



SEWA's Member-Owned and Managed Social Enterprises - Enabling SEWA Members to Carve Out Dignified Livelihood

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The world of work is changing at a rapid pace. Technological changes, climate change, globalization is influencing the availability of jobs and the nature of work conditions. The informal sector is on the rise world over and more so in the countries of the Global south. Today, over 94% of the Indian workforce is in the informal sector with hardly any access to social security¹.

The employment opportunities available in informal economy is never constant due to severe competition, market trends and changing economic policies. In such situations, informal sector workers often have to pursue more than one trade. Thus, a construction worker also works as a domestic worker or casual worker during evening hours and as a kite-maker around the kite festival. Their occupation varies depending on what is more conducive at what point of time. In such scenario, the dignity of such workers is often compromised and they end up in the vicious down-fall of drudgery and poverty.

Women are poorest of poor in the informal sector. They are also the worst affected as in spite of contributing so much to the work, they do not have any recognition.

Their access to tools and equipment is limited, leading to low productivity and

often poor quality. Their access to markets is limited, use of social protection is restricted, and inclusion in policy dialogue—labour or economic is very low. Thus, when we are talking about future of work in context of the informal sector, it is very crucial to focus on areas of Gender and Home-based work.

At SEWA, we strongly believe that “Asset creation is the surest way to fight poverty”. Therefore, to bring voice, visibility and viability to poor women workers in the informal sector, it is important to enable their economic empowerment. SEWA has been working towards this since over 45 years, organizing poor women workers from the informal economy in to their own cooperative / collectives /federations / producer companies /microenterprises, thus generating asset in the name of the women, increasing their collective bargaining strength, facilitating a way out of the vicious circle of debt and poverty – thus formalizing the informal sector workforce.

¹ Planning Commission of India (2007). "Labour Laws and Other Labour Regulations".

Introduction to SEWA

Established in 1972 by Shri Ela R. Bhatt, Self Employed Women's Association (SEWA) is a member-based organization of over 1.5 million poor informal sector women workers from 16 states in India. With the twin goals of facilitating 1) Full-employment: help members achieve work security, income security, food security and social security viz. healthcare, childcare, nutrition and shelter and 2) Self-reliance: making the members autonomous and self-reliant at both individual and community levels in terms of decision making abilities, SEWA has been working for almost 5 decades with its women members to help them improve their livelihood through various initiatives in fields like but not limited to advanced technology, technical training, microfinance, market linkages, natural resource management etc. across number of trades.

Women's Economic Empowerment

The twin goals of SEWA are achieved through the strategies of struggle and development. The struggle tries to overcome the constraints and limitations emerging as a result of poor socio-economic conditions.

The Government of India. Development strengthens the women's economic status, thereby enhancing and achieving social security. SEWA's experience says that the foundation of development for women is stronger if built on four core pillars of 1) organizing, 2) capacity building 3) capital formation 4) building women's own enterprises.

SEWA believes that the economic power cannot only be left in the hands of those who have capital or to governments; but workers must also conceive, build and expand their own economic strength by establishing their own economic institutions.

On these lines, over past four decades, SEWA has been helping its members form their own economic and community organizations that directly link up with the economic mainstream. SEWA's members – the women workers from informal economy, build economic institutions of their own and access market – thus women no longer remain just workers but become owners and managers of their own economic organizations.

To enable this, women workers are trained in the skills necessary to competently administer their own organizations and cooperatives. They undergo intensive training in administration, financial management and the technical aspects of their trade. Spearhead teams of such trained women are formed to lead each cooperative / micro-enterprise.

Accordingly, till date, SEWA has successfully organized its members into 4813 SHGs, 160 cooperatives, 15 economic federations and 3 producer companies of their own. All these Micro Enterprises (MEs) deal in 184 income-generating activities such as craft work, nursery, weaving and making paper stationery out of recycled paper, incense sticks, soap/washing powder, eatables like pickles etc.

Looking at the vast experience working for the economic empowerment of women in the informal economy, SEWA has also been invited by the Government for the economic rehabilitation of poor informal sector women workers in 7 South-Asian countries viz Afghanistan, Pakistan, Sri Lanka, Nepal, Myanmar, Bhutan and Bangladesh.

The current paper focuses on 4 such initiatives of SEWA – organizing women into their own economic organizations and the learnings from the same.

1. Shri Vanlaxmi Women Tree Growers Cooperative

SEWA started working in the Mehsana district of Gujarat in 1986 with landless

women agriculture wageworkers. In its various interactions with its members, SEWA realized that the major challenges faced by these women were fuel, fodder and employment.

Due to rapid industrialization and in the absence of the necessary backward-forward linkages for inputs and marketing, the small and marginal farmers and agricultural workers in Mehsana district were slowly losing most of their land and assets. Excessive irrigation from bore wells drastically reduced the water table and rendered the remaining water high in fluoride content. Due to the unpredictable rains, many small farmers lost their livelihood, and had to take up casual labor. Women agriculture workers were the hardest hit: they could not find alternative work and often had to walk miles to collect the necessary fodder and fuel. To find a solution to these challenges faced by its members, SEWA organized 41 women workers from district of Mehsana into “Shree Vanlaxmi Ganeshpura Mahila Sewa Vruksh Utpadak Sahkari Mandli Ltd” (Shri Vanlaxmi Women Tree Growers Cooperative Ltd, Ganeshpura) as the first tree grower’s cooperative of Gujarat owned and managed by the members. Through this cooperative, SEWA adopted an innovative solution of leasing unused village land for cultivation, thus providing livelihood security for women workers in the vicinity of their own village. After a 3-year long struggle, SEWA was successful in leasing 10 acres of land from the Panchayat of Ganeshpura village in Mehsana district on a lease for 30 years in 1989.



Figure 1: Vanlaxmi Cooperative members clearing unwanted trees and overgrowth - preparing the unused village land for

Cultivation Although, SEWA was successful in facilitating land for the women, the path forward was full of challenges like but not limited to:

- The land allotted to the women’s cooperative was rocky, uneven and barren with no access to water.
- Another major hurdle was the lack of irrigation facilities. Women had to walk nearly kilometres both way every day to fetch water for irrigation from the village well.
- apportioning the limited land amongst its members, etc.

To solve these issues, women of the cooperative took up on themselves the clearing and leveling of land. SEWA in collaboration with Indian Petroleum Company Ltd (IPCL) imparted trainings on construction of plastic pond for rain water harvesting as a temporary solution to irrigation problem. Eventually, SEWA also helped them set-up a bore-well that can provide water throughout the year. This helped in cultivating of integrated crop twice a year.

The entire land was apportioned into equal plots and an innovative model of assigning a particular plot to each member through an annual lucky draw system was designed. Each member takes care of planting, irrigation and regular upkeep till harvesting for the plot assigned to her. The cooperative provides all tools and equipment to the members from a common pool including all expenses incurred by the members. Earnings from the harvest are divided into three equal parts, of which two parts are kept by the Cooperative and one part by the member.

In order to create a sustainable model, the cooperative organizes regular training program for its members so as to upgrade their knowledge and skills on scientific agricultural practices, food processing, use of organic fertilizers etc. in partnership with agricultural research institutes and other service providers.

In order to make agriculture sustainable, viable and profitable for its small-holder farmer members, SEWA has initiated an agriculture campaign which advocates treating farm as an enterprise and adopting climate-resilient agriculture practices to tackle the frequently increasing climate-shocks and market shocks. These climate-resilient agriculture practices advocate developing a secondary source of livelihood to supplement the agriculture. On these lines, to achieve the desired goals of sustainable livelihood and self-reliance for its members, the Cooperative over the years has diversified its activities and also added additional services across the value chain like

- Sale of seeds by licensed becoming distributor of certified seeds from the Gujarat Seed Development Corporation
- Eco-tourism: For the past several years the Cooperative has positioned itself as an eco-tourism center and attracts regular visitors from nearby urban areas like Ahmedabad city. The visitors enjoy the day in the calm and serene surroundings and also learn about the struggles and achievements of the women, about different medicinal crops and vermi-composting.
- Manufacturing of Ayurvedic Medicines: members have been trained in planting medicinal plants and to make medicines after required processing. These are sold to visitors and also through exhibitions.



Figure 2: Members of Vanlakshmi Cooperative working in the plots assigned to each of them

Today, with the aim of benefitting its members in terms of increasing fertility of the land and facilitating consistent employment opportunity through reforestation and diversification of its activities; Vanlaxmi Tree-growers cooperative has evolved as a successful model for community based eco-generation and sustainable agriculture efforts. It has also impacted the social and economic status of the members, rising to the level of making them capable for self-decisions, developing a leadership quality and to create her identity as a farmer in the society.

It has evolved as a Social Enterprise, applying business strategies on the concept of triple bottom line – economic, social and environmental benefits. Till date, Van Laxmi Mandali has reared and grown over 3 lakhs of trees in the Mehsana district, thus contributing towards to eco-regeneration. It has an annual turnover of INR 12,00,000. The cooperative has been successful in fulfilling the primary goals of selfreliance and economic sustainability for its members with each member earning an average monthly income of INR 7000 - 8000.

2. RUDI Multi-trading Company Limited (RUDI)

To address the issue of direct market access for the small and marginal farmers, SEWA established RUDI – Rural Distribution Network - a for-profit agri-business company fully owned and operated by over 250000 small scale women farmers – connecting farmers to the end-users. The company has its own procurement channels, processing centers, packaging units and a distribution network.

The smallholder farmers sell their produce to RUDI, which is then graded, processed and packaged into affordable small packages and then redistributed into the villages by SEWA's sales-force - called Rudiben's or Rudi Sisters. It brings nutrition and food security to over a million

households today. In this process, the farmers get fair returns and the landless laborers get employment. RUDI has been a great success in transforming the grave agriculture situation of small holder farmers into favorable and sustainable agriculture, providing sustainable food and nutrition security to the farmers household.



Figure 3: Rudiben's packaging processed spices in RUDI Processing Center

Today, approximately 15,000 small and marginal farmers sell their produce to RUDI, at their doorsteps for rates that are 20% to 30% better than those offered by traders. RUDI has generated employment opportunity for over 300 marginalized women at RUDI processing centers, earning between INR 5000 to INR 8000 per month.

Table 1: District-wise no of RUDI sales women using tablets for sales in 2017

No	District / State	No. of Rudiben using RSV3
1	Ahemadabad	324
2	Anand	285
3	Gandinagar	315
4	Kheda	95
5	Kutch	262
6	Mehsana	481
7	Patan	251
8	Dungurpur, Rajasthan	109
9	Sabarkantha	373
10	Surrendranagar	493
	Total	2988

Additionally, it has also generated employment opportunities for over 2000 landless laborers in form of saleswomen taking RUDI products to rural households, thereby earning a monthly income between INR 2000 to INR 5,000.

Thus, RUDI helps farmers adopt modern agricultural practices, and links them with various other initiatives of SEWA that help farmer's practice sustainable cultivation and realize better yields.

Rudiben's travel door-to-door in villages assigned to them to take orders from customers. These orders are then conveyed to the PC where they are processed and handed over to the Rudibens' for delivery to the customer. Till 2011, this entire process was done manually leading to a lag of almost a week between the customer placing the order and receiving the products. Lots of time and effort was wasted in travelling back and forth multiple times between villages and PC. In absence of real-time information interchange, PC's were struggling to manage inventory. The time lag in order-delivery led to RUDI losing many orders and thus loss of income.

To overcome these challenges, in Jan 2012 SEWA developed a mobile app – RSV1 – a java-based app that could be used on any basic feature mobile phone, which was soon replaced by a better version RSV2 in Jan 2013. By 2016, more than 90% of Rudibens were efficiently using RSV2 on their mobile phones. Again, with most of Rudiben's migrating to smart-phones by 2016, SEWA launched RSV3 – a smartphone-based app – RSV3, in Jan 2017.



Today, more than 4000 Rudibens are using RSV3 with most of them earning an average monthly income of INR 8000 – 10000. RSV3 has also helped streamline RUDI's inventory management and sales. RUDI sells over 131 products, and its annual turnover is currently over INR 12 crores. The use of RSV not only helps RUDI in efficiently managing its inventory, but has also eased the process of taking order for the RUDIben's, thus increasing their monthly income manifolds.

3. SEWA Trade Facilitation Center (STFC)

When SEWA started working with women workers in the semi-arid region of Radhanpur district in 1989, it was seen that despite having traditional embroidery skills, these women did not see these skills as marketable, and worked as casual labor earning a meagre salary of INR 75/week.



Figure 4: Young artisans embroidering in their homes

SEWA organized these women workers into a for-profit company – SEWA Trade Facilitation Center, a company owned and managed completely by over 15,000 poor women artisans, where these women use their traditional embroidery skills to create garments for national and international designers and fashion houses. SEWA provided these women workers with skill and capacity building trainings in modern

designs, market trends and concepts, managerial skills, ERP etc.

In the initial stages, there were many challenges –

- till now women used to embroider leisurely at her convenience - now she had to embroider in a stipulated time,
- women had to adapt to newer, finer and costly raw material,
- strictly follow design and color specifications of the client.

To overcome these challenges, required the women to adopt discipline in their work culture. SEWA in collaboration with Govt. of Gujarat, facilitated all its artisan members with 3-month stipendiary training wherein women practiced working on different types of cloth, using different threads and in stipulated time.

Although, initially there was huge resistance from the artisans towards these trainings, as their improved quality crafts started fetching higher prices in the market, the resistance started disappearing and more and more artisans started opting for the trainings. SEWA also facilitated direct exposure of artisans to the customers by taking their representatives to the exhibitions. This direct interaction with the customer and first-hand reviews, motivated the artisans and their entire community to strive harder to improve the quality of their workmanship. It also created awareness amongst the artisans about the value and worth of their skills and products and they were now better able to bargain with the local traders.

In the year 2007, SEWA helped the artisans of STFC launch their own brand “Hansiba” – a brand with far higher value due to the fact that it is a brand solely owned and managed by the artisans themselves, to promote and create a market for their traditional skills in the urban market. All the products under this brand are hand

embroidered and hand crafted, 65% of all sales go directly to the artisans, and the artisans themselves are the shareholders and suppliers of the Company.



Figure 5: Young STFC shareholders managing "Hansiba" website

The reality is that unlike large global brands and global supply chains who allocate about 20% of their sales budget for marketing & advertising, informal sector workers microenterprises can hardly afford to allocate capital in advertising, branding and marketing. On the other hand, retail marketing and sales is also very difficult as they cannot afford to have shops in every major city. Hence the important question is how to increase the market share for such brands owned by small and marginal workers from informal sector.

As a solution to this question, SEWA piloted with online retailing of Hansiba products and social media marketing video for Hansiba. SEWA partnered with Bollywood celebrities and produced a video promoting brand "Hansiba", which was then launched by Bollywood star Shahrukh Khan on his Facebook and Twitter, it was then taken up by several other Bollywood stars and hence in less than a week's time, it received more than 2.5 lakh likes and over 7.5 million views – which has translated into increased orders for Hansiba products on e-retailing sites - thus ensuring more income and work for the artisans.

In essence, the brand Hansiba is a fusion of the traditional and the contemporary – a medium where the rural and the urban join hands to capture the imagination of the world. Hansiba has built a supply chain with robust back-end management for online marketing - all managed by the self-employed women artisans themselves. Till date, SEWA's members have posted over 650 products online on 5 e-retailing websites. Today STFC along with Hansiba has an annual turnover of 40,018,890 INR.

4. SEWA Gitanjali

SEWA began working with waste pickers in Ahmedabad in 1974. These waste pickers clean 37.5 percent of the nearly 3500 tons of waste that the city produces every day. They reportedly work for more than 12 hours in any given day in extremely hazardous and grueling conditions, as they sort garbage with their bare hands in designated dump sites. At these sites, they are also subjected to harassment from security guards, infection, animal bites, and poisonous fumes. Additionally, the relationship between the waste pickers and the local scrap shops is long-standing yet exploitative. The price of scrap is variable, set by the shop owner, and has been decreasing over time. Accordingly, nearly three-quarters of these waste pickers subsist well below the poverty line.

In the initial years, SEWA supported waste pickers by collaborating with textile mills and arranging for waste pickers to collect and sell rags and other waste generated by the mills. SEWA also secured the right for waste pickers to go door-to-door to collect household waste, and it lobbied with the local municipal government for waste pickers to collect certain categories of waste at no cost, and other categories at reduced costs. Additionally, SEWA provided waste pickers within its network with access to healthcare, childcare, and housing and

banking services. Today, SEWA maintains a network of over 40,000 waste pickers.

In 2008, the waste recycling industry crashed due to a dramatic decline in demand for raw materials linked to the international financial crisis. The recession took a toll on scrap shops' demand for the waste typically sold to them by local waste pickers. the price of all waste items fell by 35 percent. About 20 percent of waste pickers were delayed in selling or unable to sell their waste at all. Before the crisis, the mean monthly income of waste pickers in Ahmedabad was Rs. 1572.50 (about US\$25). During the crisis, their incomes decreased by 43 percent to Rs. 888.80 or about US\$14 (Shome et al. 2009).

SEWA has always believed that "asset creation is the surest way to fight poverty". With this thought as a base, SEWA piloted organizing a few waste-pickers of Ahmedabad city into a cooperative to supplement their income, teach them technical and entrepreneurial skills and thus provide an additional source of quality employment. Women picked recyclable material from mixed waste to create a range of products, including notebooks, jewelry, and handicrafts. The cooperative initially served



Figure 6: trained waste-pickers producing stationery in SEWA Gitanjali Mandali

In 2010, responding to the financial crisis faced by the waste-pickers, the cooperative was formalized as the "Shree Gitanjali

Mahila SEWA Industrial Stationery Producers Cooperativel Mandali Ltd."- a full-time collective enterprise. Today, a group of 50 "sisters" collectively own and manage the cooperative, producing a range of stationery products from fully recycled paper for large multinational corporations, including Staples, IBM, and Goldman Sachs.

Regular professional training is provided to these women members. The women members are also trained in working on automated machines, like cutting machines, hole/punch machines, shrink and packing machines, etc. The women waste pickers are encouraged on the virtue of productivity, as they earn on a piece rate basis. Today SEWA Gitanjali has an annual turnover of around 1.6 crore. It provides full-time employment to 25 women workers along with some additional part-time workers with a monthly average income of INR 7000.

Learnings from SEWA's initiatives

The above mentioned are just a few examples of SEWA's successful social enterprises. The success of the above initiatives shows that

- Through a steadfast focus on the wellbeing of its members and its strategic operation through
- innovative partnerships, women owned and managed social enterprises can achieve social impact, not only in terms of financial upliftment but also improvements in the overall self-reliance and self confidence of poor informal sector women workers.
- Technology is important to increase the productivity and quality as well as to manage the operational process of an enterprise. Organizing and Collectivizing is, therefore, most efficient way for these poor informal workers to affordably access and adopt modern machinery and technology as

well as to acquire necessary skills-upgradation.

- Social enterprises not only help improve the financial situation of informal workers, but also helps increase their collective bargaining power, access to technology, skill upgradation, market and govt. schemes and programs. They also play an instrumental role in safeguarding the rich traditional skills of local artisans and bring visibility and demand for these skills.
- At the community level, such micro-enterprises fully owned and managed by women from informal sector themselves, create an alternative “green” and sustainable livelihood for the younger generation through preserving the traditional skills and employments and yet providing decent monthly income.
- The democratic structure of management adopted in all of SEWA’s economic organizations for its day-to-day activities, ensures that the sisters are the owners and managers of all assets, shares, risks, and debts. The model further bolsters economic opportunity with social assistance, including access to technical skills training and SEWA services.
- The private sector plays two roles in the value chain: consumer and supplier. Most large corporations have CSR initiatives. Products that additionally help to support the livelihoods of the most vulnerable women fit into these objectives. In addition to the CSR component, SEWA member’s economic organizations also fits corporations’ supplier diversity and inclusion efforts. From a market perspective, integrating women-owned business into corporate supply chains has reputational benefits and can provide companies with access to innovative, cost-competitive, and environmentally responsible products.

Conclusions and Way Forward

Through our experience working with women workers from informal economy for over 4 decades and organizing them into their own economic organizations, we have learned that it is possible to support and nurture organisations at their most risky and vulnerable stages and help them boot strap. Women member-owned However, we believe that for such organisations to emerge and grow in a robust manner, their growth needs to be tempered with inputs on capacity, but also inputs on strong governance and market linkages.

Also, SEWA feels that there is need for a fund that provided patient capital. Capital that is patient with the organisations dealing with the poor and patient with the poor themselves. We need to build a social infrastructure where the poor can absorb this capital at the pace that they are comfortable with, and with a sense of partnership. We need a fund that is partly insulated from the volatility of the international capital flows but is local in nature. A fund that stays invested and is happy with a moderate return than a windfall capital gain.

There is a need for an innovative fund that will allow the tiny and micro enterprises of women and poor to scale, at their pace and graduate to small and medium enterprise. This will enable the informal sector women workers enterprises enter the mainstream. We at SEWA call this “Women’s Livelihood Fund” Lastly but most importantly, SEWA’s experience shows that organizing is the key not only to the operations of social enterprises but also to empower women informal workers through increased capacities, visibility and representation. Organizing helps not only transfer the knowledge and skills, but helps inculcate values, ideology and tremendous confidence building.