

## BUILDING MEMBERSHIP-BASED ORGANISATIONS OF INFORMAL WOMEN WORKERS

**Mirai Chatterjee**

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I am very pleased to be here at IIM, Indore on the occasion of Foundation Day. Indore is special, as it was here that Smt. Manorama Joshi founded SEWA Indore. Over twenty-three years it has grown into a five-lakh strong union, SEWA Madhya Pradesh and Manoramaben has passed the baton on to our young colleague, Shikhaben.



Today, I will be focusing on building membership-based organisations and institutions of the poor, particularly of women workers in the informal economy.

The Self-Employed Women's Association (SEWA) is a national union of over 12 - 11 lakh women workers engaged in the informal economy. Over 93% of the Indian workforce is informal - with no fixed employer-employee relationship, if at all. About 40 crore workers are estimated to be informal.

94% of our female workforce in India is informal. At SEWA, we prefer to call them "self-employed", according to them the recognition that is their due. Our members are - manual labourers and service providers like agricultural labourers and construction workers, street vendors, home-based workers like those rolling bidis, agarbatties, papads and making a whole range of everyday products, and also small producers like salt workers and artisans.

Our members are poor but economically very active. In fact, the informal economy accounts for more than 60% of GDP and 47% of all our exports. Thus, this is a significant, growing and vibrant segment of our economy. It is also the vast majority.

Among the informal workers, women are the poorest and most vulnerable. They are often engaged in hazardous work that no one else will do. Their health and overall well-being is frequently affected, and yet, as their very survival depends on work and income, they take whatever they can get.

Indeed, their lives are a quest for work and income, and with at least some measure of social security like health care, child care, insurance, housing and pension. If they have some work and social security, they are able to move out of poverty and towards self-reliance.

The world of SEWA has been the world of our poor, hard-working and vulnerable sisters. As we organised women into their own union, we recognised the need for our own organisations and institutions. The very act of registering the Self-Employed Women's

Association itself was based on the need to develop appropriate organisations for poor women workers, as we saw that their world of work was very different from that of mill workers and other organised labour.

In 1972, SEWA was founded by Elaben Bhatt - the first such union of self-employed women workers in the country. As Elaben worked in the mohallas and chaalis of Ahmedabad, she realised the need for such institutions. This was in part due to the fact that multiple needs like access to credit and child care emerged. A union form of organisation was not able to address all the diverse needs of the poor. We also saw that building our own membership-based organisations would help to further organise and strengthen our SEWA sisters. They would be "empowered". Their collective strength and bargaining power would be enhanced through building their own institutions.

Furthermore, we saw that there was a dearth or absence of institutions serving the needs of the poor in our country. A case in point was the banks. Our members needed a safe haven for their savings, and access to credit. They needed to be freed from the clutches of money-lenders. But who would entertain their requests? Was anyone ready to believe that women were bankable forty years ago?

As few banks would have us as customers, it was the women who advised us that starting our own SEWA Bank was the best option. They contributed Rs. 10 each of their hard-earned savings towards share capital and readily agreed to serve as Directors of the Bank's Board. Convincing the RBI officer to provide them with a license by learning to sign their names overnight, they founded their own bank with Rs. 40,000 share capital. Today 3,50,000 women are depositors and SEWA Bank's working capital has crossed Rs. 100 Crores. It is totally self-financing and sustainable. It does not depend on outside funding.

Similarly, when our dais and local health workers were not getting the recognition that was their due from their own communities, and the outside world, SEWA organised them into their own cooperative, Lok Swasthya. Today 800 dais are its share-holders and its area of operations has expanded to the whole of Gujarat. These women provide their services for a modest fee - in cash or in kind - and have finally been recognised by the government and their own communities. They have expanded the range of their health services and take training to strengthen the quality of their care.

These are but two examples of many at SEWA. In fact, we have built more than 3000 small, medium and large organisations of the poor. They are all membership-based organisations or MBOs. The organisations and institutions we have developed are:

- Unions - a national union, SEWA, and several others in different states: Gujarat, Madhya Pradesh, Delhi, Bihar and Kerala.
- Co-operatives - more than 100 producers co-operatives, credit, service and traders' co-operatives. In Gujarat these have formed their own state-level federation of women's co-operatives.

- Associations - of village-based savings and credit Self-Help Groups (SHGs) at district level.
- Companies - of artisans like embroiderers, small producers and construction workers.

Apart from SEWA and SEWA Bank with over 12 lakh members and 3,50,000 depositors respectively, as mentioned earlier, we have a wide range of organisations including VimoSEWA or SEWA Insurance with 1,25,000 members, Unnat Bazaar or our artisans organisation with 20,000 women, our co-operative federation of 90,000 members and then village-based SHGs with 15 to 25 members.

Each of these organisations has an elected board or committee of women who are both the owner and users. They run these organisations through their boards, hold regular meetings, maintain minutes and books of accounts, and have regular audits. They also develop a team of staff persons led by one or more managers. In sum, they do whatever it takes to build, lead and develop their organisations, as other organisations in the formal economy do.

In the course of helping our sisters develop their organisations, we have identified several important needs of such institutions. Some of these are:

- Capacity-building
  - to run meetings, maintain minutes, in book-keeping and accounts;
  - for managing these organisations and marketing their products;
  - technical training, including in information and technology;
  - for leadership
- Working capital
  - to both start up and develop their businesses and/or services.
- Linkages
  - for marketing, marketing research, design development, capacity-building, research, risk-sharing, and with a whole range of agencies, government and private, local, national and international.
- Policies and regulation
  - creating an enabling environment by developing favourable policies and laws (like the one by RBI permitting SEWA Bank to start branches in other places), and removing restrictions to growth (like the capital requirement we hope IRDA will reduce for micro insurance).

Unfortunately, these needs are still not being addressed adequately. There has been considerable change in the attitudes and investments in organisations of the poor. It is widely acknowledged, for example, that the poor, and especially women, are both bankable and

insurable. Investments in both these financial services have increased appreciably. Still, much more investment, inputs and risk sharing with organisations of poor women are required.

### **Building membership-based organisations of poor women workers-some lessons learned**

In the course of building organisations of women workers, there have been many challenges and lessons learnt. I will highlight some of these today.

- The poor need organisations and institutions, which both reflect and are responsive to their needs. In particular, the poor, and especially women, need institutions that help them stand firm in the market, in the economy and society.
- The institutions of the poor need to be as "close" to them as possible - physically, as well as socially and culturally. Work, employment and services need to be available at people's doorsteps, and at their convenience and in a manner that suits them.

Ownership is crucial - people need to feel that the organisations are their's and that they have a say in how these are run. In a rapidly democratising India, this is a genuine aspiration and need of all people, including women, who have hitherto been excluded.

- When poor women run, own and use their own membership-based organisations, both grow and develop - individual women and their organisations. Women emerge from poverty and move towards self-reliance. And at the same time, their organisations become viable.
- Running their own organisation builds leadership and management skills, and results in their "empowerment". They become leaders in their communities. Often they are asked by their communities to stand for elected office - sarpanches, municipal councillors and even as state legislators.
- Special efforts are required to fill in the gaps in the needs of institutions of the poor. These need to include capacity-building, working capital, essential linkages and enabling policies, regulations and legislation.

These gaps in knowledge, skills, attitudes and investments should be addressed in ways appropriate to the poor, and in a holistic and integrated manner. Providing some inputs, without others, will have limited impact.

- Leadership development and cadre building are essential. Developing models of leadership based on democratic functioning - collective decision-making, consensus-building, transparency and promoting leadership of subsequent cadres of local people, and especially women - is required, if organisations are to grow and

flourish.

- Small and medium-sized institutions seem to be more workable from the point of view of the poor - or federations of these at district, state and national level. In this way, leadership and management by a wider range of people is possible, thus building a strong democratic base.

In the cases of financial institutions like SEWA Bank and VimoSEWA, the large size helps to cushion risk and builds solidarity and trust, all essential for such financial organisations.

From a practical viewpoint, in small and medium-sized organisations, services and inputs reach the poor faster - the "pipe-lines" are shorter!

- Such institutions build solidarity and strengthen communities. They lead to greater cohesion of our diverse citizens, as all creeds and communities are bound together in constructive action that benefits all. It is also peace-building, promotes plurality and builds on the richness of each other's strengths and traditions.

Organising informal women workers, building on their immense strengths and insights, and helping them create and develop their own institutions has been a tremendously rich journey. It is fraught with challenges - but none of them insurmountable! With faith and commitment to the poor and their institutions, there is much that we can do and learn together.

## Author's Profile

### Mirai Chatterjee

Mirai Chatterjee is the **Director of Social Security** at SEWA. She is responsible for SEWA's Health Care, Child Care and Insurance programs. She is currently Chairperson of the National Insurance VimoSEWA Cooperative Ltd and of Lok Swasthya, health cooperative. Ms. Chatterjee has a B.A. from Harvard University in History and Science and a **Masters from Johns Hopkins University's School of Public Health, U.S.A.**