

**EMPOWERING WOMEN IN AN INSECURE WORLD**

**Joining SEWA Makes a Difference**

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## Acknowledgements

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## **Executive Summary**

The Self-Employed Women's Association (SEWA) is a trade union of 1.2 million women workers in India's informal economy, founded in Gujarat by Elaben Bhatt in 1972. Over the past three decades, SEWA has organised women into unions, community-based organisations, self-help groups and cooperatives, building their solidarity and collective strength across 9 states. In the decade leading up to 2008, Gujarat's growth rate exceeded that of India as a whole. Yet growth has not translated equally into improved human development. Within Gujarat's market-led growth, SEWA- as an organization which represents the poorer and the working population - has played an important role in increasing both the voice and security of its members, in the face of increased vulnerability in globalised Gujarat.

This monograph is based on the findings of the Gujarat Social Income and Insecurity Survey (GSIS) conducted in 2007-08 amongst a sample of 1,407 respondents in Ahmedabad city and Surendrangar district. The GSIS explored the components of social income – an expanded definition of income, in which a person's socio-economic security is the composite of several sources of income and support that includes private investments, employer benefits, community transfers and state benefits. Since twenty percent of the households sampled was SEWA members, the GSIS also gave SEWA the opportunity to measure the impact of our efforts, to determine how joining SEWA makes a difference.

The survey revealed a picture of life for workers in Gujarat, best characterized as insecure, except for the minority in salaried employment. Average incomes of workers have remained low at Rs. 127 per day, with women earning only 40 percent of that earned by men. We found that nearly two out of every five people were not able to procure enough food for their household. Infrastructure is certainly improving in Gujarat, although housing and sanitation amongst the poor remains a serious gap. In this environment, it is not surprising that crisis is ubiquitous: almost 80% of households faced a financial shock in the past year. In crisis, workers primarily depend on the community, with little support from employers or private investments for casual or non-salaried workers. Entitlements from the State, despite a wide array of schemes, remain 'clogged' in bureaucratic distribution channels.

### **Joining SEWA Makes a Difference**

Joining SEWA does make a difference. In addition to the intangible transformations in women's lives – of voice, self-esteem and a widened world – the survey establishes the concrete impact of SEWA in women's lives. SEWA members tend to be from the working class and castes—OBCs, SCs and minorities – and make their living from their own work rather than from owning assets. Despite being more disadvantaged than the general population, SEWA members are more financially adept. Joining SEWA has led to inclusion in formal financial systems. Whereas only 25% of non-SEWA families put some savings in financial institutions, more than 60% of SEWA members did so, even among the poorest families.

The survey found that due to their wider networks, the SEWA members have more access to credit and are more likely to borrow from a variety of sources, while non-SEWA members tend to be more confined to their family circles and to money lenders. Furthermore, the interest rates paid by SEWA members are also lower than those paid by non-SEWA members.

Most workers were found to have uncertain work conditions and had devised coping mechanisms. Among the women workers, SEWA members seem to be more confident of their ability to cope than non-SEWA women, and find work more easily. Dealing with labour markets requires workers to negotiate with employers and contractors. SEWA members tend to negotiate better rates, more notice period, better working conditions, more work. SEWA members show more initiative and a better understanding of the advantage of skills. They are keener to improve themselves and their skills and look for opportunities to do so. The survey showed that most workers do not use any form of protective equipment. SEWA members are however more conscious of their work environment and are twice as likely to take better measures to protect themselves.

SEWA families faced crises as often as non-SEWA families, but are better equipped to cope. SEWA members are more likely to receive financial support in a crisis and are able to turn for support outside the family and to larger networks of support. More than half the SEWA members could count on financial support outside their families, as compared to only a quarter of non-SEWA families. SEWA families are also much more likely to get the benefit of medical insurance and to avail of Government schemes.

Most significantly, SEWA members have a voice and expect more from life and society. They are twice as likely to have control over their own income and seem to be less accepting of poverty in general and not to be so easily satisfied with their lot. In interviews with SEWA women we find that they say that after joining SEWA “a larger world opened up” and in this larger world they need not accept the deprivations and oppressions of their life, but can see that there is a possibility for something better.

Yet a range of insecurities remain. SEWA believes that people’s organisations are critical to ensuring that the fruits of growth reach the poor, while also shielding them from its destabilising effects. Further, several policy changes – infrastructure, financial and livelihoods access, social protection, skills development and child care – are still required for truly ‘inclusive’ growth in Gujarat and beyond.

## **SEWA**

The Self-Employed Women's Association (SEWA) is a trade union of 1.2 million women workers in India's informal economy, founded in Gujarat by Elaben Bhatt in 1972. Informal workers constitute 94% of India's labour force, and are a vibrant part of India's economy. SEWA members are workers in the informal economy: agricultural labourers, vendors, service providers, and home-based workers who have no formal employer-employee relationship, little work security and usually no social security benefits. Today, SEWA members span 9 states.

SEWA's main goals are to achieve self-reliance and full employment for women workers and their families, through a dual strategy of struggle and development. Over the past three decades, SEWA has organised women into unions, community-based organisations, self-help groups and cooperatives, building their solidarity and collective strength. While organising women workers to negotiate, lobby or bargain collectively, SEWA also promotes their economic, social and leadership development through a range of activities.

Access to savings and credit emerged early on as a priority for SEWA members, which led to the establishment of SEWA Bank in 1974. SEWA's micro-finance programs are strengthened by employment generation activities, which together provide women with an enhanced opportunity to be financially self-reliant. Having learned that income security is incomplete without basic social protection and in the absence of effective government programs, SEWA delivers some social security benefits to workers, including insurance, childcare and health services. SEWA has also established training institutes to build the capacity and skills of workers in fields such as construction, management and health services.

SEWA is a voice for its members. Using its collective strength, it voices the needs and aspirations of women in the informal economy and advocates for laws, policies and schemes. Joining SEWA also creates voice for women in their daily lives – a position of respect in the family; the power to negotiate with an employer; or the financial strength to secure a future. In Elaben's words: voice allows a woman to encourage and participate in the world around her, to bring about change rather than be its victim. This book is about the impact of that voice, in a SEWA member's life and in the face of a rapidly changing economy.

### **SEWA and Globalisation**

SEWA members, the women in the informal economy, are as much a part of the globalizing world as the more visible sections of India's 'emerging economy'. However, the impact of globalization on these women and their families is more nuanced than is generally presented in most growth stories. Whereas some sections of people have seen a rapid growth in both incomes and employment opportunities, others have faced loss of work and declines in incomes, although a common feature for all income groups and categories of employment is increasing inequality and insecurity. Rapid growth of opportunities, combined with loss of security, accounts for the anomaly of a sense of optimism, amidst wide spread deprivation. SEWA, with its large base in Gujarat, has witnessed the positives and negatives of globalization first-hand, and given the links between poverty and insecurity, we have approached our study of people's lives through the insecurities they face. In doing so, we have looked at their varied sources of social income.

As India entered the global economy, Gujarat responded faster than many other parts of the country, and at nearly 10 per cent per annum in the early part of the 21<sup>st</sup> century, was growing much faster than most of the world economy. Although Gujarat has only 5 percent of India's population it accounted for 16 per cent of India's national income and exports. In the decade leading up to 2008, the state's economic growth rate exceeded that of India as a whole.

However, growth in itself did not result in any rapid improvement in the lives of the majority. Human development indicators did not rise at the same speed as economic growth, and the extent of poverty and economic insecurity remained stubbornly high. Employment growth, too has not matched the growth rates, and in fact, has been lagging behind the rest of the country. Some commentators have depicted the recent growth pattern as a new model, attributing it to the leadership of the Chief Minister. However, in reality the "Gujarat model" has been a market-led, inclusive growth model followed by successive State governments and has been promoted by successive Chief Ministers ever since Independence. Conspicuously, in spite of the very high rates of economic growth, there has been less corresponding commitment to human development, and to income or wealth redistribution.

Within this pattern of market-led growth, SEWA as an organization which represents the poorer and the working population has played an important role in increasing both the voice and security of its members. As this study shows SEWA members are better able to utilize the opportunities presented by the market and at the same time to bargain for more benefits within the economy. However, SEWA members, like the rest of the population, have been subject to increasing insecurity and inequality.

## **The Survey**

The Gujarat Social Income and Insecurity Survey (GSIS) was conducted by SEWA Academy under the direction of experts Dr. Guy Standing of Bath University, UK and Drs. Jeemol Unni and Uma Rani from Gujarat Institute of Development Research. Carried out during October 2007 to March 2008 in urban and rural areas, it had a sample of 1,407 respondents from all income categories. The urban area surveyed was Ahmedabad city and the rural area was Surendranagar district, an arid district in north Gujarat. The urban segment consisted of casual labourers, salaried, self-employed and piece-rated home-based workers (home workers), while the rural segment consisted of casual labourers, salaried, self-employed agricultural and self-employed non-agricultural workers. Twenty percent of the sample was of households with SEWA members. The detailed findings of the GSIS have been published as a book, *The Gujarat Social Income Survey* (Routledge 2009).

This monograph draws from the GSIS and book, with a focus on SEWA members and the impact of joining SEWA. After outlining social income and the survey experiences, the first section begins with a summary picture of the conditions in which workers live in Gujarat. The second section outlines how SEWA has made a difference in this context. We conclude with the policy implications of these findings for SEWA and workers in the informal economy as a whole.

## An Overview of Social Income

In India, workers in the informal economy comprise 94% of the labour force. They earn a living without a formal employee-employer relationship, and largely without any form of social protection. As a result, workers rely on their own, varied forms of security, such as their own social networks and private investments, benefits from the State, and employment relationships. Yet traditional measures of money income do not capture these non-money contributions - or lack thereof - to a worker's security.

The concept of "social income" is an expanded definition of income, in which a person's socioeconomic security is the composite of several sources of income and support, both monetary and not. In addition to an individual's own production (OP) and money wages (W), social income is defined as: benefits received by family or community (CB); enterprise benefits (EB); state benefits in terms of transfers and social services (SB); and private benefits (PB) such as investments and personal insurance.

$$SI = OP + W + CB + EB + SB + PB.$$

For SEWA, this survey on social income is a major contribution in two areas. By capturing each aspect of social income, we understand *who* can access different components, and to what extent. It thus offers a holistic picture of the status of workers security in Gujarat today. Secondly, social income allows us to measure how SEWA members are different - how 'voice' indeed can make an impact on a woman's life. SEWA members, for example, may have greater access to private benefits such as microfinance or insurance, as well as stronger social and community support networks. Whereas these benefits are difficult to capture in income surveys, the GSIS provides concrete, nuanced data. And by drawing out the levels where inequalities and insecurities persist, this study underscores the policy changes required to ensure comprehensive security.

The main themes that emerged from the social income survey were that:

- Income inequality, measured through work and own production is prevalent and likely increasing.
- Community networks are the primary source of support for the most vulnerable, especially in financial crisis.
- Only the small minority of salaried employees enjoys enterprise benefits such as paid sick leave or maternity benefits.
- Universal state benefits, the traditional safety net, are primarily accessed by those who cannot afford better quality private services, and in the case of targeted state transfers, the distribution system has become sufficiently 'clogged', largely leaving out those in most need.
- Private benefits – financial instruments and assets – are disproportionately accessed by those in higher-income groups.

Simply, the survey revealed that taking account of non-money income components indicates that inequality is understated by money income alone.

## Field Experiences

The questionnaire was long and detailed and required about 90 minutes to complete. Thus the field researchers from SEWA Academy became quite skilled in holding the respondent's attention for that long!

However, the researchers experienced many of the tensions and problems that occur in the villages and towns in Gujarat. They describe some experiences in their own words:

“In the rural areas caste feelings are still very prevalent. In several villages we visited, people belonging to Dalit and even some OBC castes are not allowed to enter the houses of Patel, Darbar, Bharwad. High-caste people never go to the houses of low-caste people. When labourers go to work in their fields, their drinking water pot is kept separate. When they drink water, they cannot touch the glass with their lips. If this rule is not observed they are insulted and abused. In some villages, dalit families cannot play music, go out on a procession or light fire crackers in their marriage programmes.

“When we went to a village for the survey, the Sarpanch made arrangements for lunch at his place, but we were made to sit outside the house to eat. The lady of the house came and asked us, “Which caste are you? You all seem to be from different castes.” In another village, we had to fill the form of a high-caste Darbar respondent, but before we could ask any question they asked, ‘Which caste do you belong to?’ They didn't allow us to enter in this house and gave us the water outside.”

A number of times, the field researchers encountered various forms of violence. “In one village a person came and said that ‘I am a prisoner and I stay in a jail? Why don't you help me to get some benefit?’ We asked him why he was in jail what he was done? He said, ‘I killed my 2 daughters. One was of 7 years and another was very young - 2 years old! I was not satisfied killing my daughters, so I killed my wife too! Within a couple of hours I finished them all. Thus, I am punished and sent in a jail. I am out on parole for a few days.’ When we heard him we were very shocked and frightened. An old man told us that such cases happen in the village every year. The people of the village never say anything to anybody outside the villages, and continue to carry on with their lives, keeping the secret here in the village. Nobody complains to the police.”

“In one chali in Ahmedabad we were filling a form and nearby 5 women and 3 girls were playing cards. One of those women asked her daughter to clean the utensils at home, but the daughter refused. All of a sudden that woman came to her and started beating her so severely on her stomach that the girl started vomiting. Then, as if nothing had happened, she started playing again. We were very shocked to see all this. We could not believe that there are such kinds of mothers in this world!”

## SECTION- 1

### Life for workers in Gujarat

#### 1.1 Money income levels

The survey explored in some detail the money incomes of all categories of workers in Gujarat. These varied from well-paid professionals in the cities and large farmers in the villages to domestic workers, rag-pickers and agricultural labourers. Although Gujarat is one of the richest and fastest growing states in India, the money income of most of its people has remained low with the average annual household income at Rs.88,000 (Rs.7,333 per month). On average an individual's daily earnings were Rs.127. This is very low given that the statutory daily minimum wage for non-agricultural workers was about Rs.135 and agricultural workers was Rs. 100 at the time of the survey in 2008. The poorer category of workers, the casual and home-based workers, who earned about Rs.57 – well below the statutory minimum wage.

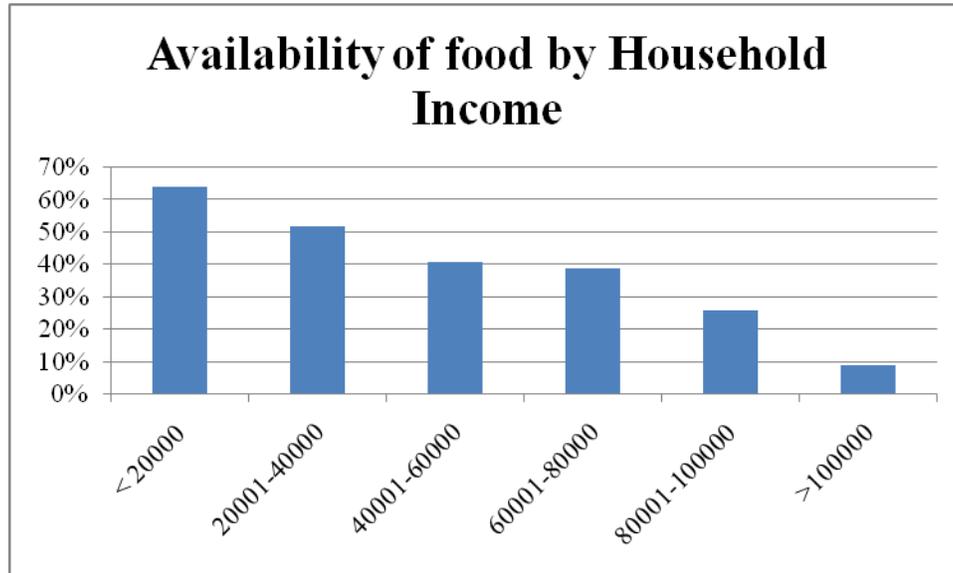
Women earn much lower than men. **On average the income earned by women was found to be about 40 per cent of that earned by men.** This partly reflected the difference in nature of work done by the men and women respondents. Women in urban areas were more likely to be casual or piece-rate workers, while men were more likely to be in salaried employment. In rural areas, women were more likely to be self-employed working in agriculture, while men were more commonly working mainly outside agriculture.

Because of these low incomes, many households were unable to meet their basic needs of food, clothing and healthcare expenses. **One of the more startling findings from the survey was that nearly two out of every five people felt that they were unable to get enough food with their household income. This applied to more than three out of every five of the poorer households.** In this respect, there was no significant difference between rural and urban areas.

About 40 per cent also reported that after meeting their needs for food they were unable to meet their clothing needs. Nearly two-thirds of the poorer households also reported that their incomes were insufficient to meet their clothing needs after paying for food. This was significantly more likely in rural areas (45 percent) than in urban areas (33 percent).

A third inadequacy explored in the survey was whether households were able to meet their healthcare needs with their money income. About 28 per cent reported that they were unable to do so, implying that most would have been doing without needed care or in desperation were having to obtain financial assistance from some other source, presumably at some longer-term cost or obligations. About 40 per cent of the low-income group of households felt they were unable to meet their healthcare needs.

**Figure1- Food Scarcity by Household Income**



### 1.2 “Optimism” amidst deprivation

In the course of the survey, respondents were asked about their attitudes on various matters, including their work and the effectiveness of government policy. However, a paradox should be noted. In spite of evidence of considerable economic discomfort, many respondents did at least report a sense of optimism.<sup>1</sup>

One should not exaggerate this, and treat expressions of satisfaction and dissatisfaction with due care. A majority of those who were actually earning an income expressed satisfaction with their income, even though many were earning modest amounts. They had witnessed the rapidly growing economy of the past decade. In those circumstances, it was no surprise to find that over 44 per cent of income earners expected their income to improve over the next 12 months, and that three-quarters of salaried and wage earners expected to retain their main work in that period. Perhaps the attitudes would have been deflated by the impact of the subsequent financial crisis. Examining how incomes have evolved is complex. However, the GSIS data do allow us to consider the dynamics to some extent, and in particular to identify several trends.

How did workers perceive the changes in their incomes and employment during what had been a period of rapid economic growth in the State? The GSIS enquired about perceptions with regard to personal economic situation and overall change over the past three years and past year. More than a third had experienced an increase over the past year. But more than half of better-off groups said that their incomes had increased, while only a quarter of lowest-income earners reported an increase. About 40 per cent of respondents reported being optimistic and were expecting incomes to rise. Again, high-income earners were more likely to anticipate a rise (more than 60 per cent).

<sup>1</sup> This was in 2008, just before the Financial Crisis

There was a statistically significant difference in the experience of change in personal income by activity status. More than 40 per cent of salaried employees reported an increase in incomes over the past year, compared with about a third of casual workers. As expected salaried workers, men and those living in urban areas were most happy with their past income changes and expressed more optimism about their future. Among social groups, Hindus (upper-caste Hindus in particular) had the most positive picture. In other words, high growth had been more beneficial to those already better off and had been having the effect of increasing inequality.

The self-employed have had more income variation than other groups, with about a third reporting an increase in income and 14 per cent reporting a fall in the past year. But in this respect it was the salaried employees who were significantly more likely to have experienced a gain, further testifying to the growing income inequality. And casual workers and the self-employed were far more likely to have experienced a decline, while scheduled caste people were almost twice as likely to have done so.

**Table 1- Change in Income over past year**

<b>Annual Household Income Rs.</b>	<b>In past year</b>		
	<b>Income rose %</b>	<b>Income fell %</b>	<b>Income stayed the same %</b>
<b>&lt; 12000</b>	28.1	10.1	61.8
<b>12000-24000</b>	29.2	8.6	62.2
<b>24000-36000</b>	33.5	12.3	54.2
<b>36000-48000</b>	33.8	16.9	49.3
<b>48000-60000</b>	51.6	6.4	42
<b>&gt; 60000</b>	52.3	6.5	41.2

Although more people expected a rise in income than a fall, it was also apparent that lower-income and more insecure groups were relatively likely to expect their income to fall over the coming year. Thus, casual workers were three times more likely to be anticipating a fall in income than salaried workers, and those from scheduled castes were four times as likely as those from upper castes to expect that. And women were more likely to be pessimistic than men.

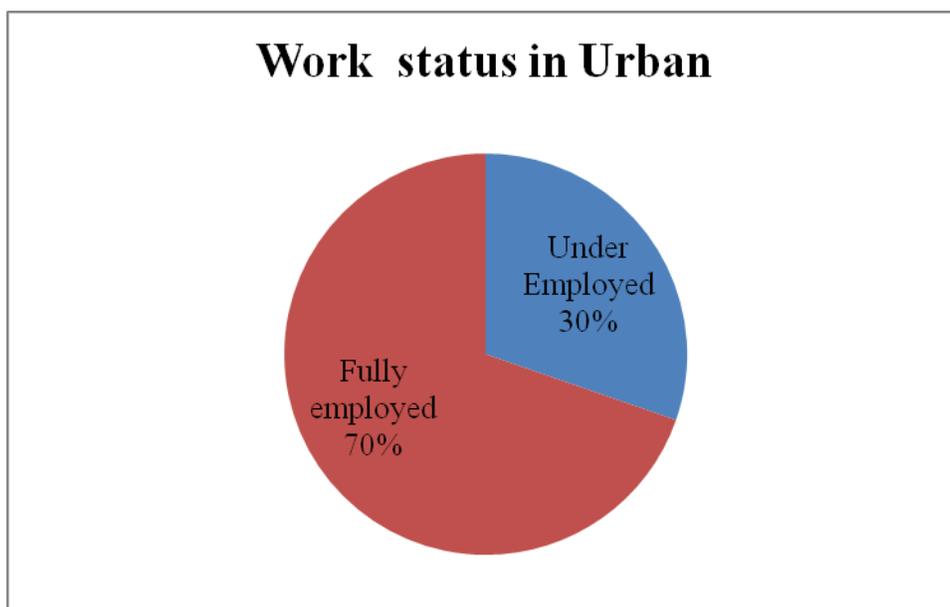
**Table 2- Expected Income in the next year**

Worker Status	Expected in next year		Income stayed the same %
	Income Rise %	Income Fall %	
Salaried employee	56.3	1.1	42.6
Casual labour	36.8	3.4	59.8
Self-employed	45.5	6.8	47.7
Piece-rate home based	33.9	-	66.1
<b>Total</b>	<b>41.7</b>	<b>3.8</b>	<b>54.5</b>

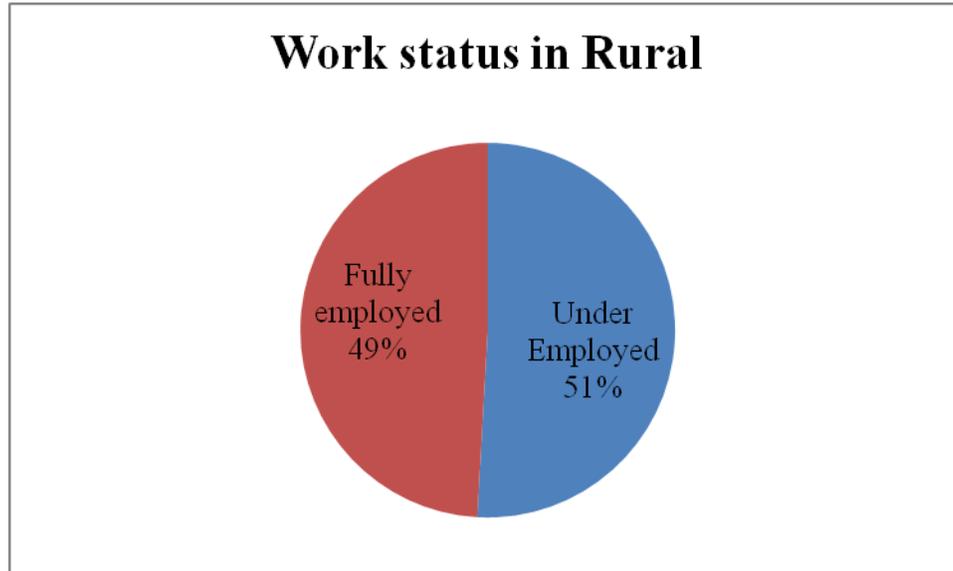
**1.3 Income, employment and days of work**

Income – as reflected by daily earnings, days and hours of work – must both be sufficient and remunerative. On average over the past year, those in urban areas did more days of income-earning work than those in rural areas, and men did more than women. Men worked over 270 days in their main work, compared with women’s 234 days. Overall, casual workers had only half the year of work in the main activity in rural areas, while salaried workers had full employment, more than 300 days.

**Figure 2.1-Distribution of Work Status in Urban Population**



**Figure 2.2-Distribution of Work Status in Rural Population**

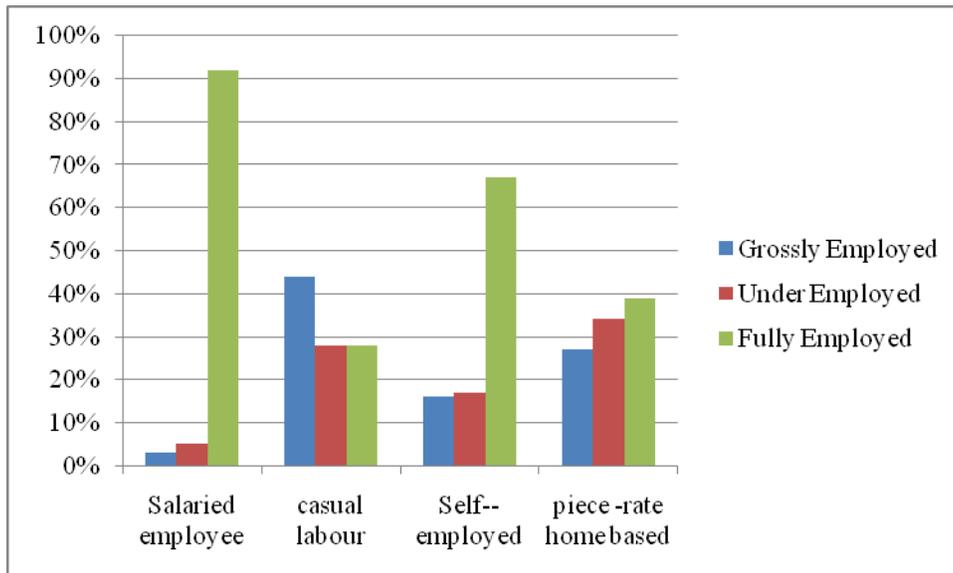


#### **1.4 Winners and Losers**

Rapid economic growth and the development of public infrastructure should translate into more employment and higher incomes. However, development is not a victimless process, and never has been. There are always some groups who gain and some who lose. Any process of rapid change affects some groups positively and leaves others at a grave disadvantage.

The most glaring reality is that those in salaried employment were gaining in absolute terms and relative to those in other paid labour statuses. They have been a privileged minority. Almost all had full employment in their main income-earning work. In terms of income-earning opportunities, it appears that casual labourers were the most disadvantaged, with more than two out of every five having less than six months of labour. The biggest variability in work days was among piece-rated home-based workers, with less than 40 per cent having full employment and about 30 per cent having less than six months.

**Figure 3- Employment level by Activity Status,**



**Grossly Employed- (<180 days)**

**Under Employed- (181-270 days)**

**Fully Employed- (271- 365 days)**

Casual workers tried to make up the deficit of work days with a second activity. Some of the self-employed may also have tried to compensate for low income in their main work by taking up other activities as well, partly because of greater opportunity for diversification of household enterprises.

The critical point – perhaps not surprising to most informed observers – is that a very large number of wage earners were being paid under the floor of Rs.65 per day, which is below any acceptable norm. Another one in every five obtained daily earnings less than Rs.100, which put them below the agricultural minimum wage. A further 8 per cent received between 100 and 135, the norm for non-agricultural workers. So, less than a third of all earners received more than the minimum wage of Rs.135, and about 18 per cent received more than Rs.200.<sup>2</sup>

### **1.5 Non-income Employer Benefits**

A positive hypothesis on workers' security would be that non-income benefits such as food and leave compensate for lower incomes for casual or piece-rate workers. Quite the contrary, the

<sup>2</sup> Risk of poverty can be measured by looking at the proportion of workers falling below a minimum wage norm. We grouped workers into five groups by level of daily earnings: Under Rs.65, 65-100, 100-135, 135-200 and over Rs. 200. The Ministry of Labour and Employment proposed Rs. 65 as floor level minimum wage, Rs.100 minimum wage for agriculture, and Rs. 135 as minimum wage for most non-agricultural activities.

survey indicates that those in the most secure forms of employment receive these benefits, further widening the income divide. In the case of free or subsidised food from employers, men earning very little were less likely to receive free food than those earning very high incomes. Among women employees, the picture was more positive, in that more of the low earners were receiving free or subsidised food. In the case of women, it was the middle-income earners who did the worst. Far more of the high-income women received subsidised food than those earning somewhat less than them.

In the study we found that there is an ‘unhealthy’ dualism between wage earning workers. Some salaried workers have formal jobs with good contracts. This gives them access to higher wages and a full range of social security ranging from paid leave and sick leave to health insurance and old age pensions. The majority of wage workers are however far more insecure. Many ‘salaried’ workers such as domestic workers do not have access to social security or written contracts, and casual workers who earn a daily wage are the most insecure.

The overall distributional picture of receipt of enterprise benefits is clearly skewed towards salaried workers. As Table 3 shows, those in casual labour had a very low probability of receiving any of the benefits. As in general, the differences are greater between regular and casual employment statuses than between men and women. As a note, women were more concentrated in casual labour.

**Table 3: Percent receiving non-wage benefits, by Employee Status, by Gender**

<b>Benefits received</b>	<b>Male (in %)</b>		<b>Female (in %)</b>	
	<i>Salaried</i>	<i>Casual</i>	<i>Salaried</i>	<i>Casual</i>
<b>Free or subsidized food</b>	13.9	14.3	21.7	24.8
<b>Free transport to and from workplace</b>	26.6	10.7	12.0	11.4
<b>Paid leave</b>	54.9	2.1	52.1	2.5
<b>Paid maternity leave</b>	--	--	35.6	0.5
<b>Paid medical care</b>	43.1	3.1	39.7	1.0
<b>Paid medical leave</b>	46.5	2.6	40.8	1.0
<b>Pension entitlement</b>	28.0	2.2	20.5	0.0
<b>Provident Fund</b>	35.2	2.2	22.2	0.0
<b>Medical allowance</b>	34.0	4.1	20.2	1.5
<b>Severance pay</b>	20.1	9.9	9.8	7.1
<b>Scholarship for children</b>	16.5	11.9	12.9	12.4

## **1.6 Infrastructure**

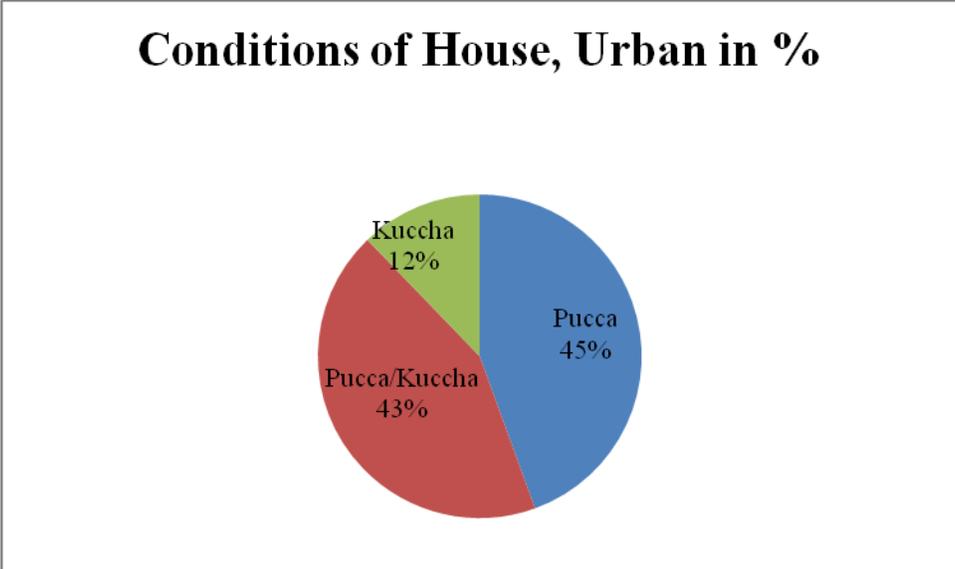
It has been widely suggested that infrastructural investment has been a major driving force in the Indian economy, and that Gujarat has been a leading State in that regard, with efficient power supply, an extensive road network and a set of major and minor ports built up over the ages that have benefited its industrial base.

The survey supported this picture of good road coverage. It found that road connectivity to the villages had improved considerably over the past ten years. A decade earlier, under 33% of villages had a pucca road connecting them, whereas now nearly 90% of the villages had a road within one kilometre, most of them coming up to the village, and nearly all had pucca roads within five kilometres.

Gujarat is also known for its continuous power supply to households while consumers in other States have to cope with regular power cuts and load shedding, although Gujarat consumers pay one of the highest rates per unit for electricity. The GSIS Village Survey showed that electricity had indeed reached every village in our sample. However, the survey also showed that many households had not been able properly to access the electricity. Only 55 per cent of the respondents had their own meters, the rest having either taken their connections illegally or were sharing it with neighbours or relatives.

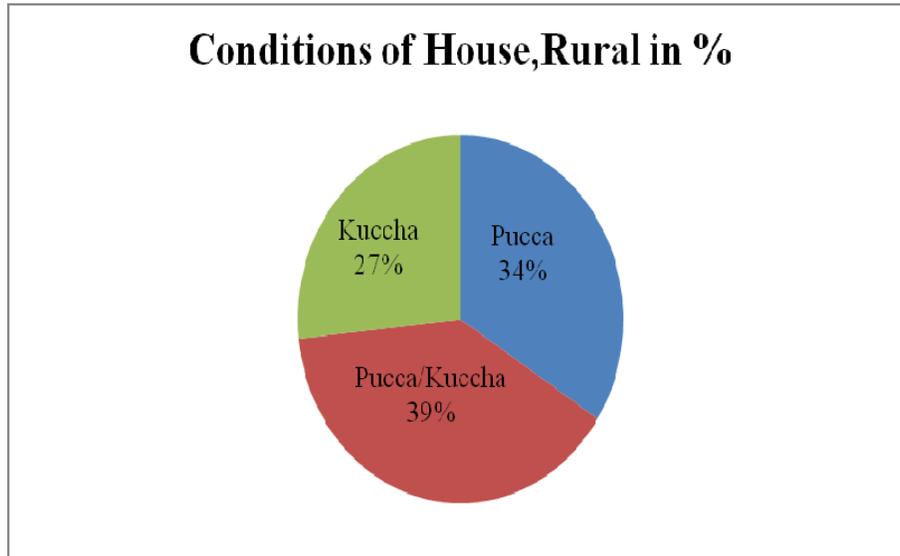
The quality of housing was typically still dire. Only a minority of dwellings had pucca structures, with only just over a third having them in rural areas. In other words, most people were still living in kuccha dwellings.<sup>3</sup>

**Figure 4.1- Conditions of House in Urban Location**



<sup>3</sup> A *pucca* house is a standard dwelling made with bricks and cement, and has a solid roof. A *kuccha* house is built with various makeshift materials. There are also houses that are partly *kuccha* and partly *pucca*.

**Figure 4.2- Conditions of House in Rural Location**



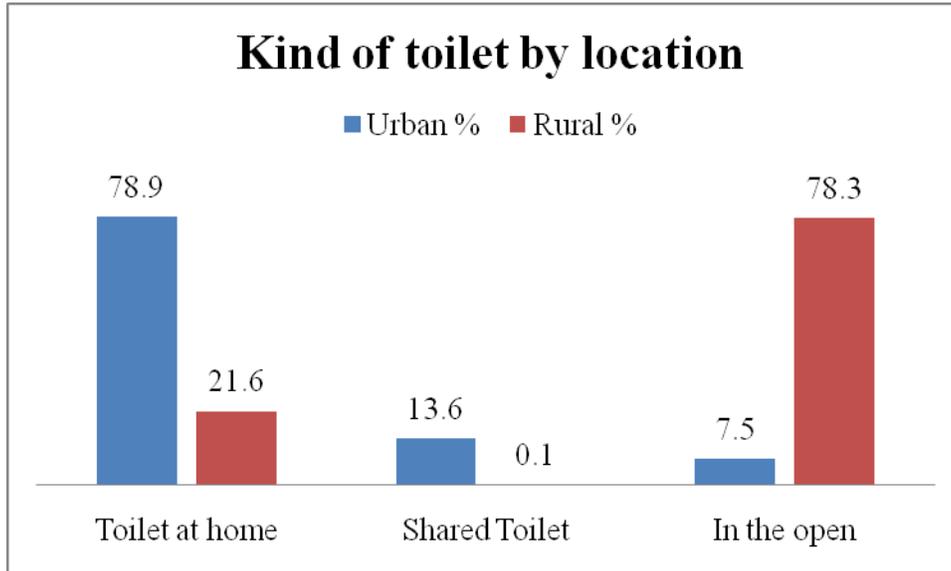
Drinking water seems to have reached most households in urban areas but in rural areas it is notable that only half of households in the survey had a private water tap, and nearly a third relied on wells or a local lake.

**Table 4- Source of Water Supply, by Location**

	Urban %	Rural %	Total %
<b>Private tap</b>	89.4	50.5	68.2
<b>Shared Tap</b>	8.7	11.1	10
<b>Well or Lake</b>	0.5	37.3	20.6
<b>Other</b>	1.5	1.1	1.2

The situation with regard to sanitation is much worse, leading to unhygienic conditions and poor health outcomes. The survey shows that half of the households did not have toilets (Fig -6) and over three-quarters of rural households still have to use open spaces, and even in the urban areas over one-fifth (20%) did not have their own toilets.

**Figure 5- Kind of Toilet by Location**



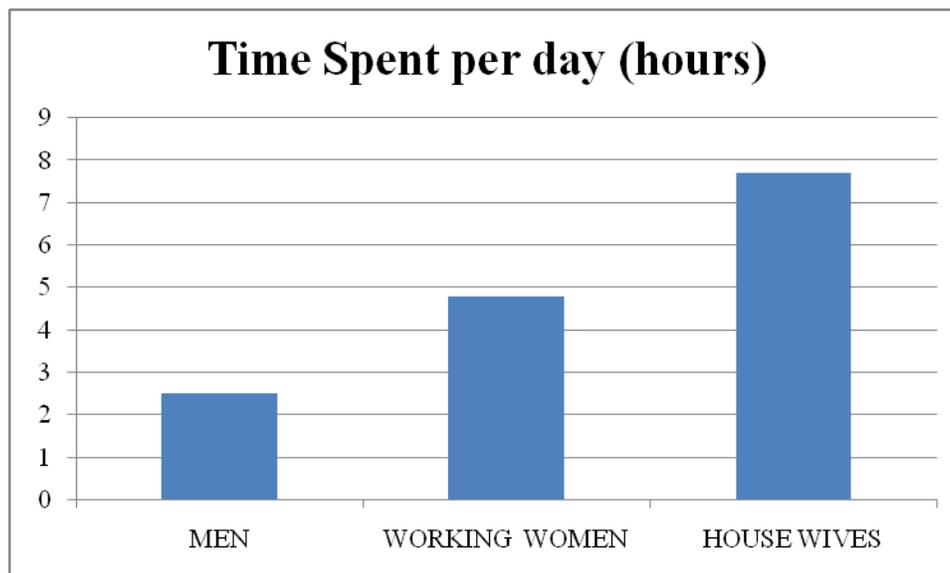
### **1.7 Care Work and Non-Market Work**

Most of the survey was concerned with earned and unearned income, and therefore focused on those forms of work and labour that were intended for individual and family gain. But it was also very clear that people have to undertake many forms of work that yield no income at all, but which are nevertheless essential for their livelihoods and family wellbeing.

In the survey, we asked people how much time in hours and minutes they usually spent on such activities. In general, the total was considerable. If we take account of all daily time spent on various forms of care of children and relatives, shopping and household chores, women were working nearly twice as much as men – almost 5 hours for women compared with 2.5 on average for men. For those women whose main activity was classified as “housewife,” the workload averaged 462 minutes a day, i.e., nearly eight hours on such work.

If we then add the time spent in commuting to and from the places where people worked to earn their income, as well as the time many spend *waiting* for work, the total is considerable greater. Again, women generally have to spend more time in those activities than men, but male ‘self-employed’ on average have to spend over an hour a day just waiting for work to do.

**Figure 6- Time Spent on Household and Care Work**



These work patterns are a hidden source of vulnerability, particularly for women. Many of them are not just time consuming but energy sapping, leaving people less able to perform their income-earning work.

### 1.8 Control over income

As we have seen, women tend to be in low-paid activities such as home-based work or casual labour. A reason is the restriction placed on women, as well as the tacit acceptance by men and women, that it is the woman who bears the main if not total responsibility for household work, and caring of children and aged. This tends to block women from entering better-paying jobs, yet unless the issue is probed in detail, women will be inclined not to call these practices 'restrictions'. But, of course, they are. Some of our case studies recorded the struggle of women in exercising control over work decisions and on children's schooling (see box 2 and 3).

#### **Box 1: Exercising control over work decisions**

I used to work as a garment worker in a small shop, but my husband's family felt it did not look good for me to go and sit with so many men, so they kept asking me to leave. Then I had my first child and had to stay home to look after her as my mother-in-law refused. So then I began to take work home from the shop. Now I earn less but at least I can look after my child and do not have to hear complaints from my husband.

From field notes

**Box 2: Exercising control over children’s future**

I sent my daughters (aged 8, 11 and 12 years old) to Kadi town for their education. But my father-in-law thinks it is an improper decision and says I am destroying the family reputation. He taunts me every day and sometimes I feel like dropping them out of school. But then I feel that, rather than living life like we did, education will at least help them to improve skills of their life. How long will I be able to fight against society and be able to provide education to my daughters?  
From field notes

When men or women earn an income, many are able to keep or utilise a significant percent at their own discretion. The survey indicates that more than half of respondents said they control or keep more than half of their own earned income. Men and those living in urban areas were better able to exercise this choice.

**Table 5- Control over Personal Income, by Gender**

	<b>Kept more than half their own earnings (%)</b>	<b>Takes decisions on household expenditure (%)</b>
<b>Men</b>	63.8	62.9
<b>Women</b>	54	43.1

However, a large amount of earnings is in fact turned over for someone else in the household to decide how to use. This form of money income insecurity was mainly associated with women, as well as 37% of men in the survey who do not contribute to household expenditure decisions. Most women in Indian families have little independence to manage their lives. Their behaviour is usually controlled by family elders or by their husbands. Any degree of control of their income requires negotiation within the family. It is a sensitive matter, and a major source of income vulnerability.

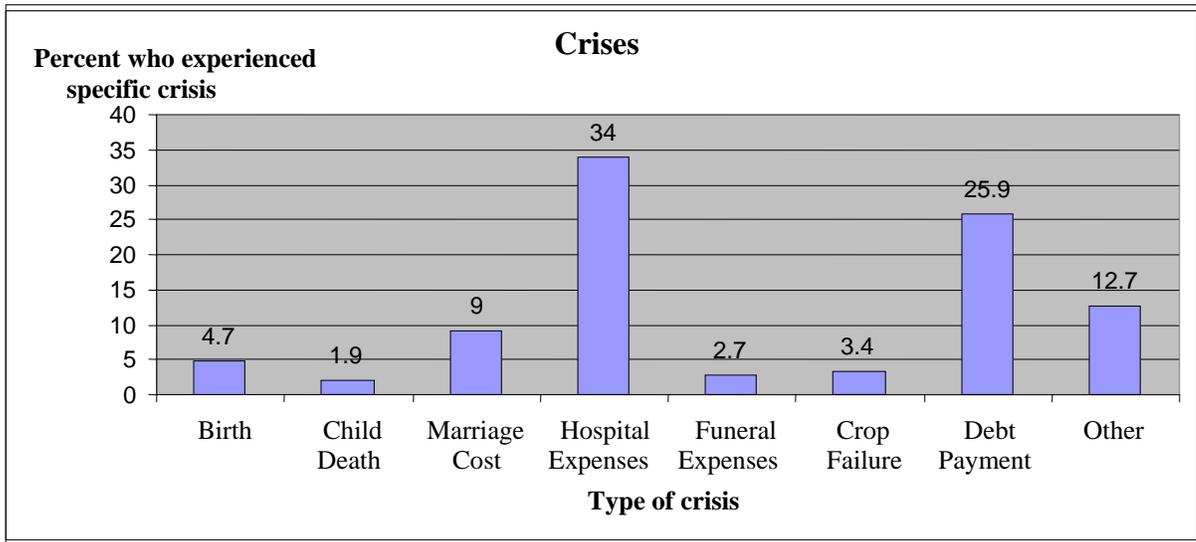
**1.9 Insecurities and Crises**

The people of Gujarat – as almost certainly is the case all across India – are highly vulnerable to financial crises. No less than 78.7 per cent of households reported having experienced a serious financial crisis in the past 12 months. Of course, a sense of crisis is partly subjective. But it is nevertheless a real experience that affects the vast majority.

Gujarat has been subject to a string of natural disasters, ranging from earthquakes to floods and droughts. They have also been subject to man-made disasters such as ethnic riots and politically-fanned events of mass destruction. In the period covered, fortunately there were few of the latter. The main natural disaster was flooding. However, in the period covered by the survey, other factors seem to have predominated in causing financial crises.

The most common trigger of a financial crisis was illness or, specifically, the need for hospital care and treatment, as is brought out in Figure 7. Debt repayment demands were also prominent, as are what one would describe as family-related hazards, such as the costs associated with childbearing, marriages and funerals. Births, which led to a modest but significant share of all crises, could be categorized as either a social function or a health-related expense, depending on the nature of expenditure. Since much of the expense of births in India consists of payment to medical facilities or midwives, it could be included as a health-related expenditure. If so, then close to 40 per cent of all financial crises were health-related.

**Figure 7: Type of Financial Crisis in past year**



Another major cause of financial pressure in India is customary ceremonies. Obligations to relatives, caste and village communities result in typically large affairs for both marriages and funerals, across all socio-economic strata. Thus, the median cost of a marriage has been estimated to be Rs.50,000, and the median cost of a funeral is Rs.10,000. So it is scarcely surprising that these expenditures comprised the third most common reason for a financial crisis, comprising about 12 per cent of all cases.

The fact that so many people cited debt repayment as the source of their last financial crisis deserves some reflection. Indebtedness is often considered to be a chronic condition, rather than a one-time shock. Yet in this survey it seems that the need to pay back debt was often perceived as the direct cause of a crisis. The debt burden is likely to be the result of an earlier crisis. Of households who experienced a crisis, 71.5 per cent reported that they borrowed to cope, from family, moneylenders and employers, in that order. Debt repayment as a crisis calls attention to interest rates and borrowing practices during the crisis. Or the burden of debt could cause a family to feel perpetually in financial crisis, hence the perception of debt as a shock. The spectre of indebtedness hangs over most groups in most societies. As a ratio of debt to income, it is likely that it reaches a peak among middle-income earners, not the poor, who often can neither afford to borrow nor convince lenders to lend money to them.

The finding that hospital expenses are the leading cause of financial crisis is consistent with economic surveys across India. The National Sample Survey Organisation found that hospitalization was a leading cause of impoverishment in the country. There are three reasons why even an ordinary illness can induce a crisis. First, illness is frequent. In the survey, in almost one of every two households at least one member had fallen ill in the past twelve months. Even if expenses were low for an individual illness, a high number of illness episodes each year is likely to drain a household's financial resources. The resultant cutbacks may include less food consumption or increased work – which in turn may intensify vulnerability to illness. It should be borne in mind that most families are on the borderline when it comes to food consumption, so that it would only take a minor setback to plunge them into a state of malnourishment.<sup>4</sup>

Second, when an illness occurs, the associated expenditure is usually high. A household that is dependent on insecure work or wage income is more likely to wait until hospital treatment is absolutely necessary, to avoid expenditure and loss of working time. Thus when the household eventually does resort to treatment, expenditure is likely to be higher. One-half of households paid up to Rs. 2,000 for the last illness episode, and nearly a third of families paid over Rs.5,000 for one illness (Table 6). And of the households who had experienced a birth in the past year, approximately half had spent between Rs.1,000 and Rs.5,000, which is similar to the expense incurred in a major illness. These events put a heavy strain on any but rich households.

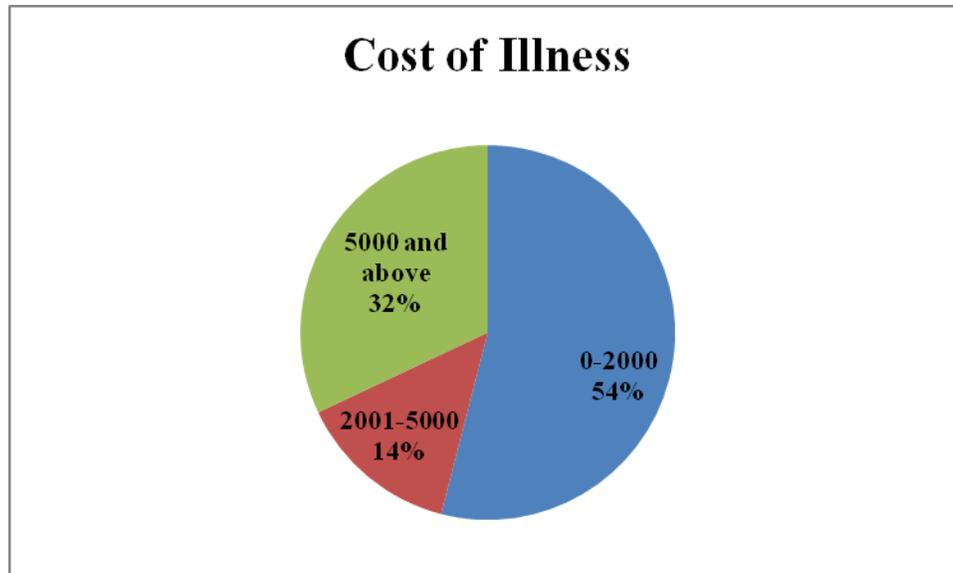
**Table 6- Cost of illness in Rupees**  
(Percentage distribution of cost of past illness to household)

<b>Cost of one illness (INR)</b>	<b>In percentage (%)</b>
<b>0-2000</b>	<b>54</b>
<b>2001-5000</b>	<b>14</b>
<b>5000 and above</b>	<b>32</b>

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<sup>4</sup> In 2009, a study (Deaton and Dreze, 2009) indicated that more than a quarter of India's population were malnourished, with another suggesting that more than three-quarters of the population have a per capita daily calorie consumption below the norm of 2,100 kilocalories for urban areas and 2,400 kilocalories for rural areas.

**Figure 8- Cost of Illness in Percentages**



Third, and perhaps most critically, a majority of Indians pay for medical care from their own pockets, largely for private care. One authoritative report suggested that three-quarters of healthcare expenditure in India is incurred by individuals paying for their own costs (Report of the National Commission on Macroeconomics and Health, September 2005).

Limited access and poor quality public services have imposed what amounts to privatization of medical care on the poor, even for basic illnesses. Those who seek government care also bear significant costs, albeit lower than private, for drugs and diagnostic procedures. Data from SEWA's insurance program, VimoSEWA, indicate that hospitalization in a public facility costs on average about Rs.1,400, of which 58 per cent is for medicines.<sup>5</sup> Further, the large chunk of expenditure is for common, preventable illness such as waterborne disease and malaria. Thus, illness constitutes a frightening reason for crises that will not be alleviated by financing mechanisms alone. And illness itself is not random, being more common for the income poor and for vulnerable demographic and social groups.

### **1.10 Support from the State**

On the surface, Gujarat has a remarkable array of promised benefits to individuals, especially those designated as poor. How many government state benefit schemes are there in Gujarat? When we went to the villages we found it impossible to identify them. So, we tried to find out

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<sup>5</sup> Expenditure on drugs is a major source of concern in health insurance. The National Commission also finds that 50 per cent of household health expenditure is on drugs and medicines (p. 6). It is notable that even in public hospitals, medicines are often unavailable for free or at reduced prices. See Desai, Sapna. "Keeping the Health in Health Insurance." in *Economic and Political Weekly*, September 2009.

how many schemes were “on the books”. As of December 2008, we estimated that there had been 93 separate schemes operating over the past decade, all selective in character.

The implementation of the scheme is also less than perfect. In the survey we tried to measure whether the BPL cards were going to those who needed them. We found many anomalies. A ration card system is intended to reach the poor and only the poor. Below we present several attempts to discern if those who require BPL cards indeed receive them. Tellingly, we obtained different patterns each time.

One measure of efficiency is the extent to which those in the worse conditions possess ration cards. In this respect, it can be seen from the tables below that those living in unsanitary dwellings are not more likely to have BPL cards. The picture is actually worse than that – they are less likely than other households to have either a BPL or APL card.

**Table 7- Possession of Ration Card, by Sanitation Condition of Dwelling**

	<b>Very poor, poor dwelling condition (%)</b>	<b>Modest (%)</b>	<b>Acceptable (%)</b>	<b>Comfortable (%)</b>
<b>Possesses BPL card</b>	28.0	32.2	29.1	18.3
<b>Possesses APL card</b>	52.2	56.2	63.1	68.7
<b>No BPL or APL</b>	19.9	11.7	7.8	12.9

A further test is whether those reporting that they had insufficient income for food, clothing, healthcare and housing costs were more likely to have a ration card. In this respect, the pattern was at least in the right direction. Those who reported an insufficient income for food, clothing and healthcare were more likely to have a BPL card than those with a sufficient income. However, half of families who reported insufficient incomes have an APL card. And one quarter non-poor families possess BPL cards.

**Table 8-Possession of Ration Card, by poverty (insufficient income for food, clothing, healthcare and housing)**

	<b>Income sufficient (%)</b>	<b>Income insufficient (%)</b>
<b>Possesses BPL card</b>	24.0	35.9
<b>Possesses APL card</b>	63.1	52.6
<b>No BPL or APL</b>	13.0	11.6

In another test, schooling was not a reliable guide to acquisition. A remarkably high percentage of those with secondary schooling had BPL cards, while a high share of the illiterates, about one in every seven, had no card.

**Table 9: Possession of Ration Card, by Schooling Status in percentage**

		<b>Illiterate</b>	<b>Primary 1-5</b>	<b>Middle 2-6</b>	<b>Secondary 9-10</b>	<b>Higher 11-14</b>	<b>Tertiary</b>
<b>Possesses BPL card</b>		34.6	29.5	26.4	24.7	29.6	10.1
<b>Possesses APL card</b>		50.5	61.0	63.8	63.4	61.7	69.7
<b>No BPL or APL</b>		14.8	9.4	9.8	11.9	8.6	20.2

In the rural areas, those owning some land were actually significantly more likely to have a BPL card (66.6% compared with 48.5% of non-owning households). More of the non-owners had neither a BPL nor an APL card (14.2 per cent compared with 6.8% of land owners).<sup>6</sup> Finally in this cursory overview, the most severe indictment of the ration card system is that large numbers of the lowest-income households did not have a BPL card, while substantial numbers of higher-income households and individuals did have one.

**Table 10-Possession of Ration Card, by Household Income in percentage**

		<b>Under 20000</b>	<b>20000- 40000</b>	<b>40000- 60000</b>	<b>60000- 80000</b>	<b>80000- 100000</b>	<b>Above 100000</b>
<b>Possesses BPL card</b>		35.1	32.2	31.4	28.7	24.8	20.0
<b>Possesses APL card</b>		51.1	54.3	56.4	61.1	63.3	67.8
<b>No BPL or APL</b>		13.8	13.5	12.1	10.2	11.9	12.2

What does a card actually entitle someone to gain? We asked about four subsidised items, and found that BPL cardholders were actually unlikely to obtain most of them. As the table-12 below illustrates, a significant percentage of families reported inadequate rations. This can mean either that they received less than their entitlement or that the ration is inadequate for the family's needs. Notably, the survey also found that APL families received subsidies to which they were not entitled – again underscoring the well-known leakages in the public distribution system (PDS).

**Table 11-Access to Subsidized Items for BPL Cardholders in percentage**

<b>Entitled item</b>	<b>Adequate</b>	<b>Inadequate</b>	<b>Not receiving</b>	<b>No need</b>
<b>Kerosene</b>	42.2	40.7	14.3	2.8
<b>Sugar</b>	38.4	34.4	19.6	7.5
<b>Oil</b>	24.2	23.5	43.6	8.7
<b>Food grains</b>	39.9	37.3	16.1	6.6

Besides the ration card scheme, there are various other subsidies supposedly in operation in Gujarat. We asked those working in agriculture or belonging to rural households with an agricultural holding whether they were receiving various specified subsidies. Very few were receiving any – 1.9 per cent subsidised fertiliser, 2 per cent subsidised seeds, 1.1 per cent subsidised irrigation and 0.9 per cent subsidised in any other respect.

The sole area where there was some evidence of subsidy reaching people was with respect to livestock. But the problem is that they only receive it when they purchase the livestock, and very few people do that very often. Of those who did, the subsidy was significant. But those living in the most wretched conditions were slightly less likely to have received a subsidy. And upper caste households were more likely to receive this subsidy than those from, simply because they were more likely to purchase livestock. Those households reporting that they had insufficient income for food needs were less likely to receive a livestock subsidy than those who reported they had an income adequate for their food needs.

### **1.11 Social Security**

Most people in India need to rely on their own resources for their social security needs. Unlike in industrialised countries, there is no universal State system for protection from crisis or support during the life cycle. Rather, families tend to rely on themselves and their own earnings. The other sources of support for life-cycle needs and crises are through community transfers, State benefits and private investments.

There are three types of institution that could provide community transfers. The most informal is the ‘extended family’ and ‘neighbourhood networks’, which have been traditional mechanisms for providing social protection. The second type consists of identity organizations, like caste panchayats or other caste bodies. Belonging to these strengthens a sense of social identity, and may be adequate for short-term solidaristic social protection. But it is inadequate for assisting in social mobility. The third type of community consists of economic organizations, which facilitate social mobility and social protection, and strengthen some broader sense of identity.

Nearly two in every five villagers belonged to at least one form of organization, and slightly more of the urban dwellers did (Table 12). The representation in organisations across castes was the same about 38 per cent. However, there was a tendency of belonging to a particular form of organisation. The lower castes were more represented in economic organisations (32.6%), while the upper castes were represented more in identity or social organisations (27.5%). A high proportion of lower castes were represented in SEWA (21.7%).

Low-income earners (32.3%) were less likely to be represented in organisations than higher income earners (46.3%). The representation among the high income earners was largely in identity, economic and collective bargaining organisations. While, the low income earners were represented mainly in economic organisations (29.9%), which was largely SEWA. Only a small proportion belonged to more than one organization, and most of those were members of SEWA.

**Table 12: Belonging to an Organization, by Location in percentage**

<b>Organization</b>	<b>Rural</b>	<b>Urban</b>	<b>All</b>
<b>Identity based(caste Panchayat,religious group, political party)</b>	15.2	23.7	19.1
<b>Economic/Social(Town Association, Self Help group, health org, NGO, co-operative, Trade Union)</b>	19.8	16.6	18.4
<b>SEWA</b>	23.4	19.6	21.7
<b>Others</b>	42	42.1	42.1

There are customs of the caste that costs families expenditure and these include marriage ceremonies, funerals, religious ceremonies, festivals and births. The expenditure or costs for most households irrespective of caste, religion and class is on marriages and funerals. Most households in this survey reported that they had to bear costs for marriages and death in the family (14).

**Table 13: Social Customs of the caste that costs families money**

<b>Social Customs</b>	<b>Rural (%)</b>	<b>Urban (%)</b>	<b>All (%)</b>
<b>Marriage</b>	99.3	96.6	98.1
<b>Funeral</b>	81.0	77.9	79.6
<b>Religious Ceremonies</b>	27.3	50.5	37.9
<b>Festivals</b>	23.0	46.0	33.5
<b>Birth</b>	15.9	45.1	29.1

Social status is an important motivating force in the behaviour of how families spend for different social functions. Household decisions are often made with an emphasis on how one's family will be viewed by others; what will others say; what will they think? The status and respect accorded to them by their social group are very important, as it gives them a sense of identity within their community groups. Though about one in ten of the respondents belonged to

caste panchayats, only a small proportion (2.8 %) received any financial support to meet costs of social customs, which was largely to meet expenditures on marriages.

Support from the community plays an important role in paying for social customs like, marriages, funeral, religious ceremony, festivals, birth etc. There exists a practice of customary gifts in marriages, birth and funeral ceremony in most communities, wherein monetary contributions are made by family, and relatives each according to their capacity. These gifts actually accrue to the social income of the individual or household, and are an important source of income especially for poor households. The burden on lower castes towards meeting expenditures on social customs is quite high and there is a high dependence on community for monetary contributions and gifts, most of which is reciprocal.

A small proportion of households in rural (8.6%) and urban (7.2%) areas reported marriage in their family during the past year. About half of these households received support from local community to meet the costs. The remainder seemed to have raised funds either from their savings or other sources to meet the expenditures.

The main form of support to meet marriage expenditures came from extended family in all types of area. The lack of support from extended family for lower castes probably reflected their low economic status. These depended on other sources like money lenders, traders or landlords, who would have charged them high interest rates. Support from traditional identity organizations that is caste panchayats was minimal and only a few upper-caste households benefited from it.

Pension schemes generally do not exist in India. Statutory old age benefits exist only for Government employees or permanent industrial workers who are covered by Employees Provident Fund Act. Destitute people under the Poverty Line are paid a minimal old age pension by the Government as part of social assistance. However, more than 60% of respondents will rely on their children to take care of them, and expect to work almost till the day they die.

**Table 14- Main Source of Income in Old Age**

<b>Source of income in old age</b>	<b>Percentages</b>
<b>From Children</b>	65.6
<b>From Other relatives</b>	5.5
<b>Savings</b>	3.1
<b>Income from work</b>	16.4
<b>Assets</b>	1.6
<b>Pension</b>	2
<b>Other</b>	5.7
<b>Total</b>	100

## SECTION 2

### Joining SEWA Makes a Difference

#### 2.1 Joining SEWA

What does it mean to an individual to be a member of an organisation and of a movement? This is a subjective question involving feelings and perceptions. People who become part of a movement feel their lives are changing in some way, that they are taking new directions. It somehow touches something important in them, and they begin to feel and in many ways act different from what they did before. They feel that a new dimension has opened up in their lives.

SEWA is not a dramatic movement separating by means of some dramatic action, those involved and those not. It is a movement where women get involved by degrees, over years, and sometimes over generations. The women who join SEWA say their lives do not change dramatically, but slowly as they understand things better, as they get surer of themselves and of the support from their organization. The biggest changes they feel come in their minds and in their attitudes and these take time to express themselves. Also, women prefer to take their families and their communities along with them. SEWA does not take its members away from their families and communities, instead it helps the women to internalise the movement within their families, also within their communities. It takes time for this to happen and so the movement takes years to spread. It is not a movement run by a few strong leaders, but rather by thousands of women living in mohallas, slums and villages. Given that there are 1.2 million members and that there is a ratio of 1 elected leader for every 200 women, we can say that SEWA movement is taken forward by nearly 6,000 grass roots leaders, with the number increasing everyday.

Some members are more involved than others. The degree that their lives change depends on the degree of her involvement with SEWA. The *aagewaans* (or leaders) tend to spend much of their time on SEWA activities, and so experience major changes in their lives and in their status. Being a member of SEWA means that she pays her membership dues. These are set very low in SEWA so that even the poorest member can join. However, as a woman gets more involved in SEWA, she begins to avail of many of SEWA's services and to benefit from the bargaining activities, and her dues increase in proportion to the services she benefits from. The payment and the collection of membership dues is an important way that women become part of the SEWA movement. Paying a membership fee implies a concrete commitment to being part of the movement. Collection of dues is done by *aagewaans*, which means that they need to explain to women why they should be joining SEWA.

To its members SEWA is a combination of new, and to them revolutionary, ideas on the one hand and concrete benefits on the other. This combination leads to new opportunities and opens new directions. Most SEWA members are women who have worked hard all their lives, but whose work has never been valued either by their families or by society. They are women who do not have much education either because their families could not afford it or because they were not valued enough to be given an education. They are women, who live primarily for their families, not themselves, and whose lives have been circumvented by family and community. They are not encouraged to interact with people outside the family, and even within the family,

they are not encouraged to have much of a decision making role, as their opinions are not much valued or respected. Internally they are bound by fear.

Upon joining SEWA they learn that women’s work, their work, is valuable. They learn that it is possible to have better earnings and better work conditions. They learn that their lives need not be bound only by their families but that they can interact with a larger world outside. Slowly, they lose their fear of the outside world and gain their own self respect and respect within their families. All this is possible because SEWA offers concrete services as well. They are able to get loans at lower interest rates, and in doing so they interact with the world outside. They have the support of each other and so are able to negotiate better with employers and with the local Government officials, while accessing services from their own organisation.

## 2.2 Participating in SEWA Activities

All SEWA members pay a membership fee and most of them come to meetings and participate in group activities of SEWA. However, it is the services that SEWA and the SEWA family of organisations offer that first attract women and make them wish to join SEWA. Although many women are involved in a number of SEWA activities the findings from this survey show that for most women the financial activities of SEWA – savings and loans tend to be most attractive to members. In the urban areas 77% have savings accounts in SEWA Bank and over 30% take loans and/or insurance. The second most popular activity seemed to be training—30%, which is mainly capacity building and some skill building.

**Table 15- Involvement in SEWA services – Urban**

<b>Services</b>	<b>Percentages</b>
<b>Saving</b>	77.1
<b>Loan</b>	32.1
<b>Insurance</b>	31.4
<b>Training</b>	30.0
<b>Health</b>	6.4
<b>Housing-Sanitation</b>	5.7
<b>Child care</b>	3.6
<b>Skill Training</b>	2.1

In the rural areas also financial services was the most popular activity with over 90 percent of women involved in savings activity. Here too training is important with 42 percent of SEWA members having taken some form of training. However, as compared to urban areas women in this district had benefited from help given during crisis—in particular during the earthquake. Another major activity in this very dry and rather poor district has been obtaining houses, and infrastructure of water and sanitation, nearly 30 percent of SEWA members.

**Table 16- Involvement in SEWA services-Rural**

<b>With which services of SEWA you are involved</b>	<b>Percentages</b>
<b>Saving</b>	91.5
<b>Training</b>	42.3
<b>Insurance</b>	33.9
<b>Loan</b>	23.7
<b>Help during earthquake</b>	18.6
<b>Housing and sanitation</b>	17.8
<b>Health</b>	9.3
<b>To seek water</b>	9.3
<b>Child Care</b>	6.7

Interviews with individual women or groups of women do reveal how women feel about joining SEWA. But, it is difficult to get objective evidence of such subjective feelings. In this survey we have not made any special attempt to measure these subjective feelings, but we have looked at the data to see if there are any substantial differences in the behaviour and conditions of women who are SEWA members and those who are not.

### **2.3 Who are SEWA Members?**

SEWA members are women from families who earn their living from their own labour and efforts. They fall into all categories of work – self-employed like small farmers or street vendors; casual workers earning their living from daily labour like construction or head-loading; salaried workers who are paid a monthly wage, like domestic workers or factory employees; and home-based piece-rated workers making garments or kites in their own homes.

The incomes of SEWA member households do not differ very much from those of the general population. This is not surprising, as in India most people are poor and most people consume less than Rs 20 (about 50c) per day <sup>7</sup>. However there are much fewer SEWA members at the higher levels of income. Most SEWA members are in occupations which are insecure, in that their days or work, their incomes and earnings and their benefits from work are uncertain. This is especially

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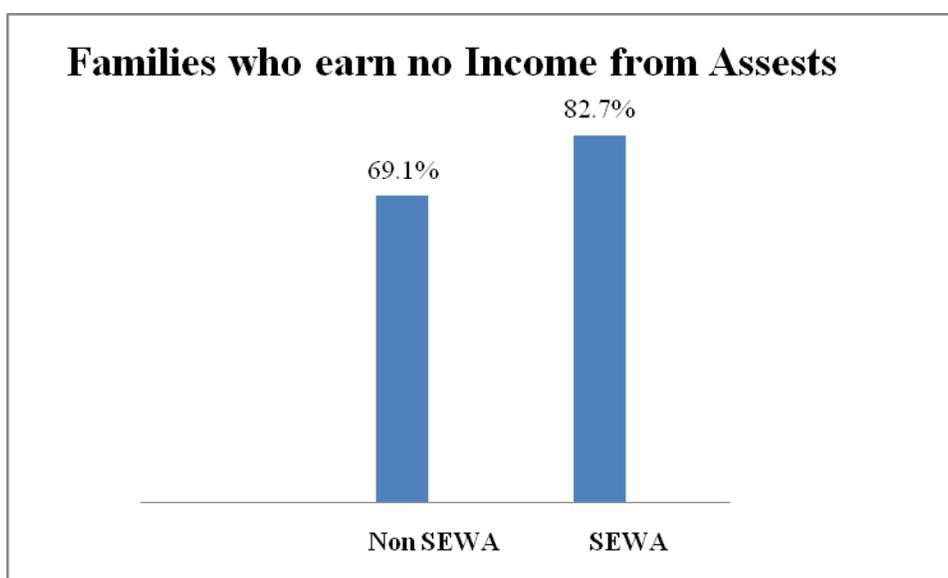
<sup>7</sup>This is about \$2 PPP.

GOI (2007) *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector*, New Delhi: National Commission for Enterprises in the Unorganised Sector (NCEUS), Government of India.

true of the self employed whose earnings depend on the uncertain functioning of markets or on the vagaries of the weather, but it is equally true for wage workers.

Further, SEWA members earn their incomes from their own work: they live on ‘earned incomes’ rather than on ‘unearned incomes’ such as rents and other incomes from assets. In the survey we found that many families have incomes from assets, with over 15% of families getting all or more than half of their incomes from unearned sources. Most of these families are rural, and the major source of such unearned income was from rents on land which were given out for share-cropping. The contrast between SEWA and non-SEWA families in this respect was quite striking as 83% of SEWA families had no unearned income at all, as compared to 69% of non-SEWA families.

**Figure 9- Income from Assets**



Lastly, it is well-known that the caste system in India has led to serious disadvantages to those born into scheduled castes, while on the whole; upper caste families have traditionally more wealth, income and better opportunities. Similarly, minority communities in India, especially the Muslims, tend to suffer discrimination leading to lower economic and social statuses<sup>8</sup>. SEWA makes a deliberate attempt to include women from these traditionally discriminated communities and as a result there are significant differences in social backgrounds of SEWA and non-SEWA families. SEWA members were much less likely to be from upper caste families, with 10% of SEWA families being upper caste as compared to 22% of non-SEWA families. At the same time SEWA members were much more likely to be from scheduled castes and from minority, especially Muslim families. Over 8% of non-SEWA families in the survey population are religious minorities, compared to 14% in SEWA.

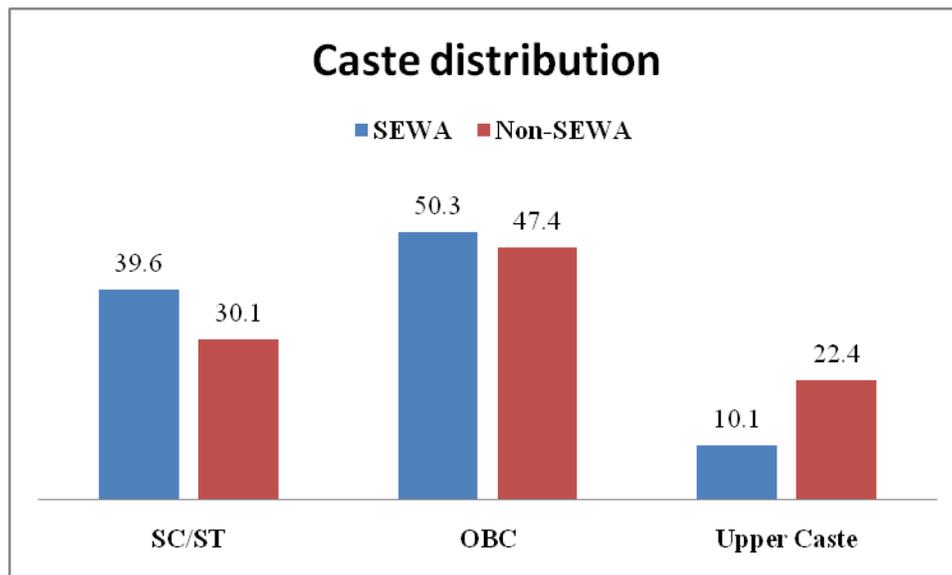
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<sup>8</sup> GOI (2006) *Social, Economic and Educational Status of the Muslim community in India-A Report*, New Delhi: Prime Minister’s High Level Committee (Sachar Committee), Government of India.

**Table 17- Caste Distribution (in percentages)**

<b>CASTE</b>	<b>SEWA</b>	<b>NON SEWA</b>
<b>Scheduled caste/scheduled tribe</b>	39.6	30.1
<b>Other backwards castes</b>	50.3	47.4
<b>Upper caste</b>	10.1	22.4

**Figure 10- Caste distribution (in percentages)**



#### **2.4 Sharifaben, a SEWA Member**

Sharifaben (Fateh Mohammed Rangrej), a mother of six children, became a widow when her eldest son was only ten years old. Women in her community did not work outside the house, and after her husband's death, she depended on relatives to support her, but soon help declined and her children had to go out and beg neighbours for food. So picking up courage and defying her relative's strictures, she went out to a catering firm for washing dishes. She earned a daily wage and was given leftover food, which helped feed the family. Often she worked two shifts and a variety of jobs, until she got a job in a dyeing and printing factory. At first she made many mistakes, and the owner's wife used to beat her, but she persisted, became skilled and began earning well.

In the 2002 riots the factory was burned to the ground and during the riots, she and her children stayed home, too afraid to go out and look for work. A SEWA leader came to her house with food grains every day, and in order to occupy her mind, she began to help SEWA to distribute food grains in her neighbourhood. She helped SEWA to bring the women in her area together and organise meetings between Hindu and Muslim women to end the violence and build peace, and when SEWA started a “Shantipath” centre she volunteered to run it. She has now been running this centre for eight years and helps women in her area to join SEWA. She says “I have seen many sorrows in my life and want to help other women who are suffering the same way. Being part of SEWA, allows me to serve the community. I have learned so much and developed many skills after joining SEWA”.

## 2.5 Financial Inclusion

In India, access to financial facilities is still rare. According to an all-India survey in 2007, 62 percent of rural people did not have bank accounts, and 98 percent had no health insurance; 66 per cent of rural residents and 45 per cent of urban did not have any life insurance. These realities surely shape the personal propensity to save<sup>9</sup>.

One reason for the low investment in financial assets is lack of penetration of financial institutions such as banks. In 2004, there were less than three branches per 100 square kilometres and for rural India; there was less than one branch per 100 square kilometres. These numbers are sufficient to infer that merely being able to access a bank branch is often a severe challenge<sup>10</sup>.

SEWA has been one of the first micro-finance institutions in India with registration of SEWA Bank in 1974, followed by rural district associations in the 1980s and savings and credit co-operatives in states outside Gujarat subsequently. As importantly perhaps SEWA has continuously promoted financial literacy and financial education with the result that SEWA members tend to be more tied in with financial systems than non-SEWA members. In other words, SEWA, members are more likely to be “financially-included”.

## 2.6 Savings

In India savings rates are high. According to the Central Statistics Organisation, the ratio of gross domestic savings to GDP in India is 35 per cent and has increased by 10 percentage points in under a decade. (Economic Survey 2008).

The study shows that about a third of rural and urban households did not have any saving, and as expected, the propensity to save increased with household income. While the lower-income households had a low propensity to save due to their low income, and while many who did save saved less than Rs.100 monthly, in both rural and urban areas, what is remarkable is that, with the exception of the lowest-income urban households, a majority of all income groups made some savings, in both urban and rural areas.

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<sup>9</sup> IIMS Dataworks and IIEF (2007) *Invest India Incomes and Savings Survey*

<sup>10</sup> Centre for Monitoring Indian Economy (CMIE)

SEWA members seem to be exceptional in their savings rates. Although their incomes are about the same, it was found that women who are SEWA members have much higher savings rates than non-SEWA women, with nearly 76% of SEWA women saving from their incomes compared to 60% of non-SEWA women. Not only do SEWA members save from their own incomes, but they also induce their men folk to save, with men from SEWA member families saving more. Even among the poorest families the savings rates remain high among SEWA members.

SEWA members tend to see their savings as a way of coping with an uncertain and insecure future. Their savings act as a cushion during times of shocks such as illnesses or even disasters such as floods. The study found that crises are frighteningly common and that the people of Gujarat – as almost certainly is the case all across India – are highly vulnerable to financial crises. Nearly 79% per cent of households reported having experienced a serious financial crisis in the past 12 months. However, savings are not only for shocks but also for happier times. Savings for marriage is perhaps the most common followed by savings for children’s education and savings for a house.

**Table 18- Savings from Income in percentages**

<b>Saving from Income</b>	<b>Category</b>	
	<b>Non SEWA</b>	<b>SEWA members</b>
<b>Yes</b>	62.2	75.1
<b>No</b>	37.8	24.9
<b>Total</b>	100	100

Financial exclusion also results when people do not have access to financial institutions for their savings. Over half of all rural households and nearly a third in urban areas reported they kept *all* their savings at home, while over 60 per cent of the poorest rural families kept their savings at home. The richer families were more likely to put money in financial institutions, even though a surprisingly high number kept savings in their homes.<sup>11</sup>

In this aspect of financial inclusion SEWA seems to be very successful. Whereas only 25% of non-SEWA families put their savings in financial institutions, more than 60% of SEWA members did so. Even among the poorest families large numbers of SEWA members used financial institutions whereas practically no non-SEWA members did so.

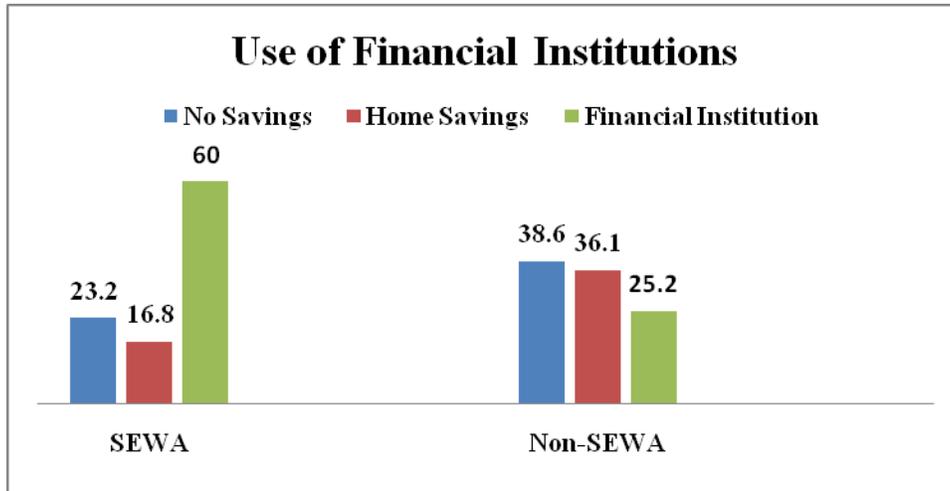
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<sup>11</sup> These findings are very similar to those found in a nationwide survey carried by NCAER and Max New York Life, which revealed that most Indians prefer to keep 65 per cent of their savings in liquid assets like bank or post office deposits and cash at Shukla, R. (2007) *How India Earns, Spends and Saves*, New Delhi: The Max New York Life Insurance Limited and The National Council of Applied Economic Research.

**Table 19-Use of Financial Institutions**

<b>Respondent</b>	<b>No Savings (%)</b>	<b>Home Savings (%)</b>	<b>Financial Institution (%)</b>
<b>SEWA</b>	23.2	16.8	60.0
<b>Non-SEWA</b>	38.6	36.1	25.2

**Figure 11- Use of Financial Institutions (in percentages)**



This high level of institutional access is due to a number of factors. First, SEWA members, being more financially literate tend to look for institutional sources. Second, SEWA Bank and the Self-help groups in rural areas, provide door-step banking so that women do not have to spend valuable time going to a distant bank branch and their savings is regularly collected and credited to their accounts. Third, SEWA Bank provides a variety of monthly savings products with a range of choices of amounts and years and for a number of purposes such as crises, marriage or buying a house.

## **2.7 Credit**

The distress for families, especially the poor, who incur high debts is well known and documented in literature as well as many Government reports. In our survey too we found that a large number of respondents listing ‘debt repayment’ as the second highest crisis after illness. An important reason for this is the exclusion of most people from formal sources of credit and the need to borrow from local money lenders at rates of interest ranging from 30 to 120 percent per annum.

Borrowing seemed to be an important coping mechanism for most people during crisis. When the family needs money in a crisis, SEWA women are more willing to get this money by borrowing. This is more relevant in the case of rural women, as in rural areas there are less

sources of finance than in the urban areas. Over 82% of SEWA members borrowed during a crisis as compared to 74% of non-SEWA women. Apart from crises, SEWA members are more ready to borrow for most purposes including for work, housing, medical and social expenses

**Table 20- Borrowing in Crisis**

<b>Borrow any money in crisis</b>	<b>Percentages</b>	
	<b>Non SEWA</b>	<b>SEWA member</b>
<b>Yes</b>	74.1	82.2
<b>No</b>	25.9	17.8
<b>Total</b>	100	100

Given the restricted institutional availability people borrow from a variety of sources. The main source of borrowing is family and relatives. This source entails lower or no interest rates, but the amount from relatives is limited and comes with other non-monetary obligations. *“As my husband is often ill I have to borrow money from my relatives for medicines. Although they do lend it to me, they often taunt me and my children, so that I feel ashamed. They also expect me to come and work in their houses during events like weddings or funerals” Shantaben.*

Wherever it is possible people try to borrow from employers as the borrowing is usually interest free and they see it as part of their entitlement as a worker. They also borrow from friends, from traders, from local village institutions like mandals or milk co-operatives, from Government schemes, from banks and of course from local money-lenders.

The survey found that not only were SEWA women more likely to borrow for their needs, but they were also more likely to borrow from outside the family. Due to their wider networks, the SEWA members are more likely to borrow from a variety of sources such as banks, employers and mandals. Non-SEWA members tend to be more confined to their family circles with nearly 40 % of women borrowing from family as compared to 34% of SEWA members who borrow from family.

**Table 21: - Source of Borrowing Money in Crisis**

<b>From Whom</b>	<b>Non SEWA (%)</b>	<b>SEWA (%)</b>
<b>Family</b>	40	34.1

<b>Friends</b>	7.8	10.3
<b>SEWA Bank and Other Bank</b>	8.7	11
<b>Mandal &amp; Cooperatives</b>	4.2	5
<b>Others</b>	39.3	51.8

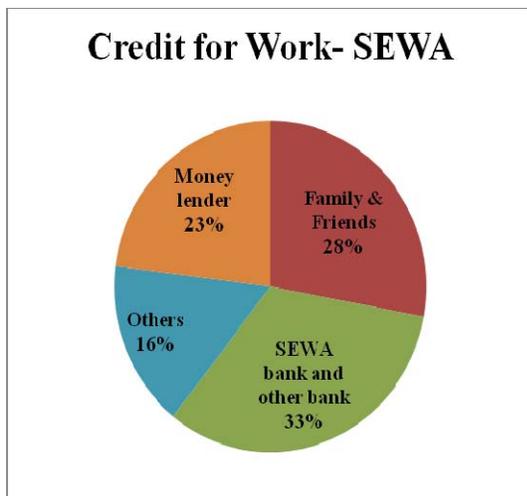
SEWA members' capacity to borrow from a wider network emerges even more clearly when we look at credit for work purposes. Most people need credit to expand or sustain their work, in the urban areas these include capital needs or credit for a tool or a workplace. In rural areas much of the credit is required during the agricultural season. Due to exclusion from the formal financial system, only 27% of women who need it in rural areas are able to borrow from banks<sup>12</sup>. However, SEWA members were able to borrow from a much wider network outside the family as 46% of non-SEWA women dependent on family and friends compared to 28 % of SEWA members.

**Table 22-Credit for Work**

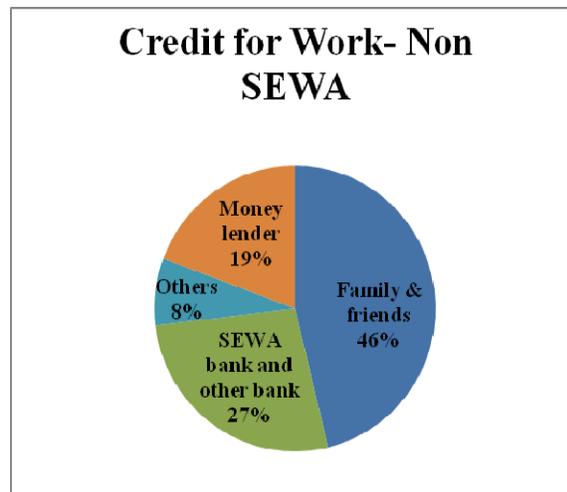
<b>From whom</b>	<b>Rural</b>	
	<b>Non SEWA (%)</b>	<b>SEWA member (%)</b>
<b>Family &amp; friends</b>	46	28
<b>SEWA bank and other banks</b>	27	33
<b>Money lender</b>	19	23
<b>Others</b>	8	16
<b>Total</b>	100	100

<sup>12</sup> SEWA Bank was not active in the rural district in which the survey was conducted and women were part of Self Help Groups formed by SEWA.

**Fig 12.1- Credit for Work- SEWA**



**Fig 12.2- Credit for Work- Non SEWA**



**Box-3 from a SEWA Bank borrower**

Nanuben and her husband came to Ahmedabad city from a village in Mehsana district as their wages picking fruit in orchards were meagre and

uncertain. Nanuben learnt the trade of an old clothes vendor from her aunt, who also brought her to open an account in SEWA Bank. At first, Nanuben worked along with her aunt, saving most of what she earned. She then took a loan of Rs. 500 and began work on her own. She and her family prospered and over the last twenty three years she has taken 31 loans for capital, for a house and a workshop and for marrying her children. “I came to Ahmedabad with Rs.7 in my pocket, and now I am worth Rs.700, 000”, She says, “I became a director in the board of SEWA Bank and have earned both money and respect. I now sit in a chair if I go to visit someone, instead of sitting on the ground, and I am addressed as Nanuben rather than just Nanu.

**2.8 Work and Employment: Dealing with the Labour Markets.**

The respondents in the survey fell into a number of categories—salaried, casual, self employed, piece-rated home-based and home-makers. Most of these categories of workers have to deal with the labour market, whether they are employed directly or by contractors, are home workers or self employed. However most of them work in insecure work conditions in that they do not have formal or permanent jobs, they are uncertain on how long their present work will last and whether they will get alternative work.

## 2.9 Work Security

Given these circumstances, most people have adapted to these uncertain work conditions and devised coping mechanisms. Among the women workers, SEWA members seem to be more confident of their ability to cope than non-SEWA women. Respondents were asked how long they thought it would take them to find work if they lost their present work. Over 48% of SEWA members felt that it would not take them long to get work in case they lost their present jobs, as compared to 39.6% of non-SEWA women.

Dealing with labour markets requires workers to negotiate with employers and contractors. SEWA members seem to be somewhat better negotiators with employers. They tend to negotiate better rates, more notice period, better working conditions, more work. Unlike workers in formal enterprises, informal workers do not receive a notice period for dismissal from work. The notice period that they get depends purely on what they are able to negotiate and most employers feel that they can ask workers to leave with little or no notice. Non-SEWA members are more likely to be dismissed with less than a week notice—67% as compared to 53% of SEWA members. On the other hand SEWA members are more likely to have 20 days or more notice period—36% of SEWA members compared to 24% of non-SEWA members.

## 2.10 Wages and earnings

Homebased workers are a good example of how the SEWA members are able to negotiate better conditions for themselves in the labour market. The incomes of homebased workers depend on the piece rate they receive and the amount of work they are able to do per day. In general, piece-rated homebased workers receive very low rates, which result in incomes well below the average in the labour market. Our survey shows that around 64% of all workers receive below Rs. 50 per day in the peak season, and even worse more than half the workers received less than Rs. 25 per day in the lean season.

However, within these low earnings the SEWA workers are usually able to negotiate somewhat better conditions for themselves. They are less trapped into the lowest categories of incomes. Whereas 44% of non-SEWA women earn less than Rs. 25 per day, only 25% of SEWA women are in this lowest category of income. They are also more likely to earn higher incomes, whereas only 11% of non-SEWA women earned more than Rs. 75 per day, 25% of SEWA women were in this relatively higher income category.

An insidious form of control, and a common practice with sub-contracted piece-rated output, is rejection of the work by the middleman, followed by pay deductions. About half the piece-rate workers reported there were commonly rejections and resultant wage deductions. Again, this comprised a lowering of the money income they actually received. The amount of rejections and deductions in pay often depend on the negotiating skills of the workers. In this respect the SEWA workers seem to be better at negotiating less “deductions”. 52% of non-SEWA women have to face “rejection and deductions” as compared to 33% of SEWA women.

**Box 4-Incense Rollers: The continued struggle with employers**

Rakhiben Govindbhai Mahavar is an incense roller in Ahmedabad's Bapunagar area. She is 40 years old, and has only attended primary school. After she became a SEWA member, she opened a Bank account, took worker education classes and eventually became a SEWA leader (agewaan). She organised 200 women rollers in her area, and later was elected as the representative to the incense rollers occupational committee in SEWA.

Many SEWA members were rolling incense sticks for a local ashram (religious organisation.) When SEWA approached them for a wage increase, the ashram responded by stopping the work– and 10,000 women lost employment. After a long struggle, SEWA went to the labour court and the Ashram agreed to negotiations. After that wages steadily rose every year, but SEWA's members realise there is the risk of work completely shifting to another state.

Rakhiben says that her continued struggle for rights has resulted in greater respect and recognition of incense rollers as workers. As part of SEWA's committee she has raised the issue of social security of incense rollers who face many occupational health hazards: inhalation of chemicals, breathing problems, and joint pain, amongst others. Due to continuous pressure from the workers, a welfare board for incense roller was established in Gujarat. The board registers workers and provides identity cards and provides medical benefits as well as skills training.

## **2.11 Skills, Training and Protective Equipment**

It is well known that improved skills lead to more and better opportunities in the labour market. In India, most skills are acquired 'informally' through family or neighbours or a mentor. In India only 11% of the youth have had any formal skill training.<sup>13</sup> One reason for this is the lack of availability of formal skill training, and another is that many workers lack the motivation to improve their skills, given the uncertain and insecure nature of the markets. Most workers in the survey said that they did not want to or did not need to take training for their work.

In this respect SEWA members show more initiative and a better understanding of the advantage of skills. They are keener to improve themselves and their skills and look for opportunities to do so. 32% of SEWA members said that they wanted to obtain training for work as compared to 22% of non-SEWA members.

The National Commission on Enterprises in the Unorganised Sector documents the physically hazardous conditions in workplaces in India. These conditions and lack of protective equipments and safe working conditions often lead to accidents that are sometimes disabling. Such hazards range from unsafe agricultural machines to open furnaces to badly ventilated and overcrowded factory floors.

In spite of these hazards the survey showed that most workers do not use any form of protective equipment. SEWA members are however more conscious of their work environment and take better measures to protect themselves with 21.2 % of SEWA members using protective equipment as compared to 12.4 % of non SEWA women.

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<sup>13</sup> Skill Formation and Employment assurance in the Unorganized Sector; NCEUS (2008), Government of India.

**Table 23-Use of safety equipment in work**

Use of safety equipments in work		
	Non SEWA (%)	SEWA members (%)
<b>Yes</b>	12.4	21.2
<b>No</b>	87.5	78.8
<b>Total</b>	100	100

## 2.12 Social Security

During a crisis, households rely on external financial assistance and risk protection mechanisms. Notably, SEWA members are more likely to receive financial support in a crisis. Nearly 56% SEWA members responded that they were financially helped during a crisis compared to 40% non-SEWA members.

**Table 24-Financial support during crises**

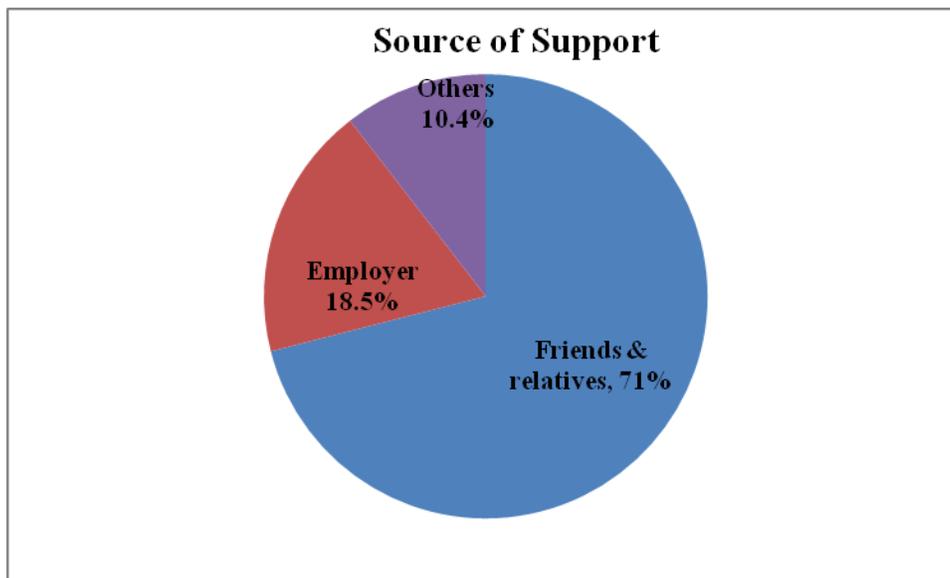
Financial support during crisis		
	Non SEWA (%)	SEWA members (%)
<b>Yes</b>	40.2	55.7
<b>No</b>	59.7	44.3
<b>Total</b>	100	100

Further, SEWA members are able to turn for support outside the family and to larger networks of support. This comes out clearly in the rural areas where 71% of non-SEWA members obtain financial support from family and friends as compared to 54% of SEWA members.

**Table 25-Source of Support**

If Yes then Who	Rural	
	Non SEWA (%)	SEWA (%)
Friends & relatives	71.1	54.4
Employer	18.5	22.1
Others (Mandal, Govt, Religious org, caste panchayat, SEWA)	10.4	23.5
<b>Total</b>	<b>100</b>	<b>100</b>

**Figure 13- Source of Support**



The survey shows a very low coverage of the population for social security. SEWA members tend to also have the same pattern of social security as the general population with regard to community transfers and State Benefits, but they tend to invest more in private benefits for their life cycle needs.

SEWA families are more likely to invest in medical insurance – 30.7% as compared to 19% for non-SEWA families. VimoSEWA’s services are centred on SEWA members in Ahmedabad and rural Gujarat, and include education on insurance at women’s doorsteps. Thus not only is

insurance more likely to be available to a SEWA member, she is also more likely to understand the benefit of investing in future risk protection.

Further, social security-related services for SEWA members are likely of higher quality than privately or government-provided benefits. Insurance will be accompanied by health education, for example, or microfinance includes financial literacy services as well. Child care services run by SEWA operate for longer hours and extra staff, allowing women to work with confidence while their child is safe.

**Table 26- Possession of medical Insurance**

Household having medical Insurance	Category		Total
	Non SEWA HH (%)	SEWA HH (%)	
Yes	19.1	30.9	22.9
No	80.9	69.1	76.6
<b>Total</b>	100	100	100

**Box 5 – Social Security in Crisis**

Revaben Ganpatbhai is a SEWA member in rural Gujarat. Revaben and her husband are agricultural labourers. When VimoSEWA leaders used to ask her to invest in insurance, she would refuse. After several education sessions on insurance, Revaben bought a policy for herself and her husband, without his knowledge.

Later that year, her family decided to go on a religious pilgrimage to Somnath, a famous temple in Gujarat. In the middle of an enjoyable bus ride, while they were singing songs and laughing, their bus suddenly met with an accident. Revaben fell unconscious, and her husband was seriously injured. Someone called Gujarat’s emergency ambulance 108, and Revaben and her husband were taken to the hospital. Luckily they both survived.

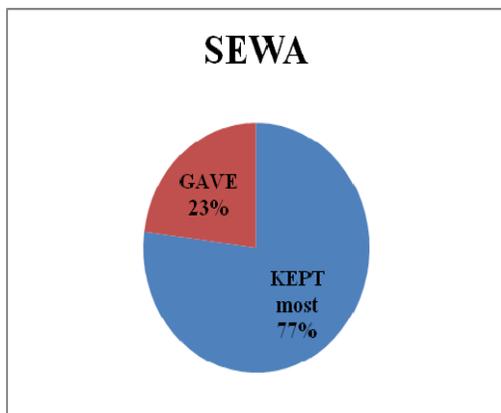
When she regained consciousness, Revaben told her husband about her investment in VimoSEWA insurance. They contacted their local VimoSEWA leader, and were reimbursed for their high hospital expenses – expenses for which they would have normally gone into debt. Revaben and her husband were very grateful to God for saving their lives, and to VimoSEWA for helping them avert a financial crisis.

**2.13 Courage and Confidence – SEWA women have the voice to negotiate**

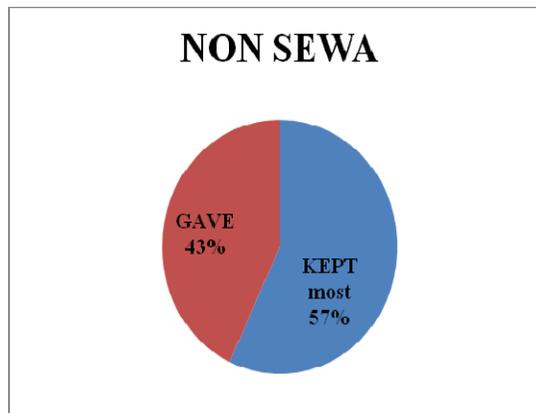
Women in families in India have little independence to manage their own lives. Their behaviour is generally controlled by the elders in the family or by their husbands. It is generally accepted by women and their families that the income they earn is to be spent on the family and even women who have a high degree of control within the family rarely spend money on their own

needs. However, most women would like to have the freedom to decide how their incomes are actually spent, they would like to control the money themselves. Control of income requires negotiation within the family and here SEWA members tend to be more capable than those who are not part of SEWA. Only 23% of SEWA women said that they gave all their income away to others in the family, whereas 43% of non-SEWA women had no control over their income.

**Figure 14.1- Control over Income- SEWA**



**Figure 14.2- Control Over Income-Non SEWA**



We have seen earlier that credit is the main instrument through which people meet their needs for business or during a crisis or sometimes just for consumption. We have also seen that people often need to borrow from private money lenders and are charged high rates of interest often leading to a “debt crisis”. The rates that people are charged by money lenders usually reflects what they can negotiate, the strength of their bargaining position and the confidence they inspire. It is a measure of the confidence of SEWA women that they are able to negotiate better interest rates for themselves in spite of it being a lenders market. Money lenders prefer to charge very high interest rates to increase their earnings and cover their risks. Their charges of above 2% per month (30% per year) are considered usurious and lead to heavy burdens. Three quarters of the non-SEWA women, paid these very high interest rates, whereas only half of SEWA women did so.

As we have seen, most Government schemes depend on having a BPL card. We have also seen that BPL cards do not seem to be reaching the poorest or most needy. This is because of the “clogged pipes” syndrome in the Government, whereby due a number of bureaucratic and political factors, the benefits meant for the poor rarely get to them.

SEWA members have more confidence in dealing with Government systems and are better able to negotiate the hurdles of bureaucracy. This is evident in the fact that SEWA members are more likely to have BPL cards – 34% of SEWA members had BPL cards compared to 27% of non-SEWA. Although most people do not expect that they will easily get Government aid under most schemes, SEWA women are also more likely to apply for Government schemes than non-SEWA with 23% of SEWA women having applied as compared to 14% of non-SEWA women.

An interesting feature that emerged from the study was that SEWA members expect more from life and society. SEWA members seem to be less accepting of poverty in general and tended not to be so easily satisfied with their lot. In interviews with SEWA women we find that they say that after joining SEWA “a larger world opened up” and in this larger world they need not accept the deprivations and oppressions of their life, but can see that there is a possibility for something better.

#### **Box-6 How SEWA changes communities**

Gauriben (Vitthalbhai Peethva) came from a family of carpenters and they were doing quite well. Gauriben’s three sons and one daughter grew up and got married. After her husband died she began living with her son who she loved very much, she had some money of her own and was also earning from the carpentry business, and the house was also in her name. Gauriben’s son began asking for money, first it was small amounts and later larger ones. One day he confessed that he had taken a large loan and had lost all his money and he owed Rs 14 lakhs. Gauriben sold her house and paid off his loan. She had to start working making embroidery pieces and still her son would take money from her and she would give it out of love for him. She got poorer and poorer and estranged from her other children. One day a SEWA worker came to her area and persuaded her to come for a meeting. Suddenly a new world opened for her, she began going to all SEWA meetings, she took leadership training and became a leader in her area, and she began composing songs about the strength in a union. Now she realised that she was being exploited by her own son, and told him to leave her house, she was able to save some of the money she earned and became more stable financially, she also became closer to her other children and their families, but prefers to live alone. She spends all her spare time in working for SEWA. “Before I joined SEWA, I felt I did not want to live any more. Today, I am not afraid of anything or anyone and I want to spend my time showing other women like myself how to come out of fear. SEWA is like an ocean of love for us”.

Chandrikaben (Mukeshbhai Kevaiyya) lives in village Gajanvaav. She became a leader in SEWA soon after SEWA began working in Surendranagar district, but it was not easy. “I believed in SEWA and knew that joining an organisation will help to develop the village. But our families and villages do not like women going out. My father-in-law would complain and tell my husband to keep me in ‘control’. One day many women from the village went to a big meeting in SEWA where the Chief Minister of our State had come. We were very proud to represent the village in front of him. But it got very late when we got back in our hired bus, and the men of the village had gathered to wait for us. When we came back they tried to beat up the driver, but we protected him. Then they beat us”.

Chandrikaben worked to bring development to the village. Women started saving and getting loans. They took training and brought better farming practices and better prices for the farmers. Chandrikaben’s family had a tradition iron forge and after learning about new products her husband began making many new things like nuts and bolts for the market and earning much more. Chandrikaben herself took a loan for improving her house. The village got a dhobi ghat and a watershed scheme. Today, Chandrikaben is well respected in the village and in her family. The village asked her to join the Panchayat and she was elected unopposed. She was also nominated to be a village health worker. Today her family takes her advice on all matters and her children cheerfully do the household chores when she has to stay out late.

Many questions in the survey related to the perceptions of the respondents about their conditions of life. We found that SEWA women seem to expect more from life and tend to be more dissatisfied with insufficiency. Respondents were asked if the food that their family receives is sufficient or insufficient for their needs and whereas the males of all families have the same perceptions, the 50% SEWA members find the food insufficient as compared to 40% in non-SEWA women. As we have seen SEWA households have around the same income distribution as non-SEWA households, so that the ‘insufficient food’ answer represents a difference in perception rather than an actual difference in food availability.

## **Emerging Issues and SEWA Members**

Economic growth had lead to a sense of optimism among most people, but it has also increased income inequality and insecurity. The survey shows that higher income groups have benefitted more from economic growth than the poor, and those in organized sector jobs have gained whereas casual workers, homebased workers and those in the lower ends of self-employment have become more insecure. Apart from money incomes, the survey also shows increasing inequality in the other aspects of social income. Higher income groups and urban dwellers have access to banks and insurance companies, whereas rural and poor workers are excluded. Higher income salaried groups get economic security through enterprise benefits, whereas most workers remain insecure, and the community organisations of the higher castes seem to be more active than those of the poor.

### **SEWA and the People's Sector**

Joining SEWA indeed makes a difference in people's lives. SEWA members have more confidence and greater access to the opportunities that are emerging from a growing economy. They are much more financially literate, have a high savings rate and are able to access loans from a variety of sources. In times of crises they are able to get help from outside the family, and they have the foresight and opportunity to buy insurance for helping them in difficult times. They operate better in the labour markets and are somewhat better able to access Government benefits. Above all they have more autonomy and a sense of hope and agency.

This leads us to believe, that in a growing economy and a globalizing world, community or membership-based organizations are needed to help people to take advantage of the opportunities and counteract some of the destabilizing effects of growth. Yet traditional identity organizations, based on caste or religion, are weakening and no longer serve their traditional function of providing community benefits. As they wane, the main form of support structure has shrunk to "the extended family", which in turn is shrinking to little beyond the nuclear family. The community benefits from this source are also under strain as money incomes become so important in the lives of everybody. In urban areas, the notion of "neighbourhood" is becoming more about a broader community of local residents that are more loosely linked together, as compared to caste and extended family. These neighbourhood networks could play an important role in slums, as a voice for making more 'inclusive cities, and as a means for maintaining the infrastructure. But to do so effectively, public action may be required to give them a legal status.

More immediately, there is a need to strengthen the capacity of socio-economic organizations like SEWA, including co-operatives of all forms and community based organizations and self-help groups to provide community benefits. These organizations, at least potentially, combine the strengths of local social and economic strength, while enabling access to resources from outside the local sphere. They also combine the solidarity social relationships that come from a local organization with a degree of formalization and reliance on information that many more traditional structures cannot provide. It is these types of community-based organizations that should be promoted in both rural and urban communities.

Community benefits and the organisations that provide them are crucial to the preservation and reproduction of livelihoods and for this the State needs to play an enabling role. There are some

positive examples. The recognition of self help groups and their promotion by the Government has played an important role in giving some of the poorest women both voice and security. However, the type of economic growth that has been adopted by India is one of privileging the corporate private sector over other forms of economic organization such as co-operatives; and encouraging growth and consolidation of large enterprises while discouraging the numerous small and diverse ones.<sup>14</sup>

SEWA has long emphasized the importance of the “People’s Sector”, to complement the private and public sectors. While today there is an emphasis on de-investment of public sector enterprises, the ‘State Sector’ has grown larger and more omnipresent than ever. Over the last decade the Central and State Governments have announced many schemes and programmes designed to reach the poor and provide them with some security. However, it is well known that of the funds designated for the poor, only a small proportion of it actually reaches the intended beneficiary, who has to spend an extraordinary amount of time and energy to get these small benefits, due to the state system. Much has been made of the way that the bureaucratic system has prevented the growth of private enterprises and as a result much of the “bureaucratic raj” system has been dismantled to allow the private sector to grow. Unfortunately, the same attention has not been paid to the poor, and benefits which are intended for them must travel through a system of bureaucratic “clogged pipes.” In fact, this system has grown more complex, with more and more benefits being poured down this network of clogged pipes.

The “People’s Sector” consists of tiny enterprises and small member-based and community-based organizations, and provides livelihoods and support, inadequate as it is, to the majority of people. This sector needs to be integrated with both the Private sector and the State sector to strengthen the Voice and agency of the poor and especially of women. The member-based organizations need to be recognized and encouraged through enabling policies. At the same time these organizations should be an important component of the delivery system of State benefits.

A good example of this is the new Act for Social Security of Unorganized Workers. At present there is no extensive system in the country that can deliver the benefits to the workers. SEWA feels that looking to the size and scope of the Act, it could become successful only if the implementation is decentralized and locally flexible. The huge challenges faced in order to make this scheme operational require looking beyond the existing Government machinery and trying to bring together partnerships which would build on the strengths of different institutions and agencies.

The Government of India had already started the ambitious Rashtriya Swasthya Bima Yojna which is working as a Public-Private partnership, with the State Governments and the Insurance Companies. At the same time, the Pension Fund Regulatory and Developmental Authority (PFRDA) has been formulating rules for reaching pensions to the poor, most of whom are unorganized workers. Additionally, there are many public and some private schemes which are intended for the unorganized workers, some of which have been listed as schemes under the Act.

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<sup>14</sup> Some examples that SEWA has seen in the last few years, include the difficulties and sometimes the impossibility of registering co-operatives while companies are easy and quick to register. In some sectors, small entities are not even allowed to enter, for example in the insurance sector, only huge firms can register while smaller ‘mutuals’ are not allowed to exist.

In some ways, there already exist many different schemes implemented in different ways by different agencies. The question is can these different implementation mechanisms be brought together in order to cover the whole population of unorganized workers. It may be better and more efficient to have a “Patchwork Quilt” approach to cover the workers with a social security cover, rather than think of a uniform “one size fits all” approach.

## **Moving Forward**

Overall, this study identified where and how inequality is growing for the most vulnerable, while providing evidence for the role that an organisation like SEWA can play in creating voice, particularly amongst women. Yet, deep-rooted insecurities that persist, such as insufficient employment, heightened vulnerability to crisis and poor infrastructure. Without addressing these basic, pressing issues, the benefits of growth will not reach the poorest. Thus we conclude, based on SEWA’s experience, with a set of recommendations towards a growth that is truly ‘inclusive’.

### Urban and Rural Infrastructure

There has been rapid growth in India’s towns and cities in the last decades, with over 30% population now dwelling in urban areas. However, poor women living in urban slums often do not have access to toilets, clean drinking water or sanitation – with the result that they live in filthy conditions and have high incidence of diseases. SEWA has found that bringing water and sanitation to poor areas improves health by 70%, employment opportunities by about 20% and education of children by about 15%. It also creates a sense of dignity for the inhabitants. However, most urban authorities do not provide basic water and sanitation to the poor as they do not have “tenure”. In the rural areas too, open defecation, which used to be the norm, has become more and more difficult for women. In addition, rural water supply is a major need for the poor as water dries up in wells and is polluted in open water sources. Another area of need expressed by the rural families is the need for pukka housing and especially for finance at reasonable rates.

We recommend that every urban dweller must be provided with minimum levels of safe water and sanitation, as a matter of right, irrespective of the legal status of the land on which he/she is dwelling. The provisioning of basic water and sanitation should be de-linked from the issues of land tenure. Also required would be a Sanitation Fund, with the focus on building toilets in urban and rural areas. Housing finance and institutional sources of finance for housing must be expanded to reach the majority of people.

### Livelihoods, Finance and Market Access for poor rural women

Sustainable livelihoods are critical for inclusive growth for the rural poor. SEWA has organised rural women into local groups and organisations, and has learned that families can become self-reliant through financing rural livelihoods and obtaining market access. As we have seen in this survey, access to financial services can have a significant impact on livelihoods and basic security. We need a rapid spread of self help groups, co-operative banks, non-banking financial companies (NBFC), banking correspondents and other methods of financial outreach.

Also, livelihood finance must invest in four key areas: organizing, capacity building, support services, and access to markets. Poor women, when organised into their own cooperatives, self-help groups and even companies, establish a working system amongst themselves and business stakeholders. Capacity building for practical business skills – accounting, stock keeping and legal compliances – affords women the ability to run their own enterprises. Social security ensures that households are protected from risk and sudden crisis. Lastly, and most importantly, access to markets requires skills in marketing, advertising, design and sales planning. SEWA’s experience with livelihoods finance and market access over fifteen years indicates that appropriate investment supports women in managing successful enterprises, individually and collectively.

It is necessary to have a specially directed Livelihoods Finance Fund, which invests in women’s livelihoods. The focus must be to maximize the potential of existing institutions, cooperatives and people’s organisations, supported with technical expertise and market linkages. Equally important is market access for poor women and their small or collectively owned micro enterprises by setting up “Poor women entrepreneur parks”, allocation of space for their enterprises in trade fairs and trade delegations and setting up a market access fund for them.

### Social Protection and Health Insurance

The Unorganised Workers Social Security Act guarantees 40 crores unorganized workers a basic safety net. Since the establishing of the Commission on Self Employed Women in 1988, SEWA has worked to see that women workers’ needs for social protection materialize into this act. In tandem, SEWA has implemented social security programs that include life, health and asset insurance, pension, and primary and maternal health services for over thirty years. Learning from these experiences, SEWA worked closely with the government to design programs incorporated in the Social Security Act, like the Rashtriya Swasthya Bima Yojana.

The crucial need now is to see that these benefits and especially health insurance reach workers. Overall, it is simple, decentralized and tailored mechanisms that ensure an effective health insurance program. We propose that the “people’s sector” be involved in these programs. Organisations of and for poor women, such as self-help group federations, NGOs and cooperatives, must be directly involved in the implementation of the Social Security Act. Established community based organisations will ensure that workers are not simply identified, but that they also obtain benefits. People’s organisations can provide the education essential for utilization of health insurance and work to prevent unnecessary hospitalisation. We propose that the Unorganized Workers Social Security Act be implemented with 20% of funds set aside for implementation through organisations working with the poor.

### Skills to women, especially young girls

Skill development is imperative for sustained and inclusive growth. The National Council on Skill Development, on which SEWA is represented, has articulated the need for market-driven skills training that focuses on the poor. There is a continuum of skills required for our growing economy, ranging from skilled masons to highly trained professionals. While the latter have far-

ranging higher education institutes in the public and private sector, the large masses of workers in the unorganized sector have been bypassed by skills training institutes. In fact, there are practically no formal training courses for workers who have not passed the 10<sup>th</sup> standard.

Women workers in the unorganized sector, and younger women in need of skills, have largely been bypassed by existing formal skills training programs in technology, construction and other sectors. In SEWA's experience of teaching skills to women in the unorganized sector, reaching women requires decentralized training courses held in the places they live and work. Length of courses should be tailored according to need and feasibility, to ensure that young women can attend. Most importantly, minimum levels of education should not be required, unless it is required for the skill or cannot be obtained as part of the course.

Women are employable in large numbers in a range of sectors. Trained female construction workers, attain more work and higher incomes after formal training. Agricultural technology training for women – as the sector is increasingly feminised – will be critical for greater efficiency and secure incomes. The financial sector can fill human resource gaps for outreach services with trained women financial intermediaries, as SEWA Bank and Insurance has learned. Health services and personal services, including domestic work, will require a vast army of women workers to fill a growing demand, particularly as the aging population grows. Lastly, India's women already possess a tremendous pool of traditional skills and knowledge. Thus sectors such as textile work, health services and organic agriculture simply need to upgrade and adapt women's traditional skills to market demand. We propose that women's skill training be given high priority and 30% of the skill training initiatives be earmarked for women's skill development. Competitive skills, private partnerships and market-driven training that increase employability, especially for young women, will be essential for secure incomes in a globalised world.

### Child Care for Women Workers

Child care is an essential economic input for women living in poverty. When mothers can work and earn, with their children entrusted in safe care, they help their families emerge from poverty. SEWA has learned that effective child care reduces malnutrition, contributes to early childhood development, and promotes school going for both girls and boys. Critically, universal access to child care must be organised according to parents' hours of work—at least 8 hours a day. All ICDS and part-time crèches should be upgraded to provide full-time services and two hot meals and a snack. Human resource requirements at a crèche – two teachers and one additional helper for younger children – can be met by training women in the community. SEWA has learned that involving parents, especially fathers, in regular parents meetings improves community development on the whole. We propose that the National Child care Fund be enhanced and activated and that running of child care centres be entrusted to local organisations – mahila mandals, women's self help groups, cooperatives, unions and panchayats.

While these recommendations are not exhaustive, they indicate the most pressing priorities to remove persistent, intractable insecurities in the lives of women workers. With support to and a meaningful role for 'voice' organisations like SEWA, it is hoped that insecurity will be mitigated – and the fruits of growth shared.

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