and a competitive financial sector are argued to be most essential ingredients for a vibrant private sector. But with a law and order situation below the optimum level, corruption well above the level of acceptance and unstable political situation, the domestic environment of Bangladesh does not come to any help, rather hinders the prosperity of SME in this country.

# INTERVIEW With

## Shaktikanta Das

Governor, Reserve Bank of India



RBI Governor Shaktikanta Das, in an interview with a business channel discussed a wide range of issues including liquidity, yields, inflation, banking licence and cryptocurrencies.

Below is the verbatim transcript of the interview:

**Q:** Let me start with the budget itself and this big borrowing programme, the four auctions after that have practically been either partially failed or fully failed. Do you think the bond market has not got your message, do you want to give a message to the bond market?

**A:** If you go back into my monetary policy statements, right from October onwards – October and then again in February – I have given a very clear signal and explicit guidance to the bond markets. What I have said is that in RBI, we are expecting to a cooperative working with the market and we do expect an orderly evolution of the yield curve.

An orderly evolution of the yield curve has to be orderly, it cannot be otherwise. Therefore, the market perhaps was surprised by the borrowing number but then there was all-round demand and there was all-round expectation that the government should spend more particularly in the context of the COVID-19 to give a boost to the infrastructure sector.

I myself have articulated this view as early as July or September in my interaction with one of the industry associations that a significant thrust should be given to infrastructure. So government had to do it especially in an environment where private sector investment is yet to take off.

So now the expectation is that the infrastructure spending by the government, which incidentally improves the quality of expenditure of the government, it is expected now that the infrastructure spending of the government will crowd in the private investment. Therefore, it was a larger goal, which the government was pursuing.

Now the market perhaps thought that the borrowing requirement of the government is slightly higher than what they had expected. But we have to keep in mind that it is gross borrowing of Rs 12 lakh crore. The net borrowing is about Rs 9 lakh crore or so.

**Q:** They were expecting a net of Rs 7 lakh crore and the gross of Rs 10 lakh crore.

**A:** Whatever it is - what I am saying is that it is not Rs 12 lakh crore, it is Rs 9 lakh crore because Rs 3 lakh crore gets refinanced by the redemptions. That is number one.

Number two is that look at the RBI's actions over the last one year or even this year. This financial year that is 2021 from April till now, we have done a total open market operation (OMO) of more than Rs 3 lakh crore. Considering the borrowing requirement of next year, there is no reason why RBI should do less

OMO in the next year that is 2021-2022 than what we did in the current year. How much of OMO we will do is a different issue.

I am just saying that having done Rs 3 lakh crore in the current year, one can reasonably expect that it has to be Rs 3 lakh crore or it will depend on how the situation evolves.

**Q:** Just one word more, State Development Loans (SDLs) the state loans, you did one OMO to purchase them, now the open market was more for government of India bonds, is that also on the table purchase of SDLs because their yields have gone up by 50 basis?

**A:** SDL when we announced for the first time in the current year we did SDL and my recollection is we did two or three OMOs not just one, we did two or three and we have practically covered all the states. Now the current dispensation is till March 31st and it is still there, we will evaluate the situation and take a call as maybe required.

**Q:** There is lot of attention placed on 10-Year in your intervention, and even in references, common references. But actually corporate sector borrows off the 5-Year. Most of their loans are 3-Year and 5-Year and once before you all had even intervened in the 5-Year part of the yield curve, is that also an option? 10-Year only helps the government sir?

**A:** 10-Year perhaps is more visible in terms of our action, it is possible. But we are looking at a range of - I don't want to specify, I don't want to sort of - but we are looking at a range of bonds, it is not just 10-Year and we are very sensitive to the fact that - in fact why do we do yield management. It is not just government borrowing requirement, it is also the cost of borrowing for the private sector. Because the private sector borrowing from the market whether it is corporate bonds, or commercial paper they are all benched marked on the G-Sec rates of corresponding maturity. So in that sense a 3-Year or a 5-Year government of India bond or a 10-Year or whatever be the tenure they are all important. So therefore it is not just we are focusing on 10-Year, we look at a spectrum of bonds.

**Q:** Ultimately it is the banking sector which has to take the load and they could take 12 lakh crore last year because they were staring at an abyss in terms of growth, but now growth is -- 10-11 percent is the forecast, is your forecast also as strong for next year?

**A:** We have given 10.5 percent forecast for the next year.

**Q:** Let me now come to the other things that the retail sector is eagerly waiting to hear from you – cryptocurrencies. A lot of central bankers have spoken against it, what is your view?

**A:** We have certain major concerns about cryptocurrency. We have communicated them to the government. It is under consideration in the government and I do expect and I think sooner or later the government will take a call and if required the parliament also will consider and decide.

**Q:** Will you be issuing digital currency sometime soon; that was another announcement you made, and some people are linking it even to this retail window that you are opening?

**A:** No, they are two different things altogether. In fact completely different. Central bank digital currency,

it is again work in progress, a lot of work is going on both, in the technology side as well as the procedural side – how it will be launched and how it will be rolled out. It is still work in progress and we are very much in the game. We are targeting to launch it. But if you ask me a date, at this point of time it will be difficult for me to say.

**Q: The government did a superb job with UPI, so clearly this should not be very difficult for them.**

A: Please don't forget the role of RBI in UPI also. It is always government at the forefront, but RBI has contributed also.

**Q: The market and even foreign investors, the economy is waiting for the monetary policy framework which is – the target has to be rethought or reviewed. There is an internal working group of the Reserve Bank – when should we expect that report and when should we finally get to know whether it is 4 percent plus or minus or whether it will be different?**

A: That report will be out very shortly in the next few days. So far as flexible inflation targeting is concerned, I would like to preface it by saying that this was a major structural reform undertaken by the government in 2016. Over the last 5 years, the gains of this structural reform are visible.

Inflation expectations of households and businesses are well anchored. But for COVID months when suddenly it crossed 6 percent, inflation expectations have been well anchored. When inflation expectations are anchored, inflation remains around the target of 4 percent.

**Q: You did try to withdraw liquidity with variable rate repo so that the reverse repo becomes the operational rate and now again we are seeing some yields below that. Is that a bother?**

A: That was a temporary phenomenon which happened because of so many other factors. We are aware why it happened. You mentioned about this term reverse repo -- now it is a part of our liquidity management toolkit. It is not as if we were trying to suck out liquidity or anything, in fact February of 2020 when we spelt out our new liquidity management policy, the 14 day reverse repo window was the main tool for liquidity management.

**Q: What about non-banking financial companies (NBFCs)? Working groups specifically said that there are some NBFCs and if they are working for the last ten years normally, they could be given licenses, if they are part of conglomerates also RBI will be okay?**

A: No, we are looking at the report of the internal working group holistically and examine each and every comment and we will take a decision on all the recommendations, which are contained in that report, we will take a call on all the issues.

**Q: Prior RBI dispensations barring one has been wary of conglomerates because there could be interest rate lending, conflict of interest.**

A: So far conglomerates are concerned, the CICs, we have come out with core investment companies, we have come out with new set of guidelines and we have only said that there can be two layers of CICs so that this multiple layering and leveraging at every step leading to overleveraging of the group that has been by

and large plugged. So therefore, all aspects of the report will be examined and we will take a decision.

**Q: That was not the practice so far. There have been instances of very liberal assumptions.**

A: Let me tell you. It is always better to be little conservative, not excessively conservative but it is always better to be a little conservative because anything extra that you get is a bonus. So in revenue projections you must always assume what you will definitely get.

Similarly, in expenditure side also, you must plan appropriately and not overbudget and then you end up by borrowing excess amount and you will not be able to spend. So both in the expenditure and in the revenue side, it is always better to be little conservative and anything extra that you do is a bonus.

**Q: You think that this year we could get a bonus in FY22 that is.**

A: Let us see - the year has now started. In fact the FY21-FY22 has not started and so let the year start.

Perhaps sometime in the middle of the next year we will be in a better position to assess. In any case the government also reassesses and reviews its revenue and expenditure patterns and that is why they have a revised estimates.

**Q: Let me come back to the banking sector. I haven't gone into the depth of the banking sector at all, the RBI's stress test had guessed that the stress could be as high as 13.5 percent of total book non-performing assets (NPAs) because of COVID by September 2021. After the State Bank of India (SBI) results, which indicated a much lower slippage, is the RBI looking at a new number at all?**

A: First thing I want to say and which is very clearly written in the financial stability report of RBI, in fact in every report and this time we have put it in bold letters that the projections of the RBI with regard to NPAs – they are only projections, they are not forecasts and these are projections made under various adverse scenarios. We assume a baseline case then we assume a stress case. So under various stress situations and scenarios we make projections.

**Q: The Economic Survey said that maybe RBI should do another asset quality review (AQR) in the post COVID period, is something like that on the cards?**

A: Between 2014-2015 when the AQR was done and now 2021 - 5-6 years have passed, the CRILC data system has become far stronger at that time the CRILC was not there. So today we have a precise idea of how many loans in which banks - the default is less than 30 days, the default is less than 60 days or the default is more than 60 days but less than 90 days we have a clear picture of that.

**Q: Let me come to the other issue on banking which actually has captured the financial sector imagination, in fact the economies imagination what the government announced in terms of privatisation of public sector banks. I would assume that they will be in touch with you, is there anything that you can enlighten us about what will be the parameters of this privatisation, will it be size based, will it be how much pension because private parties may not be willing to buy pension, will it be number of employees?**

A: Government as the owner of the public sector have to decide, it is a major reform which the government

has embarked upon. So as the owner of the company they will decide. But nonetheless I must add that there is the constant dialogue between the Reserve Bank and the Central government. So far as Reserve Bank is concerned we are directly concerned with two aspects one is the fit and proper criteria, the new owner should meet the fit and proper requirement of the Reserve Bank. Number two we would be very keen that the bank post takeover is well capitalised and the promoter - whoever takes it over as enough financial strength to capitalise the banks significantly. So the banks have to be well capitalised post privatisation and whoever takes over has to meet our criteria.

**Q: It is a long process isn't it they have to first render the Banking Companies Act redundant isn't it?**

A: So an amendment to the Bank Nationalisation Act will be required and I think government is working on that.

**Q: The other big announcement which was extremely well received by the banking system, by borrowers and depositors is the bad bank. I think I shouldn't use that term – they have an asset reconstruction company (ARC) idea. Can you enlighten us on anything, any update on whether banks only will capitalise it, will government capitalise it? How far is it?**

A: The government has articulated its view saying that it will be a bank driven exercise. The new entity will be a bank driven entity which means that the capital will come from the banks. We already have certain regulatory framework, regulatory guidelines for the ARCs and it will function as per that.

**Q: I must come to the other issue on rupee. The RBI has a problem managing it because there is so much of flows. What is the view at all, do you think we have to reconcile ourselves to appreciation because of the way in which the dollar is declining, the way in which flows are coming?**

A: We cannot reconcile ourselves to every situation or any situation. We will deal with it as the situation evolves. Our main objective in the exchange rate management is to control the volatility of the rupee and that is precisely what we are doing. Another positive development which augurs very well for our external sector is that our forex reserves are at all-time high – USD 583 billion.

**Q: Final word, 6 percent was the laxman rekha for 10-year, it looks like you are okay with a little rise. We have seen it gone above 6.1 percent. Is there anything you want to tell the market about that, plus minus in terms of your tolerance band?**

A: You said 6 percent is the laxman rekha – now it all depends on who draws the laxman rekha or what some people call as the line in the sand. As the debt manager once the central banks draws a line, it is a line. But on a more serious note, I have articulated in October policy statement and again in the February MPC statement markets and the central bank, there should be cooperation to ensure that it is a public good. Orderly evolution of the yield curve is a public good and it entails a responsibility both for the central bank and for market players. So, what we are looking for is orderly evolution of the yield curve. I think I have given reasonable amount of clarity to the market.

Source: <https://www.cnbc-tv18.com/finance/full-transcript-of-rbi-governor-shaktikanta-dass-interview-to-cnbc-tv18-8409281.htm>

# ENTREPRENEUR OF THE MONTH

## AMRITA CHOWDHURY

*Entrepreneur, Business Strategist,  
Innovator, Author, and Board Member*



AMRITA CHOWDHURY

Amrita Chowdhury is Co-Founder of Gaia, where she leads the Business & Marketing functions. Gaia provides solutions for Smart Sites and Smart Cities, blending IOT, ICT, AI/ML, and analytics to provide insights.

Amrita is a business strategist, engineer & innovator. She brings a unique understanding of business growth, technology, digital spaces and brands. Previously, Amrita served as President & CEO of DY Works (Future Group); Country Head South Asia for Harlequin; and Associate Director, Education for Harvard Business School for South Asia. Amrita provided Board assessments and strategy consulting with AT Kearney in USA and Oppeus in Australia for clients in the mining, tech, automotive, professional services, and government sectors. She started her journey in innovation and product development with Applied Materials in California.

Amrita holds 7 US patents for semi-conductor manufacturing. She is an Independent Director on the Boards of Simmonds Marshall, Nesco, and Mahindra Lifespaces Developers Ltd, and on the Board of Drishtant, a tech startup for the social sector.

Amrita holds degrees in B.Tech. from IIT Kanpur, MS from UC Berkeley, and MBA from Carnegie Mellon - Tepper Business School.

Amrita has raised funds for Asha for Education, co-founded & served as Events Director for TiE Melbourne, served on the Education Committee of Indian Merchants Chambers, the Board of Deutsche Schule Bombay, & supports social causes related to education and health. Amrita is passionate about content - spoken, written and visual. She has written 2 books of fiction and is a frequent commentator on business, technology, marketing and lifestyle issues in mainstream media, magazines and electronic platforms. She has also been featured and interviewed for leading magazines, newspapers and other media.

Prior to co-founding Gaia, Amrita served as President of DY Works (Future Group), where she expanded the business with special focus on market research and brand led strategy for government, townships and realty, pharmaceuticals, and digital platforms segments. Prior to that, Amrita was Country Head South Asia for Harlequin (Torstar), where she significantly grew the India portfolio; and Associate Director, Education for South Asia for Harvard Business School. Prior to moving to India, Amrita provided Board advisory and strategy consulting for Fortune 100 clients with AT Kearney in USA and Oppeus in Australia. She has worked with clients across a variety of industries including mining, manufacturing, engineering, legal and professional services, insurance, technology, government, education, auto ancillaries, waste management, and more to provide strategic planning for new business and business growth, Board evaluations, and Board level strategy workshops. Amrita started her journey in product development with Applied Materials in California, where her work led to innovations that enabled next-gen chip manufacturing. Amrita holds 7 US patents for semi-conductor manufacturing.

Amrita holds degrees in B.Tech. from IIT Kanpur, MS from UC Berkeley, and MBA from Carnegie Mellon - Tepper Business School.

She is the author of two books. She has written multiple whitepapers and contributed to policy documents on Smart Cities, Design Thinking, Systems Thinking, and Future of Jobs for various Central and State Ministries and industry bodies in India.

## Industry 4.0' tech for post-COVID world, is driving inequality: UNCTAD



### Economic Development

Developing countries must embrace ground-breaking technologies that have been a critical tool in tackling the COVID-19 pandemic, or else face even greater inequalities than before, UN economic development experts at UNCTAD said on Thursday.

"Very few countries create the technologies that drive this revolution - most of them are created in China and the US - but all countries will be affected by it", said UNCTAD's Shamika Sirimanne, head of Division on Technology and Logistics. "Almost none of the developing countries we studied is prepared for the consequences."

#Breaking: @UNCTAD's Technology and Innovation Report 2021 examines the crucial issue of technological change and inequality.

It warns of serious implications for developing countries if the new technological wave overwhelms poorer communities. <https://t.co/BI2zPLIU0P> #UNCTADTIR [pic.twitter.com/1xcRkeouP](https://pic.twitter.com/1xcRkeouP)

- UNCTAD (@UNCTAD) February 25, 2021  
The appeal, which is highlighted in a new UNCTAD report, relates to all things digital and connective, so-called "Industry 4.0" or "frontier technologies", that include artificial intelligence, big data, blockchain, 5G, 3D printing, robotics,

drones, nanotechnology and solar energy.

Gene editing, another fast-evolving sector, has demonstrated its worth in the last year, with the accelerated development of new coronavirus vaccines.

### Drone aid

In developing countries, digital tools can be used to monitor ground water contamination, deliver medical supplies to remote communities via drones, or track diseases using big data, said UNCTAD's Sirimanne.

But "most of these examples remain at pilot level, without ever being scaled-up to reach those most in need: the poor. To be successful, technology deployment must fulfil the five As: availability, affordability, awareness, accessibility, and the ability for effective use."

### Income gap widening

With an estimated market value of \$350 billion today, the array of emerging digital solutions for life after COVID is likely to be worth over \$3 trillion by 2025 - hence the need for developing countries to invest in training and infrastructure to be part of it, Sirimanne maintained.

"Most Industry 4.0 technologies that are being deployed in developed countries save labour in routine tasks affecting mid-level skill jobs. They reward digital skills and capital", she said, pointing to the significant increase in the market value of the world's leading digital platforms during the pandemic.

### Innovation dividends

"The largest gains have been made by Amazon, Apple and Tencent," Sirimanne continued. "This is not surprising given that a very small number

of very large firms provided most of the digital solutions that we have used to cope with various lockdowns and travel restrictions.”

Expressing optimism about the potential for developing countries to be carried along with the new wave of digitalisation rather than be swamped by it, the UNCTAD economist downplayed concerns that increasing workforce automation risked putting people in poorer countries out of a job.

This is because "not all tasks in a job are automated, and, most importantly, that new products, tasks, professions, and economic activities are created throughout the economy", Sirimanne said.

'Job polarization'

"The low wages ...for skills in developing countries plus the demographic trends will not create economic incentives to replace labour in manufacturing - not yet."

According to UNCTAD, over the past two decades, the expansion in high and low-wage jobs - a phenomenon known as "job polarization" - has led to only a single-digit reduction in medium-skilled jobs in developed and developing countries (of four and six per cent respectively).

"So, it is expected that low and lower-middle income developing countries will be less exposed to potential negative effects of AI and robots on job polarization", Sirimanne explained.

Nonetheless, the UN trade and development body cautioned that there appeared to be little sign of galloping inequality slowing down in the new digital age, pointing to data indicating that

the income gap between developed and developing countries is \$40,749 in real terms today, up from \$17,000 in 1970.

Source: <https://news.un.org/en/story/2021/02/1085652>

### How COVID-19 triggered the digital and e-commerce turning point

In years to come, we will look back at 2020 as the moment that changed everything. Nowhere else has unprecedented and unforeseen growth occurred as in the digital and e-commerce sectors, which have boomed amid the COVID-19 crisis.

Amid slowing economic activity, COVID-19 has led to a surge in e-commerce and accelerated digital transformation.

As lockdowns became the new normal, businesses and consumers increasingly "went digital", providing and purchasing more goods and services online, raising e-commerce's share of global retail trade from 14% in 2019 to about 17% in 2020.

These and other findings are showcased in a new report, COVID-19 and E-Commerce: A Global Review, by UNCTAD and eTrade for all partners, reflecting on the powerful global and regional industry transformations recorded throughout 2020.

At an event to release the report, UN General Assembly President Volkan Bozkir said the trend towards e-commerce is likely to continue throughout the recovery from COVID-19.

“We need to recognize the challenges and take steps to support governments and citizens as they

continue to embrace new ways of working," he said.

UNCTAD Acting Secretary-General Isabelle Durant said: "Businesses and consumers that were able to 'go digital' have helped mitigate the economic downturn caused by the pandemic."

"But they have also sped up a digital transition that will have lasting impacts on our societies and daily lives - for which not everyone is prepared," she said, adding: "Developing countries should not only be consumers but also active players and thus producers of the digital economy."

#### Some benefit, others fall behind

The findings show the strong uptake of e-commerce across regions, with consumers in emerging economies making the greatest shift to online shopping.

Latin America's online marketplace Mercado Libre, for example, sold twice as many items per day in the second quarter of 2020 compared with the same period the previous year. And African e-commerce platform Jumia reported a 50% jump in transactions during the first six months of 2020.

China's online share of retail sales rose from 19.4% to 24.6% between August 2019 and August 2020. In Kazakhstan, the online share of retail sales increased from 5% in 2019 to 9.4% in 2020.

Thailand saw downloads of shopping apps jump 60% in just one week during March 2020.

The trend towards e-commerce uptake seen in 2020 is likely to be sustained during recovery, the report says.

Source: <https://unctad.org/news/how-covid-19-triggered-digital-and-e-commerce-turning-point>

## STARTUP NEWS

### Stripe most expensive startup in US with \$95B valuation

Global payments technology provider Stripe has raised \$600 million in a new funding round at a \$95 billion valuation, making it the most expensive startup in the U.S. (Photo: Shutterstock)

Stripe most expensive startup in US with \$95B valuation

Payments technology provider Stripe has raised \$600 million in additional funding for a \$95 billion valuation, making the firm the most valuable startup in the U.S., according to CB Insights, which pegs the company's valuation second only to China's Bytedance in the world. Bytedance is valued at \$140 billion.

Stripe, which is based in San Francisco, California, and Dublin, Ireland, was valued at \$36 billion last April when it also raised \$600



million. Total funding across 15 rounds is now \$2.2 billion, according to Crunchbase. Primary investors in the latest round include Allianz X, Axa, Baillie Gifford, Fidelity Management & Research Co., Sequoia Capital, and Ireland's National Treasury Management Agency (NTMA).

"We're investing a ton more in Europe this year, particularly in Ireland," said John Collison, president and co-founder of Stripe. "Whether in fintech, mobility, retail or SaaS, the growth opportunity for the European digital economy is immense."

The company pointed to hypergrowth European companies like Deliveroo (U.K.), Doctolib (France), Glofox (Ireland), Klarna (Sweden), ManoMano (France), N26 (Germany), UiPath (Romania), and Vinted (Lithuania) that are all conducting transactions using Stripe's platform. Additionally, Axel Springer, Jaguar Land Rover, Maersk, Metro, Mountain Warehouse and Waitrose have all recently deployed Stripe technology.

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"Stripe is an accelerator of global economic growth and a leader in sustainable finance. We are convinced that, despite making great progress over the last 10 years, most of Stripe's success is yet to come," said Conor O'Kelly, CEO of NTMA. "We're delighted to back Ireland's and Europe's most prominent success story and in doing so, to help millions of other ambitious companies become more competitive in the global economy."

Stripe competes directly with Paypal (NASDAQ:

PYPL) and Square (NYSE: SQ) and counts Amazon (NASDAQ: AMZN), Instacart, Salesforce (NYSE: CRM) and Lyft (NASDAQ: LYFT) among its global customers. It sells payment software and like other payment providers, has seen significant growth over the past year as the global COVID-19 pandemic caused a shift in consumers' buying habits, accelerating e-commerce.

Square has a market capitalization of \$110 billion and Paypal's market cap is \$293 billion.

The new funding will be used to grow its European operations, including its Dublin headquarters, and its global payments and treasury network.

"In 2021, we will double down on our enterprise capabilities, particularly our customer success teams, to help even more large businesses like Twilio or Zapier significantly increase their revenue," said Mike Clayville,

Stripe's chief revenue officer. "We will also invest in our global expansion to help companies such as Glofox or MATCHESFASHION increase their market opportunity. And through partnerships with enterprise solutions like Salesforce Commerce Cloud we will make it even easier for large multinationals around the world to switch to Stripe."

Stripe was founded in 2010 by Patrick Collison and his younger brother, John. Suryadevara told Bloomberg the company wasn't in need of capital as it is "capital efficient."

Source: [https://www.freightwaves.com/news/stripe-most-expensive-startup-in-us-with-\\$95b](https://www.freightwaves.com/news/stripe-most-expensive-startup-in-us-with-$95b)

## How Can You Go Global As A Startup?

Farad Zabetian is a global business technologist & CEO, KUDO, a web-based video conference platform with real-time language interpretation. It's hard to imagine that two decades have passed since I was a 26-year-old immigrant from Iran, launching a Bay Area tech startup that attracted high-level clientele like parliaments and international trade associations on almost every continent.

At an early stage of this business back in 2009, in the peak of the recession, I had the urge to go global and diversify, making my business less dependent on the U.S. economy.

I did some research and learned that Mexico was investing heavily in tourism and bringing many international conferences to the country. I did not think twice about finding and hiring an interpreter to introduce my company to event planners. I gathered a list of event planners and property managers in various large resorts and convention centers across Mexico and invited them for a 45-minute webinar.

That was many years ago, when it was not as easy to find talent like this with resources and the right platform. Since then, I've taken it upon myself to make this process easier for others. Today, going global, even for startups and small companies, is simple and affordable. I'm here to tell you it's worth it.

With all the competition and challenges expected when starting a business, at first, going global may feel out of reach. However, the rewards beckon, from multiplying your revenue streams to building a genuinely world-class brand.

A major hurdle in doing business globally can be communication. Where do you find an interpreter when you need one?

Here are some worthwhile lessons from my journey:

- o Communication is key. Do your research. Consider ramping into the most promising foreign markets first. Fully immerse yourself in what local customers need, but more importantly, learn their social mores. Make sure you have the tools you need; going global is practical when communication tools pave the way.

- o Design for scale and plan to go global from day one. The United States is a very competitive market, and it's expensive to compete here. Undoubtedly, many other parts of the world need what you do.

- o Do not allow language to be a barrier. You will not be able to do this with Google Translate, yet you also do not need to earmark a large salary to keep an interpreter on staff or to fly linguists in from far-flung places. The world is filled with talented, trained linguists who speak any language needed, and some of them are experts in your industry.

- o Tech is a tool, but people matter. AI cannot write a killer business plan. Algorithms don't cure cancer (not yet). In the translation business, you need real people. After myriad international events from the G20 to nuclear summits and world leader meetings, I can affirm you will need a real human to navigate split-second decisions. How do you interpret an unclear statement?

- o Be prepared for success. When you hear about startups that exploded in short periods of time,

there's a reason that's in the news - because it's highly unusual. Normally, success takes time. In our case, the Covid-19 pandemic catapulted videoconferencing to become a new business standard, and we expanded to over 100 team members in only nine months. Good preparation includes being practical but keeps a focus on scaling.

Trust your instincts. Your people are your success; when you see the right attributes, don't doubt yourself. Find and hire people who really know their subject matter, can demonstrate that they are accessible and are passionate. Everything else can be learned.

Set boundaries for yourself. For even the most competent and efficient entrepreneur, the process of going global can stretch you thin. Living your job 24/7 isn't healthy, mentally or physically. My advice: Keep all the motivation and passion, but expend that energy like an elite athlete to stay at peak performance. For me, I schedule quality time with my family, and I'm learning to play my classic-rock favorites on an electric guitar in between conference calls.

Source: <https://www.forbes.com/sites/orbestech-council/2021/03/16/how-can-you-go-global-as-a-startup/?sh=296ce871b7cd>

## WOMEN WING NEWS

### Why Women Entrepreneurs Are the Future Of the Startup Ecosystem

According to the Global Gender Gap Report 2020, it will take another 100 years to achieve gender equality based on the current rate of progress in the growth of female entrepreneurs in

the ecosystem. This prediction has been significant in pushing decision-makers, stakeholders across industries, and access points to work towards bridging this gap and solving for female representation in boardrooms. In the face of the COVID-19 pandemic, the year 2020 was a historic one for women in leadership. The progress for women has proven substantial. More women have assumed leadership of huge and influential companies. More women have also been elected to high office around the world, be it Kamala Harris or Ngozi Okonjo-Iweala.

In this day and age, women are aware of what they bring to the table and how their EQ and empathetic attitude contribute to the rise of every venture they associate themselves with. This awareness has led to a rapid rise in gender parity and has witnessed women-led startups thrive and soar. It is proven that diversity in leadership positively impacts growth. As an investor, we have been fortunate to collaborate with and invest in some phenomenal female founders, and here's our take on why investing in women pays.

#### High emotional intelligence

It has been proven time and again that leaders with high emotional intelligence are more effective in managing teams. They lead with a transformational leadership style and have empathetic nature which nurtures a positive working environment in an organization and women entrepreneurs have often been observed leading with it, which unequivocally impacts the overall growth and environment of emerging startups.

#### Dynamic and adaptable

Startups work in a dynamic environment and adaptability is a key virtue for a leader. According

to research conducted by Bain & Company,

Google, and AWE Foundation based on the survey of 350 women solopreneurs and small business owners in urban India, it is observed that startups led by women founders are resilient and quick to adapt. They often believe in the approach of dissecting a problem and finding the solution thereon. Women are also better at multitasking than men due to conditioning, which helps them focus on multiple fronts of a business rather than one.

**Women entrepreneurs bring a better retention rate**

Female founders as thought leaders are more likely to possess a high level of knowledge around financial success than their male counterparts. Another study from BCG shows that female-led businesses generate 12 per cent higher revenues annually, and use an average of a third less capital than male-led startups. It is noted that women founders are more likely to understand broader target markets which leads to a better retention rate.

**The motivating factor**

Female entrepreneurs are less likely to be motivated by money than male founders. Research conducted by Illuminate Ventures observed that males are nearly eight times more likely to be motivated by financial gain. Around 15 per cent of male entrepreneurs are motivated to start companies for financial gain compared to only 2 per cent of female entrepreneurs. This ultimately leads to them thinking about long-term financial gain rather than short term.

Source: <https://www.forbes.com/sites/forbestechcouncil/2021/03/16/how-can-you-go-global-as-a-startup/?sh=296ce871b7cd>

## **Women entrepreneurs fight for funding in man's world of tech startups**

Lauren Foundos has excelled at just about everything she has put her mind to, from college sports and Wall Street trading to her Forte startup that takes workouts online.

Being a woman in the overwhelmingly male world of venture capital was still a barrier -- but, like many other female entrepreneurs, she only worked harder to succeed.

"In some cases, before I even spoke, they were asking me if I would step down as chief executive," Foundos said of encounters with venture capitalists.

"This was a whole new level."

Men would speak past her in meetings, discussing whether she could emotionally handle the job as if she wasn't there, or wondering out loud who would take care of the books.

"When that happens, I tell them I am right here," Foundos said. "I am the finance guy; I worked at big banks for more than 10 years. I've been the best at everything I have ever gone into."

Startups can only get by so long relying on friends, family or savings before eventually needing to find investors willing to put money into young companies in exchange for a stake in the business. Money invested in startups in their earliest days, perhaps when they are no more than ideas or prototypes, is called "seed" funding.

When it comes to getting backing for a startup it is about trust, and that seems to be lacking when it comes to women entrepreneurs, according to Foundos and others interviewed by AFP.

"I don't think women need to be given things," Foundos said of venture capital backing. "But I think they are not seeing the same amount of deals."

Forte has grown quickly as the pandemic has gyms and fitness centers scrambling to provide online sessions for members.

### Sex for funding?

A paltry few percent of venture capital money goes to female-led startups in the United States, according to Allyson Kapin, General Partner at the W Fund and founder of Women Who Tech (WWT).

Being sexually propositioned in return for funding, or even an introduction to venture capitalists, is common for women founders of startups, according to a recent WWT survey. Some 44% of female founders surveyed told of harassment such as sexual slurs or unwanted physical contact while seeking funding.

And while last year set a record for venture capital funding, backing for women-led startups plunged despite data that such companies actually deliver better return-on-investment, according to Kapin. "This isn't about altruism or charity, this is about making a (load) of money," Kapin said of backing women-led startups.

### Bar set higher

Prospects for funding get even more dismal for women of color. Black entrepreneur Fonta Gilliam worked overseas with financial institutions for the US State Department before creating social banking startup Invest Sou Sou.

Gilliam took the idea of village savings circles she had seen thrive in places such as Africa and built it

into a free mobile app, adding artificial intelligence and partnering with financial institutions. She created a Sou Sou prototype and started bringing in revenue to show it could make money, but still found it tougher to get funding than male peers.

"We always have to over-perform and overcompensate," Gilliam said. "Where startups run by men would get believed, we'd have to prove it 10 times over."

Gilliam got insultingly low valuations for her startup, some so predatory that she walked away. "We are still lean and mean bootstrapping, but I think it is going to pay off in the end," Gilliam said.

In Silicon Valley, that channel is open to male, white tech entrepreneurs from select universities such as Stanford. "The pipeline becomes filled with people from the same universities; from similar backgrounds," Kapin said."

It is not representative of the world, which is problematic because you are trying to solve the world's problems through the lens of very few people -- mostly white men."

Investors competing for gems in the frothy tech startup scrum are missing out on a wealth of returns, and stability, to be had by investing in neglected women founders, according to Caroline Lewis, a managing partner in Rogue Women's Fund, which does just that. "At the end of the day, it is the right thing to do and it is a good thing to do," Lewis said.

source: <https://www.livemint.com/companies/start-ups/women-entrepreneurs-fight-for-funding-in-man-s-world-of-tech-startups-1161447-9823528.html>

## WASME CORNER

### WASME CALLS ON INDUSTRY MINISTER, BANGLADESH

WASME Bangladesh Chapter was invited by Hon'ble Mr. Nurul Majid Mahmud Humayun, Industry Minister, Bangladesh on the 7th March 2021. A delegation led by Mr. S.M.Zillur Rahman President, WASME Bangladesh Chapter proposed inclusion of WASME Bangladesh with different departments and corporations of the industry as a knowledge and capacity development partner to support and develop the local stakeholders and entrepreneurs of micro and small medium levels across Bangladesh



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Basic business related laws, business legislation, trade regulation, Public policy, Taxation, Available MSME support by different stakeholders.	Expert guidance and assistance for starting new business, improving existing business, Skill development and empowerment, Business matching, International experts search.	Tender information, potential buyer & seller, Marketing linkages, import/export facilitations, financial assistance technology transfer, branding and promotions etc.
<b>Exposure Visit to Global members</b>	<b>Participation &amp; Knowledge Support</b>	<b>Branding Opportunity</b>
Facilitate exposure visit at National & International Organizations, Institutes, Research Centres etc	Participation of WASME National/International conferences and seminars, workshops, training and programmes etc	Sponsorship and volunteering, advertising and programs, newsletters, website, e-bulletins, publications etc.

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# WORLD SME NEWS

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