



## **Enabling digital inclusion for women-owned collectives: Recommendations for the GeM portal**

### **Introduction**

SEWA-supported women's collective enterprises have seen government linkages as a crucial way of providing livelihoods to our members. In line with this, SEWA Bharat and SEWA Cooperative Federation have been working with our cooperatives and collective social enterprises, as well as government authorities, for the past two years to facilitate the use of the Government e-Marketplace (GeM) platform to enable links with public procurement. The GeM portal is a major opportunity for MSMEs and informal sector enterprises to engage in government tenders/contracts to provide their products and services.

Before GeM, the open tendering process had conditions which were not possible for smaller enterprises to meet. For example, contracts for tasks like street sweeping contained conditions that enterprises own a certain number of dumper trucks or pay a multi-lakh rupee deposit to secure the contract, which disqualified our cooperatives/collective enterprises from offering these services.

While GeM has opened up a huge marketplace for women's collective enterprises, there have been several hurdles for SEWA supported enterprises. Based on these experiences, we have put together a list of recommendations that would make GeM more accessible to women's cooperatives and collective enterprises in the informal sector.

### **Challenges**

1. **Registration/onboarding process:** The biggest challenge faced by informal sector women workers is the onboarding process. These workers rarely have the requisite documentation (especially GSTIN or PAN cards) to onboard on GeM. Further, the current registration process is lengthy and requires large amounts of documentation. This hinders our members' from completing the registration.

**Recommendation:** The registration process needs to be streamlined and rationalised. For example, steps taken by the MSME Ministry to streamline common registration processes for GeM, TReDS and Udyog Aadhaar through their Udyam Portal is a move in the right direction. More such action is recommended. Likewise, reducing the documentation burden to a minimum and allowing the option of completing one's registration without a PAN card or GSTIN (which can be progressively added later) could benefit more informal sector enterprises to participate on GeM.



- 2. Government pricing mandate:** Many product/service offerings are not feasible for our members due to low mandated prices set by various government departments. The current system on GeM also mandates a compulsory minimum discount of 10%, even on small order quantities. Coupled with GST and shipping charges, this makes the cost to suppliers prohibitive. Most enterprises struggle to cover their overheads, let alone make a tenable profit. In the case of one SEWA-supported stationery cooperatives, Geetanjali, they are facing difficulty in accessing contracts since there is a meagre price cap for paper products like notepads, which do not consider the relatively expensive yet green/sustainable recycling process used in its manufacturing.

**Recommendation:** Procurement through GeM should be more dynamically priced taking into consideration market rates and estimates from previous orders. Apart from lifting such pricing mandates, the restriction of compulsory discounts and match prices to bulk orders is another way of making the fulfillment of government orders feasible for many low-margin micro and small enterprises.

- 3. Low emphasis on women's enterprises:** Despite the existence of a 3% mandated quota for public procurement from women's MSMEs, there has not been success in enforcing this policy on GeM with only 0.66% being procured from such enterprises so far. Further, the *Womaniya* section is restricted to sporadic requirements like handicrafts and home/office furnishings. This is resulting in the benefits of access to these markets not accruing to women as envisaged.

**Recommendation:** We recommend an increase from the current procurement quota of 3% to a more substantial 33% for women's enterprises to incentivise them to more actively participate in the nation's economic growth. Further, by broadening the scope of the *Womaniya* section to include more day-to-day products (like stationery) and services (like cleaning and catering), there could be greater scope for women to participate.

- 4. Inaccessible process design:** Women tend to have lower capacities to navigate digital platforms, let alone those in English. The lack of choice in viewing the platform's basic navigation (if not the listings themselves) in regional languages is a significant barrier. GeM's present portal design requires more than a basic understanding in operating digital platforms.

**Recommendations:** The production of explainer documents/videos of the registration and platform utilisation processes duly translated into local and regional languages, should be made widely available. This will facilitate a wider range of informal grassroots enterprises to access the portal, upload their own product listings and edit these by themselves. Coupled with the provision of a multilingual IVR/telephone helpline, this could aid less experienced enterprises in navigating these challenging processes.



5. **Vendor assessment (seller verification) fees:** As per the last notification, fees to conduct seller verification start at ₹11,200 (plus 18% GST), which is higher than the turnover of many of the enterprises that we work with. While there are provisions for these fees to be waived for enterprises owned by women entrepreneurs or for registered MSMEs, each request to bid on government contracts needs to be manually approved by the respective category managers for the enterprise to be eligible under GeM's present system.

**Recommendation:** An automated portal-wide single-window approval of vendors could reduce the burden of such repetitive approvals of enterprises, which is currently placed on category managers and enable MSMEs and women entrepreneurs to more easily access markets on GeM.

6. **Location matching:** The available bids are often for distant locations, which not only eliminates the limited profit margin, but also starts cutting into the cost of production. For example, our Gujarat-based health cooperative Lok Swasthya Mandali was only receiving orders from distant places like Telangana.

**Recommendation:** Matching government orders to local vendors is a first step towards rectifying this issue. This will also reduce the time taken and distance covered by products and services due to shipping in keeping with the ideals of the Vocal For Local campaign. Further, offering enterprises an option to receive advanced payments through the portal will reduce the burden of having to mobilise finances to initiate work on orders.

7. **Unclear categorisation of products/services:** The basis for categorising products and services on the platform is unclear. Many opportunities to supply specific products/services that we are capable of providing are out of reach since our supported enterprises have not been placed in appropriate categories by the respective category managers. For example, the Ayurvedic products manufactured by our cooperative - Lok Swasthya Mandali - were categorized as handicrafts, making them ineligible for sale under the more appropriate health category.

**Recommendation:** Creating clear guidelines for enterprises linked to existing categorisation systems like NIC codes could streamline the proper categorisation of enterprises. Supplementing this with direct communication channels and mandating timely responses from category managers, in case of miscategorisation, could be an effective step in reducing confusion and precious time invested by enterprises.



8. **Transparency in contracting process:** Despite being online, there is still a lack of transparency around inclusivity and cost-effectiveness on the GeM platform. This hurts small enterprises (like those owned by women workers in the informal economy) the hardest. Larger players have experience in navigating complex and opaque government contracts and easily outbid MSMEs.

**Recommendation:** To increase transparency on GeM, the department(s) responsible for each procurement order should clearly state the parameters on which they will decide/have decided to select a specific vendor. This gives valuable feedback to smaller enterprises of what is expected of them. Further, archiving old orders on the portal can also become a valuable resource for MSMEs and informal sector organisations.

9. **Difficulty in changing primary contact details:** The process of changing the primary contact of the enterprise on GeM involves a time-consuming helpline process. GeM's reliance on mobile OTPs is restrictive for enterprises who may have multiple team members dealing with procurement orders. This challenge is complicated when the team member whose profile and mobile number is linked to the account unexpectedly leaves the enterprise, which is a relatively common occurrence in many smaller enterprises.

**Recommendation:** Apart from enabling changes to the primary contact details, the process of accessing the portal should be made possible for multiple users to allow enterprises greater flexibility.

10. **Limited synergy with other government departments:** At present, GeM has limited linkages with other government departments, which limits small enterprises' ability to access other necessary government services like finance, visibility and holistic intersectional development.

**Recommendation:** As an example, linking grants and subsidies for women's enterprises from the Ministry of Women and Child Development (MWCD) could be automatically applied when orders are confirmed directly through GeM. Likewise, lateral linkages with other ministries would be advisable. This also means ensuring their procurement is handled through GeM.

11. **Ease of use:** The GeM portal boasts useful information and features. However, the most used features need to be more accessible and navigation could be more user friendly. There could be more focus on an intuitive and optimised user interface keeping in mind the needs of women workers in the informal economy. For example, unlike private e-commerce sites, there is no feature to notify enterprises that an order has been placed through GeM, either through email or SMS. Small enterprises need to check the portal regularly to track orders for their products, which diverts limited human resources away from production and other core enterprise functions.

**Recommendation:** GeM needs a more user-friendly platform which includes email/SMS notifications, prioritisation of regularly used features and platform navigation support.