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Advancing cooperation among women workers in the informal economy: The SEWA way



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Preface

The informal economy is extensive, currently comprising more than half of the global workforce. Often workers in the informal economy suffer from decent work deficits including the denial of rights at work, low quality working conditions, inadequate social protection and the absence of social dialogue. In order to address these deficits, informal economy workers have used cooperatives and other social and solidarity economy (SSE) units to improve their employment opportunities and livelihoods; to promote democratic governance of the workplace; and to engage in collective negotiations and social dialogue. The role of cooperatives and other SSE units in the transition from the informal to the formal economy is acknowledged in ILO's Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).

Among these initiatives, the case of the Self-Employed Women's Association (SEWA) in India is notable as having inspired other initiatives around the world. SEWA has followed a dual strategy: while organizing poor women in the informal economy as a national union, it has also developed women-owned cooperative enterprises to empower them. These cooperatives create better employment and income generation opportunities and provide a wide range of services including financial, insurance and social security services and business and leadership training. Recently the ILO has received specific requests from its constituents to better understand SEWA's approach in order to be able to adapt and replicate it in Asia and other parts of the world.

This report aims to provide an understanding of the challenges and opportunities for cooperatives and other SSE units in empowering women workers in the informal economy, with a specific focus on SEWA's experience. It is based on individual interviews and focus group discussions with select cooperative leaders and members and also uses select studies presenting the forty-year experience of SEWA with cooperatives. It highlights why and how SEWA has used the cooperative model and the challenges it has faced in registration and formalization of the cooperatives. It also presents case studies of SEWA cooperatives from a number of sectors including finance, insurance, childcare, dairy, organic agriculture, healthcare, waste management and cleaning services. Finally, the report sets forth recommendations for adaptation and replication in other parts of the world.

We hope the report will help promote further discussion and inform future action on cooperatives and other SSE enterprises in the transition from the informal to the formal economy. The ILO will follow up with its constituents and cooperative and SSE partners in transforming the recommendations of the study on formalizing the informal economy through cooperatives, especially among women and youth.

Simel Esim

Head, Cooperatives Unit, ILO

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Glossary

Agewan	Community leader
Beedi	Cigarette made of unprocessed tobacco wrapped in leaves
Ben	Sister
Gadbad	Disorder
Ghee	Clarified butter
Kaccha	Raw or weak
Khedut	Farmer
Mahila	Woman
Mandli	Cooperative
Panchayat	Elected village council
Pucca	Strong and permanent
Saathi	Friend, companion
Sanklit	Integrated
Sarpanch	Local village head
Suchit	Proposed

Abbreviations

AGM	Annual General Meeting
APMC	Agricultural Produce Market Committee
BMC	Bulk Milk Cooler
CHW	Community Health Worker
ETI	Ethical Trading Initiative
FORCES	Forum for Crèche and Childcare Services
FWWB	Friends of Women’s World Banking
GSIC	Gujarat Small Industries Corporation
GST	Goods and Services Tax
GIZ	German Agency for International Cooperation
ICDS	Integrated Child Development Scheme
ILO	International Labour Organization
IRMA	Institute of Rural Management Anand
JLG	Joint Liability Groups
KVK	Krishi Vigyan Kendra
LSM	Lok Swasthya Mandali
LSST	Lok Swasthya SEWA Trust
MBO	Membership-based Organization
MFI	Microfinance Institutions
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MHT	Mahila Housing SEWA Trust
MIS	Management Information System
MT	Master Trainer
NAC	National Advisory Council
NCDC	National Cooperative Development Corporation
NCUI	National Cooperative Union of India
NDDB	National Dairy Development Board
NSDC	National Skill Development Council
PACS	Primary Agricultural Cooperative Societies
PRL	Physical Research Laboratory
SEWA	Self-Employed Women’s Association
SBI	State Bank of India
SHG	Self-help Group
SMC	Surat Municipal Corporation
SRI	System of Rice Intensification

The cooperative movement in SEWA

Introduction

The Self-Employed Women's Association (SEWA) is a national union of 1.5 million women working in the informal economy in 14 states of India. SEWA was founded in 1972 by Elaben Bhatt, a lawyer and a labour organizer. SEWA members are all women workers in the informal economy who are engaged in a wide variety of occupations. They include manual labourers like agricultural labourers, farmers, construction workers, service providers such as cleaners and domestic workers, home-based workers including garment workers, incense-stick makers and kite-makers, street vendors and small producers such as artisans. The SEWA union organizes tens of thousands of women across the country with poor women workers as leaders. The union defends the rights and interests of its members against low wages, poor working conditions and the lack of social protection.

As the central issue for its members is to ensure livelihood security, the union also encourages and supports them to form their own cooperatives. By helping them form cooperatives, the union supports its members toward attaining social protection as well as work, income and food security. SEWA members, then, are not only union members but also members of their cooperatives. These cooperative activities enable them to pursue their livelihoods and access services with dignity.

In this report we present SEWA's experience working with cooperatives – the history, the challenges and the lessons learned. Since the beginning, SEWA union has had a symbiotic relationship with the cooperatives that it has supported. While every woman worker who joins SEWA becomes a member of the union, many also go on to become members of specific cooperatives, each of which focuses on a specific trade or service. The union is the central organization of primary identity for the women as workers and as SEWA members. A cooperative member is a shareholder who either obtains her livelihood through the cooperative, and/or receives services from one or more cooperatives. A single woman may be a member of more than one cooperative, in addition to being a union member. For instance, a childcare worker who is a member of the childcare cooperative is also a member of the SEWA cooperative bank, a member of the insurance cooperative, and a member of SEWA's health cooperative. Leaders and office bearers in their respective cooperatives who represent the cooperative members may go on to become leaders and office bearers in SEWA union and may also become members of SEWA's executive committee.

In 1992, all the cooperatives supported by SEWA were federated into a secondary cooperative called the Gujarat State Women's SEWA Cooperative Federation Limited.

SEWA's cooperatives can be categorized as follows into six groups:

- Savings and credit cooperatives
- Dairy cooperatives
- Artisanal cooperatives (e.g. block-printers, embroiderers, puppet-makers, etc.)
- Land-based cooperatives of women farmers
- Cooperatives of healthcare, childcare and insurance services
- Labour cooperatives (e.g. catering, domestic work, cleaning, and construction)

This report presents 12 case studies of individual cooperatives supported by SEWA. These 12 cases represent the six types of cooperatives set up by SEWA. The case studies illustrate nine different economic activities organized into cooperatives. These include some cooperatives that were formed early in SEWA's journey and others which were formed more recently. They also vary by geography – some are urban, others rural, and yet others operate in both rural and urban areas. While the majority of the cooperatives in the case studies presented are located in Gujarat, three are from other states in India (Madhya Pradesh, Uttarakhand and Delhi), and one (VimoSEWA) is a multi-state cooperative (see table 1).

We purposefully selected a similar economic activity in the case of some cooperatives to illustrate the different issues that arise in the context of women's cooperatives. The sample includes two cases of dairy cooperatives in Gujarat, two cases of credit cooperatives and two cases of agricultural cooperatives.

The Pasunj dairy cooperative was formed early in SEWA's journey and was successfully run by an able woman leader and her team for many years. However, a new leader who has recently taken over the leadership has not been able to exercise independent leadership. The second dairy cooperative was formed much later and has continued to perform well with women members and leaders. Details of both cooperatives are discussed in the respective case studies. The origins of the two credit cooperatives are rooted in different economic situations and serve different types of members. In the case of the Indore Savings and Credit Cooperative, the formation of the cooperative followed soon after the formation of an informal workers' union. SEWA Madhya Pradesh, like SEWA Gujarat, recognized that financial services are a fundamental need of all women workers. The impetus for the Surat Credit Cooperative was to enable SEWA members in Surat city to save money towards home improvement. Both cooperatives now serve a variety of financial needs of the members, but their starting points were different. The Surat Credit Cooperative also illustrates the difficulties of having a membership composed of migrant and seasonal workers. The cases of the two agricultural cooperatives are examples of working in newer geographic areas and populations. The Ekta Organic Produce Cooperative in Uttarakhand is located in the hill state of Uttarakhand in Northern India, while the Megha Agriculture Producers' Cooperative in South Gujarat is a cooperative of tribal women.

As seen in table 1, the membership of the three financial service cooperatives involved in credit and insurance is significantly higher than the membership of the other cooperatives. This is because almost all union members need financial services and become a member of

Table 1. Characteristics of cooperatives (in chronological order)

	Name	Sector	Activity	Start date	No. of members	Location
1	Pasunj Dairy Cooperative	Dairy	Milk production & sale	1981	125	Rural
2	Sangini Childcare Cooperative	Service	Childcare services	1986	624	Urban
3	Saundarya Cleaning Cooperative	Labour	Cleaning services	1986	500	Urban
4	Indore Savings and Credit Cooperative	Savings & credit	Savings & credit	1989	14,210	Urban
5	Lok Swasthya Health Cooperative	Service	Healthcare services	1990	1,800	Urban & Rural
6	Pethapur Dairy Cooperative	Dairy	Milk production and sale	1994	379	Rural
7	Surat Credit Cooperative	Savings & credit	Savings & credit	2001	12,761	Urban
8	VimoSEWA	Service	Insurance services	2009	12,213	Urban & Rural
9	SEWA Homecare Cooperative	Labour	Homecare services	2010	192	Urban
10	Ruaab SEWA	Artisans	Garment production	2010	650	Urban
11	Ekta Organic Produce Cooperative	Land-based	Agriculture	2013	780	Rural
12	Megha Agriculture Producers' Cooperative	Land-based	Agriculture	2014	997	Rural

a financial service cooperative, in addition to membership in a cooperative of the sector they work in. Furthermore, not all workers in the informal economy are organized into a sectoral cooperative; but, all workers are eligible for membership in credit and insurance cooperatives.

This report is structured as follows. In the following section we discuss why SEWA chose the cooperative route and its journey on that path. The next section discusses the federation of cooperatives that was formed by SEWA, the role it plays and the lessons learned. We then present short case studies on 12 cooperatives supported by SEWA. We conclude with a final section summarizing SEWA's experience with cooperatives.

The cooperatives promoted by SEWA

In this section we discuss why SEWA promoted cooperatives, its vision, and the role that it played and continues to play vis-à-vis these cooperatives.

Beginnings of the cooperative journey

Soon after SEWA started organizing self-employed women into a workers' union in 1972, members expressed a need for financial services to conduct their daily business. Until then, they had been dependent on moneylenders who charged exploitative rates. When SEWA members went to the banks (at that time all banks in India were nationalized), they were told that they were 'not bankable'. The banks were not willing to do business with barely literate women who dealt in small amounts of savings and loans. As they did not get the financial services they needed, some of the SEWA members said, "Why can't we have our own bank?" Thus, in 1974, 4,000 members contributed 10 rupees (INR10 = US\$ 0.15)¹ each as their share and, with SEWA's support, set up their own women's cooperative bank, SEWA Bank, in Ahmedabad city (Krishnaswami, 2003).² This was the beginning of SEWA's setting up of cooperatives – both service-specific and trade-specific – to formalize and strengthen the work done by SEWA's members.

The earliest example of a trade-based cooperative was a quiltmakers cooperative formed in 1977. Some of SEWA's members in Ahmedabad city, who made quilts using waste materials from the textile mills, had been working for contractors on a piece-rate basis. Once the quiltmakers joined the union, SEWA tried to get better wages for the quiltmakers from the contractors and traders for whom they worked.³ The traders and contractors wanted to put the brakes on this emerging struggle. Not only did they not raise their wages, they also went further and stopped giving work to women who raised their voices and demanded minimum wages. They particularly victimized the more vulnerable members like widows in an attempt to frighten the members. In response to this, the women themselves decided that it was better to organize themselves into their own cooperative, market their own products and be free of the traders and contractors who paid them a pittance.

The first few cooperatives were in Ahmedabad city where SEWA first started working. As SEWA expanded its work to rural areas with agricultural workers, it faced a new set of challenges. After agricultural workers enrolled in the union, SEWA approached the land-owners for a wage increase for women agricultural labourers. While the landowners made a show of giving higher wages at the negotiating table, the women themselves had to go and return these wages to the landlords that same night. They knew that the landlords' 'show' of giving higher wages was for the benefit of SEWA and the officials from the labour department who were present at the negotiations. No landlord was actually willing to give work at higher wages and would, in fact, stop giving work to SEWA members. SEWA realized that, as long as the members were unorganized and dependent on the landlords for employment, they stood no chance of getting better wages, or even work. Once again, the decision was made to form a cooperative and thus was born SEWA's first rural cooperative – the Utsah Wool Weavers Cooperative (SEWA Cooperative Federation, n.d.).

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- 1 On May 1, 2018 the UN Operational Rate of Exchange was US\$ 1 = INR 66.66. This exchange rate is used throughout the paper.
 - 2 SEWA Bank is the largest and oldest financial services cooperative supported by SEWA with a membership of 472,000. A case study of SEWA Bank (<https://www.sewabank.com>) is not included in this report as it has been widely written about.
 - 3 These members were given waste cotton fabric pieces to be sewed into quilts which the traders/contractors then sold to buyers in the wider market.

By 1991, there were 33 such cooperatives that were up and running, and SEWA moved forward with forming a federation of these cooperatives to support them and nurture their growth. The Gujarat State Women's SEWA Cooperative Federation Limited (SEWA Cooperative Federation) was registered in 1992 as a secondary level cooperative to strengthen the primary cooperatives that were its members (A piece on the federation is included in this report.). Beginning with these first cooperatives in the 1970s, today SEWA has supported the creation of more than 115 cooperatives across the country. In Gujarat alone, SEWA has promoted 106 cooperatives which are used, owned and managed by informal women workers. These 106 cooperatives have organized 300,000 women with an annual turn-over of INR 3 billion or \$45 million (ILO, 2017).

Why SEWA supports cooperatives

A fundamental reason for choosing the cooperative form of economic organizing is SEWA's strong commitment to institutions that are owned, used and managed by the women informal economy workers themselves. Cooperatives are democratic, membership-based and member-driven organizations and enterprises, and thus, along with the union, are a natural organizational choice for SEWA.

"I feel unions and cooperatives are the only two forms of organizations which are democratic. After India's freedom, we have won democratic governance, but we have remained weak on the economic front. So democracy and the collective force of a cooperative is very critical for us, for our ideology, for SEWA's strategy – which we call joint action of union and cooperatives." **(Elaben Bhatt, Founder SEWA)**

In the words of Elaben Bhatt, the founder of SEWA, "The important lesson learned was that the strategy of joint action of union and cooperatives can lend bargaining power to the self-employed to raise their income and much more" (SEWA Cooperative Federation, 2013). According to Elaben Bhatt, cooperatives give vulnerable women a new identity based on respect for their work which contributes to their families and to the economy. The cooperative model allows the women to build their own economic enterprises and reach markets directly. Most importantly, by coming together in a viable economic organization, they increase their collective voice and bargaining power with the public authorities, in the marketplace and in society in general.

"SEWA strives to empower its members through a joint strategy of organizing self-employed women in unions and cooperatives. It considers that a strong presence of cooperatives makes women's contribution to the economy visible to the policy makers whilst strengthening their bargaining power." **(Lalita Krishnaswami, Board Member and former Chairperson, SEWA Cooperative Federation)**

SEWA's innovation in the area of cooperatives

SEWA's cooperatives have been innovative on two fronts. First, the cooperatives' members are all women who have limited formal education and skills, and who come from economically poor backgrounds. Second, the informal economic activities promoted through the cooperatives are, in many cases, 'a first ever' effort toward organizing and formalizing them. For both of these reasons SEWA faced resistance from the cooperative offices at the beginning of its operations, as the concerned officials did not always understand the nature of these cooperatives and the products they were selling. They were often not familiar with the notion that women who are barely literate could manage their own cooperatives and make them financially viable.

In many cases, SEWA first implemented the economic activities as a pilot programme, often with external funding, before formalizing them into a cooperative. This pilot phase helped SEWA understand the way a particular economic activity functioned and how it could best be formalized through a cooperative.

Women's cooperatives in India

According to the National Cooperative Union of India, in 2009-2010, there were 610,020 cooperatives in India with a total membership of 249,367,000. Women's cooperatives were less than 2 per cent of the total number and their membership comprised less than one half per cent of the total membership in cooperatives in the country (table 2). Primary agriculture and credit cooperatives are the dominant type of cooperative – about one-fifth of all the cooperatives are of this type, and almost three-fourths of the total membership belongs to agriculture cooperatives. Membership in agriculture cooperatives is predominantly male, given that land ownership at the household level is invariably in the man's name.

Table 2. Number of cooperatives and membership in India

	2009-10	% of total
Total number of cooperatives	610 020	
Number of women's cooperatives	11 615	2.0
Number of primary agriculture and credit cooperatives	147 991	24.0
Total membership in all cooperatives	249 367 000	
Total membership in women's cooperatives	1 028 934	0.4
Total membership in agriculture and credit cooperatives	181 150 000	73.0

Source: National Cooperative Union of India (NCUI), 2012

SEWA works with women who are from the most marginal social and economic segments of society, who have limited political representation at any level. In all the cooperatives supported by SEWA, the trade or service activity is carried out entirely by the women. SEWA's approach is that those who do all the work should also have the voice, visibility, decision-making power and control. For example, in the dairy industry, women do all the work around milk cattle – collecting fodder, taking care of the animals, cleaning the stables, feeding the animals and giving them water, taking care of them when they are sick and milking them. Yet almost all dairy cooperatives in India have only men as members and decision-makers/leaders. Another example is the many agricultural cooperatives in India called Primary Agricultural Cooperative Societies (PACS). While women work across all farming activities and in many cases are the primary farmers doing most of the agricultural tasks, there are hardly any women members in PACS, as the membership and control is with the male members because of land ownership and household headship biases in society in general and in the cooperatives in particular.

Not only has SEWA recognized the primary role of women in agricultural activities and formed women's cooperatives around them, it has also created employment opportunities for women based on their traditional caregiving roles within their families. Seeing how women have a predominant role in providing childcare, elder care and care for sick family members in their homes, SEWA leaders organized women to carry out these activities through income-generating cooperatives for the first time ever.

India is still a deeply patriarchal society, and in mixed cooperatives of women and men, women would often be side-lined and not allowed to participate as equals.⁴ Literally and figuratively, they would be veiled. Wherever mixed cooperatives exist, women members tend to remain veiled or remain silent due to cultural norms. In cases when women members dare to speak out, they are shouted at to remain silent and their voices are drowned out. Similar observations have been made on the workings of cooperatives with mixed women and men members in other patriarchal social contexts (ILO and ICA, 2015) (Esim and Omeira, 2009).

4 This has been widely observed in the mixed village panchayats (elected village councils) where women comprise at least one-half of the local body by law.

Therefore, a ‘women-only’ space offered by a women’s cooperative gives them the opportunity to build up their confidence and leadership skills in a space that is culturally appropriate and non-threatening.

Functioning of cooperatives

Each of these cooperatives works as an “autonomous association of people united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprises” as defined by the International Cooperative Alliance (ICA) in the Statement on the Cooperative Identity, Values and Principles in 1995 (ICA, 2015) and by the International Labour Organization in the Promotion of Cooperatives Recommendation, 2002 (No. 193) (ILO, 2002).

The following seven cooperative principles defined by ICA are supposed to be followed by all cooperatives:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community

SEWA’s role vis-à-vis the cooperatives

SEWA’s role vis-à-vis the cooperatives has been three-fold. The first role has been to organize the members, help them think through their proposed cooperative’s by-laws and support them until they are registered, have their first general meeting and elect their governing board. Since 1992, SEWA Cooperative Federation has been incubating new cooperatives, registering them and supporting the boards of trustees in each cooperative through capacity-building. Some of the cooperatives are quite independent, while others remain more closely linked to the SEWA Cooperative Federation and count on its support and advice for incubation. An example of an independent cooperative is the Saundarya Cleaning Cooperative and those that are still dependent include the Sangini Childcare Cooperative and Megha Agriculture Producers’ Cooperative (All three cases are presented in this report).

The second role of the SEWA Union and the SEWA Cooperative Federation has been to link the members of the cooperatives within their network to different services. While each cooperative is an independent entity, the cooperative members are often members of more than one cooperative. They are referred to the services of the other cooperatives within the SEWA cooperative network according to their needs (e.g. healthcare, childcare, insurance and other financial services).

The third role is that of policy advocacy for the women members of the cooperatives. They represent the issues and challenges of the cooperatives in policy forums and keep these primary cooperatives linked to the wider labour, cooperative and women’s movements.

The SEWA Cooperative Federation is the umbrella organization for the 115 primary cooperatives, of which 106 are in Gujarat State, and provides ongoing support to the cooperatives for their growth. Both the SEWA Cooperative Federation and the SEWA Union represent the issues and challenges of the cooperatives in policy forums and keep these primary cooperatives linked to the wider labour movement.

Gujarat State Women's SEWA Cooperative Federation Limited

Introduction

The Gujarat State Women's SEWA Cooperative Federation Limited (SEWA Cooperative Federation) is a secondary level cooperative that has 115 primary cooperative societies as its members.¹ It provides a range of services to its member cooperatives including capacity building and marketing of their products.

Mission of the SEWA Cooperative Federation

The holistic empowerment of poor self-employed women through cooperatives

Brief history

SEWA started promoting primary cooperatives in the 1970s. While each cooperative had specific issues unique to the area of economic activity, there were other areas such as registration, management, marketing, and account keeping in which all the cooperatives needed support. As the numbers of SEWA-supported cooperatives increased, there was a clear need to have an apex organization to support and strengthen the individual primary cooperatives and represent their interests at the national and international levels. In 1992, SEWA set up the SEWA Cooperative Federation and was registered as a secondary level cooperative.

In 1995, the SEWA Cooperative Federation faced some questions. For instance, it was necessary to understand why some women's cooperatives fail and others succeed and what can be done to strengthen cooperatives. The Institute of Rural Management at Anand (IRMA) was asked to conduct a study to understand the issues cooperatives face and the constraints of their members. Findings from the study gave pointers to the SEWA Cooperative Federation for the design and implementation of gender-sensitive policies and programmes for women's cooperatives. For instance, the study showed that credit schemes for women's cooperatives should allow collateral other than land ownership as these are rarely in women's names (SEWA Cooperative Federation, n.d.).

In 1997 the SEWA Cooperative Federation invited the Friends of Women World Banking (FWWB) in India to conduct an evaluation study of the SEWA Cooperative Federation to improve its work. As a result, it strengthened its management system and adopted strategic planning of future programmes (Krishnaswami, 2017).

Primary cooperatives that are members of the SEWA Cooperative Federation pay for services rendered such as capacity-building, business development and marketing, as described below. The largest of the SEWA Cooperative Federation's member cooperatives is SEWA Bank with 200,000 shareholders and a working capital of INR 2.6 billion (\$3.9 million).²

1 Out of the 115 primary cooperatives, 106 of them are in Gujarat State.

2 "Spotlight interviews with cooperators – SEWA Cooperative Federation in India: Towards self-reliance", ILO, 2017, http://www.ilo.org/global/topics/cooperatives/news/WCMS_569960/lang--en/index.htm [accessed 10 October 2017]

The SEWA Cooperative Federation also raises funds through grants. It is not yet fully financially sustainable but, once it is, it will share its surplus with its member cooperatives. This is expected to happen within the next three years, by 2021. Also, when it generates surplus above certain stipulated limits, it will have to pay income tax as per Indian law.

The SEWA Cooperative Federation's activities

- Organizing women into their own cooperatives and assisting them with registering their cooperatives;
- Supporting the newly registered cooperatives by helping them conduct their first annual general meeting and board elections;
- Capacity-building of member cooperatives through structured training programmes on topics including principles of cooperatives, roles and responsibilities of board members, how to run board meetings, how to maintain minutes, and how to read balance sheets;
- Mentoring member cooperatives including through developing business plans and assisting in ensuring all compliances, audits, and minutes are completed;
- Marketing of products made or services provided by member cooperatives including, for example, running a vegetable shop in the Agricultural Produce Market Committee (APMC) wholesale market in Ahmedabad which offers fair prices for women farmers, running a marketing outlet (SEWA Kalakruti) where women artisans' products are exhibited and sold, organizing buyers and sellers meets and facilitating participation of artisans in exhibitions, trade fairs and craft '*melas*';
- Linking member cooperatives with each other for both livelihood opportunities and social protection by ensuring all members have access to insurance, pension, healthcare, child-care and housing through the women's cooperatives and other organizations;
- Linking member cooperatives with government and private sector service providers for social protection as mentioned above, and linking with government and private organizations for skill-building and skill upgrading;
- Undertaking policy action to promote women's cooperatives and their recognition including through workshops with policy-makers and women leaders of cooperatives to address concerns of the primary cooperatives and to promote representation on state and national level boards and committees.

The SEWA Cooperative Federation's structure

The SEWA Cooperative Federation is registered as a secondary level cooperative and is a state-level organization, governed by the cooperative laws of Gujarat state in India. Under the Indian Constitution, organizing into cooperatives is a fundamental right, but the states, under India's federal structure, are responsible for all matters pertaining to cooperatives.

The SEWA Cooperative Federation has a board of 15 directors elected every five years from among the affiliated member-cooperatives. The board meets every three months and an Annual General Meeting (AGM) is held once a year where designated representatives (usually the Chairpersons and the Secretaries) gather to review and adopt the year's activities and the audited accounts.

The SEWA Cooperative Federation has a team of 15 staff, including professionals in management and training.

Pasunj Mahila Dudh Utpadak Sahakari Mandli¹

Introduction

The Pasunj Mahila Dudh Utpadak Sahakari Mandli (Pasunj Dairy Cooperative) is a milk producers' cooperative owned and managed by women in Pasunj town of Ahmedabad district of Gujarat. Women come to the cooperative's centre twice a day to sell their milk, which is then transported to the local processing plant owned by the federation of all the cooperative societies in the region.

Brief history

The Pasunj Dairy Cooperative was registered on 3 April 1981 with the assistance of SEWA. Earlier, the cooperative was run by the men of Pasunj village, but it was forced to close due to mismanagement. The process of registering the cooperative was time-consuming, taking about six months to register. It involved several visits to Uttam Dairy, the Ahmedabad district milk federation, framing of by-laws and obtaining the dairy certificate from the district registrar. Kokilaben, living in Pasunj village, emerged as a dynamic women's leader and went on to become the cooperative's president. The cooperative, she recalls, started from scratch with its members knowing nothing about a cooperative or how to run it.

In its initial years, the members had little knowledge or experience of running a dairy cooperative. With the help of SEWA, the members of the cooperative received training on this from the Gujarat Small Industries Corporation (GSIC). They were also taken to a well-run dairy cooperative, a model centre at Devdholera, for an exposure visit.

The cooperative had a modest start and was earlier not connected to the district milk federation, Uttam Dairy. In the early days, milk used to be collected only six days a week by the agency with which the cooperative was associated and collection was turned down on the seventh day. This caused problems as each week one day's milk could not get sold. Also, the fat content was tested using a rudimentary machine operated by hand. The process was time-consuming, taking many hours, sometimes the entire night, members recall. This was similar to the experience of the Pethapur dairy cooperative, a case study of which is included in this report.

Kokilaben worked hard to get the cooperative up and running and was elected as the first President. She had a chance to visit the Amul dairy cooperative's head office in Anand, Gujarat and remembers meeting Dr. Verghese Kurien, also known as the Father of India's White Revolution, in person. Dr. Kurien listened carefully to the problems the newly-formed women's cooperative was facing and intervened with Uttam Dairy. Milk was thereafter collected all seven days of the week and consequently the problem of wastage was solved. Later on, through Uttam Dairy, the cooperative was also provided with a lactometer, cattle feed and medicine. The cooperative also received a subsidy of over INR 100,000 (\$1,550) in its initial years from the district milk federation, Uttam Dairy. This is a good example of the spirit of "Cooperation Among Cooperatives," the sixth principle of seven cooperative principles as noted earlier in this report.

¹ Information for this piece has been sourced through formal interviews with the board members and the Secretary of the cooperative on 31 October 2017 at the Pasunj Cooperative. Special thanks are due to Labhuben Thakkar, former Managing Director of SEWA Cooperative Federation, for her valuable inputs.

In 2005 the cooperative reached a low point as the milk collection fell to 30 litres per day partly due to competition. There were four private dairies in the area which were capital-rich and attracted dairy farmers by paying advances to them. They gave people credit of INR 50,000 (\$750) to buy buffaloes. In order to face the competition, this small women's cooperative also had to pay advances to its members – ranging from INR 10,000–25,000 (\$150–375) from its own coffers – in proportion to the milk they brought in. One of the private dairies shut down when it did not receive its money back. The members of the Pasunj cooperative were regular in their re-payments, milk collection increased and the cooperative slowly gained strength.

Structure of the cooperative and its governance

The cooperative committee has eight elected board members. Every year three board members change and new ones are elected.

Economics of the cooperative

The cooperative collects 700 litres of milk per day – 400 in the morning and 300 in the evening – from 175 farmers in total. The payment for the milk supplied is made to the members within ten days. In 2016, the cooperative earned a modest surplus of INR 288,598 (\$4). Every year, the cooperative gives a 19 per cent bonus to its members during the festival of Diwali. The cooperative also sells packaged ghee, or clarified butter, provided by Uttam Dairy and earns a small surplus from these sales.

All the payments to the members are made in cash. This is because people find bank transfers inconvenient. The nearest bank, the Ahmedabad District Cooperative (ADC), is about ten kilometres away. There is no ATM nearby and people are not willing to travel so far to access their money. Because of competition from the three private dairies, the cooperative has no option but to give credit and advances to its members in cash to buy buffaloes. The cooperative runs from rented premises. The monthly rent is INR 3,000 (\$45).

The cooperative witnessed a transition in leadership after 2009. As the number of women's dairy cooperatives supported by SEWA grew, it became difficult for SEWA organizers to maintain close contact and monitor the activities of each cooperative. The current President, Sharadaben, relies more than Kokilaben did, on her husband to help manage the cooperative's affairs. He volunteers his time at the cooperative and is also present during board meetings to help her make decisions.

The cooperative's premises now also house a Bulk Milk Cooler (BMC) machine which stores milk from four other villages' dairy cooperatives. The other four villages' dairy cooperatives deposit a total of 950 litres of milk every day. The BMC has the capacity to store 2,200 litres.

While men cannot be members of the cooperative, they can be hired as staff with the consent of the board members. Five men from Pasunj village have been employed by the cooperative to do various tasks. Two of them are responsible for handling the transfer of milk to and from the BMC, one is the fat tester, while another is the computer clerk. The Secretary of the cooperative, Arjunbhai, is also a man, and has been serving the cooperative for 12 years now. He himself owns 30 cows and his wife and mother are also members of the cooperative.

When asked as to why as many as five men are employed in the cooperative, Arjunbhai says that men are needed for these roles as women in their village are not yet ready to take on these responsibilities. He explains that his own role as the Secretary requires a great deal of accounting, which no woman in the village is ready to do at this time. Members also explained that handling the BMC requires manual strength and requires two men. Before 2006, the year the machine was installed, the employee was a woman. SEWA's Cooperative Federation has recently begun working with the women's cooperatives to build the capacities of women to take on the roles of Secretaries. The women are also being trained in using the latest technology.

Challenges faced

Pasunj Dairy Cooperative faces a number of challenges. Fierce competition from private dairies resulted in a temporary halt in its operations some years ago. Giving advances to its members and payments in cash emerged as ways to bypass the crisis. The dairy has had to continue to follow these practices. Further, it seems there is a long way to go before there are cashless transactions in the cooperatives, although this is emerging as the common practice in most other dairy cooperatives in Gujarat at present.

While Pasunj cooperative is run and owned by women, men, mainly husbands, play an active role in the cooperative. The current leadership seems to need more support and capacity building from the district-level Uttam Dairy to which it supplies milk, and from SEWA Cooperative Federation. Younger people often do not want to work as dairy farmers or on the land in general. Being more educated, they look for white collar jobs which they can get as the city is nearby. However, it should be possible to find more literate young women to take over the role of Secretary and other administrative and support staff.

With the upscaling of technology, from the arrival of the computer to the BMC, women employees have been replaced by men. This is a common experience. Instead of training the women employees in using and managing the new technology, men step in and take over, especially in social contexts that are patriarchal and traditional, such as in India. The argument that is often used is that 'women cannot manage', without giving them the opportunity to learn and grow into these roles.

Lastly, increasing urbanization poses a threat to the cooperative and the dairy industry as a whole. Just a few kilometres away from Pasunj, there is a newly-constructed factory. Many young villagers work in that factory and have left their lands fallow. Located near Ahmedabad city, the price of land in Pasunj has multiplied as the city grows, and people are selling off their agricultural land and buying small apartments in urban areas.

Lessons learned

Despite facing a setback in 2005, the Pasunj dairy cooperative has survived many crises and has grown over the years. The cooperative increasingly uses modern technology but this is yet to be transferred to the hands of its members, all of whom are women. Changing patriarchal norms and control still takes time in rural India and needs continued support and patience. While the leadership was strong in the initial years and the cooperative also got the support of SEWA Cooperative Federation, the new leadership requires more inputs and support. The real learning is that, along with livelihood security, ongoing leadership strengthening and capacity building is required for the women members. Finally, there is a need to find ways to engage younger people in the villages so that they see dairy farming as a viable and suitable livelihood option for themselves.

Sangini Mahila Childcare Cooperative

Introduction

The Sangini Mahila Childcare Cooperative (Sangini Cooperative or Sangini) was registered in 1986 in Ahmedabad city and runs childcare centres for infants and young children up to six years of age. The childcare centres are set up in urban areas largely populated by informal economy workers. All childcare centres are open during working hours (typically from 10 a.m. to 5 p.m.) and have basic facilities. They provide childcare for the full day, allowing mothers to be fully functional at work without having to worry about their children. Each centre is staffed by two childcare workers.

Brief history

One day, soon after SEWA had started, there was a meeting of the women union members. A couple of the women had brought their young children to the meeting as they had no one to leave them with at home. Elaben Bhatt, SEWA's founder, noticed that these two women were unable to focus on the meeting, because they had to keep an eye on their young children who kept wandering off. This led to the recognition that working women needed a safe place to leave their children so that they could focus on their work.

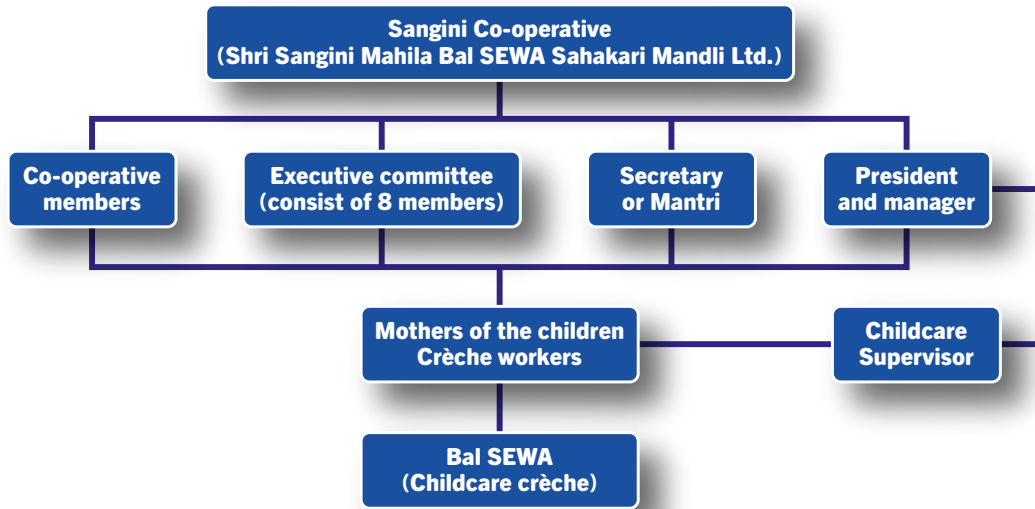
In the beginning, a few union members who were home-based workers volunteered to look after the children of vendors and other workers who had to leave their homes for work. The women workers who left their children behind paid a token amount to the childcare givers. By 1984 SEWA was running 20 childcare centres and, as the members realized the benefits of having childcare centres, they began to think of ways to formalize this arrangement. In 1984 an application was submitted to the cooperative registrar's office for the registration of a childcare cooperative. The registrar's office raised several objections as to the 'product' the cooperative was offering, how barely literate women could become childcare teachers, and how the cooperative could become a financially viable unit.

The government had been running childcare centres under its Integrated Child Development Scheme (ICDS) programme. These centres were run by various NGOs under ICDS guidelines. Based on its own experience of running childcare centres, SEWA also started to run childcare centres under the ICDS programme some years after the cooperative was registered. It was to the credit of the teachers at the SEWA-run centres that the government recognized them as teachers for running the centres even though they had not passed their school-leaving exams (SEWA Cooperative Federation, n.d.).

The ICDS centres would be open from 11 a.m. to 2 p.m. This was inadequate because women worked all day and needed childcare for the entire day. Starting in 1993, SEWA started keeping the centres open in the afternoons and raised money for funding these extended hours. Union members who wanted to become childcare teachers and helpers were given a range of trainings to prepare them to perform as childcare teachers.

Structure of the cooperative and its governance

Figure 1. Organizational Structure of the Sangini Cooperative



Source: Silicon Valley Community Foundation, 2017

Membership

The cooperative membership includes childcare teachers, helpers and parents of the children. The cooperative has 624 members. The cooperative gives a dividend of 15 per cent to the members in the years that it makes a surplus.

Key activities of the cooperative

The key activity of the cooperative is to run the childcare centres as per the guidelines laid down by its Board.

Recently, the cooperative has added a new activity to generate additional income for running the childcare centres. Many parents asked centre teachers to organize educational group tours to places of interest in the state. In 2015 Sangini altered its by-laws and now offers group tours to community members and their families.

Role of the cooperative vis- à-vis its members

The childcare services provided to members are the most significant activities of the cooperative. Prior to Sangini’s childcare centres, workers in the informal economy had no access to such services.

The centres focus on the overall development of the children with an emphasis on their physical, emotional, mental and social well-being. To ensure physical health the children are given a balanced and nutritious diet. Their growth is monitored and a doctor visits the centres for regular health check-ups of the children. Children that need special attention are given extra care at the centre and, if needed, referred to the services they require.

The childcare centres also provide pre-school education to the children through a range of fun-filled activities. These inputs help children perform well when they begin primary school and achieve better results in their educational and personal lives.

Parents of the children benefit from the monthly meetings that are held with them. In addition to providing a forum for communication between the parents and childcare workers, the meetings are used to share health and nutrition information with the parents. Traditionally, childcare

in these communities is a woman's domain, and it was usually the mothers who would come for the monthly meetings. Sangini Cooperative encouraged fathers to come for these meetings and, once a quarter, meetings are held with the children's fathers.

Voices of members

"When children are not with us, we can work faster. My sister-in-law, who sends her child to the [SEWA] childcare centre, is able to earn more per day than I can because my son is at home with me and needs my attention ... He interferes with my work. I make rotis [flat bread] for sale. I'm always afraid that he will touch the hot griddle and burn himself. At other times he runs out of the house and I have to run after him to bring him back". (Alfers, 2016)

"My child is coming to BalSEWA centre since he was seven months old. Now he is one and a half years old. Teachers are taking care of him since then. I am a Mehandi¹ designer and I needed to update my skills to enhance my earning. Every day, I leave my child to the centre and go for Mehandi classes. Teachers are my son's mothers; they take care of him, feed him and put him to sleep. Even though, he is very small, he knows to wash his hands before eating. He doesn't eat food when I feed, he prefers his teachers to feed him, or else eats by himself". (Mridula Foundation, 2017)

The childcare workers receive regular capacity-building inputs to help them in their responsibilities at the centres. Though the workers are not professionally trained teachers, the inputs provided through the cooperative train them to become effective caregivers.

The childcare centres also promote the health of women members in the reproductive age group and adolescent girls by functioning as centres for the monthly Mamta Diwas held in each community.²

Findings from focus group discussions with SEWA members

Under WIEGO's Childcare Initiative, SEWA conducted qualitative research on childcare among women workers of the informal economy in November – December 2015. (Alfers, 2016)

In the focus group discussions it was seen that for women whose children were in the pre-school age group, there was a sharp difference in the narratives of women who were able to leave their children in full day childcare, versus those who did not. The former were assured of the safety and well-being of their children, and therefore able to focus on their work, be it inside the home or outside. Mothers who did not have access to full day childcare adopted a variety of strategies. Some of these mothers kept their young children with them as they were working, be it in the home or outside. (LSST, 2017a)

In the discussions, the women who sent their children to the SEWA childcare centres also reported that they had neither the time nor the energy to impart good values and behaviour and basic education to their children. Therefore they appreciated that the centres were able to do this for them [India Focus Group Report]. (Alfers, 2016)

- 1 Mehandi or putting henna designs on women's hands for festive occasions is a valued skill and a source of income for women who have the skill. These women are invited to put henna designs on other women on special occasions.
- 2 Mamta Diwas is a government programme under which monthly clinics are held in each community to promote the health of pregnant and lactating mothers and adolescent girls.

Economics of the cooperative

The income of the cooperative from April 2016 to March 2017 was INR 2,938,515 (\$44,082) (Sangini, 2017).

The members who avail themselves of childcare services contribute a nominal sum to the centre. Currently a parent pays INR 175 (\$2.63) per month. The expenses per child per month are INR 800 (\$12). The cooperative receives contributions in cash and in kind from local businesses and other community members, especially on special occasions such as festivals, birthdays and anniversaries to cover the remainder of the costs.

Table 3. Income, expenditure and outreach of the Sangini Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Income	3 099 934	6 687 697	116	2 938 546	–56
Expenditure	3 792 495	6 660 243	76	2 447 333	–63
Surplus	–692 561	27 454	–104	491 213	1689
Number of children reached	725	385	–47	409	6

Note: US\$ 1 = INR 66.66

Linkages to other organizations

Over the years, Sangini Cooperative has had linkages with several organizations. Sangini worked closely with the government’s ICDS programme for several years until the state government decided to run the centres on their own. It also partnered with the Central Social Welfare Board.³

SEWA has been a member and chair of the network Forum for Crèche and Childcare Services (FORCES), a national civil society network whose purpose is to monitor and hold the Indian government accountable for providing quality childcare services.

The childcare centres have a close working relationship with the local health workers in the community and with the Urban Health Centres in their areas. They are thus an important resource for cooperative members for advising on health issues and also for linking members with various government schemes and programmes.

The Sangini Cooperative works closely with the health cooperative of SEWA to organize community health camps, counselling sessions, exhibitions, education and awareness raising sessions on topics including: maternal health, nutrition, non-communicable diseases, and healthy food habits. The topics also include information on various government programmes that the women could access.

³ This is an autonomous organization under the Ministry of Women and Child Development.

Challenges faced

It is sometimes a challenge to maintain quality services due to practical constraints. There is a severe lack of adequate space in urban slums; therefore, the activities of the childcare centres, such as conducting pre-school activities and cooking for the children, have to be carried out in less than optimal spaces.

Financial sustainability is an issue, as the cost of running the childcare centres is far greater than the contributions made by the parents.

Low incomes prevent women from sending their children to childcare centres. Even though the monthly fee of INR 175 (\$2.63) is less than a fourth of the actual cost of care for each child, many families are unable to afford it and therefore cannot send their children to the centres.

Lessons learned

It is important to select teachers who are from communities that are similar to those of the children. The teachers in the childcare centres are selected from the communities they serve. They thus have a sound understanding of the socio-economic context of the children who come to the centres and there is no social distance between the teachers and the children.

Also, having teachers from the same community gives 'peace of mind' to the mothers who leave their children at the centre. They trust the teachers and feel secure about leaving very young children, even as young as six weeks old, at the centre while they go to work.

The income of women workers in the informal economy doubles when they are able to leave their children in SEWA's childcare centres. A recent study found that there was a 104 per cent increase from INR 1,327 (\$19.90) on average to INR 2,738 (\$41) on average per worker per month when they have access to full-time childcare services during working hours (Chatterjee et al., 2017).

Children in these centres come from homes where parents are always pressed for time. At the centres the children get inputs for physical and mental development. Children who get the benefit of good quality childcare in their early years are better equipped to do well in later years. Many children who have graduated from Sangini Cooperative's childcare centres and have gone on to achieve success in their personal and professional lives credit the care they received in their early years at the childcare centres.

Childcare results in better education for older siblings, particularly girls. In India it is common for older daughters of informal sector workers to stay at home to look after younger siblings instead of going to school. Once the younger children have access to childcare, the school attendance of older girl children sees a marked increase.

A childcare centre in a mixed community promotes social integration by bringing together children and parents from different communities. In India there is a value placed on the donation of grains and food commodities. This is leveraged well by the childcare centres that benefit from the donations made by local traders and businesses. Finally, providing quality childcare serves as an excellent entry point into the communities for organizing the women. Once they begin to trust the organization that takes care of their children, they are open to building a relationship with that organization.

Shree Saundarya Safai Utkarsh Mahila SEWA Sahakari Mandli Limited

Introduction

Registered as a primary cooperative in 1986, the Shree Saundarya Safai Utkarsh Mahila SEWA Sahakari Mandli Limited (Saundarya Cleaning Cooperative or Saundarya Cooperative) provides cleaning services to institutions and building complexes. The cooperative enters into a formal agreement with the client institution or building complex and a team of cooperative members is assigned to provide cleaning services to the client.

Brief history

In the late 1970s, SEWA started organizing waste pickers and recyclers in Ahmedabad city. The majority of these women are from the most disadvantaged Dalit or untouchable caste.¹ During meetings with the waste pickers, it was found that many did not want to continue with this work due to the poor working conditions, health risks, caste prejudice, low status of work and low income (SEWA Cooperative Federation, 2015). One of the alternative employment avenues that emerged in these discussions was that of providing cleaning services to various institutions in the city. The first break came when a highly reputed government design institute approached SEWA for cleaning services for its campus in Ahmedabad city in 1980 (Krishnaswami, 2003). The institute entered into a one-year agreement for 31 women to provide regular cleaning services to the campus. This agreement was renewed annually for some years until the Saundarya Cooperative faced a challenge as described below in the section on challenges faced.

Soon after this first agreement was signed, the members decided to register a cooperative for providing cleaning services. There was a lot of resistance from the registrar's office, who felt that cleaning did not fit into any of their categories and had no precedence in government programmes and schemes as it relates to cooperatives. Just as they had raised objections in the case of Sangini Cooperative, they asked again "What is the product you will sell?" SEWA persisted in its efforts and after five years, in 1986, the Shree Saundarya Safai Utkarsh Mahila SEWA Sahakari Mandli Limited was registered with 40 members.

In 1985, another institution, the Physical Research Laboratory (PRL), entered into a similar agreement with the Saundarya Cooperative for cleaning their campus and offices. This was followed by an agreement with the Indian Institute of Management in Ahmedabad in 1986.

In the initial period it was difficult for the cooperative to get regular work. The SEWA Cooperative Federation commissioned a market survey in 1996 to identify untapped areas of work. The findings helped to develop new strategies to expand the cooperative's client base. These strategies include regular visits to office and residential complexes by the cooperative leaders to market the services of the cooperative.

¹ The hierarchical caste system is still prevalent in many situations in India. The lowest caste is that of the 'untouchables' – a term used for those castes which traditionally were engaged in what were considered 'polluting' occupations such as cleaning. While this occupational pattern followed by the caste system does not exist any longer, the stigma against this caste continues. Members of the 'untouchable' castes are called dalits.

Membership

The cooperative currently has 500 members. All members are either former waste pickers or daughters and daughters-in-law of former waste pickers.

Key activities of the cooperative

The cooperative provides cleaning services to institutions and building complexes.

Role of the cooperative vis-à-vis its members

The cooperative has succeeded in giving dignity to former waste pickers and has transformed them into professional cleaners. In 2008, the cooperative decided to improve the cleaning tools used by the members. The cooperative purchased vacuum cleaners, toilet-cleaning machines and other equipment and trained the members in their use. The members now use these tools and machines and have improved their productivity and the quality of their services. The cooperative has also taught members how to use computers and mobile phones.

The cooperative contributes towards the insurance and pension of its members, so that they receive a monthly sum on retirement.

Voices of the women members²

“We were able to say we work in an office even if our work was cleaning. This gives dignity to the work that we do.” **(Lataben)**

“There has been big change in our lives as a result of the cooperative. We have travelled nationally and internationally. Because of the cooperative we have participated in many meetings and workshop and had a wide exposure.” **(Kokilaben)**

“We are perceived as creditable and trustworthy because we come from an organization. They know we are trained in our jobs and we will deliver good results. The cooperative has issued us identity cards. The people in our clients’ offices talk to us with respect. If they are officers in their offices, we also are office-bearers in our cooperative.” **(Savitaben)**

“People in our families and communities view us with respect and seek our advice. We have been able to educate our children well. Being in the cooperative we have learned to discuss and debate issues and take decisions.” **(Rajiben)**

“People recognize us by our uniform. Even bus conductors know our uniform and if they see us running to catch a bus they stop the bus for us saying SEWA sisters need to get to their work place.” **(Nirmalaben)**

Economics of the cooperative

The income of the cooperative and its members has grown steadily over the years. The table below presents the cooperative's income and surplus in the last three years. It also shows the total amount that they earned through cooperative.

Table 4. Income and surplus of Saundarya Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Income to cooperative	5 534 356	6 929 632	25	9 947 440	44
Income to members	4 734 055	5 982 931	26	8 759 286	46
Surplus of cooperative	94 100	264 789	181	427 309	61

Note: US\$ 1 = INR 66.66

Linkages to other government and non-government bodies

The cooperative is linked to sister organizations in SEWA including SEWA Bank, VimoSEWA (SEWA's insurance cooperative) and the health cooperative Lok Swasthya Mandali (LSM). (This report includes case studies on VimoSEWA and LSM). All members now have bank accounts in SEWA Bank and are also insured. The cooperative organizes health camps for screening and early detection of diseases, through SEWA's healthcare cooperative.³

Challenges faced

The Saundarya Cooperative has faced a number of challenges since its formation in 1986. One of the earliest issues it faced concerned a union of formal sector workers as described in the text box below.

Another challenge the cooperative faces is the money required to be put down as a deposit in order to bid for filing tenders which is a requirement to gain cleaning service contracts for government offices.⁴ Submission of a tender requires a deposit and a submission fee from the bidder, and the deposit stays with the government office until the vendor is finalized, which can take several months. The cooperative has limited funds which impedes paying deposits for such a bid. Moreover, some organizations submitting a tender pay bribes to get their tender passed, a practice which Saundarya members never engage in.

While there is no other women's cleaning cooperative, in recent years a few men's cleaning cooperatives have been established and are competing for the same jobs. Many of their members are young men who are willing to work for lower wages as they see it as temporary work. Some complexes and organizations may give work to these cooperatives, though Saundarya has found that they are often called back to these same places because of the quality of their work.⁵

The demonetization that occurred in India in November 2016⁶ reduced the currency available in the country. Until then, all payments were made to members in cash. The lack of cash during the few months after demonetization created a temporary difficulty for the cooperative and its members. However, all members now have bank accounts and their monthly salary is directly deposited into their bank accounts.

3 The health camps are usually one-day events where doctors screen and diagnose people who come to the camps. If patients need further screenings or treatments, they are referred to a medical facility.

4 Government offices use a bidding process where they invite different vendors to bid for the job in a sealed communication to ensure privacy. The Saundarya Cooperative bids for these cleaning jobs along with other service providers.

5 Meeting with Saundarya Executive Committee, 28 October 2017.

6 In November 2016, the Indian Prime Minister suddenly announced that currency in the denomination of INR 500 and INR 1000 would be invalid and not legal tender. This led to a sudden shortage of cash funds in the economy and was a blow to informal economy workers who mostly engaged in cash transactions.

A difference of perspective

The cooperative entered into an agreement to provide cleaning services to XYZ* institution and 30 members from the Saundarya Cooperative were working there. The formal workers in that institution were members of a workers' union. This union has almost no women members. Also it had never organized informal economy workers. The union challenged the cooperative, arguing that it was actually a contractor and filed a case against Saundarya Cooperative. The President of the Saundarya Cooperative was threatened with violence and the cooperative faced difficult times. The cooperative won the case on the grounds that it was a registered organization of workers who were voluntary shareholders, and thus worker-owners of their own cooperative. They argued that they shared the surplus that was generated by way of dividends with the members in addition to the payment for their services.

The short-term unfortunate outcome of this legal battle however was that Saundarya Cooperative lost its contract to clean in not only XYZ institution but also some other large institutions that did not want to get involved in any litigation. This led to financial hardship for the cooperative and its membership immediately after the court case. However, once the cooperative won the case, then several institutions provided work opportunities once again, and there has been no looking back.

On the positive side, this case reinforced the values of solidarity and union-formation not only to Saundarya members but to all SEWA members. As soon as the issue arose, SEWA union stepped in and took up the case on behalf of Saundarya Cooperative. The Union supported the cooperative in fighting the legal battle that lasted for a couple of years and reached the High Court. The outcome not only vindicated the cooperative but also supported the principle of organizing workers into member-owned and member-used entities.

* Name of institution not mentioned for confidentiality reasons.

Lessons learned

Formal, organized work gives self-esteem to informal women workers from socially underprivileged backgrounds and empowers them to think positively about themselves and their work. The professionalization of work also earns the women respect from clients and customers and reduces social biases and barriers.

An important lesson can be drawn from the challenges faced by the cooperative in qualifying to bid for public tenders. It is important for the government to take social considerations into account with public procurement processes, recognizing the social benefits accrued to cooperative members beyond the economic sphere.

A workers' collective built on a strong foundation of values is better equipped to face the challenges that are encountered in a competitive environment.

Finally, as the Saundarya Cooperative case shows, there is room for dialogue and improved understanding between the mainstream labour movement, of which SEWA is also a part, and the world of work in the informal economy. The movement will have to think long and hard about how to involve the mass of informal economy workers and ensure decent work for all, rather than only a small sub-set of the working class, especially as workers move from the informal to formal work arrangements. At the same time, gains by unions and struggles for better wages and working conditions must continue. The SEWA approach is that of a dual strategy where the union struggle for workers' rights goes hand-in-hand with the mutualistic livelihoods enhancement that cooperatives offer to their members.

Swashrayee Mahila Sakh Sahakari Sanstha Maryadit, Indore¹

Introduction

Swashrayee Mahila Sakh Sahakari Sanstha Maryadit, Indore (SEWA Madhya Pradesh or SEWA MP) was founded as a trade union by Manorama Joshi in 1985 in Indore, in the state of Madhya Pradesh. Manorama Joshi had heard about Elaben Bhatt and SEWA in Gujarat and wanted to start a union of informal economy workers in Indore. She approached Elaben for her support and SEWA MP was born. SEWA MP members include beedi workers, incense-stick rollers, street vendors, forest workers, tendu leaf pickers, construction workers, domestic workers, sewing workers and agricultural workers.² SEWA MP works in four districts in Madhya Pradesh and has a total membership of 350,890 women.

In 1989, SEWA MP registered a credit cooperative called the Swashrayee Mahila Sakh Sahakari Sanstha Maryadit, Indore (literally, Self-employed Women's Savings and Credit Co-operative Society, Indore). It serves over 14,210 self-employed women in Indore district of MP.³

A savings and credit cooperative is a membership-based organization (MBO) which operates much like a bank, except that it does not provide cheque operations or ATM or debit card facilities that are available from a bank. Besides these, all forms of savings and all forms of lending are possible in a credit cooperative.⁴

Brief history

Soon after SEWA MP was formed in 1985, the women members felt the need to start saving some money. The savings activity started informally with five women saving INR 50 (\$0.75) per month in Mahila Bachat Kosh (meaning Women's Saving Fund). In April 1986, SEWA MP started cooperative savings activity and 200 members started regular saving. The initial members were beedi workers who saved INR 2 (\$0.03) each week from their weekly wages. It took about one year for the workers to accumulate INR 100 (\$1.50) which was required as share capital to register the cooperative society. Each of the 200 members deposited INR 100 (\$1.50) as a share capital and INR 50 (\$0.75) as an admission fee. The cooperative was finally registered in 1989.

In 1999, the cooperative moved from a manual system of record keeping to a computerized system. A customized software was developed and it took until 2005 to get the new software up and running and iron out all the glitches in the accounting systems. A branch office of the cooperative was opened in the Mhow block of Indore district (about 35 km from Indore) in 2000.

1 This case study is based on interviews with Mini Sharma, CEO, SEWA Savings and Credit Cooperative, Indore, on three different days in November 2017.
2 "SEWA in Madhya Pradesh", SEWA Bharat, <http://sewabharat.org/across-india/sewa-in-madhya-pradesh/> [accessed 25 October 2017]
3 Written communication with SEWA MP on 25 October 2017.
4 An important difference between savings and credit cooperative societies and MFIs is that the former require that members have regular savings before a loan can be given to them. MFIs are primarily lending institutions and members do not save with MFIs.

This credit society is the biggest women's cooperative society in the state where women informal economy workers are associated with the cooperative movement. According to Miniben, CEO of the cooperative, borrowing from moneylenders has gone down by 60 to 70 per cent after the formation of the savings and credit cooperative.

Innovation in the Indore Savings and Credit Cooperative Society

The Indore Savings and Credit Cooperative Society has developed an innovative system to promote regular savings and high loan repayment rates. It has formed small informal groups of its cooperative members called Swayamsiddha, and it applies features common in micro-finance groups. Each group of six to ten members meets monthly and saves a fixed amount. This is a common feature in savings and credit self-help groups (SHGs) and other joint liability groups (JLGs) in India.⁵ Further, the entire group is responsible for repayment of any loans taken by group members. So, if one borrower has difficulty in repaying an instalment, the other group members ensure that timely repayment happens.

This innovation both facilitates regular savings by the women and also ensures responsible loan provisions. For the cooperative, the outreach is simplified as six to ten member transactions can be completed during a single meeting. Of the 14,210 cooperative members, 8,000 members (56 per cent) are members of Swayamsiddha.

Key activities of the cooperative

The key activities of the credit cooperative society are to encourage women to save and provide a safe space for their savings.

The credit cooperative also provides low interest loans to members. These loans can be used for a variety of purposes including microenterprises, home improvement, health, and education. All loans are given at an interest rate of 18 per cent per annum.⁶

The savings and credit cooperative also trains SEWA MP members in managing their finances through a financial literacy programme. The financial literacy programme was developed in partnership with the Indian School of Microfinance for Women. The cooperative modified the course and introduced more games and stories in line with popular adult education methods to make it easier to communicate the messages to the members.

Role of the cooperative vis-à-vis its members

The first task taken up by the cooperative was to encourage women to make regular savings and to deposit these savings in the cooperative. Only women who have been saving regularly in the cooperative society become eligible for loans.

The cooperative conducts an intensive training programme for members to enhance their skills in handling money, banking transactions, use of ATMs, loans, access to markets, and identification of fake currency. For this, the cooperative develops training modules with local examples to help convey the message effectively.

5 SHGs have been a popular method of organizing women for savings and loans. Under this system, small groups of 10–20 women come together and begin regular savings. Once the savings reach a sizable amount, the money is used to make internal loans within the group to group members. The unique feature of these groups is that members have to save a fixed amount regularly, thus building up a savings corpus. SHGs are unregistered bodies.

6 The interest rate charged by most microfinance organizations in India ranges from 24 per cent to 30 per cent per annum.

Rajalben of Indore District

Rajalben is a farmer and an agricultural worker. She lives in Karondia village of Mhow block. Her family used to live in a *kaccha** house until a couple of years ago. Their village is fairly isolated and does not benefit from any government schemes or services. More than half the village has been indebted to the local moneylender who charges a high rate of interest. In 1996, SEWA organized the women in this village and encouraged them to start regular savings. A group of 12 women in the village formed a savings group. Each member started saving INR 30 (\$0.45) per month. Rajalben took a first loan of INR 5,000 (\$75) and used it to buy inputs like seeds and fertilizer for her family's farm. The crops did well and she had good earnings. This cycle continued and today she saves INR 600 (\$9) each month. Adding to these savings, Rajalben took a loan of INR 10,000 (\$150) and bought bricks and built the front wall of her house. After repaying that successfully, she took a second loan of INR 30,000 (\$450) and made a second wall. Recently she and her daughter took a loan of INR 100,000 (\$1,500) and made a *pucca*** wall and ceiling. Today they have a *pucca* house which translates into safer and healthier living conditions for the family.

* A *kaccha* house is made of mud, straw etc. and is the typical dwelling for very poor families.

** A *pucca* house is usually made of bricks and cement. It is more solid and permanent than a *kaccha* house and it is seen as a sign of a higher economic standard.

Amitaben of Indore City

Amitaben lives with her parents-in-law. In the front of the house there are two small shops. In one she used to do sewing and in the other her father-in-law had a small grocery store. The grocery store had very few items and there were not many customers. This was the situation 13 years ago.

After joining the cooperative, Amitaben started attending meetings and getting to know other women like herself. She started saving in the cooperative, and gradually became an active member-user of the cooperative. She enjoyed going to the meetings at the cooperative and started voicing her opinion in these forums. She slowly became more confident and decided to take a small loan for her business. That was a turning point in her life.

Her situation has improved considerably since then. Today she is considered a successful business-woman by everyone in the neighbourhood. In the shop where she used to sew alone she now has two sewing machines and employs another person to help her. She also keeps trinkets and toiletries for women in her shop and has many customers.

SEWA has played an important role in helping Amitaben achieve her current success. Being a co-operative member enables her to periodically take loans to buy stock for the grocery store and for her own business in trinkets and toiletries. The financial literacy classes given to cooperative members helped her realize the value of savings and she now regularly saves INR 500 (\$7.50) each month. As a cooperative member she regularly attends meetings and participates in decisions made by the cooperative. The cooperative has also brought her in contact with other micro entrepreneurs and helped boost her confidence in making her business grow. She recently took a loan of INR 100,000 (\$1,500) to move her business forward.

The cooperative also ensures that members are aware of their rights when they participate in other microfinance organizations' programmes. For instance, it has been observed that, in some cases, when members take a loan from another microfinance organization, they may have to pay a bribe to intermediaries who facilitate the loan. The Indore Savings and Credit Cooperative Society works to educate members about their rights as financial actors and borrowers. For instance, members are told that, if they are members of a microfinance organization or cooperative, they are entitled to take loans if they satisfy the lenders' criteria.

Economics of the cooperative

As mentioned above, the Indore Savings and Credit Cooperative Society started with 200 members who each paid a share capital of INR 100 (\$1.50) and an admission fee of INR 50 (\$0.75). Currently the cooperative has 14,210 members. The members have total savings of over INR 110,000,000 (\$1.65 million) and about INR 100,000,000 (over \$1.5 million) is the current amount in loans outstanding. The society currently has 33,891 borrowers.

In the past, the cooperative has borrowed funds from banks and microfinance institutions to lend to members. As of now, the members' savings are sufficient for the loans made. All loans made by the savings and credit cooperative are insured with the VimoSEWA Insurance Cooperative.⁷

Table 5. Income and expenditure of Indore Savings and Credit Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Total members	13 374	14 728	10	14 210	–4
Total deposits	67 057 015	86 623 538	29	117 861 943	36
Total loan amount outstanding	59 691 547	86 145 193	44	94 101 966	9
Number of borrowers	24 471	30 885	26	33 891	10
Surplus	691 529	2 375 354	243	2 354 602	–1

Note: US\$ 1 = INR 66.66

Challenges faced

The cooperative encourages women to begin saving on their own before they become members and take loans. It has been a challenge to promote the savings habit among members in both rural and urban areas. Members in rural areas are not ready to save, partly because they have had bad experiences with fly-by-night operators who have taken savings from them and then disappeared. They are therefore afraid of losing their hard-earned money.

Another factor that interferes with creating a savings habit is the ease of availability of loans from microfinance organizations (MFIs) in these areas. The Indore Savings and Credit Cooperative Society is committed to encouraging women to save regularly and loans are given only to members who save regularly. However, women are easily able to get loans from MFIs, and thus sometimes take this easy option.

The cooperative has a rule of giving only one loan to a member at a time. However, there are times when a borrower needs a second loan and is therefore compelled to go to another lender. The cooperative is working on how to meet the financial needs of its members so that they do not have to depend on external agencies.

Another challenge the cooperative faces is the rigidity of some officials from the cooperative department, a state government department. For instance, they insist that the cooperative use the auditors from the department to audit their annual financial reports. On one occasion the district cooperative department raised objections in the audited accounts and passed an order for them to be redone. The Indore Savings and Credit Cooperative Society refused to buckle under the pressure and complained to the state cooperative department in the state capital, Bhopal. The senior officer ruled that there was no need to get the audit done again – the errors could simply be reviewed and corrected. Such inflexibility from the cooperative department is not uncommon.

⁷ A case study of the VimoSEWA Insurance Cooperative is included in this report.

Lessons learned

Regular training sessions in financial literacy are required to teach members the importance of building savings. The importance of savings is also reinforced with eligibility for a loan being dependent on having regular savings. However, once women develop the habit of saving regularly, they begin to value having an asset in their names.

Forming small informal groups of cooperative members is a useful strategy for promoting regular savings and ensuring loan repayments. The familiarity within a small group builds the trust of the women in the larger organization.

Future plans

The credit cooperative is currently operating in the Indore and Mhow blocks of the district in both urban and rural areas. In the near future, the cooperative plans to expand to the Sanwer and Depalpur blocks in Indore District.

The cooperative also plans to expand its membership and increase its loan portfolio by borrowing external funds for lending to the members.

Shree Gujarat Mahila Lok Swasthya SEWA Sahakari Mandali Limited

Introduction

The activities of Shree Gujarat Mahila Lok Swasthya SEWA Sahakari Mandali Ltd (LSM) were initiated by SEWA for informal women workers, with the vision of linking work and health security. LSM is a state-level cooperative and provides comprehensive health coverage to almost 150,000 women in the state of Gujarat.

Brief history

SEWA members have always said that ‘our bodies are our only assets’,¹ and good health is a pre-requisite for them to be able to work and earn a living. Soon after it was founded in 1972, SEWA started addressing the health issues of its members, beginning with occupational health. SEWA members who were hand cart pullers and head-loaders spoke about back problems; they also reported that they often had miscarriages as the hand carts’ wooden handles put pressure on their abdomens when they used their bodies as brakes. Elaben Bhatt, SEWA’s founder, approached the National Institute of Design to develop a safe hand cart for women and also started working with the National Institute of Occupational Health to develop better designed occupational tools for informal economy workers.

Also recognizing that its members needed basic information about their bodies and their health, SEWA started “Know Your Body” health education sessions that focussed primarily on reproductive and maternal health. There was also a growing demand from the members for more health information and primary health services at the doorstep² and, in 1984, SEWA set up a community-based primary health programme led by women health workers.

As SEWA’s community health programme stabilized, around the late 1980s, it was decided that SEWA could register a healthcare cooperative for providing health-related services to SEWA members. Registration was a struggle because it was the first cooperative of its kind and it took two years for the cooperative to be registered in May 1990. The officials in the registrar’s office could not understand how such a cooperative could become viable. They asked: “What product will you sell?” SEWA’s response was that the cooperative would develop and sell health services and earn revenue by charging nominal fees for the services, and thus would become viable.

Over the years, LSM added several activities to its portfolio, including the manufacture of Ayurvedic³ products and the running of low-cost medicine shops (WHO, 2008). Both of these activities are financially viable and generate surplus for the cooperative.

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- 1 This early line spoken by some SEWA members highlights the importance of the women’s physical wellbeing for them to be able to work, earn a living and nurture their families. These are the words SEWA members used, and we have retained them.
 - 2 The doorstep approach used by SEWA entails the community health workers actually visiting the doorstep of each member to provide the services to SEWA members. Many SEWA members are home-based workers and unable to leave their home/workplace to seek services. The doorstep approach ensures that the members get the benefit of the health services without losing their day’s wages.
 - 3 Ayurveda is an ancient Indian medical science. A number of Ayurvedic medications and other preventive care products are produced and sold in India.

In 2005 LSM promoted the Lok Swasthya SEWA Trust (LSST) to carry out some of the cooperative's non-revenue generating health activities like health education and health promotion. LSM contributes 10 per cent of its surplus to LSST towards these activities.

Membership

SEWA's health cooperative (LSM) currently has 1,800 members across the state of Gujarat.⁴ Women who are health workers or health educators or those providing some kind of health-related service are eligible to become members. Special attention is paid to ensure that most of the members are grassroots-level health workers. Less than 5 per cent are pharmacists, public health professionals and doctors. Every member gets an annual dividend of 15 per cent and there is some surplus-sharing as well.

Key activities of LSM and LSST

Health promotion

- Health promotion and preventive healthcare through health education, immunization, micronutrient supplementation, and diagnostic camps
- Demanding creation of public health services and ensuring their supply by building the capacity of local communities to monitor delivery of public health services
- Adolescent health and well-being through formation of collectives which run 'Know Your Body' health education sessions and mobilizing adolescents to undertake health action like cleaning up their neighbourhoods

Curative and diagnostic services and referrals

- Curative care through rational drug therapy and referrals, especially including tuberculosis care
- Occupational healthcare including provision of protective equipment such as sickles for agricultural workers to reduce body strain
- Mental health services including diagnosis, counselling and referrals
- Promotion of low-cost traditional medicine treatment, use of local herbs, massage and acupressure

Manufacture and sale

- Production and sale of Ayurvedic medicines: Since 2005, 35 certified medical and Ayurvedic health products have been manufactured.
- Sale of low-cost drugs through four medicine shops and 50 health centres

Provision of Technical Support

- Provision of technical support through training sessions and consultations on health to organizations in other states, primarily those that are part of the SEWA movement through SEWA Bharat, SEWA's National Federation

From April 2016 to March 2017, LSST reached out to a population of over 460,000 persons (men, women and children) in 110 villages in Ahmedabad, Tapi and Gandhinagar and in 73 urban slums in Surat and Ahmedabad.

⁴ Interview with Mirai Chatterjee, Chair of LSM, on 31 October 2017.

Role of the cooperative vis-à-vis its members

LSM has identified and trained women informal economy workers to become community health workers (CHWs). Prior to becoming CHWs at LSM, none of these members had a background in providing healthcare and education. LSM provides ongoing trainings for the CHWs to equip them to perform their responsibilities in the community.

LSM has worked on addressing occupational health issues for its members. It worked with the National Institute of Occupational Health to develop tools and seats for incense-stick rollers, kite makers and other self-employed women to alleviate the physical hardship of their work. A 2013 study by the Indian Institute of Public Health, Gandhinagar (IIPHG), found that income and productivity among kite, sugarcane, garment and embroidery workers increased by 50 to 100 per cent when the workers were provided with tools developed by SEWA.⁵

An important activity of LSM is to educate its members about various government schemes that promote health and nutrition so that they are able to access them. The IIPHG assessed the impact of SEWA's health education and found high awareness of government schemes: 75 per cent on Janani Suraksha Yojana, a programme designed to encourage childbirth at hospitals by providing a cash incentive to women whose income falls below the poverty line; 68 per cent in Chiranjeevi Yojana, a programme that encourages childbirth in private hospitals for those whose income falls below the poverty line; and 64 per cent in Bal Sakha Yojana, a programme that provides special pediatric services in hospitals to newborns in families who live below the poverty line.⁶

LSM has to continuously review and update the contents of its member education to keep up with the changing health realities of the communities where it works. The issues of member education keep changing as new diseases and community health problems emerge. For instance, LSM leadership realized that there was an increase in non-communicable diseases such as high blood pressure, diabetes and cardio-vascular illness among its members. As a result, it has started organizing regular early detection and screening for these diseases, followed by prompt referral care at affordable rates or at no cost.

Voices of the members

“We are well respected now in our neighbourhoods. When we are unable to visit women for a few days, we get a phone call, asking us to come soon. They say, “When you don't come to meet us, we miss you! You have taught us; we have gained new knowledge about diseases and have started taking care of our health.” – **Jassuben, garment worker and CHW (LSST, 2017b)**

“When I walked in my neighbourhood, people would say Dr. Leelaben has arrived, and would ask me to check their pulse. I kept medicines for common diseases and first aid equipment in my home and sometimes street vendors would wake me up at night for emergencies such as aches and fevers.” – **Leelaben, vendor and CHW**

“Few persons in my village knew me before I became a health worker, and I faced exclusion and untouchability. Once I became a CHW with SEWA, people from all over the village started coming to me for medications and other health advice. Earlier the doctors and nurses in the Primary Health Centre would dismiss me by saying I was illiterate and did not know anything. Today we are treated with respect. – **Chanchiben, agricultural worker and CHW**

5 SEWA internal document, October 2014.

6 SEWA internal document, October 2014.

Economics of the cooperative

Soon after SEWA started its health activities, it received some external funding in 1984 to develop a core team of 50 community health workers. These women then became promoters of the cooperative and provided the share capital for the cooperative in 1990. From this initial capital, LSM began a medicine counter with INR 70,000 (\$1,050) and made surplus within a year. LSM also got seed money from the Ahmedabad Municipal Corporation to set up a medicine shop at a large Ahmedabad hospital.

Currently LSM is a financially viable cooperative and earns an income from its medicine shops and its sale of the Ayurvedic products that it manufactures. Table 6 below gives the turnover, surplus and outreach of the cooperative.

Table 6. Turnover, surplus and outreach of LSM (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Total turnover	43 646 615	54 596 663	25	58 412 335	7
Total surplus	1 430 852	2 256 043	58	1 635 105	–28
Total number reached	200 000	275 000	38	400 000	45
Members' savings on purchase of medicines	9 300 000	11 043 575	19	11 300 000	2

Note: US\$ 1 = INR 66.66

Challenges faced

There were key challenges the cooperative faced. The first challenge, which was to convince informal economy workers that they could be competent health workers for their communities, took time. Similarly, people in their villages and urban neighborhoods did not trust them at first, saying: “You have hardly been to school. How can you become a health worker? What if you give us the wrong medicine?”

The second challenge was setting up low cost medicine shops in some areas where there were existing vested interests of medicine shop owners or private and government doctors. They used both aggression and underhanded tactics and eventually SEWA had to withdraw from these areas.

Another recent challenge has been competition due to a government programme which has started providing generic medicines at low cost, exactly like SEWA's shops. Further, it is not clear if this programme is going to be permanent, or if it is just a temporary scheme. This creates disruptions and confusion for SEWA members and customers as to what strategies they should adopt.

Finally, setting up its own Ayurvedic business was not easy for the cooperative, as the experience of undertaking this kind of economic activity did not exist among the members earlier. The cooperative's team learned by doing and making mistakes in the process. It took seven years to make this business profitable.

Lessons learned

Women workers in the informal economy can be trained to become effective frontline community health workers, even if they have limited formal schooling. For this, they require regular capacity-building as well as ongoing forums for discussing their experiences, posing questions and seeking clarifications. The monthly meetings of all CHWs at SEWA provide the opportunity for such formal inputs and informal discussions.

Healthcare can be a good entry point to gain the confidence of a community and to organize workers, especially women workers, and build solidarity among them. Providing primary healthcare to community members can be an employment generation avenue and a source of steady income for community health workers.

Referral services to appropriate hospitals for healthcare are highly valued. Given the large number of choices for medical care and the lack of information about cost and quality of these services, members depend on SEWA's community health workers to guide them. Many members have been saved from financial ruin by going through SEWA's network of healthcare providers who often reduce or waive fees.

Pethapur Mahila Dudh Utpadak Sahakari Mandali¹

Introduction

The Pethapur Mahila Dudh Utpadak Sahakari Mandali (PMDUSM or Pethapur Dairy Cooperative) is a cooperative of women milk producers in Gandhinagar district in the state of Gujarat. Dairy cooperatives have grown and prospered across Gujarat since after 1946 – the year that marked the birth of dairy cooperatives in India (Chawla, 2007). Nevertheless, it is still unusual to see an all-women dairy cooperative, and Pethapur Cooperative is an exception. Women come to the cooperative's centre twice a day to sell their milk, which is then transported to the local processing plant owned by the federation of all the cooperatives in the region.

Brief history

Pethapur Dairy Cooperative was formed 17 years after a dairy cooperative, run by men, closed in 1977. This cooperative that was started by men in 1971 functioned for five years before it went bankrupt in 1976 and shut down completely in 1977. There was allegedly mismanagement by some of the men in the village. When SEWA members Savitaben, Chandrikaben, Geetaben, and Labhuben met the *sarpanch*² of Pethapur Village in 1991, they suggested that the women of Pethapur should revive the cooperative. While the women were interested, the men resisted. In order to quell the opposition to the formation of the cooperative, the wife of the president of the dairy cooperative run by men was asked to join the newly-proposed cooperative. In 1994, the 'Pethapur Mahila Dudh Utpadak Sahakari Mandali' (PMDUSM) was formed.

Access to resources and technology has brought in considerable changes for the cooperative over the years. Checking for the fat content in milk, which is the basis on which its value is determined, used to be a huge challenge for the former cooperative that closed down. In the absence of technology, a rudimentary *gadbad* machine (*gadbad* loosely means disorder in Hindi) was used to check for fat content. The process would take hours and also led to a lot of confusion, disagreements and disputes. Entries had to be made in everybody's passbook manually which was a time-consuming task. In 1994, the old method was replaced by new fat-checking machines that accurately measure fat and make the entries. In addition, all data is now stored digitally which saves a lot of time and energy.

The cooperative did not have its own premises and functioned in the unused premises of the Village Panchayat in its early days. A new building was built over a decade ago on land taken on lease from the Panchayat through a loan of INR 500,000 (\$7,500) provided by the state government while the rest was contributed by the cooperative. Pethapur, which was earlier a village, is now a municipality. As one enters the premises of the Pethapur Dairy Cooperative, there is a small grocery store that has been rented out, a large hall where milk containers are kept, an office which has a computer and a fat-checking machine and two other spare rooms.

1 Information for this piece has been sourced through formal interviews with the board members of the cooperative on 12 October 2017 at the Pethapur Dairy Cooperative.

2 The *Sarpanch* is the elected local village head.

There were problems in getting the cooperative registered. This is because the earlier cooperative had not been de-registered and, as per rules, only one dairy cooperative is permissible in a village. Thus it ran as a proposed cooperative from 1991 to 1994, and was finally registered on 31 March 1994 after a number of visits and clarifications were made to the concerned authorities. The Gandhinagar Milk Union was sceptical about poor, less-educated women running the cooperative by themselves and insisted that an all-women cooperative would not last for long.

Membership

Membership is open to all women. Most of the members live in the vicinity and are upper-caste (called the *darbar* caste) while some are originally migrants from the adjacent state of Rajasthan who are now settled in Pethapur. As of 2017, there were 379 members (shareholders), while 2,000 people supplied milk throughout the month. Milk collection is managed by one computer clerk, one fat tester and two men employed as workers. The cooperative committee has 11 members elected from its member shareholders.

Key activities of the cooperative

The cooperative's primary activity is to purchase milk from women owners of livestock in Pethapur and pay a fair price based on the quality of the milk.

Linkages

The milk collected by the Pethapur Dairy Cooperative is supplied to Madhur Mandli, the district-level cooperative federation. The federation transfers payments directly to the bank account of its member cooperatives. Apart from the collection of milk, the federation also sells packaged *ghee* (clarified butter) through the cooperative. A portion of the surplus on these sales goes to the cooperative. A number of organizations like the National Dairy Development Board (NDDB) provided a subsidy of INR 30,000 (\$450) for the purchase of a desktop computer and also provided computer training to Lataben to enable her to become

Journey of Seetaben

Seetaben was born in 1946 in Randheja village, 5 km away from Pethapur. While she could only study until fifth grade of primary school, she recalls that she was very intelligent as a student and stood first in her class. From the very beginning, she was deeply interested in social and political issues and would join in when she would hear men in her village engage in political debates. Seetaben has been actively involved in the operations of the cooperative from the beginning and has also been strongly associated with the SEWA movement.

She served as the president of the cooperative for two-and-a-half years. She visited Switzerland for an exposure visit to the dairy farms there. She stood for the municipal elections when people asked her to, and she won despite the fact that she did not campaign. She currently serves as a board member of the SEWA Cooperative Federation.

She has one son and one daughter; her son works with the Life Insurance Corporation (LIC) while her daughter is a civil engineer. At the age of 71, she still takes care of her cattle and deposits the milk she collects at the Pethapur Dairy Cooperative.

She recalls when everybody was skeptical of whether a cooperative led by women could be sustainable. "Behenon ka Sangh Kashi* nahin Jayega": "A women's cooperative will not go to Kashi", implying that it is not capable of travelling to any place. The women proved the skeptics wrong when, some years back, with the bonus of INR 40,000 (\$600) per member that they received, the women went to Kashi and took their husbands along with them.

* Kashi is a place of religious pilgrimage in Eastern India approximately 1,500 km away from Pethapur.

the cooperative's computer clerk. Every year, the National Cooperative Union of India (NCUI) provides capacity-building training to its members on leadership, cooperative sustainability and new technology using its cooperative education fund.

Economics of the cooperative

The cooperative earns its revenues mostly from the sale of milk to the district cooperative federation. In 2016–2017 milk, worth INR 33,146,778 (\$497,251), was sold to Madhur Dairy. Total expenses in the same year amounted to INR 719,018 (\$10,786) while the net surplus earned was INR 25,862 (\$388) after a 19 per cent bonus was given to members. With the bonuses they have received, the members have gone for annual trips with their families. Last year, the women went to Haridwar, a place of religious pilgrimage in Northern India.

Challenges faced

One of the major challenges that the cooperative faces is the decline in the supply of milk. Pethapur, which used to be completely rural, is now rapidly urbanizing. Agriculture and dairy go hand in hand and as land prices have increased manifold, people are selling off their farm lands. Further, elders lament that their children, who are much more educated than they are, have no interest in dairy farming and are migrating to cities or abroad. Scarcity of farm lands, labour and milk is likely to be a huge challenge for the dairy industry unless relevant policy interventions, such as generating animal feed through technology, are implemented.

Lessons learned

The formation of this dairy cooperative, which was a challenge in itself, was enabled through building trust and cooperation among everyone in the community. Multiple meetings were held in the village to discuss how the formation of the cooperative was beneficial for all. Meetings were also held with the *sarpanch* and other local leaders. Importantly, door to door meetings, especially persistent interaction with the husbands and relatives of the women – who eventually became the owners of the cooperative – was essential.

The members of Pethapur Dairy Cooperative have learned through experience that, as women, they are capable of running a dairy cooperative successfully, achieving sustainability with persistence and building up capabilities. Dedicated leadership and committed workers who are ready to adapt to and embrace technological change have led to rapid growth and development of the cooperative.

Shree Surat Mahila SEWA Nagrik Dhiran Sahakari Mandli Limited¹

Introduction

The Shree Surat Mahila SEWA Nagrik Dhiran Sahakari Mandli Limited (Surat Credit Cooperative) was formed in 2001 by SEWA's housing organization, Mahila Housing SEWA Trust (MHT), with the slum dwellers in and around the city of Surat in Gujarat state.²

Brief history

Soon after SEWA started in Gujarat in 1972, SEWA Bank was formed to provide financial services to women workers in the informal economy. SEWA Bank proved that poor women employed in the informal economy needed banking services and paved the way for SEWA to provide financial services wherever it functions.

In the late 1990s the Surat Municipal Corporation (SMC) invited MHT to come and work in the slums of Surat and upgrade the housing of people living in these areas. Home to migrant labourers from all over India, the living conditions in Surat's slums were very poor. In 1994, the city of Surat had an epidemic of plague due to the poor living conditions in large parts of the city. The SMC, therefore, wanted to launch a major water and sanitation and public health campaign. Having learned of the successful partnership of the Ahmedabad Municipal Corporation with MHT on the Parivartan Slum Development programme in Ahmedabad in 1998, it invited the MHT to work in Surat.³

It was found that not only did residents in the slums have poor access to water and sanitation, but they also could not access funds to improve these services. Good quality water, sanitation and other housing-related services required community contributions for construction. Therefore, MHT started requesting financial contributions from the community for these services. In order to make this contribution, these women required financing. In 2001 there was little access to such finance. At that time MFIs were not as common and widespread as they are today. There were not many models available that could provide direct financing for such basic services.

Transition from SHGs to the credit cooperative

Prior to the formation of the credit cooperative, MHT started encouraging savings towards infrastructure finance in 2001. It formed SHGs in Surat with the help of technical assistance from the SEWA Bank. SHGs are area-based groups composed of 11–20 members that usually start with collecting savings. These SHGs are owned by the women themselves who decide on the savings model most suited to their needs. Collection of savings in the SHGs in Surat usually happened once a month, the amount of which was decided by consensus, and usually

1 Much of the material of this text is from personal communication with Bijal Bhamhabhatt, Director, Mahila Housing SEWA Trust, on 24 October 2017, unless stated otherwise.

2 The work of MHT mainly centres on providing women, slum residents and rural poor access to water, energy, housing and finance. For information on MHT, visit <http://mahilahousingtrust.org/>

3 Inputs from Mirai Chatterjee, Chairperson, VimoSEWA.

ranged between INR 25 to 50 (\$0.38 to \$0.75) a month, depending on the saving capacity of the members. The SHG had the freedom to mutually decide on collecting savings that could, in fact, even be as low as INR 2 (\$0.03) per month, which would include the poorest of the poor. Such a small savings amount would not be possible in a cooperative or in a regular bank.

But as the SHGs grew and expanded in Surat, issues around regulation and governance came up. In a span of a few years there were as many as 1,500 members organized into SHGs. As these groups were not regulated by any government authority, MHT, which enabled the formation of these SHGs, faced the challenge of constantly regulating and monitoring their activities. Also, when the need for greater levels of finance arose, expansion to other financial services like larger amounts of credit or insurance became much more difficult within the SHG model. This is because what was available as a loan was the savings amount itself – which was rotated internally as a loan – but the financing needs tended to be much greater for the women, because their needs were for housing and allied services like electricity, drainage and toilets.

Formation of a credit cooperative emerged as a possible solution that could leverage greater levels of financing. In order to show that the group had the minimum number of members needed to form a cooperative, those interested had to buy a *suchit* (proposed) share, which acted as proof of demand for the formation of the credit cooperative.

After this, the process of registration began. This process was anything but smooth for the Surat Credit Cooperative. It took around two years and multiple visits to the registrar's offices in both Surat and Ahmedabad. The general outlook towards formation of cooperatives was also not encouraging. This is because, around that time, a number of cooperative banks were found to be engaged in fraudulent practices and some went bankrupt. Politically, the environment was not conducive to the registration of any new credit cooperative. Nevertheless, the women contributed the seed money needed, and the Surat Credit Cooperative was finally registered in 2001.

The Surat Credit Cooperative made credit available to its members at rates much lower than other sources available. Prior to the formation of the cooperative, the women were usually dependent on local moneylenders who charged exorbitant interest rates, sometimes as high as 10 per cent per day. Most women who had joined the cooperative were already deeply in debt to these moneylenders.

There was not enough credit available for housing in the regions where the cooperative operated. The actual credit needed for housing ranged from INR 250,000 to 400,000 (\$3,750 to \$6,000) which no bank or MFI lent without the requisite legal documents under the know-your-customer norms.⁴ But the Surat Credit Cooperative has managed to develop methodologies to enable it to lend to this group of people to whom the MFIs and banks usually do not lend.

Forming a credit cooperative made it possible to borrow external funds which could then be used to give out loans to members. Over the years, the Surat Credit Cooperative has sourced additional credit from governmental institutions like the National Cooperative Development Corporation (NCDC) and the National Skill Development Council (NSDC). It also accesses credit from institutions like Friends of Women's World Banking (FWWB) and other MFIs. In addition, similar to a bank, it has savings from its members that are rolled back into its operations for credit or for lending.

4 In 2002, the Reserve Bank of India advised banks to make the know-your-customer procedures mandatory while opening and operating accounts.

Voices of women

“My family comes from Dhule in neighbouring Maharashtra state. We are Adivasis or tribals. We have a small plot of land in our village but there is no irrigation there. Our area faces frequent droughts. That is what brought us to Surat. My husband has a temporary job in a plastics factory. I run a small shop from my house. I saved some money and then opened an account with the Surat Credit Cooperative, as my cousin works there. I took a loan to develop my business and re-paid it. Now I have taken a loan to build a toilet and add on an extra room to my home. I feel that we have a better life here now, and with some basic services and regular income. I miss my village sometimes, but I know that we could not have given proper education to our children nor could we have afforded these services.” – **Anjanaben**

“I came to Surat from Varanasi in Uttar Pradesh 15 years ago with my husband and children. There was no work in our village and so we were forced to leave our land. My husband worked in one of the power looms as a contract worker. I looked after our children and did some sewing when I could. Suddenly my husband passed away. I did not know what to do with my life; how to feed my children? My neighbour told me about SEWA and how she saved in the Surat Credit Cooperative. I began saving from sewing hems on saris and opened a bank account. After a year of saving, I took a loan to buy a small room so that my children and I can live in peace. The cooperative manager saw that I repaid my loans regularly and recommended my name to become a health worker. Now I am a board member of the health cooperative, Lok Swashtya. We provide health education and ensure that migrant workers get the health services they need from the public health system. If it were not for the Surat Credit Cooperative, I would not have a roof over my head, nor be a health worker.” – **Satyavatiben**

Structure of the cooperative and expansion over the years

The Surat Credit Cooperative is composed of its members and a governing board. The governing board has a President, Vice President and Secretary. The board members, who are cooperative members, are elected every three years by the members of the cooperative.

The cooperative sustained and even expanded its operations to Tapi District in 2005.⁵ Here again, it started with the initial SHG model applied in Surat. It organized more than 1,000 members across 30 villages. It now functions as a branch of the Surat Credit Cooperative and has expanded its base to 44 villages. The Surat Credit Cooperative now has a membership of 12,761 women with savings of INR 31,082,384 (\$466,282) and loans disbursed to 9,347 women in 2016–17. From 2014 to 2017, the number of members saving has grown by 26 per cent, while the number of loans disbursed has increased by 39 per cent (see table 7).

Table 7. Financial details of the Surat Credit Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Number of members saving	10094	12338	22	12761	3
Amount of savings	29367297	32638715	11	31082384	–5
Loans outstanding	51511012	57743894	12	38359233	–34
Number of loans disbursed	6723	8456	26	9347	11

Note: US\$ 1 = INR 66.66

⁵ Tapi district is contiguous with Surat district.

Challenges faced

Registration and expansion of the cooperative was a cumbersome exercise involving a number of bureaucratic hurdles. While the cooperative was registered in 2001 in Surat city, expanding operations to the Surat district took about two to three years. Further, expansion to Tapi district took three more years as getting permits was a time-consuming exercise. Most policies are liberal towards the growth and expansion of private enterprise, but the rules remain stringent towards the formation and expansion of cooperatives.

One of the primary challenges of the cooperative is retaining members. The majority of the poor in Surat City are migrants from other states in India and, therefore, highly mobile. Two recent macroeconomic policies jolted the cooperative sector in India as a whole. First, people's work and wages suffered a setback due to the sudden demonetization announced by the government in November 2016.⁶ The Surat Credit Cooperative, like all other cooperatives, had an account only with district cooperatives and not with the banks. District cooperative banks were not allowed to exchange the old notes for new ones. This meant that the exchange of old notes for the new INR 500 (\$7.50) and 1,000 (\$15) notes was a challenge for the cooperative. Second, the recent Goods and Services Tax (GST)⁷ has adversely affected the textile sector. Surat is a major hub for the textile sector in India. Many power looms were shut down, leading to job and income losses. This has negatively affected the volume of savings and credit in the cooperatives. Growth has declined since late 2016, as a number of members work in the textile industry either directly or indirectly.

Lessons learned

One of the biggest lessons learned in the history of this cooperative is that, while the SHG model is a good starting point for initiating activities of thrift and credit, for members to have access to greater levels of finance, as well as to grow and sustain these activities, the formation of a credit cooperative offers the economies of scale needed. Unlike the SHGs, where the group has a joint savings account, in a credit cooperative all members have individual accounts as they would have with a bank.

But the major point of distinction between the cooperative and banks or other lending agencies is the constant engagement, including regular visits, with its members.⁸ Meetings and discussions with members have been critical to building and sustaining trust, ensuring the survival and sustainability of the cooperative. As many of the members are not literate, it is often necessary to read out and explain what is written in the receipts to them. Considering the number of MFIs embroiled in fraudulent practices, it is important that the members understand the entries in their written records and that their numerous queries receive answers.

These are some of the main reasons that the membership in the cooperative remains strong despite all the hurdles and setbacks. The women members continue to save and access credit from the cooperative in order to enhance the quality of their lives with over 40 per cent of the credit going into housing, water, and sanitation and the rest going to other livelihood activities.

6 On November 8, 2016, the Government of India announced the demonetization of all INR 500 (\$7.50) and INR 1,000 (\$15) bank notes which led to prolonged shortages of cash in the weeks that followed. From 1 July 2017, the Government of India put into effect a major tax amendment, the Goods and Services Tax (GST), a unified tax regime replacing a number of indirect taxes levied previously.

7 The GST was introduced in mid-2017 and required businesses to comply with a whole new set of regulations and documents which adversely affected these businesses.

8 Inputs from Jigisha P. Bharti, Head Accountant, and Sulochana, Assistant, at Surat Credit Cooperative.

National Insurance VimoSEWA Cooperative Limited

Introduction

The National Insurance VimoSEWA Cooperative Limited (VimoSEWA) is an insurance co-operative providing social protection coverage for SEWA members and other informal economy workers on their life cycle needs and various risks they face in their lives. Crises such as illness, widowhood, accident, fire, communal riots, floods and other such natural and human-made calamities result in loss of work, income and assets for poor working families. VimoSEWA, a cooperative where the members are the users, owners and managers of all services, works to address these crises to avoid economic leakage of scarce resources, often resulting in indebtedness.¹

Brief history

SEWA started offering insurance services to its members around 1992. Managers at SEWA Bank had observed that there were many cases of women borrowers who were unable to repay loans due to unexpected healthcare expenses in the family. This was confirmed by a SEWA Bank study in the early 1980s. SEWA leadership realized that it needed to provide insurance coverage to its members to protect them from this vulnerability.

Thus, SEWA began providing basic insurance coverage where women could buy life and health insurance for themselves and their families. SEWA served as an intermediary and linked its members to insurance products developed and sold by insurance companies. For the first several years, SEWA's insurance programme was housed in SEWA Bank in Ahmedabad. As SEWA's insurance programme grew geographically across several districts in Gujarat and to other states in India, it was decided that insurance should be established as a separate unit. In 1999, VimoSEWA was established as a separate entity with a focus on insurance.

The insurance scenario in India changed significantly in 1999, when the hitherto nationalized insurance industry was opened up to private players. Several private companies, including international insurance companies, entered the insurance sector. This change led to a significant expansion of insurance activity in India. Around this time, VimoSEWA leadership decided to formalize its organizational status and become a registered insurance cooperative. VimoSEWA leadership felt that as a registered insurance organization, it would be able to offer insurance products and services tailored to low-income women workers of the informal economy. The choice of a cooperative as the organizational form was in keeping with SEWA's values of promoting membership-based institutions that are mutualistic and democratic in nature. On September 7, 2009, the National Insurance VimoSEWA Cooperative Limited was registered as a multi-state cooperative. The VimoSEWA Cooperative was SEWA's first national cooperative and India's first all-women insurance cooperative. It is important to emphasize that, while the cooperative was formally registered in 2009, the insurance programme had been following the cooperative principles of member ownership and member governance

1 The social insurance schemes in India are very limited for informal sector workers and, therefore, they have high out-of-pocket expenses during crises.

since the beginning in 1992 when it was functioning from within SEWA Bank which itself is a cooperative.

Today VimoSEWA has 100,000 insured members across six states of India. It is a stand-alone, voluntary, full-service distributor and an intermediary of microinsurance products to women and their families.

Membership

All SEWA members are eligible to become members of the VimoSEWA Cooperative. Each member purchases a share for INR 100 (\$1.50). Membership confers voting rights to cooperative members and gives them the opportunity to be elected to the cooperative board. Currently the VimoSEWA Cooperative has 12,213 shareholding members.

Insurance services, however, are offered not only to shareholding members but to other members of SEWA as well. The number of persons insured through VimoSEWA grew steadily across several years and peaked in 2007 when it reached 214,181 members. In recent years the membership has stabilized around 100,000. There are two important reasons for this decline in membership. In the initial years, VimoSEWA was the only organization offering insurance for a variety of risks to poor self-employed women. Organizations in other parts of the country approached VimoSEWA to provide insurance to their members and also to learn from SEWA how to run microinsurance programmes. However, having a geographically dispersed membership was a financial drain on VimoSEWA. It was decided in 2009 that the priority would be to first ensure that VimoSEWA was financially viable and then expand its outreach. Therefore, the membership was limited to areas where the income exceeded expenses, and areas with high transaction costs were put on hold until financial viability was attained in 2013. Also, some of the organizations in far-away states of the country started their own independent insurance programmes.

In its initial years, VimoSEWA had to educate members about the benefits of insurance through community meetings and one-on-one house visits. In addition, over the years VimoSEWA has used street plays, exhibitions in the community, and one-on-one interaction to communicate benefits of insurance such as financial protection in times of crisis.

Key activities of the cooperative

The key activity of VimoSEWA is to provide a range of insurance services to its members as an intermediary between the insurance companies and the insured members. VimoSEWA started out by offering life and accident insurance coverage to its members. In response to demands of members, and as it gained more experience, it started health and asset insurance in 1994. Health insurance was gradually expanded to family members until the entire family could access health coverage through VimoSEWA by 2003. While a woman's family can get insurance coverage, the woman has to be the primary person insured.

Chronology of VimoSEWA

Year	Type of insurance offered/added
1992	Life and accidental death insurance for member
1994	Member asset and health insurance; Spouse's life insurance
1999	Spouse's health insurance
2003	Children's health insurance

However, in addition to this key activity, VimoSEWA also provides education on insurance and facilitates the settlement of insurance claims. This is unlike mainstream insurance companies which only provide risk coverage to insured members, leaving the other activities to insurance agents or Third Party Administrators.² Member education is carried out in group meetings and individual meetings with women and their families in their homes. Sometimes existing insurance members join in to explain the advantages of having insurance to new members.

VimoSEWA's insurance *aagewans*³ stay in close touch with the communities they work in. When a member suffers a loss, the *aagewan* helps the member collect the required documents and helps her submit her claim to the VimoSEWA office.

Role of the cooperative vis-à-vis its members

The foremost role of the VimoSEWA Cooperative is to demonstrate that low-income women workers in the informal economy are, in fact, insurance-worthy and insurable. When VimoSEWA first started, providing insurance coverage to this category of the population was unheard of. The pioneering work of VimoSEWA in this sector showed the way and, over the years, some non-governmental organizations and later the Indian government started offering insurance coverage to poor families. As insurance coverage among this category of the population expanded, and more organizations got involved, the term microinsurance came into use to denote modest-premiums and some basic insurance coverage.

A second key role of the cooperative is to ensure that members are actually able to benefit from the insurance that they buy. Two key necessary conditions for insured persons to get the benefit of insurance are: 1) understanding how the insurance works; and 2) being able to file a claim for losses suffered. The VimoSEWA Cooperative ensures that each policy that is sold is fully understood by the buyer so that she knows exactly for what types of losses she is covered. In addition, the *aagewan* team of the cooperative stays in touch with members and helps them with the claim-filing process to ensure that they get the benefits they are entitled to.

Another important role of the cooperative has been to recognize the members' evolving insurance needs and to respond by providing suitable new products. VimoSEWA started out with life insurance, but soon added health insurance for its members to protect against debilitating hospitalization expenses. When members asked for health insurance for their husbands and children, this insurance product was added to VimoSEWA's portfolio of products. As the members grew more comfortable with the concept of insurance, they asked for an insurance product that was combined with a savings product. This way they got protection against death, accident and hospitalization, but also got some return on the premiums paid. Members had varying abilities to pay for insurance and, in response, three new health insurance products were developed with varying premiums and coverage.

Economics of the cooperative

From the beginning, VimoSEWA has been collecting premiums from its members for the insurance offered. However, there were significant development expenses in the early years which required external funding. From 1999 to 2001, German Agency for International Cooperation (GIZ) funded an experienced insurance professional to provide technical inputs to the cooperative to strengthen its insurance and internal management capacities (Garand, 2005).

Support from GIZ and Ford Foundation provided an endowment that covered administrative expenses and research in 1999 and 2000 respectively. In 2001, this donor group came

2 A Third Party Administrator (TPA) is a company/agency/organization holding a license from the Insurance Regulatory Development Authority (IRDA) to process claims and provide cashless facilities to insured members. It is a separate entity from the insurance company.

3 *Aagewan* is the Gujarati term for a community leader. These leaders are paid a commission on insurance policies that they sell.

together to fund the development of a business plan for the cooperative to advance toward financial viability. As part of this exercise, Consultative Group to Assist the Poor (CGAP) funded an external actuarial and management consultant to assist VimoSEWA from 2002-2004. In 2005 ILO's Strategies and Tools against Social Exclusion and Poverty (STEP) programme funded research on renewal rates among insurance members.

Through a mix of discipline and innovation, VimoSEWA gradually reduced its dependence on external funding and, in 2013, began to meet all expenses with its income and has been financially viable since then. The expenses include costs incurred for training and staffing (table 8).

Table 8. Income and expenditure of VimoSEWA Insurance Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Income	13800110	14216697	3.0	13714916	-4
Expenditure	12380259	12070555	-3.0	11415843	-5
Surplus	1419851	2146142	51.0	2299073	7
Number of persons insured	94722	95125	0.4	86533	-9

Note: US\$ 1 = INR 66.66

Linkages to other organizations

Under the current insurance regulations in India, VimoSEWA Cooperative cannot carry the risk of insurance products and, so, it acts as an intermediary between risk-carrying insurance companies and the members. Hence it has close ties with insurance companies.

The VimoSEWA Cooperative works closely with the Lok Swasthya Cooperative, the healthcare cooperative of SEWA, for providing hospital referrals to members. Members who fall ill often need guidance on which hospital they should go to. The community health workers of the Lok Swasthya Cooperative work closely with the VimoSEWA Cooperative to guide members on hospital selection.

The VimoSEWA Cooperative members are also members of the SEWA Union. A union is permitted to offer insurance to its members under the mutual model. As a result, VimoSEWA was able to develop a microinsurance hospital cash product that was affordable and suitable to its members. This product is not only valued greatly by VimoSEWA Cooperative members but also makes an important contribution to the cooperative's financial sustainability. VimoSEWA also partners with several microfinance institutions that buy insurance for their members through VimoSEWA.

Challenges faced

The lack of suitable microinsurance products available with mainstream insurance companies can be a problem. Larger insurance companies are more attuned to the middle and upper middle classes. Tailoring insurance products to low-income communities requires a change in mindset and a willingness to engage with the world of work and the working poor.

Retention of members and ensuring their annual renewal in the insurance programme is a challenge. This is a common challenge in microinsurance programmes and, although VimoSEWA has managed an average renewal rate of about 60 per cent, the efforts to take it higher continue.

The current insurance regulation requires all insurance companies, including microinsurance companies/cooperatives, to have capital of INR 100 crore (over \$1.5 million). This high capital requirement prevents practitioners like VimoSEWA from setting up an independent insurance cooperative which can develop and distribute its own products.

Lessons learned

For a long time, low-income and poor persons were seen as 'bad risk' and uninsurable. VimoSEWA has demonstrated that, in fact, these workers are insurable and their insurance organizations can be financially viable. Further, VimoSEWA has shown that microinsurance for poor women can be financially viable. With appropriate products, good services, insurance education and a strong business orientation, it is possible to reach financial viability.

Member engagement in product development is necessary to design suitable insurance products. They are best positioned to tell what they need, how much they can pay, and the types of support services they need.

Member education on insurance is critical for its uptake and success. Insurance is an unfamiliar concept for new members. Women workers from the informal economy are willing to pay for insurance if they are informed and convinced of its benefits. Investment in member education on the services that are included in each product ensures their trust in insurance.

Claims-servicing should be transparent so that members fully understand the process of claim approval and rejection. This builds their trust in the insurance programme and in turn positively influences renewal rates and retention of members.

The experience of VimoSEWA is unique in that it illustrates how a financial service was piloted within an existing and successful cooperative, a banking cooperative, and went on to become a stand-alone service in an independent cooperative.

Shree SEWA Homecare Mahila Sahakari Mandli Limited

Introduction

The Shree SEWA Homecare Mahila Sahakari Mandli Limited (SEWA Homecare Cooperative) provides four broad categories of services: childcare, elder care, patient care and house-keeping. The clients for these services are typically families from the middle class and upper middle class and are not cooperative members. The childcare may be for an individual child or in a childcare centre. The four types of services are available for different blocks of time ranging from six hours a day to round-the-clock care. The cooperative is registered as an urban cooperative since most of the members and the customers are in Ahmedabad city.

Brief history

In 1986 SEWA had formed a cooperative, Saundarya, of women members who undertook the cleaning of various institutions in the city, including educational institutions and commercial and privately-owned building complexes.¹ In the course of this work, members of this cooperative started getting repeated requests from the people working in these offices for childcare and elder care for their family members. In the initial period, a small group of women (who had some skills to provide childcare or elder care) began providing these services. This was a new activity for SEWA and, in the initial period, it was carried out under the aegis of the SEWA Cooperative Federation on a trial basis.

The demand for these services grew and more workers expressed a willingness to provide these services. Once the federation was confident that it could be run as an independent economic activity, the decision to form a homecare cooperative was taken. The cooperative was registered with 51 members in 2010. It took about six months to register the cooperative; the registrar by then was already familiar with SEWA cooperatives. Hence, the registration process was smooth.

Gradually, as more people from middle class and upper middle class homes heard about this service, the demand for it started to grow. At the same time, to strengthen the quality of homecare services, it became necessary to provide the cooperative members with additional skills training specifically related to their areas of work in childcare, elder care, patient care, and housekeeping. In addition, there were requests from several customers to teach the homecare workers to learn how to use basic household appliances such as a toaster or a microwave oven.² The cooperative raised funds locally to purchase appliances and train the women in their use.

The cooperative formalized its systems incrementally as its work expanded. In 2013–14, it developed a database to better capture details of members and customers. This in turn allowed for finding a better fit between homecare workers and the households which requested their services. In 2017, the cooperative had 142 shareholding members and 50 associate members known as well-wishers.³

1 A case study on the Saundarya Cooperative is included in this report.

2 Such appliances are rarely used by cooperative members who come from poorer backgrounds, but are common in the homes where they go to work.

3 The cooperative is registered as an urban cooperative for Ahmedabad city. There are, however, 50 women who do not live in Ahmedabad city, but still work through the cooperative.

Structure of the cooperative and its governance

The cooperative has an 11-member board elected from among the shareholders, all of whom are homecare workers. There is a monthly meeting of the board members.

Key activities of the cooperative

The homecare cooperative is a service cooperative and the four key services it provides are: childcare, elder care, patient care, and housekeeping. The cooperative has customized packages based on the needs of the clients (8 hour, 10 hour, 12 hour, or 24 hour packages).

Role of the cooperative vis-à-vis its members

The cooperative identifies work opportunities for its members by contacting resident associations in middle class areas, through word of mouth and also by contacting women's business associations.

The cooperative builds the capacities of its members to carry out their work. On joining the cooperative, each member is required to attend two training sessions. The first is about cooperatives and the values, systems and rights and responsibilities of cooperative members. The second is a basic training in using home appliances such as ovens and washing machines. In addition, if a member wants to take up childcare, patient care or elder care, they are trained in the basics of the type of work they want to do.

The cooperative leaders periodically reach out to potential members based on demand. For instance, if the cooperative learns that there are several women in an area who are interested in becoming cooperative members, they conduct a meeting in the area. Women interested in pursuing membership then come to the cooperative office. The cooperative team assesses the suitability of the willing members for the types of work and enrolls the members into the cooperative.

The cooperative does a background check on all its members. This enhances the credibility of the cooperative as all the customers know that any homecare workers coming from the cooperative will work professionally. A background check is also done on the clients to ensure that the member is working in a safe environment. The client is required to come into the office to meet the supervisor, and a home visit to the client's home is made by the supervisor.

The cooperative works to ensure a good match between the worker and the customer. When a worker is placed in a new job, both the worker and the customer have a trial period for a few days. Only if both sides are satisfied is the assignment formalized. The cooperative has to maintain a balance to ensure that both the members and the employers are satisfied. A written contract is drawn up between the cooperative and the client which lays out the terms of employment, including payment of overtime if workers work for additional hours.

The cooperative helps the customer develop systems that will support the worker to function better. For instance, it asks the customer to write down all the relevant phone numbers in Gujarati as the workers do not know English. Similarly, they get the customers to colour code the phone numbers so that even if the worker has limited literacy skills, she can identify the different phone numbers.

Voices of the members

“I have peace of mind working through this cooperative. Earlier I used to work in a factory where I was always afraid of being sexually exploited. Here I know that I will get work and I have the support of the cooperative.” – **Kamlaben**

“I feel satisfied working through the cooperative. I know I will get paid on time.”⁴ – **Bhartiben**

“I fell down and hurt my head recently. I needed to rest at home for a few days and so the cooperative has sent a substitute homecare worker in my stead. I will go back to work when I am well. I have the assurance that I will not lose my work and the customer also gets uninterrupted services.” – **Savitaben**

“Earlier I worked as a domestic worker but the people treated me badly. They also did not pay me well. Through the cooperative we get paid regularly;⁵ I now save regularly and have been able to buy my own house.” – **Ilaben**

“Coming to the cooperative office and meeting the other members is like coming to our mother’s home. We can freely talk about our work and many other things.” – **Kantaben**

The cooperative maintains regular contact with both the workers and the customers to ascertain that the work is continuing in a satisfactory fashion. The cooperative also seeks reviews about its homecare workers from customers which become a part of the workers’ portfolios. Such certificates are valuable to help the workers to get continued work.

The cooperative has also helped members open bank accounts. While some members had accounts in SEWA Bank before they joined the cooperative, others were helped by the cooperative. Having a bank account makes it easier for members to begin saving.

Being in the cooperative ensures that members get better working conditions. For instance, in the beginning there were instances when someone on an eight-hour work regimen would be asked to stay late by the employers. This made it difficult for the worker who needed to get home on time. In other cases, the worker would be hired for childcare but would be made to do other household chores that were outside the tasks agreed upon when she was hired. The cooperative intervened and clearly communicated to the employers about the timing and the tasks the homecare worker was responsible for.

4 Payment from the client comes to the cooperative by the 5th of each month. The payment to the member is deposited into her account by the 10th of the month. Payments to the cooperative and to the members are all done online now. This also helps in timely payments.

5 The cooperative provides quality and regular services to its clients. If a member is unable to go for any reason, the cooperative ensures that the client gets another member to come and do the work. This assurance from the cooperative helps it to get regular work for its members.

Economics of the cooperative

In 2012, the cooperative raised funds with the help of the SEWA Cooperative Federation for the capacity-building of homecare workers and expanding homecare activities in Ahmedabad city.

The cooperative retains 5 per cent of the salary paid to the members to cover minimal administrative and training costs and deposits the remaining amount into the members' bank accounts.

Table 9. Income of the Homecare Cooperative and its members (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Income to cooperative	6 774 835	6 721 714	–1	6 693 915	–0.4
Income to members	6 436 093	6 645 802	3	6 306 181	–5.0
Surplus of cooperative	134 180	75 912	–43	89 872	18.0
Number of women getting employment	205	175	–15	240	37.0

Note: US\$ 1 = INR 66.66

Challenges faced

Caste and religious prejudices in society stand in the way of placing homecare workers in people's homes. Most of the cooperative's members are from the disadvantaged castes and communities, and the prejudices of the households against employing people from these communities pose a challenge.

Getting a long-term commitment from some members can present a challenge. Many women get interested in the type of employment offered by the cooperative, become members, and start the work. However, they discontinue for a variety of reasons. One of the main reasons is that the work requires them to report daily for work except on agreed-upon days off and emergencies. Many women have social commitments in their extended families⁶ and the long hours of daily work conflict with fulfilling these obligations. Another reason is the long distance that most members have to travel for work. The work is typically in neighbourhoods in the more affluent western part of Ahmedabad city while the members reside in the poorer areas in the eastern part of the city. Once they begin work they find they are unable to do justice to their commitments at home due to the long travel time. They therefore decide to discontinue the work.

There is a gap between the supply and demand for homecare workers. For instance, there is a higher demand for longer working hours of 12 to 24 hours. Most members, however, are unwilling to work for long hours or at night due to their household responsibilities. Similarly, the demands for homecare workers come from areas that are located far away from their homes, and the high cost of travel and long travel time discourages them from taking up the work.

It is sometimes difficult to get members of the cooperative to attend cooperative meetings necessary for personal and professional development, because they are unable to get permission to leave from their clients. While the terms of the contract state that the members will get a certain number of days off, these days do not always coincide with the days on which the training takes place. This is especially so in the beginning when the worker starts working in a home. Once the employer becomes acquainted with the cooperative and with the worker-member, they tend to become more flexible. This type of recognition on the part of the employer is one of the goals of the larger effort to professionalize domestic help and to educate employers about it.

⁶ Examples of social commitments in the extended family include attending weddings and funerals and visiting sick relatives, among others.

Lessons learned

Homecare workers need to be physically fit and interested in being good in their work. Initially, many older women signed up as members but they were unable to perform the responsibilities associated with being a homecare worker. The cooperative now admits members based on a combination of factors including their age, interest and ability to work.

Homecare workers need initial capacity-building and ongoing skills training to equip them to become professionals. In the initial period, the women were relatively unskilled and found it difficult to perform their roles. Regular training led to a change in their mindsets, growth in their personality and upgrading of their skills.

There are socio-economic and cultural differences between the homecare workers and the customers. Ways of behaving, speaking and functioning are somewhat different in the two groups. While training homecare workers for the job, these issues are discussed and the workers are trained in the soft skills that will enable them to fit into their work environment.

A computerized management information system (MIS) has aided effective management of the cooperative. The cooperative workers developed homecare worker and customer profiles on the system which they then used in planning trainings and recording customer feedback.

Ruaab SEWA

Introduction

Ruaab SEWA (Ruaab) is a producer company of garment workers in Delhi. Under India's federal structure, cooperatives fall under state-level regulation. This means that each state has its own laws pertaining to cooperatives. In some states the laws and rules enable the formation of cooperatives while in others they are inhibiting. Ruaab was registered as a producer company and not a cooperative, as in Delhi the registration of cooperatives is a long process. Further, after the amendment of the Companies Act No. 1956 in 2002, the Government of India encouraged the formation of producer companies that are hybrids between private companies and cooperative societies. Producer companies aim to combine the efficiency of a company with the moral spirit of cooperatives (Trebbin and Hassler, 2012). The garment industry is extremely competitive and demands a great deal of efficiency and quality, especially for the export market.

Over 50 per cent of SEWA's members in Delhi are informal, home-based workers, most of whom contribute to the garment industry in stitching, embroidery work and finishing products that are sold in bazaars throughout India, as well as in malls all over Europe and the USA. SEWA's national federation, SEWA Bharat, has organized these workers into their own union registered in Delhi and assists them to negotiate with and obtain orders from export houses directly, eliminating the need for middlemen. This collective of women home-based garment workers was formed in order to eliminate exploitative layers of middlemen in the garment industry and to create a supply chain that is transparent and fair. It provides work and income security and involves women producers as the users, managers and owners of their own producers' company.

Brief history

SEWA had been working with home-based embroidery artisans in Delhi since 2002, mainly through organizing and local advocacy efforts. In this process SEWA identified workers' demands for higher wages, better working conditions, and more control over production. In 2006, the Ethical Trading Initiative (ETI) led the drafting of 'Guidelines for Home-based Workers', which brought together representatives from social, private, and public institutions. It was through this process that SEWA recognized that there was a global demand from public and private sectors to create a transparent value chain in the garment sector. The conversations through this initiative turned the efforts of SEWA in Delhi from organization and advocacy to the formation of Ruaab, a registered institution that fulfilled demand locally and globally, looking into the needs of both producers and consumers. Ruaab was registered in 2010 in Delhi. It has a fully-transparent, worker-run model of production that offers high-quality goods, provides a dignified, nurturing environment for producers, and actively invests in the economic, social, and leadership capital of the artisans and producers within the organization.

Ruaab sources fabric from SEWA's handloom silk cooperative in Bhagalpur, Bihar. As it sources the material and uses the products in the garments that it makes, it provides a direct and transparent linkage between material sourcing and finished products. Today, Ruaab is comprised of approximately 650 home-based artisans in Delhi and supports 75 weaver families in Bhagalpur.

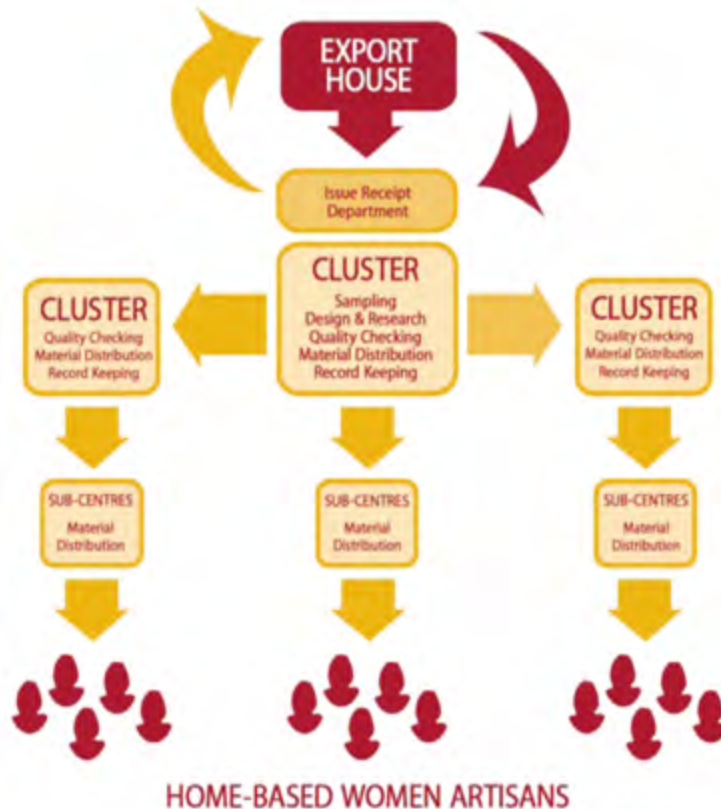
The following diagram shows the cycle, starting with in-house designing by the Ruaab team, material sourcing from Bhagalpur, garment manufacture and embroidery by Ruaab members, and sale of products.

Figure 2. Cycle from in-house design to product sales at Ruaab



The following figure shows the process flow between the individual members and the Ruaab export house. As seen in the figure, the clusters are central units in this linkage and responsible for design and research, material distribution and quality control.

Figure 3. Process flow at Ruaab with centrality of clusters



Governance

Ruaab has nine board members, including two who are representatives of SEWA and others who are artisanal producers.

Activities of the cooperative

Since its inception, Ruaab has developed three different markets. Ruaab sells to international brands and retailers (e.g. *Monsoon*, *Next*, *Zara*, *TopShop*, among others) finalizing piece work and stitching for the international retailer; it also sells to local brands and small boutiques, producing embroidered pieces; and, lastly, it sells to individual consumers through a private label called *Loom Mool*, where design, sourcing, and production are all completed in-house. Ruaab has an in-house showroom and an e-commerce site where it sells *Loom Mool* products. It is also featured in several exhibitions throughout the year. Ruaab's artisans have also been connected to public and government sponsored initiatives, including exhibitions, craft fairs, and sales. Most recently, Ruaab represented India in the Netherlands during a showcase of Indian artisanal products.

Production in Ruaab is completed in three ways: in the home, at local Ruaab centres, and at the Ruaab headquarters. Producers are able to work whenever and wherever it fits their schedules, responsibilities, and cultural practices. Ruaab acknowledges the complex and multifaceted roles that women in the informal economy face – working professionally, being responsible for childcare, and often bearing the burden of an unequal share of household responsibilities. For home-based workers, therefore, Ruaab has developed a mechanism for training in a common local centre whenever a new design is to be made. Workers then produce the garments according to the specifications in their homes, with monitoring visits and quality checks by the supervisors throughout production.

Economics of the cooperative

Table 10. Revenue, expenses and surplus of Ruaab (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Total Revenue	9 484 225	11 387 417	20	13 387 429	18
Total Expenses	8 284 096	10 749 633	30	14 978 957	39
Surplus	1 200 589	637 784	–47	1 591 528	150

Note: US\$ 1 = INR 66.66

Role of the cooperative vis-à-vis its members

Ruaab's artisans are provided with leadership and technical skills trainings. Artisans are given the opportunity to learn and diversify production skills through direct training exercises. Ruaab also connects its artisans with a rewards system, where members who deliver products early, work inside Ruaab's production centres and use SEWA's other social services can earn points redeemable for prizes, such as uniforms for their children, lanterns, fans, and phone chargers. Additionally, artisans organize, attend, and lead board meetings, trade-based union meetings, and community-focused meetings. These activities allow artisans to be involved at multiple levels of decision making to increase their leadership skills and self-confidence.

The professional management, financial, and marketing and sales teams provide the leadership backbone of Ruaab, while its artisans and producers dictate the organization's direction, strategy, and vision. Ruaab's leadership duly believes in and acts on SEWA's holistic and integrated approach, by providing equal opportunity and access to social and economic mobility. Through Ruaab, artisans are connected with SEWA's programmes in Delhi. Women

are encouraged to join SEWA's microfinance cooperative, providing them access to traditional financial services, such as loans and savings accounts, to help producers not only earn an income, but also grow and invest their wealth. Artisans are also connected to health and social security services. Women are provided with free screenings, health check-ups, and information on practices which help prevent treatable health conditions related to malnutrition, sanitation, and menstrual health.

Many artisans have limited social circles beyond their families and neighbours prior to joining Ruaab. Through their engagement with Ruaab, the members learn about the market especially when they go to sell their products in exhibitions and retail showrooms. Ruaab also provides an opportunity for workers to interact, learn and socialize with other artisans in the city and with the SEWA weavers in Bihar. Finally, Ruaab's senior leadership, including the board that includes some of the members themselves, provides them with voice and control over their enterprise and regarding their role in the industry.

Challenges faced

Being a company of informal home-based artisans has not been easy. Ruaab has had to compete with organizations that have kept the rates low, often by flouting ethical norms and minimum wages and manipulating costs. In recent years, production is shifting to factory premises to enable better monitoring of garments produced. But oftentimes the factories are just a facade to show adherence to compliance requirements as many of these factories depend on home-based workers in producing for well-known brands. In such settings, exploitation becomes rampant where there are no minimum wages; there is also use of child labour and other unethical cost-saving practices.

Recently, when Ruaab had to apply for working capital assistance from the bank, the procedure and documentation requirements were found to be very stringent and restrictive. As Ruaab is owned by 650 shareholders who are poor women artisans, not all of them had Permanent Account Number (PAN) cards. But the bank rules stipulate that the PAN card of all the shareholders is required. Also, Ruaab had few other tangible assets that it could show as collateral. Therefore, it was unable to access the loan from the bank. It then secured credit from *FabIndia*¹ at a nominal interest rate.

Lessons learned

Throughout the last seven years, Ruaab's leadership has learned from challenges and inefficiencies the organization has faced. Ruaab has streamlined its operations, adopted technology and planning strategies, and created diverse and sustainable market linkages. During the early years of Ruaab, the organizational structure was relatively flat, with no CEO or COO. Production suffered, communication across sales, design, and production teams was expensive and unorganized, and there was no clear go-to-market strategy.

To ameliorate these challenges, Ruaab and SEWA invested heavily in finding highly specialized leadership within the fashion and garment industry, building a design team, and investing in sales and marketing. This allowed existing Ruaab staff to focus on their strengths of managing and organizing artisanal communities. In order to help allocate and spread production efficiently, Ruaab has also developed proprietary software which measures the skill, speed, and specialization of each of its artisans. Further, it has diversified its go-to-market approach by targeting large brands, small boutiques, and individual consumers to provide its producer members with a consistent income stream.

1 *FabIndia* is India's largest private platform and chain store that retails garments, furnishings, fabrics and ethnic products handmade by craftspeople across rural India



“I am on the board of directors for Ruaab, of which I am really proud. I moved to Delhi from a tiny village decades ago. Embroidery work was something we did at home while we were growing up. I have now transformed that skill into a source of income.

I love meeting new people. We get many visitors at the centre – buyers, fellow members, community members – it is always full of people. Working here has given me a sense of belonging to a huge community. I really enjoy meeting the people who buy and use our products.” – **Sandhya Sahiben, Embroiderer, New Ashok Nagar, Delhi**



“I joined SEWA eight years ago after moving to Delhi from Bijnor. I had just lost my son and had difficulties with my in-laws. It was a desperate time of feeling alone, lost in a new place, and unable to act independently. Women in my family had always done aari work (a type of embroidery) inside the home to earn a little extra money. I joined Ruaab not expecting more than a bit of extra income and hopefully distract me from the past few years of struggle. I started to come to the centre to do work which felt as big a journey as my journey to come to Delhi. No women in my family worked outside of the home previously.

What I gained was more than any income I could expect. I gained a sense of identity and support from the bens (sisters) that I now consider family. I don't see this work as a job – it is a passion of mine. I take a lot of pride in this craft and love teaching others what I've learned. I really hope to take my income and build a house – a new beginning. I have big dreams for my children's future – I'll see all of them through school.” – **Farzanaben, Embroiderer, New Ashok Nagar, Delhi**

SEWA Ekta Swahyata Sahakarita Cooperative¹

Introduction

The SEWA Ekta Swahyata Sahakarita Cooperative (Ekta Organic Produce Cooperative) is an all-women's cooperative of farmers producing organic agricultural products such as red chilies, turmeric, coriander, quinoa and holy basil. The cooperative supports the women in production and marketing of the produce.

Brief history

SEWA started working in the Himalayan hill state of Uttarakhand in Northern India in 2006. In 2008-2010 it worked in the rural areas of the Sult, Bhikhiyaseen and Tadikhet blocks in Almora district. These areas are known for their organic agricultural produce like chilies, turmeric and coriander. The farming is primarily done by the women as most men migrate out of the state in search of work. The women farmers grow these products and sell them to the middlemen who come to their villages. Prior to the cooperative, they had no direct access to markets. Not only did the middlemen pay low prices, but the payments were also irregular and sometimes paid in kind instead of cash, even if the women preferred cash payment. The absence of infrastructure for agricultural production and poor road connectivity due to the mountainous terrain made access even more difficult. The women had limited knowledge of financial issues and this led to poor financial management of whatever income they managed to earn.

SEWA started organizing the women farmers and, after a few months, they decided to form a cooperative through which they would produce and market organic spices. The decision to produce only organic spices was taken for several reasons. First, organic products have a growing market demand in India, and can fetch higher prices compared to conventionally grown products. Second, the organic inputs required for organic farming, such as cow-dung or compost for fertilizer, can be produced by the women in their homesteads. This would reduce their dependence on purchasing chemical fertilizers and pesticides. In addition, the state of Uttarakhand is planning to transform all agriculture in the state into organic cultivation, especially since the climate in the state is conducive to organic farming.

The villages in these areas are small and often located far away from each other. To facilitate access to the farmers, SEWA organized producer groups of eight to 15 women in each village.

SEWA started working with the farmers in 2010 and a cooperative was registered in 2013. The cooperative currently has 780 shareholders who are organized into 90 producer groups. In these small groups, women share market information, pool their resources, and increase their bargaining power. Producer groups hold monthly meetings to build leadership and managerial skills, to ensure product quality, procurement and marketing, and to establish linkages with different government agricultural schemes.

¹ This case study is based on the information provided by Ms. Anohita, CEO of Ekta Organic Produce Cooperative.

Key activities of the cooperative

The key activity of the cooperative is to organize women farmers to produce and market organic spices and medicinal herbs. The cooperative buys the raw produce from the members, processes and packages these products, and then markets them to local traders and also to individual households.

Role of the cooperative vis-à-vis its members

One of the key services provided to the members is capacity-building for organic farming. To produce genuinely organic products, the farmers need to maintain certain standards and avoid use of chemical fertilizers and pesticides. While some members were doing organic farming even before the cooperative was formed, they had limited understanding of the standards that should be followed.

The cooperative has been providing a range of training sessions to members, including new techniques in organic farming, through the state's Agriculture Department and Horticulture Department in their offices at the block level.² These training sessions have helped the farmers improve the quality of their products.

In order to gain first-hand experience of good practices in organic farming, cooperative members were taken for an exposure visit to a successful organic farm run by one of the largest brands of organic produce in India.

Members receive training from the Herbal Research Development Institute in the state. Co-operative members are also linked with government social security schemes such as the Hamari Beti Hamara Abhiyan (literally 'Our Daughter Our Movement'), under which a girl child receives INR 15,000 (\$225) on completion of high school, and the Atal Pension Yojana, a contributory pension scheme.

The cooperative has facilitated the link for all of its members to the State Bank of India (SBI), the largest, nationalized Indian bank where all the members have bank accounts. Members receive banking services at their doorstep through SEWA, which is one of the Banking Correspondents for SBI in the district.³ The cooperative thus enables the financial inclusion of women in mainstream banking services. It also provides training on financial literacy to its members as a part of the financial inclusion programme.

The producer groups in each village have also been trained to become SHGs for savings and loans.⁴ SHGs are a widely recognized platform in India and are supported by the government through various schemes. For instance, under a national programme, SHGs are eligible to get a loan of INR 25,000 (\$375) from the government against their savings. This loan is taken by the SHG members for their farms or to buy cattle.

The cooperative organizes exposure visits for board members and shareholders to other successful cooperatives for them to observe first-hand how these institutions came into existence, their objectives, challenges they faced, plans for sustainability, and roles and responsibilities of members. By applying the learning from these experiences, members are expected to advance the cooperative to becoming more independent and autonomous from support of external organizations.

Women members are being trained as Master Trainers (MTs) on various aspects of organic farming. They participate in a series of training programmes through which they acquire more

2 A block is an administrative unit and there is a town in each block that serves as the block headquarters. The state departments have offices in each of these towns which serve as the block headquarters.

3 Banking correspondents are appointed by banks to provide banking services to persons living in remote areas where there is no bank branch. The banking correspondent (BC) is licensed to carry out transactions with account holders in their respective villages and hamlets.

4 SHGs (Self-Help Groups) are village level groups of eight to 15 women who save a fixed amount each month. The SHG has a bank account and deposits its savings in this account. Each SHG elects a President, Secretary and Treasurer who manage the group and conduct monthly meetings.

extensive understanding of organic farming in order to enhance the productivity of their own land holdings. With this information that they have acquired, they can also advise women farmers in the surrounding villages on various techniques of organic farming. The leaders of the producer groups are trained to maintain account books of the producer groups.



“I have farmed spices my whole life. It is a lot of work and often the efforts are derailed by wild animals – monkeys and wild boars –, floods, frost, and other uncontrollable factors. In our village, we used to bring our spices over 60 kilometres to the nearest mandi or market to sell. As farmers, we used to compete with one another and ended up selling our products for less than they were worth. The process was a lot of work for very little reward.

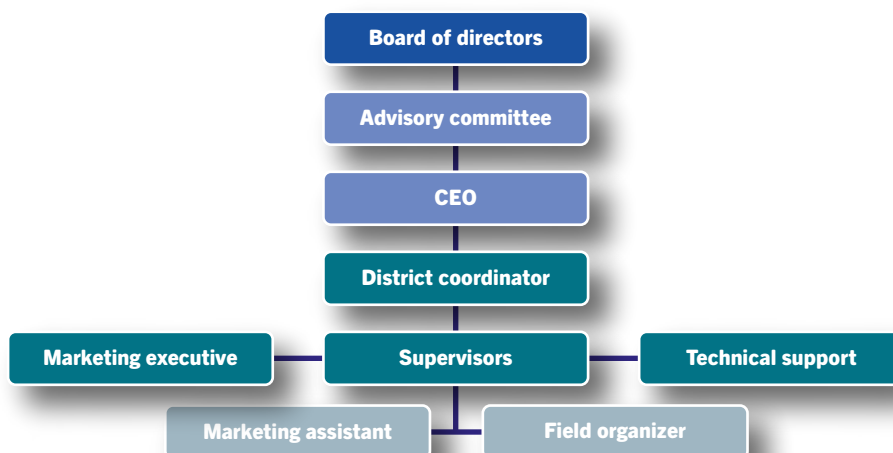
I joined Ekta to change my community and to change the spice industry. I knew that if we worked together as a community we would be able to produce more, earn more, and change our lives and the futures of our children. Today, my children are both pursuing their degrees in university. My daughter is now completing her degree in Agriculture and I am excited to see what her future has in store.

Ekta has allowed us to grow our businesses and gave us a voice. Before Ekta, I would be afraid to approach buyers. Today, I am proud to serve as Ekta’s president and I travel to Delhi, Gujarat, and far off communities to help Ekta and our farmers transform the industry and themselves as individuals.” – **Pushpaben, Uttarakhand**

Structure of the cooperative and its governance

The overall management and functioning of the cooperative is carried out under the guidance of a Board of Directors which is elected from among the members. The cooperative’s executive functioning is carried out by a Chief Executive Officer (CEO)⁵ who works with inputs from an advisory committee. Organizers and grassroots leaders are the field level staff members who are either college graduates or have completed high school. They are from the community and have a deep understanding of the issues faced by the community. The finance team is involved in maintaining the cooperative’s financial records.

Figure 4. Organizational structure of the Ekta Organic Produce Cooperative



5 The current CEO is a development professional with a postgraduate degree who has been employed by SEWA to head the cooperative. She is not a cooperative member.

Linkages to other governmental and non-governmental bodies

The members of the cooperative are linked to various state level organizations, such as the State Agricultural Department, the State Horticulture Department and the Herbal Research Development Institute, and they receive trainings and technical inputs from them. The cooperative receives guidance from Organic India Private Limited⁶ and plans to market its products to them in the near future.

Challenges faced

One of the challenges has been the limited assets owned by the cooperative. As a result, it has been difficult to get a loan for the cooperative to strengthen its marketing activities. The cooperative leadership is exploring other schemes or programmes through which they can secure a loan.

Another challenge has been the long time it takes to obtain an organic certification from the government. The cooperative had applied for this certification over a year ago to the one government agency (Uttarakhand State Organic Certification Agency), but is still waiting for it. Only after securing the certification will the cooperative be in a position to market its products as certified organic products which will receive the commensurate price. While the certification could be obtained faster from one of the private certification agencies, the fee charged is a deterrent.

In the absence of organic certification, the cooperative is unable to get appropriate prices for organic products. This is demoralizing for the members who end up getting lower prices for a higher-quality product. The low returns also make it difficult to enroll new members and expand the membership and work of the cooperative. Initially the cooperative leaders had considered organic farming to be more cost-effective with lower input costs for fertilizers and pesticides. However, as the members learned more about producing quality spices, they found out that there are a number of organic inputs such as groundnut cake, neem seed and cake, vermi-compost, and silt which can improve productivity and quality. These, however, are expensive especially for small cultivators.

In many cases, the farmers experience some initial loss in yields when they shift from conventional to organic farming. Restoration of full biological activity in their farms can take up to a year or more, and the losses in the transition period have to be borne by the members. In Uttarakhand, the menace of wild animals damaging the crops is another reason for a low yield of crops after full-time labour on the field. Once the crops are ready to harvest, monkeys and wild boars can eat and destroy them. There are no schemes to compensate for this loss; those that are available do not meet the expectations and losses of the local women farmers.

Lastly, it has been observed that the cooperative is not able to access the subsidized seeds and tools that are available through government departments as these are often diverted to organizations with greater political connections and influence.

⁶ Organic India Private Limited buys from organic farmers and retails under its brand name, Organic India, across the country.

Lessons learned

Women farmers who come together in cooperatives like Ekta find that they can use their agricultural knowledge and skills to earn better through the cooperative than depending on exploitative middlemen who take advantage of individual women farmers. Most of these farmers have knowledge of traditional agricultural practices. When enhanced with relevant complementary knowledge, they can become successful organic farmers. As stable income sources emerge within the region, out-migration is also likely to decline. Working through a cooperative, farmers are in a better position to know about, and benefit from, various government schemes aimed at promoting organic farming. Access to the government's agricultural extension programmes can also provide much-needed technical knowledge and subsidized inputs.

As a cooperative, it becomes possible for the farmers to have one voice and negotiation power with external buyers, the market and other support organizations. It also makes it easier for more established brands such as Organic India to interface with the women farmers in the cooperative and provide them with guidance and support through the cooperative. Interface with the Forest Department of the state government is needed in order to address the issue of wild animals damaging the crops. There are increasing clashes between human habitation and wildlife due to shortage of land and deterioration of natural habitats for wildlife. The cooperative can work with the government to look into solutions that take into consideration members' ecological, economic and regulatory needs while taking into account considerations for the protection of wildlife.

Tapi District Megha Adivasi Mahila Agriculture Producers' Cooperative

Introduction

The Tapi District Megha Adivasi Mahila Agriculture Producers' Cooperative (Megha Cooperative), is a cooperative of Adivasi or indigenous women farmers, located in South Gujarat region, in the Tapi District. It is a first-of-its kind women's cooperative in the district.

Tapi is a predominantly agrarian district and is inhabited by Gamit, Chaudhari, Vasava and Kokani tribes. Much of the population is engaged in agriculture and allied activities. Some of the major crops grown in the region are millets like *jowar*, *bajra* and *nagli*, along with groundnut, lentils, paddy and sugarcane. Small scale farmers, especially in the remote blocks of Ucchal and Nizar, bordering the neighbouring state of Maharashtra, have limited or no access to irrigation. Therefore, the livelihoods of the people are precarious and the region has had no history of workers organizing. Megha Cooperative brings together these small, marginalized farmers into a platform that provides a means to address common livelihood needs and more.



Brief history

It was only in 2005 that SEWA made inroads in the Tapi district through the Surat Credit Cooperative.¹ While SEWA had worked extensively in North and Central Gujarat for over four decades, South Gujarat was a new region. The Surat Credit Cooperative provided access to credit for the construction of toilets as the government subsidy provided for these was inadequate. While the need for credit was being addressed by the credit cooperative, another issue emerged.

When SEWA colleagues visited the village of Rampura Najik in the Vyara block of Tapi district in 2009, an agricultural labourer from that village, Lataben, and her husband pointed out that the wages under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)² were not paid to the villagers. SEWA advised the women to unite and prepare a petition to the local authorities. Despite the threat of violence by the *sarpanch* who is responsible for processing of wage payments, the women went ahead with their petition, and within two weeks they received their outstanding payments. This first union action led to trust among the workers and similar organizing initiatives in the neighbouring villages.

As SEWA extended its organizing efforts in Rampura Najik and the surrounding villages, it learned that sickle-cell anemia was prevalent in the region and the local women knew nothing about this genetic condition. Training and awareness-raising, health camps and referral service programmes were started by Lok Swasthya SEWA Mandli,³ a state-level healthcare cooperative, around major health issues. Insurance was another pressing area. Registered in 2014, Megha Cooperative started providing integrated livelihood, insurance, savings and credit and healthcare services with SEWA's support. Since this was one of the later cooperatives, an integrated package of services was initiated right from the beginning by design.

Structure of the cooperative and its governance

Megha Cooperative started by forming village-level *Khedut*⁴ Mandals (farmers' groups), with each mandal or group being made up of 25 women who became shareholders of the cooperative. The local, decentralized mandals serve as a platform for planning and delivering various services offered by the cooperative. Each village has one local leader, an *aagewan*, responsible for conducting regular village-level Khedut Mandal meetings, delivering services and informing the cooperative of specific village-level concerns that need to be addressed. Each Khedut Mandal is run by local women leaders and they, in turn, are supported and supervised by more experienced *aagewans* called *Sanklit Saathis*. For every ten villages, there is one Sanklit Saathi. As of 2017, Megha Cooperative had 997 member-shareholders, 4 Sanklit Saathis and 40 *aagewans*. Its services are spread over 67 villages. It has 17 board members, who make the major decisions for the Mandli, after consulting members. Annual general meetings are held regularly where shareholders gather to learn about the year's activities and during which the accounts are presented.

1 A case study on the Surat Credit Cooperative is included in this report.

2 An act passed by the Government of India that provides on-demand guaranteed wage employment in every financial year to a rural household; for more information, visit www.nrega.nic.in

3 A case study on this healthcare cooperative is included in this report.

4 The meaning of *khedut* is farmer in Gujarati.

Key activities

Megha Cooperative operates in five blocks of district Tapi (Vyara, Songarh, Valod, Ucchal and Nizar) and engages in several activities. The Mandli is like a cup into which all the major services that SEWA offers are poured into. This approach is called “*Sanklit* SEWA” (sanklit means integrated).

SEWA’s experience over the decades has demonstrated that engaging with just one or two issues in isolation does not result in significant change in the women members’ lives. Broadly, Megha Cooperative strives to engage in five key activities: 1) livelihood support, both input-based and market-linked; 2) healthcare, including preventive care and access to health services and childcare; 3) housing, with basic amenities like water, sanitation and energy; 4) financial services, including savings, credit and insurance; and 5) capacity-building, including leadership training (LSST, 2016).

Specifically for livelihood support, the cooperative provides useful agricultural inputs like farm tools and seeds at rates that are significantly lower than those offered in the market, by connecting with government institutions like Krishi Vigyan Kendra (KVK) and some non-governmental organizations. In order to encourage farmers to follow farming practices that are sustainable, a number of farmers have been given training on organic farming. Better farming methods, such as a system of rice intensification (SRI), have also been introduced to the members. Further initiatives that have been undertaken in order to provide members with better exposure and access to different markets include securing market licences and space in the Agricultural Produce Market Committee (APMC) yard to sell vegetables and facilitating their participation in organic farming fairs in the city of Ahmedabad.

With respect to health-related services, low-cost Ayurvedic medicines, manufactured by the health cooperative of SEWA, are made available. Health awareness training workshops are conducted every month, various health camps are held in villages through collaboration with governmental and non-governmental organizations, and referral services to government hospitals are provided to members through the Sanklit Saathis. Additionally, housing and financial services like insurance are also made available to members.



“Before I joined Megha Cooperative, I couldn’t imagine that I could speak in front of a large audience. Now I have addressed so many large gatherings talking about the benefits our Mandli can offer.

The poorest of our sisters have the opportunity to join our cooperative and benefit from it, by getting quality seeds and organic manure, and by supporting each other ... I am very proud that we sisters have formed this first-ever Mandli here in Tapi. Our goal is to make our Mandli completely self-reliant...” – **Ratilaben, Sanklit Saathi of Megha Cooperative**

Role of the cooperative vis-à-vis its members

Special emphasis is given to training and capacity-building of members through leadership training, exposure visits to field sites of other organizations, and non-farm based skill training.

Economics of the cooperative

Much of the income of the cooperative is earned from the sales of agricultural inputs like seeds, tools and organic manure. Since 2014, the revenue from the sales of seeds, agricultural equipment and other livelihood-related activities and the surplus of the cooperative have increased significantly, as has the number of shareholders (table 11).

Table 11. Financial details of Megha Cooperative (in INR)

	2014–15	2015–16	Per cent change from previous year	2016–17	Per cent change from previous year
Total Income	199 251	299 222	50	721 085	141
Total Expenses	194 178	142 590	–27	532 834	274
Surplus	5 073	156 632	2988	188 252	20
Number of Shareholders	438	816	86	997	22

Note: US\$ 1 = INR 66.66

Achievements

One of the major achievements of Megha Cooperative is its success in organizing the indigenous and tribal women of Tapi district to ask for their collective entitlements and articulate their needs. Under the Constitution of India, indigenous people obtain special protection through government programmes and laws, including affirmative action. Consequently, there are a number of government schemes the women are entitled to but are unable to access due to lack of awareness or bureaucratic bottlenecks. This district-level cooperative has begun to facilitate access to such entitlements in the region.

Improved livelihoods and access to social security have led to an improvement in the quality of lives of the people. For example, spreading awareness about the most cost-effective seeds available has benefited the farmers greatly. Better awareness and access to referral services have enabled women to take preventive health measures and access health services.

Training and exposure visits of the members of the cooperative have broadened their vision and boosted their confidence. Lataben, the President of Megha Cooperative, recalls that, when she was invited to speak in the SEWA office in Ahmedabad, she could barely speak out her name. “I can now speak about anything, anywhere. I am not scared anymore.” Indeed, during the 25th Anniversary of VimoSEWA,⁵ SEWA’s insurance cooperative in Ahmedabad, she, along with other board members of the Megha Cooperative, sang their tribal songs with great pride in front of a large audience.

⁵ A case study on VimoSEWA is included in this report.

Challenges faced and lessons learned

The primary challenge for Megha Cooperative is the question of financial sustainability. Self-reliance is what the cooperative eventually aims to achieve through livelihood and other initiatives. The board members say that hard work, innovation and experimentation will be the key to achieving financial sustainability. Most of the members are poor tribal women who need their families' agreement to work for the cooperative. Being farmers and cooperative members and the managers of their households is not easy if the family members are not supportive. Many women continue to face restrictions on their mobility. Even if they want to join the activities of their cooperative, some of the members are unable to participate because of childcare and other household responsibilities, as well as the threat of domestic violence.

Nevertheless, due to the dedication of the members and the dynamism of the leaders, Megha Cooperative continues to innovate, grow and diversify its livelihood-enhancing initiatives. SEWA members who actively initiated the formation of Megha Cooperative have learned over the years that an integrated approach is essential for the empowerment of women members. Through Sanklit SEWA, Megha Cooperative also strives to sustain and grow its activities that focus on social security, leadership, self-reliance and, therefore, empowerment, in the true sense of the term.



“I have been a member of SEWA and Megha Cooperative from the very beginning. Trusting SEWA, I took insurance for my two girl children and I received a cheque of INR 2,500 (\$37.50) when one of them was sick and when I really needed the money. I got to select the tools that were to be sold to members through Megha Cooperative and managed to sell 30 of those. I also got a chance to go to Madhya Pradesh and Delhi for training and exposure visits. Even though I have studied only until Standard 8⁶, I handle all the administrative work, which has been possible through the trust SEWA members and my Mandli sisters have placed on me. My most memorable experience is of cooking traditional organic food at the organic festival in Ahmedabad. We were on our toes all-day long but it was also very exciting and fun.” – **Sunaben, SEWA member since 2009 and Megha Cooperative member**

6 Standard 8 is high school; students are 13 and 14 years old.

Conclusions

This report presents the stories of 12 different cooperatives supported by SEWA since the early 1980s. These 12 case studies were selected out of a total of 115 cooperatives across India that have been formed with the support of the SEWA union over the years. The case studies illustrate the achievements made by these cooperatives, the challenges they have faced, and the lessons learned.

Achievements of the cooperative movement in SEWA

A key achievement has been formalization, through cooperatives, of a wide variety of economic activities carried out by women in the informal economy. SEWA was the first organization to include many of the activities such as healthcare, childcare, and insurance into the cooperative movement. These cooperatives now function alongside other formal organizations in their respective areas of business.

An overarching achievement has been the dual strategy of union and cooperative that SEWA has adopted. This strategy ensures solidarity and sisterhood between all informal economy workers regardless of the specific trade they are engaged in. While the cooperative is an operational and economic entity, the union is the shared ideological bond that binds informal economy workers together. The union also represents the strength of the larger numbers and supports the smaller individual cooperatives when required. Integral to this approach has been the ongoing member education by SEWA on various topics including the informal economy, workers' unions, cooperatives and, of course, specific trades and occupations that members are engaged in.

As part of this dual strategy, the SEWA Union has stepped in to help the cooperatives at times of crises. For instance, when a legal case was filed against the Saundarya Cleaning Cooperative, the union took up the case on behalf of the cooperative. Similarly, when the medicine shops run by the Lok Swasthya Cooperative were attacked by local thugs linked to local medical stores who saw them as a competitor, union leaders came forward and fought back. In the case of the dairy cooperatives also, the support of the union was crucial. Men dominate the dairy industry, although women do almost all the work associated within the industry. Women would not have been able to form their own cooperatives nor withstand the pressures of the larger dairies controlled by men without the support of SEWA union. SEWA approached the National Dairy Development Board (NDDB), which is the state-level federation of dairy cooperatives, and secured their support for women to set up dairies, develop their businesses and continue to function undisturbed.

Related to SEWA's support of different types of cooperatives is its integrated approach for members. SEWA has always advocated an integrated approach for its members, recognizing that women workers in the informal economy need access to a range of services for full employment and self-reliance. These are well known as the "eleven points" of SEWA's integrated approach, as listed below:

- 1. Employment
- 2. Income
- 3. Nutritious food
- 4. Healthcare
- 5. Housing
- 6. Assets
- 7. Education
- 8. Childcare
- 9. Organized strength
- 10. Leadership
- 11. Self-reliance

The cooperatives supported by SEWA work toward ensuring that each member can access these inputs and achieve these outcomes. In the earlier years, as new cooperatives were formed, members of existing cooperatives were linked to the new service cooperatives. For instance, while SEWA Bank was formed at the beginning and cooperative members were able to link with it from the start, their linkages with the healthcare, childcare and insurance cooperatives occurred later as the latter cooperatives got formed.

For more recent cooperatives like Megha Agriculture Producers' Cooperative in Vyara district,¹ members benefitted from the integrated approach right from the beginning. While the cooperative is primarily an agricultural cooperative, right from its inception its members have been linked to the housing collective, the credit cooperative, the health cooperative and the insurance cooperative. This integrated approach of SEWA is a unique achievement.

Up to 80 per cent of the cooperatives have achieved financial and organizational sustainability. The remaining cooperatives are linked with the SEWA Cooperative Federation for purposes of incubation until they can become self-sufficient.

Another noteworthy achievement has been the formation of cooperatives that are run for, and by, poor women with limited literacy and numeracy skills. For many years in the case of the earlier cooperatives, the officials in the cooperative registrar's office could not understand how women workers from the informal economy could form and manage their own cooperatives, nor could they accept the types of activities that were being organized into cooperatives. SEWA demonstrated that, not only could such cooperatives be formed, they could also be governed successfully by these members. Many cooperative members not only became leaders in their cooperatives, but also became managers in running their own businesses. The managers in most of the cooperatives are women who have been workers themselves and have moved to their current positions through their skill, talent and intelligence, with capacity-building support from SEWA.

This in turn has led to a sense of self-worth and confidence that members have gained as a result of their cooperative membership. The cooperatives give a professional standing to the work done by the members, giving them a sense of identity as workers with pride in their work. The individual members have an opportunity to grow, personally gaining self-esteem and confidence. Their families and communities also view the cooperative members with greater respect. As member-owned and run organizations, the cooperatives give every member the opportunity to actively participate in running the organization, as schools of economic democracy. The cooperatives help their members experience the benefits of having a collective voice and visibility and negotiating power with public authorities and other actors in the market. These cooperatives are thus social enterprises, where the social dimension complements the economic functions of the cooperative.

An important outcome of cooperative formation has been growth in women's ownership and control of assets, both at the individual and collective levels, in a society where this is not the norm. A number of women leaders have emerged in these cooperatives and they have gone on to take leadership positions in a number of civic and political bodies. Examples are the Village Health, Nutrition and Sanitation Committees (VHNSCs) and the School Management Committees (SMCs). The increased levels of awareness, knowledge and leadership among members have been an important achievement of the cooperatives.

1 A case study on the Megha Agriculture Producers' Cooperative is included in this report.

Challenges faced by the cooperatives

The building of SEWA's cooperative movement has faced challenges. Many of these challenges are related to factors in the external environment. These not only create difficulties for the cooperatives in relation to other organizations, but they also affect the internal stability and growth of the cooperatives. There are some challenges that appear to be internal to a cooperative but, in fact, would benefit from an enabling external environment. In the following discussion we categorize challenges into those that are primarily external and others that are primarily internal to the cooperatives, recognizing the fact that many of these constraints have a dialectical nature, and consequently require responses at both external and internal levels.

Resistance from cooperative officials

SEWA has observed that a challenge faced by many of the earlier cooperatives was resistance from the officers in the cooperative registrar's office. They initially refused to register these cooperatives, not believing that poor women with limited literacy skills could manage their own cooperatives. They also did not understand the social nature of activities that SEWA promoted under these cooperatives, such as healthcare and childcare. For instance, when the health cooperative or the childcare cooperative was formed, the cooperative office asked SEWA: "What product will you sell?" SEWA's response was that the cooperative would develop and sell health services or childcare and earn revenue by charging nominal fees for the services, and thus would become viable.

For all these reasons, registration was a challenge for several years in the beginning. Procedural restrictions were imposed on proposals with the word '*Mahila*' (meaning women) in the name of the cooperative.² Files would go missing or by-laws would be interpreted contrary to SEWA's interests (SEWA Cooperative Federation, n.d.). In recent years this scenario has changed and SEWA's cooperatives are widely recognized and noted for being successful enterprises and organizations. As a result, when VimoSEWA was being registered as a cooperative in 2009, it took just nine months for the registration to get completed, a remarkably short time given that it was the first national, all-women's insurance cooperative in the country.³

Exclusion of cooperatives from the "new economy"

SEWA has noted that cooperatives in India may not be considered as part of the 'new economy', even though they represent an important strategy for joint and democratic production of goods and services, especially among the poor in the urban informal and rural economies. While most economic policies are quite supportive towards the growth and expansion of private enterprises in general, the regulatory environment remains more stringent for the formation and expansion of cooperative enterprises.

It is in this context, for instance, that Ruaab, the artisans' cooperative in Delhi, was registered as a producer company⁴ instead of a cooperative. Also, while the insurance sector in India has been de-regulated and several private players, including multinational insurance companies, have been licensed, the licensing of microinsurers, serving the low-income market, continues to be a challenge. The capital requirement for both large insurance companies and microinsurers is INR 1 Billion or approximately \$15 Million. This huge capital requirement is a significant barrier for VimoSEWA which wants to convert itself into a full-fledged insurer but does not have access to this volume of capital. Further, this amount of capital is not required for cooperatives serving workers who can afford premiums of INR 50 (\$0.75) per annum to a maximum of INR 1,200 (\$18) per annum.

2 Each cooperative promoted by SEWA has the term Mahila in its name to indicate that it is a women's cooperative.

3 Interview with Mirai Chatterjee on 31 October 17.

4 Producer companies were a new type of company that came into effect when the Companies Act, 1956 was amended in 2002. They are run like cooperatives in their day-to-day activities but without the types of interference faced by cooperatives, such as who they elect on their board or who conducts their financial audit.

Tensions between political alliances and ethical practices

The SEWA cooperatives have avoided any political affiliations although the organized membership of cooperatives is often seen as a potential support base by political parties. SEWA's approach underlines the need for cooperatives to maintain their autonomy and independence from political interventions. The SEWA cooperatives follow ethical practices in their production of goods and services, which can at times put them at a disadvantaged position compared to other private operators in the market.

For example, Ekta Organic Produce Cooperative is often unable to access subsidized seeds and fertilizers which get diverted to organizations with clear political affiliation and influence. Similarly, Ruaab has to compete with garment manufacturers who are able to reduce their costs and prices by following unethical practices. Saundarya Cleaning Cooperative has lost cleaning contracts in the past because they have refused to offer bribes to officials who decide to whom to award contracts. The organized memberships of cooperatives are often seen as an opportunity for capture by political parties. Hence, cooperatives need to be aware and alert to such dangers and be on guard against them.

Bureaucratization and politicization of cooperative departments

SEWA has observed the bureaucratization and politicization of the cooperative departments in several states of India. Even though the government of India has promoted the formation of cooperatives as a constitutional right for all Indians since 2012,⁵ the promotion and support for the growth and development of existing and new cooperatives remain limited.

One notable recent effort at consulting with cooperatives across India, including those supported by SEWA, was undertaken by the National Advisory Council (NAC) of the Government of India. The NAC finalized a set of recommendations to enable cooperatives of different kinds to develop further through greater access to financial services, flexible and simpler regulations and appropriate capacity-building. There was a special focus on women's cooperatives, including recommendations to support women's leadership, representation in cooperatives and their boards, and access to social security, including childcare to enable their active participation. However, these recommendations, while accepted by the government at that time, were not followed through for implementation.

Limited financial assets of cooperatives

An important challenge for cooperatives is limited access to finance. In the case of the Ekta Organic Produce cooperative, for instance, they are having difficulty getting a loan as they do not have assets to put up as collateral. In the case of Saundarya Cleaning Cooperative, the limited assets of the cooperative make it harder for them to put up the deposit required in order to submit a tender. The challenge may appear internal, but it is the result of non-conducive environmental factors such as the lack of financial support available for cooperatives. Ekta Organic Produce Cooperative is using the government route to get organic certification instead of going to a private organization. However, government procedures take much longer and the cooperative has been awaiting the certification for over a year now. Engaging with external public and private actors to raise awareness about these new types of cooperatives to secure support emerges as an area for follow-up action for the SEWA Cooperative Federation.

5 "Now, it's a fundamental right to form co-op societies", The Times of India, 2011, <https://timesofindia.indiatimes.com/india/Now-itamp39s-a-fundamental-right-to-form-co-op-societies/articleshow/11285562.cms> [accessed 9 November 2017]

Management skills as a challenge to reaching scale in the cooperatives

A challenge some cooperatives have faced in recent years is around increasing the scale of operations and outreach. This is in part due to limited managerial capacities of the current leaders who have found it difficult to take care of larger operations. For example, it is difficult for the smaller dairies to compete against the larger dairies, which are typically run by men. Dealing with these challenges remains a work in progress. In some cases, the current cooperative leaders aptly manage the cooperatives at their current sizes. There is, however, uncertainty about further expansion and their abilities to manage growth. There have been cases where a leader or a small group of members exercise complete control or take over a cooperative. This prevents not only the cooperative's growth, but also its transparent and democratic functioning. Managing growth emerges as a key area for deeper learning and exploration for cooperatives supported by SEWA.

Retaining membership in a community with high mobility

A challenge faced in the case of the Surat Credit Cooperative is the difficulty in retaining a membership base for a cooperative in a context where the members are not stable residents of the communities, being migrants and/or seasonal workers. While these informal economy workers require the services from various cooperatives, such as the credit cooperative, the health cooperative and the insurance cooperative, they do not have permanent homes or jobs and are vulnerable to sudden changes in their work and living place. This makes it a challenge to sustain working with this population as members. This internal constraint of retaining members is linked to the external employment situation of unstable and informal work opportunities.

Lessons learned

Organizing and managing a cooperative is a fundamental and crucial strategy for addressing social and economic well-being of workers in the informal economy. It is an effective way to organize informal economy workers and formalize their work. For example, cooperatives help members to access government schemes by creating economies of scale and by generating negotiating power through collective voice. By joining a cooperative, a woman worker gets access to several services and social protection for the first time in her life. SEWA members never knew that they could have access to childcare or insurance, for example. They obtained these services once they joined their cooperative, as it is easier for the government, private providers and even SEWA's own service providers to reach them when they come together.

As a cooperative, the members are able to give visibility to their work and can compete in the marketplace. Through the cooperative, members earn a regular income, start saving and take loans when needed, thus joining the formal financial system.

Cooperatives promote decentralized, democratic governance, and can be considered schools for democracy. In a country like India which became independent only 70 years ago and where, until recently, most people did not have first-hand experiences of practicing democracy, the contribution of cooperatives to deepening people's understanding of democracy is significant. Cooperatives give voice and representation to the hitherto voiceless, especially to informal women workers, through their own organization.

Educating cooperative members both about cooperative values and about their specific trades is very central to the success of the cooperatives. SEWA has found that educating members in cooperative values builds the members' commitment to collective and participatory organizations like cooperatives. Equally important is ongoing member education and skill-building in the trade the cooperative is engaged in. This is critical for establishing and maintaining the organization in the face of external competition.

SEWA has always advocated for an integrated, comprehensive approach for its members, recognizing that women workers in the informal economy need access to a range of services for full employment and self-reliance. It is noteworthy for purposes of replication.

Recommendations

Advocate for an enabling regulatory environment with greater recognition of women's cooperatives

The policy and legal framework needs to become more conducive to the establishment and growth of cooperatives. First, there is a need to ensure greater autonomy and independent decision-making in the functioning of cooperatives. Government functionaries in the cooperative departments need to recognize that cooperatives are member-owned and member-managed organizations that should be allowed to function free of government interference. For this, the laws and rules around cooperatives need to change. Requirements such as the presence of a government representative on the cooperative's board, or the approval of a cooperative's financial auditors by the government, need to be modified.

In fact, it was due to the increasing state interference in cooperatives, which was making members feel they had no control over their cooperatives, that the 1995 APMACS Act was passed in the state of Andhra Pradesh.⁶ Under the old rules, self-reliance, responsibility and accountability on the part of the members were becoming increasingly less of a priority. The 1995 Act revised the cooperative laws to restore the supremacy of cooperative members as decision-makers in the running of their cooperatives.

Further, there is a need for stronger recognition and support for the start-up and growth of new types of cooperatives that are motivated by protecting the rights of workers, members and users of cooperatives. Cooperative officers need to be sensitized and trained on the social innovation exhibited in these cooperatives.

Women's cooperatives should especially be promoted, recognizing the social and developmental roles they play in their communities. Women are active economic agents in society and the primary earners in many households, yet they continue to occupy secondary positions in society. It is imperative to provide support to women's cooperatives, as preferred suppliers of goods and services to local governments, for instance, especially in their initial years.

To build the financial strength of women's cooperatives, there should be a cooperative quota in government departments and a lowering of the deposit requirements for women's cooperatives in public procurement processes if their turnover is below a certain threshold. This is an encouraged practice in a number of countries around the world and allows for more social benefits to return to cooperative members. Similarly, resources should be made available for building the capacities of women's cooperatives and their members in both specific livelihood-related skills and also in managerial skills. It is also recommended that the income tax for women's cooperatives be waived for turnover below INR 50 million (\$750,000).

Strengthen education and capacity-building for cooperatives

There is a need to provide education to cooperative members in a variety of areas including rights and opportunities available for them. For instance, members should be educated about cooperative values to ensure their continued understanding and commitment to the cooperative, to its transparent functioning and to its principles, including democratic member control and members' economic participation. Cooperatives also need to be informed about the opportunities available for them. For instance the NCDC in India offers soft loans to women's cooperatives and others in the poorest parts of the country, but many cooperatives are not aware of this.

⁶ In 1995 the state of Andhra Pradesh in India adopted the Andhra Pradesh Mutually Aided Cooperatives Societies Act, 1995 (also known as the APMACS Act). Under this act, the independence and decision-making power of the members was strengthened considerably.

There is also a need to build the managerial capacity of cooperative board members and leaders to enable them to run competitive and viable enterprises. Many cooperatives such as those promoted by SEWA are made up of members with limited education and exposure. While they have taken on the leadership of their cooperatives, they need a variety of inputs to realize their potential. This is especially true for innovative cooperatives in non-traditional activities. While developing educational tools and materials for cooperative members, their suitability for adult learners with varied educational backgrounds also needs to be ensured.

Support the financial viability of cooperatives

Cooperatives need support to attain financial viability and develop computerized systems. Unreliable funding prevents good cooperative practices from being scaled up and replicated. The types of cooperatives discussed in this report started out with limited resources and found it hard to compete with larger enterprises. Traditional financing sources may not recognize the potential of new cooperatives. Public and private financial institutions need to be oriented to understand the work of these cooperatives and invest in them for achieving both social and economic goals.

Government corporations and agencies like the NCDC mentioned above must proactively reach out to women's cooperatives, which are a part of their mandate, and help them navigate the procedures required to access finance at an affordable rate. In particular, there is a need to simplify procedures and processes, making them more user-friendly. These agencies can also establish funding streams recognizing and supporting social innovation practices.

Promote public education on cooperatives

Cooperatives are often seen as an organizational form of the past. There is a need to create awareness among young people about the value of cooperatives for inclusive growth, sustainable development and social change. A better understanding of cooperatives requires their inclusion in education and training curricula. Citizens need to be made aware that cooperatives are actively contributing to India's high GDP and growth story. The knowledge of the role of cooperatives as organizations that promote democratic functioning and emergence of grass-roots leadership needs to be widely disseminated. This public education can be done through the media, events in schools and colleges and educational courses on cooperative formation and management.

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