

McGill University

**Organizing Women in India's
Informal Economy:
A Case Study of Self-Employed
Women's Association**

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**Organizing Women in India's Informal Economy:
A Case Study of the Self-Employed Women's Association**

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Abstract

In India, informal workers compose 93% of the workforce and contribute 60% of the Net National Product. For women the statistics are even higher: 118 million female workers (96%) are employed in the informal sector.¹ Informal workers are excluded from India's labor protection laws, thus the vast majority of India's working women lack access to health and maternity benefits, childcare and job security. This study examines the Self-Employed Women's Association (SEWA), a trade union of self-employed women workers located in Gujarat, India, and their approach to organizing women in India's informal economy. Specifically, the study examines SEWA's direct income-raising strategies in four of the major trade groups in the informal sector: vegetable vendors, small and marginal farmers, construction workers and rural artisans. It will also look at the indirect strategies such as social security, insurance, health care, child-care and banking services. Through legal advocacy and organizing, access to credit and eliminating middlemen, skill-upgrading and training, and transforming traditional skills into an income-generating enterprise, SEWA has provided its members with the ability to work their way out of poverty and the support to do so. The key aspects of SEWA's successful overall strategy are: building the leadership capacity of its own members instead of hiring professionals; employing an integrated approach to development by targeting both work and social security; working with, instead of against, globalization trends; and remaining apolitical and autonomous to allow operations at the household level, statewide, and nationally. Finally, the study examines the potential for these strategies to be employed in other countries with large informal sectors: to increase national economic productivity and for poverty reduction.

1. Forward

This is a case study of the Self-Employed Women's Association (SEWA), a trade union of self-employed women workers located in Gujarat, India. This study aims to show the importance of organizing workers in the informal sector and how, through organization, the workers come to see themselves as economic actors. This is the first step towards encouraging governments and policy makers to do the same.

The study begins with an overview of SEWA's approach to organizing women in the informal economy and how their interventions create sustainable livelihoods. Specifically, the study examines SEWA's diverse strategies in four of the major trade groups in the informal sector: vegetable vendors, small and marginal farmers, construction workers and rural artisans. The section on vegetable vendors illustrates the importance of collective strength and representation. SEWA's work with vegetable vendors has decreased exploitation, putting money formerly lost to bribes directly into the pockets of its members. The SEWA union gives the vendors a voice through which they can fight for their rights including the right to vending space and freedom from harassment by police and city officials. The section on small and marginal farmers describes SEWA's work in the rural areas surrounding Ahmedabad city. This section demonstrates how access to credit to purchase basic inputs such as seeds and fertilizers can transform the lives of some of India's poorest families, helping farmers move from laborers to land owners and increase their income and job security. It also describes the creation of a shop in Ahmedabad's vegetable market which directly links SEWA's rural

producers (the farmers) to its urban suppliers (the vendors), eliminating exploitative middlemen and increasing income for both farmers and vendors. The next section chronicles the challenges facing SEWA's female construction workers. In Ahmedabad's growing construction industry, women are the least skilled workers and thus the first to be displaced with increasing mechanization. To address the evolving needs of this group, SEWA has set up a school for construction workers and embarked on a mass training exercise. Access to skill building increases the variety of contracts workers can take on and the number of days they can find work in a month. This will allow SEWA members employed in the construction industry to take advantage of the new opportunities created by globalization. Finally, SEWA's work with the rural artisans in the most remote and drought-prone regions of Gujarat illustrates how a traditional skill can be transformed into an income-generating enterprise. An examination of the work of the SEWA Trade Facilitation Centre, a not-for-profit company with 3,000 rural artisan shareholders illustrates how access to markets and market information for rural artisans has provided women with a mechanism for income generation and poverty alleviation where none existed previously.

In addition to illustrating direct paths to raising income among informal women workers in India, this paper will address many of the indirect ways SEWA's work increases income. These include social security, insurance (such as crop insurance or disability insurance.), health care, child care and banking services. The importance of SEWA's integrated strategy for addressing both social and economic development will be stressed. Finally, the paper will aim to define the key factors in the SEWA model that contribute to the organization's success and sustainability.

Investing in the informal sector not only improves the lives of some the world's poorest workers, but it also increases productivity. In India, the informal sector composes 93% of the workforce² and contributes 60% of the Net National Product.³ It is time to seriously address the needs of this group by creating policies and programs that recognize their contribution to economies around the world, and to provide them with the protection afforded workers employed in the formal sector.

2. Background Information

2.1 Self-Employed Workers in India

Between one-half to three-quarters of workers engaged in non-agricultural employment in developing countries work in the informal sector.⁴ The ILO defines informal employment as “all remunerative work – both self-employment and wage employment – that is not recognized, regulated or protected by existing legal or regulatory frameworks”.⁵ The workers that fall under this umbrella are a heterogeneous group with markedly different working conditions and levels of income. They include the most visible informal workers such as vendors, small shop owners and rickshaw drivers as well as those that are less visible such as home-based workers stitching garments, rolling cigarettes or preparing food. The informal sector is also geographically diverse, encompassing both urban suppliers and rural producers including the small and marginal farmers that constitute a large majority of the developing world's population. Linking this disparate group is a lack of legal, economic and social protection. Informal workers are excluded from secure contracts, worker benefits, social services and representation. In most parts of the world, the majority of informal workers are women.

With the exception of North Africa, 60% or more of women workers in the developing world are informally employed, with women comprising 30% to 90% of street vendors and 35% to 80% of home-based workers.⁶

India has one of the largest informal workforces in the world, with 370 million workers employed outside the formal sector. Despite the country's impressive economic growth over the past 10 years⁷, the employment situation in India is deteriorating. As the economy opens, globalization has not created new job opportunities for the millions of unskilled workers in India. Instead, growth has been capital and information intensive, with limited job creation in the manufacturing sector.⁸ In 1980, 80% of the total workforce was employed in the informal sector.⁹ Today, that number has jumped to 93%.¹⁰ These informal workers are excluded from India's progressive labor protection laws, making it difficult for them to share in the benefits of the country's economic growth. The situation is even worse for India's women. Of the 118 million female workers in India, 96% are employed in the informal sector. Thus, the vast majority of India's working women lack access to health and maternity benefits, childcare and job security as they struggle to earn enough income to care for their families.

2.2 Self-Employed Women's Association (SEWA)

2.2.1 History

Recognizing the immense needs of these women, in the early 1970s a young labor lawyer named Ela Bhatt began organizing a group of self-employed women in the northwestern state of Gujarat. Working together, they created the Self-Employed Women's Association (SEWA), which registered as a trade union in 1972. Today, the

organization has 959,698 members spread across nine Indian states.¹¹ From small beginnings, it has grown into the largest central-level trade union in India.¹² Over the years, the union has branched into a family of sister organizations. Table 1 lists some of these organizations, illustrating the wide range of activities in which SEWA is involved.

All branches of the SEWA family work toward the twin objectives of full employment and self-reliance for self-employed workers. SEWA defines full employment as “employment whereby workers obtain work security, income security, food security and social security (at least health care, child care and shelter).” It defines self-reliance as the ability of women to “be autonomous and self-reliant, individually and collectively, both economically and in terms of their decision-making”.¹³ To achieve these goals SEWA employs a strategy of struggle and development. Broadly speaking, the union leads the struggle, mobilizing self-employed women around work issues, giving them a voice in government policy and increasing their bargaining power. The cooperatives tackle the immense developmental challenges facing this group by helping women become owners of their own labor. There are over 100 different cooperatives at SEWA, both rural and urban, built around products or services. They range in size from small producer groups with 10 members to the Swashrayi Mahila SEWA Sahakari Bank, SEWA’s largest cooperative venture which had 276,684 depositors in 2005.¹⁴ Through these cooperatives, the women are able to procure the implements they need to manufacture their products or enhance the services they provide. These organizations also facilitate the elimination of exploitative contractors, middlemen and merchants. Eventually the women become owners of their own means of production and the cooperatives become self-reliant and profitable for their members.

SEWA describes itself as a movement and an organization, meaning it works not only for the development of local women through projects, but for a new theory of social and political development based on the needs of women, the poor and the self-employed.¹⁵ In this way, the SEWA movement is a confluence of the labor movement, the women's movement, the cooperative movement and the movement of self-employed workers. Bhatt and the early founders of SEWA rejected the terms “informal,” “unorganized,” or “marginal” to describe their workers. “Marginal and peripheral to what?” asks Bhatt. “The mainstream was shrinking and the margins were getting wider! In my eyes they were simply self-employed.”¹⁶

The SEWA movement grew out of the Textile Labour Association, a large union of mill workers formed by Mahatma Gandhi and Anasuya Sarabhai in 1920. Although SEWA separated from the TLA in 1981, Gandhian thinking continues to be a driving force of the organization. SEWA follows Gandhi's principles of *satya* (truth), *ahimsa* (non-violence), *sarvadharmā* (integrating all faiths, all people) and *khadi* (propagation of local employment and self-reliance). “We are brought together on the basis of values and our collective strength,” says Bhatt. “Other achievements may come and go with the political winds, but this will not, our organized strength will stay”.¹⁷ In fact, its apolitical and autonomous nature has helped SEWA survive three decades of changing economic regimes, social structures and political parties including more than a decade of globalization and liberalization.¹⁸

Refusing to align with a political party has not been without costs. In a large democracy like India, with many competing lobby groups pressuring ruling parties, SEWA has at times found itself without political clout. Similarly, governments are often

willing to partner with SEWA only in exchange for political support in the next election. “We are not in the business of fuelling political parties... whoever they are,” says Dr. Mirai Chatterjee, the SEWA Coordinator of Social Security. “We will talk to all, work with all, but we are not in the business of electioneering, or promoting one ideology over another”.¹⁹

SEWA’s commitment to working with all members of Indian society has also strained their relationships with certain partners, including the current government of Gujarat. Although only 9% of Gujaratis are Muslim,²⁰ more than one-fifth (21.3%) of SEWA’s urban membership in Gujarat is Muslim²¹. Other backward castes²², scheduled castes²³ and tribal groups also constitute a larger percentage of SEWA’s population than the population at large. For India as a whole, 24% of the Hindu population is either part of the scheduled castes or belongs to one of the tribal groups²⁴ yet these groups represent 41% of SEWA’s membership.²⁵ In 2002, communal riots broke out across Gujarat.²⁶ While SEWA was careful not to make any public statements at the time to protect its members in affected areas,²⁷ mixed teams of SEWA workers (composed of both Muslim and Hindu women) were sent to work in the relief camps:

When the violence happened, we had to go wherever our people were suffering, whether we are Hindus or Muslims, all of us went to the relief camps. We went in mixed teams, we worked together, we cried together, we tried to save people together. And that was noticed and it was not liked in some quarters. We had two bombs put on our main SEWA premises as a warning.²⁸

SEWA’s composite membership and its commitment to the Gandhian principle of sarvadharmā (integrating all faiths and all people) may have been a contributing factor to their recent conflict with the Government of Gujarat (GOG). After the 2002 riots in Gujarat, SEWA undertook a large project in partnership with the GOG to rehabilitate

devastated communities. SEWA was the ideal civil society organization (CSO) to carry out this project because of its reputation for bridging disparate communities.

Unfortunately, for a variety of reasons including SEWA's insistence that mixed teams be sent to the camps, the partnership with the government soured:

So for these very reasons: the composition of SEWA's membership, women asserting themselves, asking questions, preventing corruption and building our power ... things began to go from bad to worse ... they kept slapping audit over audit on us. We said, 'we don't mind, there's no irregularity here' ... it got really ugly, all of our efforts to dialogue came to zero.²⁹

Finally, in October 2005, the SEWA executive committee made the decision to end all partnerships with the government of Gujarat:

So for us, the writing on the wall was clear, they are not only not going to support us, they are going to harass us and as long as we are in partnership with them and accept their money, they have a handle and a wedge, a wedge that could be used to destroy us. It [state government funding] wasn't worth 40 years of thousands of women's blood, sweat and tears.³⁰

This decision to make independence and the freedom to work as they see best a priority over funding from their largest partner illustrates the importance of autonomy to SEWA. "We burned our hands pretty badly," says Chatterjee. "And we realized you can never be dependent on anyone but yourself ... We are now more committed to the self-reliant model. We realize it will take time".³¹ But SEWA has never been in a rush and part of its strength and staying power has been its slow organic growth over the years. "We were never in a hurry" says Bhatt.³² Today each of SEWA's individual programs is funded from a combination of member contributions, municipal and federal governments, foreign aid and grants from local and international NGOs.

SEWA's tremendous growth began after its separation from the TLA in 1981. At that time SEWA had 4,900 members, but by 1984 membership had increased to 23,000³³ and today stands at close to 1 million. SEWA's members are very poor. Available

evidence suggests that half of SEWA's urban members live in absolute poverty, with household income per capita below US\$1 per day. An additional one-third live above that line, but below US\$2 per day.³⁴ Coming mostly from working castes and tribes, SEWA members face discrimination based on gender, caste and social class.

2.2.2 Organizational Structure

SEWA classifies its members into four broad occupational categories (Table 2). Under these broad categories, women are either self-employed, work as casual day laborers, provide services or work for piece-rate under a subcontractor. Any self-employed woman worker in India, over the age of 15, can become a member of SEWA by paying a membership fee of 5 rupees per year (12 US cents). Once they join the union, they are eligible to join the other membership-based organizations and access the service units (Table 3).

SEWA's self-employed women govern themselves. As a rule, at least 80% of SEWA's staff must be self-employed. The remaining 20% are professionals, mostly from India's middle class. Their role is to "support and encourage... giving others the opportunities [they have] had".³⁵ SEWA's experience is that given opportunity and resources, the poorest and most marginalized women in Indian society rise up, showing tremendous courage and leadership.

SEWA's organizational structure consists of the general members, who are the self-employed from a wide variety of trades in both rural and urban areas. Each trade elects representatives, with the number depending on the size of their membership. These worker-leaders or "aagewans" meet monthly in trade and area committees. Every

three years, a selection of aagewans is elected to the Trade Council, which meets every three months to discuss issues that cross-cut different trades. In 2005, there were 2,356 elected leaders on the Trade Council.³⁶ From this group, an Executive Committee is elected, consisting of 25 aagewans and five appointed positions, held by professional women employed by SEWA.

Over the years, SEWA has occasionally come under pressure from men who want to join the organization. The Executive Committee has repeatedly voted against the idea, fearing men would take over leadership of the organization, creating tension. Officially, men can join the union by paying the membership of five rupees, but they do not have voting rights. They can also take out a joint loan from SEWA Bank through a female relative, but all accounts opened and loans granted must first be registered in a woman's name. Much of SEWA's work however, is aimed at the entire family and its success at changing the status of informal workers at the policy level benefits both men and women.

While SEWA has been steadfast in its commitment to keeping poor, self-employed woman at the centre of its activities, the organization is constantly adapting its work to the changing needs of its members. Globalization has brought many changes that directly affect the self-employed in India. Chatterjee explains, "The old work arrangements and traditions are going and there are new ones to take their place, but the question is whether our members are skilled to fill those gaps and take the opportunities".³⁷ Bhatt believes, "Our strength is in our ability to find solutions by staying flexible".³⁸ Each new program, service or campaign started by SEWA is measured by its contribution to the two core objectives of full employment and self-reliance. To measure its own progress toward these goals, SEWA created the Eleven

Points (Table 4), which evaluate Employment, Income, Ownership, Nutrition, Health Care, Child Care, Organized Strength, Leadership, Self-Reliance and Education. These eleven points illustrate the holistic and integrated nature of SEWA's work. SEWA strongly believes that to help women escape poverty, they must work on multiple fronts. Chatterjee explains, "You cannot simply work on work security and employment and neglect health, because our people are constantly sick".³⁹ The health program at SEWA was started after a SEWA Bank study discovered that the main reason women defaulted on loans was due to death during childbirth. This recognition that human lives are composite and interconnected runs through all of SEWA's work:

Many people, say, oh SEWA has fingers in so many pies, its doing so many things, how can it do anything properly? But if we want to make change, lasting change and make that difference for the poorest and weakest woman, necessarily, we have to address all the things that are impacting her life.⁴⁰

Over the past 35 years SEWA has pioneered a distinct approach to organizing women workers in the informal sector. By bringing workers together and helping them access or create the services they need to enhance their livelihoods, SEWA provides some valuable lessons for achieving social change. What follows in this study are the stories of SEWA's work with vendors, farmers, construction workers and artisans. Each of these trade groups provides important insights into the key drivers of the SEWA model.

3. Results

3.1 Vegetable Vendors

The story of SEWA's work with vegetable vendors illustrates the importance of collective strength in the struggle for rights by informal women workers. Individually,

vegetable vendors are vulnerable to numerous forms of exploitation. Their precarious status arises because they do not own the small strips of pavement from which they vend. Although the Supreme Court of India declared hawking a “fundamental right” in 1987,⁴¹ vending is still not regulated in India. There is no legal framework to protect vendors, nor any formal government body to distribute licenses or permits to vend.⁴² This lack of legal protection leaves vendors vulnerable to exploitation from authorities. Police officers regularly extract bribes from the vendors and if the women are unable to pay, they face eviction, verbal and physical abuse or confiscation of their goods. Additionally, officials from the Ahmedabad Municipal Corporation (AMC) regularly attempt to remove vendors from busy streets or market areas. Vendors also face exploitation from local vegetable market merchants, who take advantage of their illiteracy and lack of knowledge by charging unfair prices for vegetables. Other problems facing vendors include tensions with local shop keepers and increasing competition from low-cost grocery chains.

Shanta Parmar, a SEWA leader and vegetable vendor elaborates on the problems facing vendors, “Policemen come and they use bad language with us, trying to get us to move. Once I used bad language also. That time, ten policemen came and took me away alone and beat me, I broke my nose and required stitches”.⁴³ Growing tensions with local shopkeepers illustrated by a recent case filed by a shopkeeper against vendors in the Gujarat High Court,⁴⁴ claiming their presence was hurting his business. Shop keepers complain that vendors block foot traffic and leave behind garbage. Vendors are also vulnerable to exploitation by enterprising local bullies, who extort bribes by threatening to contact the authorities. In one case, a man in the disguise of a ‘sadhu’ or holy man,

successfully extracted hundreds of rupees worth of vegetables from vendors in the Meghaninagar district of Ahmedabad.⁴⁵

3.1.1 Legal Tactics and Negotiation

To address the multitude of issues facing vegetable vendors, SEWA uses a variety of mechanisms. Its large membership base creates communities of workers who can learn from each other about their rights and teach strategies for dealing with authorities.

Negotiation is always SEWA's first tool and the organization has created tripartite committees of vendors, shop owners and authorities to provide a forum to air grievances and mediate solutions. When this fails, SEWA uses its legal cell. The legal cell takes on both individual cases in lower courts and larger cases on behalf of groups of vendors, aimed at influencing policy and changing legislation. Lobbying and advocacy are important parts of SEWA's overall strategy, and the organization launches media campaigns to raise awareness of specific issues facing its vendor population. SEWA also conducts research on the positive contribution of vending in local economies. This information helps in negotiations with government agencies and in court. SEWA also uses the tools of strikes, sit-ins and protests when necessary to quickly direct public attention toward an issue or to pressure key actors to mobilize on an issue.

Acting alone, vendors are not in a position to change their situation. Collectively, they can come together to learn about their rights and support each other in their struggle for recognition, fair treatment and access to basic services. SEWA's work with street vendors began in 1972, when a group of women from Ahmedabad's Manekchowk market approached Ela Bhatt. They had heard that she was a young lawyer who helped

women like them, who did not have a formal employer. From that initial group of women, SEWA's membership of street vendors grew to 51,815 in Gujarat by 2006.⁴⁶ Out of this total, 37,764 are vegetable vendors in Ahmedabad city.⁴⁷ In 2001, SEWA conducted a census of street vendors in Ahmedabad, finding an estimated 100,000 vendors in the city area.⁴⁸ This indicates that close to 40% of all vendors in Ahmedabad are members of SEWA. These numbers are one of SEWA's greatest assets in its struggle for the recognition of informal women worker's rights. Through this collective strength comes voice. Chatterjee explains:

The fact of the matter is, in a country like ours, a handful of people, generally sitting in Delhi, generally men, middle-class, highly educated, are making all the decisions. They are far removed from the ground realities of the poor... Who is going to care about Rahimaben? They care because there is a 1 million strong union behind her, and therefore she is invited to Delhi to sit on equal terms with the policy makers.⁴⁹

SEWA's large membership base is useful not only in negotiations at the policy level, but also in the daily interactions of members with police officers and city officials. Members teach each other strategies for interacting with the authorities. "I didn't know anything before SEWA," says a young vegetable vendor in the Jampulpur market area. "I learnt through the others. If policeman comes, I now know how to talk, what I should say".⁵⁰ If a vendor needs help she turns to her local representatives. These worker-leaders provide advice and direct assistance to solve the problem. If they are unable to handle the issue, they contact staff at SEWA for further support or bring the issue forward at a monthly trade meeting of all the city's vendor representatives. Some of these leaders have developed a reputation with local vegetable merchants, who often try to cheat vendors during transactions. One of these leaders is Shanta Parmar, who boasts, "Whenever they see my face, they charge a good amount and give in writing. If others go to him, all they

have to say is ‘shall I call to Shantaben?’ and then he doesn’t take too much from them”.⁵¹ Similarly, when police officers come to extract illegal bribes, they often skip SEWA members who are backed by strong worker-leaders, a union and a legal cell. New members learn about the organization through word of mouth and by witnessing the better treatment of SEWA members by authorities. “Sometimes if someone is not a member of SEWA and they are sitting near us and the police come, the policeman will take money from them and not us. They feel then, that if I join SEWA, I can be like them”.⁵²

When a vendor joins SEWA she also becomes part of a community that provides support for work-related crises and also for domestic problems. Shanta Parmar recalls a young vendor that came to her for help. “Sometimes at night, her sons would come to me and say ‘come to our house, our father is beating our mother,’ so I would go at midnight, and bring some things to eat, give money”.⁵³ The young vendor describes the assistance, “Shantaben talked to my husband and gave me a place to stay with my children, gave us food and money”.⁵⁴ Support in times of personal crisis is one of the benefits women receive when they join the SEWA community. As well as teaching members about their rights as workers, the organization also provides education about women’s rights. Shanta Parmar describes a three-day legal workshop she attended: “We learned about our rights, if someone dies through burning, what to do, things like that”.⁵⁵ This illustrates SEWA’s holistic, integrated approach to development, which simultaneously addresses multiple aspects of members’ lives.

In addition to the sense of community and collective strength that the SEWA movement provides, the support members receive from the union’s legal cell also

contributes to the organization's success in improving the lives of vendors. The legal cell, staffed by three full time lawyers and a team of paralegals, helps individual vendors file cases against police officers and city officials who have abused them. Additionally, worker-leaders who have received legal training accompany vendors to court to fight unfair fines or to re-claim confiscated goods. This support not only helps SEWA members to achieve favorable outcomes in court, but the knowledge that they are backed by a legal team gives members confidence and leverage in their personal negotiations with authorities. When a vendor does register a complaint with the legal cell, the team first tries to resolve the issue through negotiation with both parties, only filing a case if this process fails. Often the threat of being taken to court is enough to force police officers and city officials to compromise.

Filing small cases in the lower courts on behalf of individual members is only a small part of the union's overall strategy for addressing the needs of vegetable vendors. The SEWA union uses a variety of tactics in their fight including negotiation, lobbying and advocacy, market studies, strikes, sit-ins, dissemination of information, legal cases and the creation of national and international networks.⁵⁶ Unlike a trade union of formal sector workers, which targets their efforts at one specific actor, the SEWA union negotiates with a multitude of actors at many levels. These actors include the ILO and WTO at the international level, the Ministry of Labour at the national level, the Ministries of Urban Development and Poverty at the state level, and the municipal corporation, traffic police, shop keepers, residents and customers at the city level.⁵⁷

Negotiation is always the first strategy employed by SEWA. Area leaders, organizers and the members themselves meet with different actors to present the case of

street vendors, listen to the concerns of the other party and attempt to find solutions that suit both sides. To formalize this process, SEWA is creating tripartite committees in the 154 natural markets in the Ahmedabad city area. These committees are composed of street vendors, shop keepers and representatives from the traffic police and the AMC. The committees meet regularly to discuss issues of cleanliness, traffic obstruction and violations of vendor rights and provide a forum to raise concerns and negotiate solutions. The success of these committees is illustrated through a case that took place in the Jamalpur market area on a busy road leading up to the bus terminal. Without warning one day, all the vendors on this street were removed and AMC security was put in place to keep them out. SEWA convened a meeting of the area market committee and a solution was negotiated. All the vendors who sit in this area agreed to pay 100 rupees (US\$2.50) per month into a trust that was set up to hire security guards. A line was then demarcated on the road and vendors agreed to stay behind it, paying a fine of 350 rupees (US\$9) if they failed to stay behind the line.⁵⁸ The city officials and traffic police were satisfied with this solution as traffic could flow on the street and vendors were happy to return to work.

Creating these tripartite committees however, has been a challenge. Manali Shah, a coordinator at SEWA union explains, “These are very strong people we are trying to bring together, people who fight a lot with each other. For the vendors, their entire livelihood comes from that space and they fight to protect it”.⁵⁹ Currently, there are 14 committees operating, with plans to create more in the near future. These committees are part of SEWA’s revised strategy for addressing the needs of vendors. The new strategy aims to be less reactive, as Shah describes, “In the past we were like fire engines, putting

out fires here and there. Now we are focusing on forming committees and teaching the vendors themselves to manage the problems in their particular area”.⁶⁰ Vendors who have joined these committees find them useful. Paluben Parmar, a vendor-leader in Jamalpur confirms that “through these committees, they have understood our problems. We have also listened to their [the shop keepers] concerns. We don’t allow our members to leave waste now and we are very clean, then they say you can sit here”.⁶¹

When negotiation fails, the SEWA union turns to its legal cell. While small cases on behalf of individual members form part of the cell’s work, the legal team also files larger cases on behalf of groups of vendors or the vendor population as a whole. One of the first large, high profile cases was filed by SEWA in the Supreme Court of India in 1982 against the municipal commissioner, the police commissioner and the state of Gujarat. The case centered on the Manekchowk area in Ahmedabad, one of the city’s busiest markets. Vendors in this area had been fighting for licenses for years. The court ordered that until a permanent solution for accommodating street vendors was reached in consultation with SEWA, the vendors were to receive temporary certificates to vend from their current locations. The permanent solution put forward was to create a market on the terrace of the fruit market for vendors to sit. “Nobody will go up the terrace to buy vegetables,” says Shah. “They (the vendors) should be able to vend where the customers are”.⁶² Nevertheless, she feels that the case was a success. “We got a good order from that case and for a while the harassment decreased”.⁶³ The Manekchowk case was the first of many successful cases filed by SEWA on behalf of vendors in different markets in Ahmedabad.

Another important victory for SEWA was the 1987 Supreme Court ruling that hawking was a fundamental right. The ruling stated:

If properly regulated, according to the exigency of the circumstances, the small traders on the sidewalks can considerably add to the convenience of the general public, by making available ordinary articles of everyday use at comparatively lesser price.... The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated, cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use.”⁶⁴

This ruling was vital because it significantly increased SEWA’s leverage in negotiations with actors at the national, state and municipal level. Even so, Bhatt acknowledges that the struggle is far from over. Although vending provides an important source of low-cost goods for urban customers, generates income for the urban poor and has been declared a fundamental right by the Supreme Court, “vendors and hawkers face daily struggles to ply their trade in all cities across India”.⁶⁵

3.1.2 Lobbying and Advocacy

Lobbying and advocacy are another important part of SEWA’s strategy. This includes high-level meetings with government officials, public hearings and media campaigns to raise awareness with the general public. To enhance advocacy efforts, SEWA conducts market studies, using objective data to support their arguments. For example, in 2000 a detailed market study was conducted to augment negotiations with the Department of Urban Development and Poverty Alleviation in Gujarat. The study, which was carried out with the help of technical partners, mapped the natural markets in Ahmedabad and provided data on the contribution of vending to the local economy. SEWA is now conducting studies about specific roads in Ahmedabad. In 2005,

Ahmedabad was declared a mega-city, with the government targeting certain roads for expansion but also removal of vendors. Shah explains that SEWA will conduct research on these roads to illustrate the impact of new mega-city zoning laws on the poor. “We will study how many vendors are affected, who will lose their jobs, their employment. Then we will use the findings of this research for negotiating with the corporation and in our court cases also”.⁶⁶

To further enhance lobbying efforts, SEWA formed the National Alliance of Street Vendors India (NASVI), an association of over 300 vendor organizations from across the country. NASVI brings together the voices of thousands of vendors to advocate collectively for their rights at the national level. NASVI’s greatest success was drafting the National Policy for Street Vendors, which was adopted by the Government of India in 2004. The policy lays out a framework for promoting a supportive environment for earning a livelihood on the street and outlines how street vending should be legally recognized, registered, regulated and monitored. The policy has also been adopted by state governments in Orissa, Madhya Pradesh and Uttar Pradesh and there is an ongoing campaign encouraging the Government of Gujarat to do the same. To increase pressure on the Government of Gujarat to implement the policy, SEWA filed a Public Interest Litigation (PIL) on behalf of its members in the High Court of Gujarat in 2006. The PIL seeks to stop violations of the right to vend, to ensure that the national policy of street vendors is implemented in Gujarat, to end eviction of street vendors, to grant vendors licenses and to declare natural markets as vending zones. On the day of the hearing, with the court room packed with street vendors from across the city, the judge granted a blanket stay-order covering the entire state of Gujarat that, pending a mutually

satisfactory compromise between the parties, all vendors were not to be disturbed.⁶⁷ This unprecedented ruling was a significant victory for SEWA.

3.1.3 Impact

Over the years, the SEWA union's diverse set of tactics and the resolve of the women to keep fighting have contributed to improving the lives of SEWA's vegetable vendors. Currently, 300 vendors have been granted licenses and many more use their SEWA identity cards when negotiating with police. Harassment has declined in most areas and market committees are being put in place to resolve problems before they become serious. While it is difficult to estimate the exact impact of the SEWA union's work on vendor income, most vendors report that their income has increased. "Before SEWA, policemen came to us, they wrote down our names and gave us a memo for 200 rupees as a fine," a vegetable vendor in the Jampulpar market area reports. "Now they are not taking, so I save money and my income has increased."⁶⁸

Vendors in India play an essential role in the urban economy and public distribution system. In India, over 50% of the lower-income population buys most of its goods from street vendors, with the wealthier population also relying heavily on the affordable and accessible goods provided by vendors.⁶⁹ Vending also absorbs unemployed workers from the formal sector. The ease of entry and low capital requirements makes vending an appealing choice for earning income. A large part of SEWA's work is in helping vendors to recognize their role as economic actors. This is the first step in having their families, police officers, government officials and society as whole do the same. As members of SEWA, vendors gain access to a bank account,

insurance products, housing upgrades and childcare, all of which help to stabilize and increase their income. Many vendors report improved marital relations, as their husbands come to recognize them as valuable contributors to household income. “Now that the mill has closed, we are dependent on my money only,” says a vegetable vendor in the Jamulpar market area. “Before when he was earning, he was very cruel to me, but that has changed.”⁷⁰ While the situation begins to improve at the micro-level, there have also been important macro-level changes. With the creation of NASVI, the adoption of the National Policy for Street Vendors by the Government of India and several favorable rulings in the courts, the rights of street vendors are starting to be recognized. In 2002, SEWA played a role in the formation of StreetNet International. This international collective of organizations representing vendors was formed to advocate for the rights of vendors at the international level, including the WTO and the ILO.

SEWA’s work with vegetable vendors illustrates the importance of using an array of strategies and engaging multiple actors to bring about change. The organization’s bargaining power comes from the diversity of its intervention strategies. Firstly, the sheer size of its membership base helps vendors create a presence on the streets. Next, the vendor-leaders in the areas are well known among local authorities and vegetable merchants. Their presence creates a disincentive for these players to harass SEWA members, as these women have set a precedent of holding merchants, city officials and police officers accountable when they violate the rights of SEWA members and they are backed by a legal cell. When violations do occur, SEWA not only empowers women to recognize these breaches, but also provides channels through which they can act. These channels include the tripartite committees, negotiation on behalf of a member by their

local vendor-leader and cases filed in lower courts by the legal cell. While these strategies work at the individual level, SEWA's interventions are also directed at the policy level and include media campaigns, strikes, sit-ins, protests, large scale litigation and the creation of networks. These strategies support SEWA's individualized interventions by changing the legal and regulatory environment and swaying public opinion. Finally, the increased income earned by SEWA's members changes their bargaining power within the household. As the primary income earners, these women face less verbal and physical domestic abuse and are given more choice in how the household spends money.

3.1.4 Globalization

Vegetable vendors in India continue to face many old challenges and a host of new ones. With the Indian economy rapidly globalizing, low-cost grocery chains are opening across the country's cities, creating severe competition in the vegetable market.

Vendors feel ill-equipped to compete. Shanta Parmar laments:

Reliance Fresh, Big Bazaar, Wal-Mart, they are all coming. Now in Ahmedabad we have 11 malls, but more are coming. They are planning for hundreds of Reliance Fresh outlets, then what will we do? They can sell in less prices. If Reliance Fresh is selling for eight rupees, and we are selling for 10 rupees, then naturally people will go to them. Reliance even has a vehicle, they travel to the apartment complexes and park in front of our lorries, selling their 1 kg packets of vegetables. We cannot compete. My income is down since Reliance Fresh. Before Reliance I was selling 10 bags per day, now I am down to three. Rich men and those with cars, they are not coming to us anymore. They used to buy from us, large orders. Now we only sell to poor people, who do not buy a lot.⁷¹

SEWA is working to devise new strategies to help vendors compete. The union has provided training in customer relations, hoping good relationships will help vendors retain customers. SEWA is also training members in presentation and packaging of the

vegetables. Shah explains, “If you go to Reliance Fresh, all the vegetables come in nice packets. So we are teaching our members through the market committees, how to cut vegetables and package them so they look good”.⁷² The union is also trying to raise awareness among consumers:

We stand outside Reliance Fresh and hand out pamphlets to customers as they exit. We publicize the vendors, show that they offer good quality vegetables, with nice packaging at affordable prices. We ask them, why are you buying from these multinationals? Why not give employment to the poor?” (2007)

The reality is that vendors may never be able to successfully compete with large corporations such as Reliance Fresh. In the next few years SEWA organizers concede that they may have to seek alternative employment opportunities for vendor members. The vendors themselves worry about the future and hope their children can secure employment in another sector. “Because I joined SEWA I had the money to educate my sons” says Shanta Parmar. “Now one has a job as a mechanic. My daughter also will not work as a vegetable vendor, instead she works in (a) bank. I am happy that I helped them get good jobs”.⁷³

Overall, SEWA’s work with vegetables vendors reveals how women can come together to stand up for their rights. Individually, vendors are powerless to change their situation. Armed with the knowledge of their rights as important players in the urban economy, SEWA members have stood up to police officers, city officials, judges and even their own family members. Backed by a legal team, organizers and strong leaders, SEWA’s vegetable vendors have made considerable progress in demanding and receiving better treatment and a more promising future for themselves and their children.

3.2 Small and Marginal Farmers

Informal employment in agriculture accounts for 60% of total employment in India.⁷⁴ This group includes small-scale farmers who own small plots of land and agricultural laborers who earn less than a dollar a day working on larger farms. Small and marginal farmers around the country face a host of challenges as they struggle to earn enough income to care for their families. SEWA's work with this group provides insight into how access to credit and markets can enable families to earn a sustainable income from farming. In 2006, 241,366 members of SEWA in Gujarat listed agriculture as their primary source of income.⁷⁵ This group, which includes vegetable and dairy farmers and agricultural laborers, comprises 50% of SEWA's membership in Gujarat.

The Green Revolution in India brought a much-needed boost to agricultural productivity. Unfortunately, SEWA members were not positioned to reap the benefits from the revolution. The main beneficiaries were larger farmers who could take advantage of economies of scale, new technologies and multiple cultivation seasons.⁷⁶ Today, one of the main challenges facing SEWA's farming members is a lack of access to inputs such as new seed varieties and fertilizers, which they require to farm their land more productively. Poor farmers have limited access to these products due to their high cost. Many of the new seed varieties are engineered to be infertile, preventing farmers from harvesting seeds from their crops as they have done in the past. Forced to rely on outdated practices, these farmers produce lower yields and lower quality products making it difficult for them to compete in the vegetable market. Another challenge facing SEWA members is the increasing mechanization in the agricultural industry. Mechanization hurts both the small farmers who are unable to purchase the new

equipment and the agricultural laborers, who are displaced by machines on larger farms and are unable to find farm work. “Women are the victims of mechanization, not the beneficiaries”.⁷⁷

The weather is another problem that continues to threaten farmers in Gujarat. In the North, farmers are plagued with droughts and saline ground water. Further south, in the districts surrounding Ahmedabad, annual floods wash away crops, destroy homes and spread disease. “This is the third year in a row that we are facing floods,” says Puniben, a farmer and SEWA leader in the Kheda district just outside Ahmedabad. “It is because of leaking water from the dam. Last year, one of the walls of my house came down and we lost a lot of vegetables”⁷⁸. As the city expands, officials are forced to open the dams in the surrounding districts. In the last three years, poor planning has meant that the farmers living in these areas were not notified of the floods in advance. One farmer explains, “In only a few hours water came up to here [indicates waist]. We only had time to take our family and the buffalo up to higher ground. Everything else was lost”.⁷⁹

3.2.1 Micro-Loans

SEWA began work with the vegetable farmers surrounding Ahmedabad in the mid-1990s. These female farmers declared that their greatest need was for micro-loans to purchase inputs such as fertilizer and seeds to farm their land. SEWA helped the women create their own Self-Help Groups (SHGs). These SHGs range in size from five to 25 families. For the first few months the members save token amounts of money (around 20 rupees [US 50 cents] per month) to show their commitment to the group. After the group has saved 5000 rupees (US\$125), individual members make loan requests to the group

leader, who assembles the requests and submits them to SEWA Federation coordinators. The Gujarat State Women's SEWA Cooperative Federation is an apex body formed in 1992 to oversee and support all of the cooperatives in the SEWA family. Groups are granted loans, which are repaid in monthly installments for one year. The repayment rate is close to 99%. Labhu Thakkar, a coordinator at the SEWA Federation, explained that a combination of individual and group pressure keeps repayment rates high. If one member fails to pay their installment, the entire group will not qualify for a loan in the next year. The groups are composed of neighbors and friends who do not want to let each other down. If someone is unable to pay, the group leader will visit her home daily to investigate the situation and provide support. The leaders of the group and the coordinators at the federation, who know the families well, must also approve the loans. Most of these farmers sell their vegetables to SEWA's shop in Ahmedabad's vegetable market. Loan amounts are based partially on their sales, to prevent members from taking out loans that are beyond their repayment capability.

The federation finances the loans through a large loan from the National Cooperative Development Corporation (NCDC) in India. The NCDC loans the federation US\$45,000 at a 10% annual interest rate for three years. The Federation also received a grant of CAD\$37,000 from the Canadian Cooperative Association to support the SHG program. The federation charges the SHGs 12% interest, which is much lower than the 18% to 25% interest rates charged by commercial banks in the area. Successful loan repayment qualifies the group for a larger loan the following year. Maniben is a vegetable farmer in Kheda district, 30 kilometers from Ahmedabad. She has been leading a SHG for the past seven years and explains how their loans have increased over time:

Our first loans was in 2000, we got 11, 000 rupees (US\$280) for eight members. In 2001, we got 17, 000 rupees (US\$431). By 2007, so many women joined we split into nine groups. My group has 24 members and this year we got 318, 000 rupees (US\$8071). The total for all nine groups was 1.55 million rupees (US\$39,304).⁸⁰

Loans from the federation are used exclusively for agricultural purposes. The members use the money to purchase seeds and fertilizers, dig bore wells, extend pipe lines to their fields or purchase buffalo to diversify their income. The loans have also enabled many members to reclaim their land from moneylenders. In the past, these families were too poor to purchase the inputs they needed to farm their own land, so they rented it out to moneylenders or other farmers and worked as agricultural laborers. Now that they are able to farm their own land, their incomes have increased substantially. Maniben explains:

Before SEWA, I was working as a laborer, earning only 15 to 20 rupees per day. We had three acres but we were very poor. We didn't have money for seeds or fertilizers. Thanks to Labhuben and them, they came here, they told us about SEWA and we started taking money, in small steps we earned more. First we bought some fertilizers, seeds, then we repaid that loan. Next we got a bore well and our own water system. I put pipelines in my field and afterwards I put for the others also. We sell water to the others, so we get money from that. When I got money then I started to make this house. I am very peaceful, I am very happy that I made this for my children. I am a living a good life. Joining SEWA changed our life.⁸¹

Using the SEWA loans, Maniben was able to start farming her three acres of land and she now rents an additional 2.5 acres to increase her output. She estimates that her income is now close to 5,000 rupees (US\$126) per month, a ten-fold increase from her income prior to joining SEWA. This income is generated from a combination of selling vegetables and milk from her two buffalo and supplying water to neighbors. SEWA loans enable households to diversify their income base, which contributes to making agriculture a sustainable livelihood.

There are currently 32 SHGs in the area surrounding Ahmedabad, totaling 1,000 farmers with more joining each year. In addition to providing loans, the Federation arranges technical training in areas such as organic farming and new fertilizer techniques through the Agricultural University in Anand. Exposure tours are also arranged for members, taking them to other parts of India and abroad. Maniben describes these tours, “I went to Bangalore, I saw vegetable markets over there, how they do the marketing. I also went to Sri Lanka for 18 days to learn from an organization like SEWA there”.⁸² The tours are important not only to enable members to learn new farming techniques and marketing strategies, but also to share SEWA’s experiences with other groups that may be interested in starting a similar organization.

3.2.2 SEWA Bank

When a female farmer joins a SHG, she also joins SEWA and can access the other services provided by the organization. Close to 80% of SHG members have taken out insurance, which helps them re-coup damages after floods. SEWA is currently considering adding crop insurance as well. Each SHG has a group bank account and members can also open individual accounts. As their savings accumulate they qualify for loans from SEWA bank, which they can use for non-agricultural purposes such as improving their homes or for social occasions.

Providing banking services to its members has been an integral part of SEWA’s work since the organization was founded in 1972. From the beginning, the need for financial services among the working poor was evident. Both rural and urban self-employed women from a variety of trades face significant financial challenges. The first

is a lack of capital or assets, which forces women to borrow from predatory moneylenders at interest rates as high as 10% per day. This leads to high indebtedness to moneylenders, which prevents women from breaking out of poverty. Although these working women are economically active, they are excluded from the formal banking system in India. Barriers to banking include illiteracy, hours that do not meet the needs of the working poor and an unwillingness by bank staff to serve lower caste women.

Without a safe place to store money and focused only on each day's needs, the working poor spend what they earn daily and do not save. As SEWA began to organize women in the early 1970s, the members themselves put forward the idea of opening their own bank. Bhatt recalls explaining to the women that a large amount of capital was required to start a bank, to which Chandaben, a used garment dealer replied, "Well, we may be poor, but we are so many".⁸³ Chandaben was correct. At that time, the SEWA movement was taking off with more women joining each day. Harnessing the collective strength of its members, SEWA registered the Shri Mahila SEWA Sahakari Bank Ltd. on May 20, 1974 with an initial share capital of 71,320 rupees (US\$1,824) collected from 6,287 members or shareholders. Although Bhatt was warned by many that the poor would never repay their loans, she explains:

The women completely shattered the myth that the poor are not bankable. The illiterate, the slum dwellers, and the self-employed not only proved themselves creditworthy, but they turned their bank into a viable, profitable, financial venture, without the aid of any subsidy. And year after year, since its inception, SEWA Bank shareholders have received dividends without fail. Few banks, commercial or otherwise, can boast of that!⁸⁴

Today, the SEWA Bank has 276,684 depositors and working capital of 940 million rupees (US\$ 24 million). The bank operates under the dual supervision of the Reserve Bank of India and the State Registrar of Cooperatives. It is a mainstream formal financial

institution for the poor.⁸⁵

The bank offers many products including a variety of savings plans, secured and unsecured loans as well as pension and insurance products. The unsecured loans to individual SEWA members are distributed in the same way that loans are given to the Self-Help Groups in the areas surrounding Ahmedabad. In place of collateral, women open a savings account to show their commitment to financial discipline. The bank then uses a client's savings performance as a form of collateral. With a good savings record, women are first granted small loans starting at 1000 rupees (US\$25). If that loan is repaid on time, the women are eligible for larger amounts. A customer with a solid record can also recommend neighbors and friends for loans. SEWA keeps careful records of recommendations. This creates a form of peer pressure as recommenders, eager to maintain their reputation with the bank, work to ensure that their recruits pay back installments on time.

SEWA Bank is different from other banks because it provides door-to-door banking in the slums and working districts where clients live. Using teams of bank field workers called *banksathis*, the bank is able to offer services to members in a convenient location, at times that suit their long working hours. The banksathis come from the same communities as the clients themselves and practice the same trades. They are women who have built a strong relationship with the bank, are well-respected in the community, have acquired a basic level of literacy, have a fixed deposit of at least 15,000 rupees (US\$382) for security and are willing to undergo training. The banksathis visit their clients daily to collect savings, provide information about loans and insurance products and support the women in their quest for financial independence.

Another key service provided by the bank is financial counseling. There is a popular eight-week course on financial planning that teaches women financial responsibility across the life cycle. They learn when they should rely on savings (for sickness and social occasions like weddings) and when to use loans (for productive activities such as improving their business or upgrading their home). The women are taught how to construct budget plans in consultation with their families. They learn about their real assets and how to prioritize the families' needs.

The knowledge that money is fungible really excites them – a 100-rupee note can be spent on food or medicine, or it can be spent on buying equipment – the effect of whether it is spent on consumption or on production can make a difference in one's life. The women find such ways of seeing fascinating. They realize they do have options. Sometimes they cry out, "if only you had told us this earlier, when we were still young."⁸⁶

Individual counseling is also provided before loans are granted. The *banksathis* assess members on a variety of dimensions including income, number of dependents, housing situation and health status. The *banksathis*' role is to identify potential problems. This is not done to disqualify women from loans, but rather to provide supplementary support when needed. This may include referrals to legal services, medical attention or access to childcare.⁸⁷

The combination of savings, loans and insurance services that the SEWA Bank offers has had a significant impact on the lives of women workers in Gujarat's informal economy. These services have enabled women to break free from debt to moneylenders and invest in productive assets to improve their business operations. The ability to register these assets in their names has altered the family dynamic, giving them more power to make decisions. As one woman put it, "My husband's attitude has softened".⁸⁸

The women are using their savings and loans to educate their children, improve their homes and enhance their health.

In 2001, an impact study of 798 households using SEWA Bank was conducted by Dr. Martha Chen and Dr. Donald Snodgrass from Harvard University.⁸⁹ Findings from this study suggest that the use of SEWA Bank's credit and savings services raise both total and per capita household income. SEWA Bank's financial services are also strongly associated with spending on housing improvements, with expenditure on consumer durables, and with school enrollment, especially for boys. The results also indicate that participation in SEWA Bank enhances income diversification, expenditure on food, and the ability to withstand financial shocks. The study found that the number of loans taken from SEWA Bank is strongly related to several outcomes. In comparison to one-time borrowers, frequent borrowers enjoy greater income growth, put more money toward household improvements and consumer durables, spend more on food and are more likely to have daughters enrolled in primary school.⁹⁰

3.2.3 Vegetable Market

In addition to this need for access to credit, SEWA's small and marginal farmers living close to Ahmedabad require a place to sell their vegetables. In the past, the farmers were too poor to transport their goods to the local vegetable market. Instead, they relied on exploitative brokers who travel to the villages and collect produce to sell in Ahmedabad's vegetable market. The farmers' inability to access the market directly prevented them from getting a fair price for their goods. In Ahmedabad, the brokers would sell the goods to the traders in the Sardar Patel Market in the Jamalpur area of the city. This market is run by the Agriculture Producers Market Committee (APMC) and

was started in 1948 to regulate the vegetable trade in Ahmedabad. At the market, 120 commission agents or traders have set up shops where they purchase vegetables from brokers and sell them to vendors. The brokers exploit the farmers by paying them considerably less than the market rate. The traders then exploit the vendors by charging more than the market rate and using inaccurate weighing scales. It is estimated that 50% of the profit from a transaction was pocketed by brokers and traders. For example, if the market rate for a 10 kilogram bag of vegetables is 100 rupees, the brokers pay the farmers 50 rupees and sell the bag to the traders for 100 rupees, who then charge the vendors 150 rupees.

Due to the size and breadth of its membership, SEWA recognized that its members included both growers and sellers in the vegetable market. Consequently, in 2001 after a significant struggle to obtain space, SEWA opened its own shop in the APMC vegetable market in Ahmedabad. At SEWA's Shop No. 40, farmers from the self-help groups surrounding the city can directly sell their goods to vendors. Table 5 illustrates the differences between SEWA's Shop No. 40 and other shops in the market. In addition to providing reasonable prices at accurate weights and treating both farmers and vendors with respect, Shop No. 40 offers credit with no interest to vendors for up to ten days. This service is only offered to reliable SEWA vendors that have developed a strong relationship with staff at the shop. Furthermore, the shop administers the loans to the farmers in the self-help groups outside of Ahmedabad. Currently, the shop's monthly turnover is 600, 000 – 700, 000 rupees (US\$15,000-\$17,500). From 2001-2004, the shop was profitable, but due to heavy flooding in the past three years it has only been breaking even.

Overall, the shop has received positive feedback from both vendors and farmers. Puniben, a farmer selling to Shop No. 40, reports, “I get a good price from the shop, there is no cheating during the weighing. We trust them. I am getting at least 15% extra income just from selling there”.⁹¹ The vendors are also pleased with the shop. Paluben Parmar, a vendor, explains, “If I buy from here [the shop], then I don’t have to pay more. We fought so much for this shop. And as it has come, we are getting good stuff in less prices”.⁹² Another vendor reports, “If I buy from SEWA’s shop, then I save 150 rupees per day”.⁹³ When the shop first opened the staff members were harassed by traders in the market, who worried fair prices would undermine their exploitative system. On several occasions the shop was vandalized and the staff threatened. SEWA persevered, believing in the importance of this intervention. Today the shop continues to operate, linking rural suppliers with urban sellers and eliminating the middlemen.

3.2.4 Impact

In conclusion, SEWA’s work with small and marginal farmers illustrates how access to credit can enable farmers to create a sustainable livelihood from agriculture. Loans as small as US\$50 dollars provide access to the inputs farmers need to productively cultivate their land. By investing in their livelihood, poor producers are able to work their way out of poverty, paying back their loans and taking new larger loans. Through the creation of their own producer groups, informal agricultural workers develop their own system of peer pressure that encourages timely loan repayments. The creation of a shop where farmers can receive a fair price for their goods illustrates the importance of fair access to markets. It also illustrates the advantage of trade unions representing different trades in the informal economy. There are many examples of SEWA’s different

trade groups helping each other in mutually reinforcing ways. Overall, the story of SEWA's work with small and marginal farmers shows that even small investments in the poor can transform their livelihoods and living conditions.

3.3 Construction Workers

The construction industry is one of the fastest growing sectors in India, with an annual growth rate of 10%. This sector currently employs 31 million Indians, second only to agriculture in terms of total employment. Over half (51%) of all construction workers in India are women.⁹⁴ The sector contributes 20% of the country's total GDP.⁹⁵ In the past two decades, the construction industry has undergone massive changes brought about by liberalization of the economy. Large international companies can now bid for projects in India's construction industry. While this has led to growth in the sector, this growth has been accompanied by rapid mechanization, displacing unskilled workers. Since 98% of female construction workers are unskilled, it is this group that is most negatively impacted by mechanization. According to one estimate, globalization leads to a reduction of 1.5 million construction workers in India each year.⁹⁶

SEWA began organizing female construction workers in 1996. In 1998, the SEWA Academy conducted a large study of construction workers to better understand the needs of this trade group. Table 6 summarizes some of the main findings of this study. The study found that working conditions, wages and the number of days worked were deteriorating for unskilled female construction workers. In Ahmedabad, construction workers gather every morning at labor points or 'Kadiyanakas,' where contractors come to hire laborers and negotiate payment. In the past, female construction

laborers reported working an average of 20 days per month, with wages ranging from 75 to 100 rupees per day (US\$1.87-\$2.00). By 1997, however, wages had gone down to an average of 50 rupees per day (US\$1.25) and most workers were unable to secure employment for more than 10 to 12 days per month.⁹⁷ The two main factors contributing to this decline are the migration of laborers from outside Ahmedabad and the introduction of new machines that replace manual work. These changes in the construction industry exemplify how WTO agreements directly impact informal sector workers. As global companies with modern technology and new machinery move into the industry and indigenous companies mechanize to compete, unskilled workers are phased-out.

3.3.1 Training and Skill-Upgrading

As SEWA began to organize construction workers, it realized it would not be able to prevent the displacement of unskilled workers in the construction industry. Instead, SEWA embarked on a large skill-upgrading initiative to enable members to access new employment opportunities brought by globalization. Chatterjee explains:

The women were mainly unskilled, digging, carrying loads on their head. But with the large Chinese, American and British companies bidding globally for tenders, guess who loses her work? And that is going to happen and there is no way to fight it. So we engaged in a massive skilling exercise, where women go from unskilled to skilled. They learn tiling, roofing, learn how to be masons, the operations that still need to be done by people. We have found that immediately their income doubles from 70 rupees. They starting earning 150 rupees per day.⁹⁸

SEWA's construction skill up-grading program is illustrative of the organization's approach to globalization. In the changing world of work, SEWA's goal is to enable its members to seize new opportunities, so as not to be left behind. Bhatt explains:

We are not anti- or pro-globalization. We are pro-poor, so whichever process helps the poor to come out of poverty and join the mainstream and have the benefits, whatever new trends exist to do this, they should be encouraged.⁹⁹

With this goal in mind, SEWA began training its construction worker members in 1999. The program was run by the SEWA Gujarat Mahila Housing Trust (MHT), a branch of SEWA's Social Security organization. The initial training, which lasted 15 days, sought to teach members how to properly mix and use cement. After the training, however, it was observed that the women were still unable to attain even half the performance rates of their male counterparts. Consequently, it was decided that a minimum of 90 days of training would be necessary. In order to attend the training, the women had to give up their work as manual laborers. Thus, a stipend of 60 rupees (US\$1.50) per day was allocated to each laborer. When SEWA members who were not construction workers started attending the training solely for the stipend, a basic interview was put in place to screen out those women who had not previously worked in construction.

In 2003, MHT was able to secure a permanent site for their training program on the outskirts of Ahmedabad. A facility was constructed and the Karmika School for Construction was officially opened in 2003. The school is funded by a combination of private donations, contributions from the Housing Corporation of the Government of India and the support of several donors including the Swiss Red Cross. Today, the school offers a series of three-month training programs available to any member of SEWA who is a construction worker. The first training program is in masonry, where workers learn how to plaster, tile, mix cement, build foundations and complete basic electrical wiring.

Functional literacy, basic numeracy and measurement are also part of the training. One trainee reports:

We were first given a foot ruler and asked if we knew how to use it to measure area. But we were uneducated and the concept of measurement in terms of numbers for construction was quite new to us. The trainers then explained measurement standards in inches and feet. Through repeated practical demonstrations we were able to demonstrate and appreciated the concept.¹⁰⁰

The use of customized audio-visual modules and materials helps members with low literacy skills participate more fully in the training program.

When the trainees have completed the initial training in masonry they return to work for two months. Those who are interested and show promise are asked back for a second, three-month training program in plumbing. The ability to install toilets is a highly sought-after skill and many SEWA construction workers are interested in participating in this program. The third and final three-month training program is in carpentry. This program is usually reserved for members whose caste background is in carpentry. However, when other members came forward and indicated that carpenters were needed in their area, they too were trained in carpentry. The training sessions are conducted by master masons and other experts recruited from construction sites in the city. Several members who completed all three training programs and gained experience by working for several years have been asked back to teach at the Karmika School as master masons. The trainers are paid 200 rupees (US\$5.00) per day.

To date, 5,000 women have completed the masonry training program. In 2004, MHT partnered with the Construction Industry Development Council (CIDC) of India and the Indira Gandhi National Open University to have Karmika graduates sit for an examination. All graduates of the program who achieve a score of 60% or higher on the

examination are granted certification as trained masons. These certificates are proving valuable in the globalized construction industry as multi-national companies often require workers with proof of experience and training. Currently, 800 graduates of Karmika have been granted certificates.

In addition to providing training in masonry, plumbing and carpentry, the Karmika School teaches trainees how to build disaster-resistant homes. In 2001, Gujarat suffered a massive earthquake. The scale of devastation was large, especially in working class communities where poorly constructed mud homes collapsed on impact. After the earthquake, MHT incorporated new skills into their masonry program, such as how to place headers and stretchers to provide disaster resistance and how to mix sand and cement to build solid walls. Another MHT initiative was the development and promotion of low cost construction methods and materials. In Ahmedabad's construction industry, owners hire masons who are also responsible for procuring materials and labor. SEWA-trained masons who are able to lower procurement costs increase their chances of securing employment.

The training program has had a significant impact on the lives of SEWA's construction workers. Over 80% of trainees report an increase in income and in the number of days worked.¹⁰¹ Mittal, the 'training-in-charge' person at the Karmika School, estimates that trainee income increases from 60 rupees per day (US\$1.50) as an unskilled laborer to 200-250 rupees per day (US\$5.00-6.25) as a trained mason.¹⁰² In 2003, SEWA conducted a follow-up study of their 1998 survey of construction workers. In 2003, SEWA found that the proportion of skilled workers among members surveyed had increased to 39% from 24% in 1998. Earnings for skilled work in real terms rose by 30%

for masonry work, by 10% for plaster work and by 50% for plumbing work. At the same time, earnings of unskilled workers declined.¹⁰³ Additionally, 85% of trainees report that after the training, the contractors talk to them with respect and do not harass them.¹⁰⁴ One of the challenges facing the newly trained masons was securing work at the labor points where they were previously employed as laborers. Mittal explains:

When they first go back to the area, they don't get work because they [the contractors] remember that they were just laborers. So we encourage them first to work as masons for 60 rupees and show that they can do the work. Then slowly, they will get 100 rupees and then eventually 200-250 rupees.¹⁰⁵

With time, the trained workers develop a reputation with local contractors. One trainee reports:

Earlier we used to stand at Kadiyanaka for work and would earn Rs. 70 in a day. Today after undergoing the trainings, we stand as a separate group at the naka and are now famous as the "Karmika" group. We now earn between 150-200 rupees per day.¹⁰⁶

In addition to higher daily income, trainees report an increase in the number of days worked per month. Lillaben, a construction worker who completed both masonry and plumbing training reports that before her training she could find work for only 10-12 days a month. Now she finds masonry work 10 days a month and is also able to work as a laborer an additional 10 days per month. Skilled masons are also occasionally hired by owners to work as labor contractors. Mittal recounts the story of one SEWA member, "She was doing work under this man before the training, he was her boss, now she is giving work to that man".¹⁰⁷

When women participate in the training program, their stipend is automatically deposited in a SEWA bank account. Each woman is encouraged to save between 50 and 100 rupees (US\$1.25-\$2.50) per month, so they can start purchasing masonry tools when

they graduate. A tool kit is a useful asset because without tools, the women are forced to rent a kit on daily basis. Female masons with a tool kit can also rent out their kit on days they are not working, for additional income. As they build up their savings, the members also become eligible for non-secured loans from SEWA Bank. The other main benefit of joining SEWA for construction workers is accessing the insurance scheme. In a 2003 survey of construction worker members, 30.4% reported an accident or work-related sickness in the past year. Accidents and illnesses are detrimental to construction workers because their livelihood depends on their physical health. Accidents mean lost days at work, the direct cost of medical expenses and reduced work efficiency upon return. In 2004, 1,111 construction workers became members of the accidental insurance scheme through SEWA with more joining each year.¹⁰⁸ In addition to providing insurance products, the SEWA union acts to hold contractors accountable for medical expenses from work-related accidents. In 1998, no financial help was provided by the owners or contractors. By 2003, the situation had improved, with 36% of injured respondents reporting that owners or contractors paid their medical costs.¹⁰⁹

3.3.2 Impact

From 1998 to 2003, SEWA's construction worker membership increased from 8% to 30% of all female construction workers in Gujarat. A large majority of SEWA construction workers (75%) have taken part in the skill up-grading program. SEWA's skill-building exercise is successful because it is both targeted and future-oriented.¹¹⁰ SEWA selectively recruits unskilled, illiterate women laborers who have much to gain from the training offered. Additionally, SEWA teaches skills that will be essential as the

construction industry expands, enabling members to exploit the new opportunities brought by globalization. SEWA also works to facilitate strong links between builders, contractors and laborers. This helps the organization keep up with the latest innovations in the industry and ensures that their members are well positioned to secure new job opportunities. To conclude, the Karmika School for Construction workers at SEWA illustrates the importance of skill building not only for accessing high paying jobs, but for preventing job loss due to globalization.

3.4 Rural Artisans

Conditions in the Northern region of Gujarat are harsh. The desert landscape makes agriculture difficult and frequent droughts force families to migrate in search of work and food. SEWA began its work in this region in the late 1980s, when the organization was asked to implement a water project funded by the Government of Gujarat. Due to high rates of migration in the area, SEWA found it difficult to organize the women as water users. Reema Nanavaty, the coordinator of SEWA's rural programming explains:

Until we stabilized the local communities, especially the women, we could not organize them as water users. We quickly found that the urgent or pressing need of the local communities was for work, because in the absence of agriculture they were all migrating in search of work and livelihood.¹¹¹

SEWA began investigating alternative sources of income for the women. Nanavaty says, "We tumbled upon crafts because we found the women wearing beautifully embroidered clothing. Even their bullocks had beautifully embroidered covers".¹¹² Although the traditional skill of embroidery has been passed down among these women for generations, it was rarely used for income generation. In 1988, recognizing the potential

of embroidery as an economic activity, SEWA began organizing the women of Northern Gujarat as artisans. What follows is a narrative that illustrates how access to markets and information can transform a traditional skill into an income generating activity and a viable commercial enterprise. The story of the SEWA Trade Facilitation Centre (STFC) illustrates the importance of trade for bringing rural women out of poverty.

When SEWA began organizing rural women as artisans, the first task was to ensure that a market existed for their product. A market test was conducted at an urban exhibition and the initial demand for the embroidered pieces was high. Confident that there was a market for the women's skill, SEWA began organizing them on two principles. The first principle was that the supply of work for the artisans should be continuous, so as to provide a stable source of income. The second principle was that the artisans should receive immediate payment for their work. This helped to increase the artisans' trust in the organization. SEWA began its work with a small group of 50 women. The women were linked with a government program to provide on-the-job training. They learned how to work together in groups, use different raw materials and produce quality products for a deadline. Initially, the pieces were sold at exhibitions. In 1991, SEWA opened its first retail outlet for rural artisans in Ahmedabad. As women in the surrounding villages learned of the opportunity to sell their embroidery through SEWA, the membership base of artisans started growing. It grew from 50 women in 1987 to close to 15,000 women by 2000.

As SEWA continued its work in the northern regions of Kutch and Patan, it became increasingly difficult to secure work for the expanding group of artisans, who were now relying on this craft as their main source of income. After a massive earthquake

in 2001, SEWA began exploring the possibility of organizing its 15,000 rural artisans into a business organization. Based on SEWA's ideology and the objective of providing 15,000 artisans with regular income for at least 200 days a year, SEWA decided to register the SEWA Trade Facilitation Centre (STFC) as a not-for-profit company. The artisans themselves would be the suppliers, managers and shareholders of STFC, the first company of its kind in India. STFC is different from other SEWA activities because it is a business organization of the poor, not a development-focused civil society organization. STFC's model is market-oriented, demand-driven and based on business principles. Nanvaty believes that the best way to ensure work and income for such a large group of women is to treat the organization like a business. As a Section 25, not-for-profit company, STFC is not permitted to pay dividends to its members. Instead, surpluses are invested back into the company. This allows the company to pay higher wages to its artisan members and to continue to expand its production capabilities. For every rupee a customer spends on a product manufactured by STFC, 65% goes back to the artisans, increasing their incomes, securing their livelihood and improving their living conditions.

The company is structured to be participatory and inclusive for the artisan members. Several artisan representatives are elected to the board of directors by their peers. In addition to the board of directors, STFC has an advisory committee composed of business and industrial experts and financial advisors. The formal structure of the company has improved the efficiency of their operations, allowing them to compete in the highly competitive apparel and textile markets. Nanavaty explains that

SEWA is very informal, everything at SEWA is person-based. But at STFC, we had to change our systems and processes and bring in a culture of system-based, not person-based operations. This was a huge shift, it required a lot of training, orientation and capacity-building.¹¹³

Ultimately, the goal of STFC is to link rural micro-enterprises with local, domestic and global markets. Figure 1 illustrates the range of activities the company undertakes to meet this goal. Nanavaty maintains the key to reaching STFC's objectives is

to bring a synergy between the industry operations and a community based organization. You have to strike a fine balance. The challenge is – how do you maintain the character of the community-based organization, while also meeting the requirements of the industry? The role of STFC is to facilitate the two to work together, while meeting the needs of the market.¹¹⁴

To meet its goals of influencing local wages and improving the living conditions of its artisan members, STFC strategically targets markets through an integrated marketing strategy. The objectives of capacity building and product development are backed by research, data management and networking. The unique-selling proposition (USP) of STFC is the embroidery skills of the artisan members. These traditional skills are transformed into contemporary products for modern, mainstream markets. STFC's product line includes home furnishings, accessories and apparel.

3.4.1. The Demand-Driven Business Model

In the past, STFC's business model was supply-driven. As Mona Dave, CEO of STFC, explains:

Earlier, we would start with how many women we had and how much money they should each get. And on that we would be base our production. The problem is when you involve 5,000 women, who need at least 500 rupees per month, the turnover you need is huge. We had a totally unrealistic marketing target. Ultimately we started piling up inventory.¹¹⁵

Learning from past mistakes, STFC changed their business plan from supply to demand-driven in 2003. The company now bases its production output on market research, only

producing products predicted to sell and backed by demand. This new just-in-time method of production was accompanied by the adoption of a different marketing strategy. From the start, STFC's goal was to target mainstream markets. Dave says, "We knew we had the potential to go into the mainstream market, we were not interested in only the fair-trade or pity markets".¹¹⁶ Within the mainstream market, however, STFC needed to diversify its base of buyers. To do this, the company started two streams of production: business-to-business orders (B2B) and business-to-consumer (B2C) orders.

In the B2B stream, STFC is part of a large retail chain. The company produces embroidered pieces for companies such as FabIndia, Reliance Retail and Westside. Although the mark-up is lower when STFC sells to retail distributors (B2B) instead of directly to customers through its outlets, the size of the orders is advantageous. Until SEWA's own retail outlets grow large enough to provide continuous work for the artisans, the B2B stream provides an important supplemental source of income. Additionally, the large size of the B2B orders (5,000-7,000 pieces) increases the efficiency of the artisans and the garment makers employed in SEWA's urban garment factory.

STFC's goal is to eventually move the bulk of production to the B2C stream, where SEWA receives the entire profit from product sales. The B2C stream produces contemporary embroidered products to sell in STFC's stores in Delhi and Ahmedabad. These stores exclusively sell STFC's brand *Hansiba*, named after one of the first village artisans to work with SEWA. To increase sales and improve marketing STFC recently hired a new head of Business and Marketing and has refurbished the Hansiba store in

Delhi. Training in customer service and product knowledge for store employees is also planned. Hansiba products are also sold at exhibitions around the country.

In addition to the B2B and B2C streams, SEWA is pursuing other markets. Exports have become an important source of revenue for the company. STFC has developed relationships with buyers in the United States, Canada, Europe and Australia. These buyers travel to India several times a year to view samples and place orders. STFC is also breaking into the e-commerce market. They are currently selling their products through their own website, www.sewatfc.org/ and on eBay, with plans to sell on additional websites in the near future. The artisans are thrilled when they see their products on the internet. Finally, STFC is exploring institutional sales. In this market, companies from other sectors place large orders with STFC as gifts for their employees. The benefit of this market is the large size of the orders and the opportunity to have upper-class business people wear the Hansiba brand.

SEWA's current business plan, based on its integrated marketing strategy, provides income for 3,500 artisans for at least 200 days a year. The company's ten-year plan is based on a forecasted 35% annual sales growth. On the basis of these estimates, the company will supply all 15,000 SEWA artisans with regular work by 2011. In 2007, the company achieved sales of 450 million rupees (US\$11.3 million). Through a combination of grants from donors, SEWA and commercial loans, STFC was able to create the basic infrastructure it needed to operate. The company is now breaking even without outside financial support.

3.4.2 Quality Control

If STFC is to reach its sale target, the company must ensure that its artisans are producing high quality products on time. Building quality control capacity has been a fundamental part of the company's mandate. When the company first incorporated in 2001, the rejection rate due to low quality work was 50%. To overcome this challenge, STFC invests heavily in training workshops for artisan members. The members also devised a grading system for their work. 'A grade' artisans produce the highest quality work and receive 100% payment. 'B grade' artisans receive 50% payment and C grade artisans cannot sell their work to STFC. 'B' and 'C grade' artisans are targeted for skill upgrading workshops. By 2007, STFC had reduced its rejection rate to 9%. All artisans also participate in training on market trends. They learn the importance of producing pieces according to the samples given and come to appreciate the value of timely delivery. It is this market information that poor producers often lack and it is a vital part of their integration into global markets. Villo, a consultant for STFC recalls:

It is challenging, making them [the artisans] understand the market requirements, because they have been doing this for years and have their own ideas. Like, when we ask them to use black, they say, 'oh this is ugly, why are we using black?' And we have to explain to them that 'all of New York wears black, it's fashion.'¹¹⁷

Artisan shareholders are also provided with an orientation to STFC, where they learn about the structure of the company, why it was formed and plans for future growth. Within each village or cluster of villages, artisans elect leaders. The leaders are given management training where they are taught how to distribute work, monitor and evaluate their peers, rotate working capital and grade pieces for quality control. The leaders travel to the block level where they meet with STFC staff to deposit finished pieces and collect

new kits for distribution to their members. The leaders also travel to Ahmedabad and Delhi for market exposure tours, where they see their products being sold.

The other quality control challenge facing STFC is its scattered production base. Most artisan members work from their mud homes where dust poses a threat to the fabrics. Furthermore, the scarcity of water in this region prevents artisans from washing their hands before handling the fabrics. To overcome this challenge, STFC is creating common production centers in each group of villages. The goal is to have all artisans in the area come to the centers for eight hours a day to complete their work. There are currently 25 common production centers operating in the Kutch and Patan districts of Gujarat, with plans to open more in the near future. STFC has found that when women work together both the quality of their work and their efficiency improves. By working together on the same design, the artisans catch their mistakes and friendly competition encourages them to work faster. Working in a concrete building with running water also improves cleanliness, preventing damage to the fabrics.

Five of the production centers have also been designated community learning centers (CLCs). The CLCs function as a community resource centre. In addition to providing a production space for craftwork, the CLCs are equipped with a crèche, SEWA health services and a computer center. Training for the community is provided through the centers in areas such as natural resource management, disaster mitigation, computers and governance. Community members can also request special training. For example, at one CLC, members of the community asked for a workshop on repairing bicycles. In addition, the CLCs have been equipped with satellites through a grant from the Indian Space Research Organization. This technology is used to conduct e-education training,

linking experts at the agricultural university in Anand with farmers in the remote rural north of the state. The satellite is also used for telemedicine, with doctors in Ahmedabad completing health workshops and providing tele-consultations for skin diseases. The CLCs are another example of SEWA's integrated approach to development.

3.4.3 Urban Garment Factories

When the artisans complete the embroidered pieces, they need to be stitched into usable products. To complete this task, STFC created its own garment factory in Ahmedabad. After the riots in 2002, STFC recruited women from the devastated communities who were interested in becoming garment workers. From an initial group of 1,000 women, 150 were selected to participate in the training program. STFC conducted the training in conjunction with the National Institute for Fashion Technology (NIFT). The trainees were taught how to stitch on sewing machines and cut, press and steam fabrics. The training lasted three months during which the women received a monthly stipend of 2,000 rupees (US\$50). After training, the majority of trainees opted to work for STFC in their new garment factory on the outskirts of Ahmedabad. Using a grant from the government's textile ministry, STFC was able to purchase the property and high quality machinery. The garment makers formed their own SEWA cooperative called Vastralaya. They work nine hours a day, six days a week and currently make 2,800 rupees per month (US\$70), which is above the industry standard of 2,500 rupees per month (US\$63). The women have indicated they would like to work longer hours. Consequently, STFC is considering switching to a piece rate payment system which would increase the garment workers' potential income. As members of SEWA, the

garment makers have access to loans through SEWA Bank and insurance products.

Additionally, STFC is opening a crèche on site. By opening its own factory instead of outsourcing the stitching and finishing work, STFC has created employment for urban women who lost their livelihoods during the riots.

3.4.4 National and International Partners

The creation of STFC required collaboration from many stakeholders. The first important stakeholder is the government. The Government of India helped STFC build infrastructure both in Ahmedabad, and in the rural north and provided funding for training artisans and garment factory workers. Dave believes the government can do more to facilitate the creation of enterprises like STFC. Her first request is that the government simplifies the registration process for new companies, “If it takes too long for registration, you kill these things,” she reports.¹¹⁸ Secondly, she recommends an extension of the maturity period for not-for-profit companies. Currently, all companies in India receive a tax exemption for an infancy period of 1,000 days. Nanavaty explains that “the rate of return for an investment in a business organization of the poor is much slower, it can take up to five years or more”¹¹⁹. Dave also recommends that companies producing environmentally-friendly, handmade products should receive tax exemptions:

There is no differentiation between craft and non-craft items. Industrial companies producing items which destroy the environment and use up natural resources pay the same taxes as STFC, even though our products are eco-friendly.¹²⁰

In order to make these concerns heard at the government level, STFC helped form a core cell in the Ministry of Textiles. Representatives from SEWA, the Government of India, the Government of Gujarat and the National Institute for Fashion Technology meet every

six months to discuss the formulation of pro-poor policies in the handicraft and textile sector. Dave explains:

After globalization, when the market opened up, the government wanted to build its capacity to gain from this opportunity. The problem is there is a mismatch between the schemes the government devises and the needs of the poor producers. They are unaware of the grassroots requirements. So we created this dialogue window, where we can listen to what the government is thinking and they can listen to what these craft people need.¹²¹

In addition to governmental support, technical partnerships have been an important part of STFC's development. For example, financial institutions are important technical partners because they help provide the financial tools and expertise STFC needs to grow. One of STFC's main financial partners is the International Financial Corporation (IFC), a member of the World Bank Group. IFC not only provides grants and loans, but also mentors STFC, teaching its executives skills such as creating a sustainable business plan.

They [IFC] held our hands in the beginning, and worked with us until we were ready to work with mainstream financial institutions and take commercial loans. Even then, they helped us create terms of reference for dealing with these other institutions.¹²²

IFC and Microsoft also helped STFC implement a sophisticated data management system, which can track orders, kits and artisans, greatly improving the operational efficiency. Technical partners from the fashion industry have also helped STFC grow. The National Institute for Design (NID) helped STFC develop their in-house design team and provided valuable advice on trend watching and on emerging markets. The National Institute for Fashion Technology (NIFT) trained STFC's urban garment makers and also helped the company adopt the newest fashion-related technology for sizing, patterns and grading.

Another major partner of STFC is the Grassroots Trading Network (GTN). GTN is a joint initiative of SEWA and the Global Fairness Initiative (GFI) created in 2001. GTN's role is to strengthen, support, and expand market opportunities for grassroots producer organizations, enhancing their participation in the global economy. GTN helped STFC network with buyers to initiate new business ventures. They were responsible for linking STFC and FabIndia, which has since become one of the company's largest buyers. GTN also helped STFC strengthen their production processes, improve their communication skills and build rapport with potential customers. Dave explains that buyers ask the same three questions: What is your supply chain, can you ensure timely delivery and what is the price of your products?¹²³ GTN has helped STFC formalize their operations, allowing the company to provide accurate answers to these key questions.

3.4.5 Challenges

In the process of transforming a traditional skill into a viable commercial enterprise, STFC faced several challenges. The first challenge was an initial resistance to STFC's presence in the communities, especially among men. The problem was one of trust. The communities believed that the SEWA organizers were like the traders who came through the villages to purchase embroidered pieces at very low prices. To build trust, SEWA provided immediate and fair payment for the pieces and over time the communities came to see that this organization was different. But while the men were content to have SEWA provide work the women could complete at home, they were opposed to women leaving their homes and traveling to attend meetings or workshops. There are many instances of SEWA members being fined by a community *panchayat*

(council) or banned from community events for leaving the village without permission.

Dave recalls:

As soon as we start talking about them [the women] coming out, forming and managing their own groups and taking working capital, the men feel threatened. It's hard for them to digest. Our members have struggled a lot, they have been fined just because they have gone out to attend exhibitions. But they have fought back by saying, 'This embroidery work is giving us a monthly income, if you can give me a monthly income of 500 rupees, then I will not go out.' Gradually the resistance is broken down.¹²⁴

Two other challenges STFC faces are controlling costs and creating a viable business plan. STFC's production plan must take into account the seasonality of the artisans' work. In some communities, artisans also engage in agricultural work during the rainy season. STFC encourages its members to work on farms when conditions are favorable because it allows other women to gain employment from embroidery. Furthermore, during the festival season the artisans use their embroidery for costumes and gifts, and as a result are unable to complete work for STFC. Finally, there are 16 different embroidery skills spread across the various castes and communities. The challenge lies in the logistics of creating a production plan that accounts for all these factors. Additionally, after a financial crisis in 2003, STFC realized the importance of containing costs. They reduced head office staff by 15 people, and hired experts to lead key departments. Moreover, the move toward order-based production prevented the loss of revenue due to inventory pile-up. Finally, the company cut transportation costs by shipping kits to rural areas by courier. In three months, STFC was able to reduce costs by 40% while increasing sales. This helped the company break even for the first time in the third quarter of 2007.

3.4.6 Impact

SEWA's work with the rural artisans of northern Gujarat has significantly improved their lives. The artisans' average monthly income has increased from 500 rupees (US\$12) to 1,500 rupees (US\$40). This reduced the rate of forced migration and improved living conditions. Jamu, an artisan and leader for STFC reports:

Before this, we had to migrate from our villages, twice in a year for months at a time. We would work as agricultural laborers. But now because STFC gives us work at our home base, we don't migrate anymore. My situation is very good now. Before my situation was down, but now I can think about changing my lifestyle. For example, I would only get a meal once in a day, but now I can take twice in a day because I have money.¹²⁵

Greater income also enables artisans to send their children to school. Gori, an artisan working for STFC explains, "We never used to send our children, especially our girls, to school. But now I've sent my daughter to another district for further study, which is a really big deal".¹²⁶

SEWA encouraged the artisans to form savings groups. Each month the women put small amounts of money into a joint savings account. When the account grows, the group rotates the money among its members. The money is often used to build water harvesting structures, a necessity in this desert environment. It also helps members build better homes or purchase cattle, which they register in their names. Jamu reports, "Before there was nothing in our name, no assets, no bank account. But now asset building is going on, in our name, we have cattle and savings. I have started getting an identity, before I was known as Khangabhai's wife, but now I am known as Jamuben".¹²⁷ The income has allowed many families to break free from the cycle of debt to moneylenders. Their regular source of income has also made the women creditworthy. Shop owners now encourage the women to purchase goods on credit, as they are confident that the women

can pay them back. Local banks are also willing to lend money to the artisans. As members of SEWA, the women are also eligible for loans from SEWA Bank.

The other major impact on the lives of the artisans has been the social transformations in their communities. As Jamu explains, “The main important thing is that when we received income in our hands, the decision also came in our hands.”¹²⁸ When women become the main income earners, they gain respect and recognition from their husbands. They acquire more power within the family structure because they decide when and how the money is spent. An artisan named Bahrah describes how “because of SEWA I can generate income and I have my own identity. Before that, I was only treated like this unvaluable thing, that was just there”¹²⁹. Many artisans also report that domestic violence has decreased. “In our community, the men were always drunk and would come home and beat the women, it was a very bad situation. But now that we have some money for ourselves, we are not dependent on men, and things are better”.¹³⁰ Dave says, “When we started giving women income and leadership opportunities, they started asking questions and changing things. This put the power structure of the community on its head.”¹³¹ Perhaps the best evidence of this is the participation of women in the local governing structures. Graniben, an artisan, reports:

We don't only worry about embroidery and markets now. We are involved in the village and block level developments and we are involved in politics. We know how to improve the village and work for the people. More women are participating in these elected bodies. We should run the government, because we are the people who will bring change in others' lives.¹³²

The changes are even more extensive for members of STFC who are part of the Darbar and Soda communities. In these communities the women live in a tradition of ‘purdah,’ where they are not permitted to leave their husband’s house after marriage

under any circumstances. These women have more time to devote to crafts because they do not work outside the home. However, in order to participate in STFC they are required to leave their homes to participate in skill up-grading workshops. “For the first time in history, these women started coming out of their homes”.¹³³ This transformation required courage by a few brave women. They violated their husbands’ orders and left their homes to attend SEWA meetings. Some of them were fined and even banned from community events. But gradually over time, the men came to understand that SEWA was a women’s organization, interested in livelihood issues. At first they chose to accompany the women to SEWA meetings, but in time they trusted the artisans to go alone. The extreme poverty in this region made the income from craft more valuable to the communities than their traditional way of life. This income has also enabled families to stay together. In the past, only the men from these castes would migrate in the dry season, often to work on salt farms. The added craft income has reduced male migration, keeping families together.

To conclude, STFC is an effective model for poverty alleviation because it matches goals of employment generation and the creation of a sustainable livelihood with social and economic empowerment. By reviving a traditional skill and transforming it into an important source of income, STFC has changed the lives of thousands of rural artisans. This model illustrates the importance of access to markets and market information for bringing women out of poverty. Through trade, poor producers can be integrated into the mainstream economy and use their own skills to earn a sustainable livelihood. By linking small rural producers to global markets, STFC has enabled its members to take advantage of the opportunities brought about by globalization.

4. Conclusion

When Bhatt first formed SEWA in the early 1970s, her goal was to change the definition of work. “Every person who contributes to the national income, regardless of the type of industry or workplace or form of employment, should be recognized as a worker”.¹³⁴ In the past 35 years, SEWA has made remarkable progress toward achieving this goal. Starting at the household level, hundreds of thousands of women have come to see themselves as economic actors, earning respect from their families, their peers and themselves. Collectively, these women have joined together to demand similar recognition from authorities, including police officers, city officials, politicians and policy makers. There have been many victories such as increased legal recognition for street vendors, the creation of government schemes for informal workers and new training programs to help women workers enter the mainstream economy.

SEWA’s work with vegetable vendors, small and marginal farmers, construction workers and rural artisans, as this study attempts to illustrate, has been a great success. SEWA’s work with vegetable vendors demonstrates how collective strength can be harnessed to create a voice for the poor majority. This voice empowers women workers in the informal economy to demand recognition of their rights. SEWA’s work with small and marginal farmers reveals the importance of credit and banking services among the informal workforce. Through micro-investments, farmers are able to transform agriculture into a sustainable livelihood. With the transition from working for others to becoming productive farmers on their own land, farmers improve both their income security and living conditions. The need to access credit is shared by all women workers

in the informal economy. The creation of the SEWA Bank was a crucial step in meeting this need. Bhatt explains:

The SEWA Cooperative Bank pumps 15 million rupees into the smallest levels of the city's economy each day through its women account-holders. It helps poor women build ownership of productive assets to fight life's vulnerabilities. This way, our economy grows, woman by woman.¹³⁵

SEWA's work with construction workers and the creation of the Karmika School for Construction Workers demonstrates how skill building can enable informal workers to exploit new opportunities brought about by globalization. Armed with new skills, the construction workers are no longer the victims of mechanization. Finally, the SEWA Trade Facilitation Centre exemplifies how access to markets and market information can transform a traditional skill into a viable commercial enterprise. Through careful planning, training and market analysis, poor producers can be successfully integrated into global markets.

What are the key ingredients of SEWA's success? Firstly, the organization has kept poor, informal women workers at the centre of all its activities. Instead of hiring professionals to run SEWA, the organization has built up the leadership capacity of its own members. While this process is slow and not always efficient, it empowers grassroots-level people to take charge of their own organization. According to Bhatt:

It is in this process where groundbreaking change occurs. When women learn at their own pace through self-help and feel comfortable in their knowledge and actions, they change their lives and their environment for the better and for the long term. Change, to be real, has to come from the people; it cannot be trickled down, imported, or imposed.¹³⁶

Secondly, the organization employs an integrated approach to development. By targeting both work security and social security, SEWA addresses the multiple risk factors that make informal women workers vulnerable. The organization also takes a nuanced view

of globalization. Instead of supporting or opposing globalization, SEWA asks how these trends can help its members. This is illustrative of SEWA's efforts to keep adapting and evolving. As the nature of work continues to change, the organization and its interventions on behalf of informal workers must change as well in order to keep pace.

Another key to SEWA's success is its apolitical and autonomous nature. In a democracy like India, with many vested interest groups, SEWA's autonomy has at times cost the organization support. However, it is this policy that allows it to work with a multitude of actors and enables it to carry out its work without interference from others. SEWA also operates on many different levels. While some SEWA programs target the household, the organization also works for broader policy change. This includes advocacy work aimed at both state and national governments. SEWA has also moved into the realm of international organizing. Bhatt states that "international unionizing has become a necessity. For the poor to survive in a global economy, they need to join hands across all sorts of borders".¹³⁷ In 1996, SEWA helped create Women in Informal Economy, Globalizing, Organizing (WIEGO). WIEGO is a global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy. It does so by highlighting the size, composition, characteristics, and contribution of the informal economy through improved statistics and research. It also strives to strengthen member-based organizations of informal workers and promotes policy dialogues and processes that include representatives of informal worker organizations (WEIGO).¹³⁸ SEWA was also integral to the creation of HomeNet and StreetNet. These international networks of home-based workers and street vendors link

similar groups around the world, creating a large base of workers to lobby international bodies such as the ILO for change.

What are the transferable lessons from the SEWA model? Unlike many failed development projects, SEWA represents a bottom-up, grassroots approach to development. The issues tackled by the organization are identified by the community itself and the women workers staff and lead the organization. As well, SEWA has achieved staying power by networking with a wide variety of domestic and international partners, who support the cause and bring necessary attention and funds to SEWA. Another lesson from the SEWA model is the importance of research to support programming. SEWA created the SEWA Academy in 1990 to evaluate their own programs and conduct research on the plight of informal women workers. This research supports their program design, media campaigns, legal cases and in negotiation with the government. SEWA's democratic leadership structure, with a board voted in by the broader membership base, is also critical to its success. Each sister organization employs a democratic, cooperative leadership model which promotes transparency and accountability. Another lesson from the SEWA model is the importance of education for informal women workers. Not only does SEWA provide vital occupation-specific skill building, it also provides more general literacy, numeracy and computer skills which help build confidence and independence for its members.

Trade unions such as SEWA are an important agent of change. Ultimately, the fight for improved conditions in the informal economy, both in the short and long term, will have to be led by informal workers themselves. There is currently a window of opportunity for unions to revitalize the trade union movement by organizing informal workers. By

opening union statutes to informal workers, campaigning for revised laws where needed, and critically exposing neo-liberal economic policies that harm workers, trade unions can be catalysts for reform in the informal economy. Coalition building between labor-friendly NGOs, formal and informal trade unions and international networks of informal workers can be a powerful force for positive change. It can also keep the issue of informality on the agenda at national and international levels.

SEWA's success reinforces employment as a key pathway for exiting poverty. By investing in cooperative economic structures that provide access to resources and by providing social security including health care, child care, housing and insurance, the natural entrepreneurship of the poor is nurtured. Small investments and access to credit allow the poor to enhance skills they already possess, so they can work their way out of poverty on their own. By building their capacity to enter global markets and strengthening their market knowledge, informal workers can benefit from the new opportunities of globalization. The creation of organizations like SEWA is the first step in achieving these goals. Their work must be accompanied by broad changes at the policy level. Bhatt argues that "we need policies that encourage self-help, support local cooperative economic initiatives and emphasize sharing and pooling of resources at every level".¹³⁹

The success of the SEWA model brings up several questions. First, how replicable is this model? To what extent is the SEWA model dependent on Indian democratic institutions and respect for the rule of law? Would it be replicable in authoritarian or repressive societies? Second, where should efforts focus? There is a long standing debate in the literature on informality as to whether efforts should focus on formalizing and eventually eliminating the sector or promoting the informal economy as

an essential source of employment and income. For SEWA, mainstreaming the informal sector is an important development objective. However, short and medium term strategies to improve the situation of informal workers are critical due to the increasing size and importance of this sector in developing countries such as India.

In the developing world, the informal economy is also an important contributor to economic growth. Based on recent estimates, the informal economy contributes between 7% and 38% of GDP in 14 countries in sub-Saharan Africa. between 16% and 32% in Asia and between 13% in Mexico and 62% in India.¹⁴⁰ These numbers are low considering that 50% to 90% of the total workforce in these countries is informal. Investing in the informal sector is thus important not only for improving the lives of vulnerable workers, but also in increasing the productivity of developing world economies. Targeted solutions for the informal economy should form a key component of poverty reduction because they are central to the creation of an environment in which the poor can work their way out of poverty.

In a world where the majority of workers are employed outside the formal sector, organizations like SEWA draw attention to the tendency to promote only certain types of work - work that fits into the global market economy¹⁴¹. Bhatt argues that

any work that falls outside of that narrow definition is either eliminated because it is 'unproductive' or it is downgraded by reducing the price of its worth. This way of viewing work, backed by economic theories and adopted by our policy makers, manages to disenfranchise millions of workers around the globe every day.¹⁴²

SEWA highlights the ability of informal workers to achieve some of the rights and benefits of the mainstream economy without giving up the advantages of the flexible

informal economy. Through support, training and investment, informal workers are empowered to achieve economic independence, respect and dignity.

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6. Tables

Table 1. SEWA sister organizations by date

SEWA Cooperative Bank – 1974
First milk cooperative – 1974
Newsletter <i>Anasuya</i> – 1982
SEWA National Association – 1982
First artisans’ cooperative – 1982
Video SEWA – 1984
First childcare cooperative - 1986
First tree growers’ cooperative – 1986
First rural programme in a drought-prone area – 1987
First vegetable and fruit vendors’ cooperative – 1989
SEWA Academy – 1990
First healthcare cooperative – 1990
First salt farmers cooperative – 1990
Insurance <i>Vimo SEWA</i> – 1992
SEWA Cooperative Federation – 1993
Housing <i>Gujarat Mahila Housing Trust</i> – 1994
Kutch Craft Association – 1994
Local marketing <i>SEWA Gram Mahila Haat</i> – 1999
SEWA Trade Facilitation Centre - 2000

Source: adapted from Blaxell 2007, 71

Table 2: SEWA members by occupational category

<p><i>Hawkers and Vendors</i> – who sell a range of products including vegetables, fruit and used clothing from baskets, push carts or small shops.</p>
<p><i>Home-based workers</i> – who stitch garments, make patchwork quilts, prepare snack foods, recycle scrap metal, process agricultural products, produce pottery or make craft items.</p>
<p><i>Manual laborers and service providers</i> – who sell their labor as agricultural laborers, construction workers, contract laborers, handcart pullers, head-loaders or who sell services such as wastepaper picking, laundry services or domestic services.</p>
<p><i>Rural producers</i> – including small farmers, milk producers, animal rearers, tree nursery growers, salt farmers and gum collectors.</p>

Table 3: SEWA member-based organizations and service units

<p><u>Membership-based Organizations of SEWA</u></p> <ul style="list-style-type: none">• <i>SEWA Union</i> – recruits and organizes SEWA’s urban and rural members and organizes campaigns around issues of concern to its membership.• <i>SEWA Bank</i> – provides financial services.• <i>SEWA Cooperative Federation</i> – supports and organizes the women’s cooperatives. The federation is currently comprised of 86 formally registered cooperatives and 14 cooperatives in the notification stage.• <i>SEWA District Associations</i> – are located in each rural district where SEWA works. They provide services to SEWA-organized village groups and link members to SEWA for other services. <p><u>SEWA Service Units</u></p> <ul style="list-style-type: none">• <i>SEWA Social Security</i> – provides health care, child-care and insurance services.• <i>SEWA Academy</i> – provides research, training and communication services.• <i>SEWA Marketing</i> – SEWA Gram Mahila Haat and the SEWA Trade Facilitation Centre help women producers, through their cooperatives, associations and groups to directly reach either local, domestic or international markets.• <i>SEWA Housing</i> – provides housing and infrastructure services
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Source: SEWA Annual Report 2005, 50

Table 4: SEWA’s Eleven Points

<p><u>SEWA’s Eleven Points</u></p> <ol style="list-style-type: none">1. <i>Employment</i> – have our members obtained more employment?2. <i>Income</i> – have their incomes increased?3. <i>Ownership</i> – do they have more assets in their own name?4. <i>Nutrition</i> – are they (and their families) better nourished?5. <i>Health Care</i> – do they (and their families) have access to better health care?6. <i>Housing</i> – do they have improved or more secure housing?7. <i>Child Care</i> – do they have access to child care, if needed?8. <i>Organized Strength</i> – has the organizational strength of our members increased?9. <i>Leadership</i> – have more and stronger leaders emerged from our membership?10. <i>Self-Reliance</i> – have they become more self-reliant both individually and collectively?11. <i>Education</i> – has the education of our members (and their children) improved?

Source: SEWA Annual Report 2005, 50

Table 5. A comparison of SEWA’s Shop 40 policies with other shops in the market