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SEWA – A MODEL ORGANIZATION FOR SELF-RELIANCE OF UNDERPRIVILEGED WOMEN (A CASE STUDY)

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ABSTRACT

In India, a large percentage of women undertake enterprises as a forced economic activity which rarely achieves scale and serve only to barely sustain their families. As a demarcation from this belief, Self Employed Women's Association (SEWA) established by Ela Bhatt, SEWA is framed around the goal of full employment for the poor women with security for her family. Over the years since its inception in 1972, SEWA has emerged as a model organization for women entrepreneurship and the upliftment of low and marginalized classes of society. In the following discussion, the case study unfolds the story of the micro banking organization which has evolved with a rich variety of beneficial activities such as vocational training, healthcare, insurance, asset creation, integrated financial services, legal and marketing aid and other supportive systems.

KEYWORDS: *Microcredit, women entrepreneurship, self-help group, marginalised classes, autonomy.*

INTRODUCTION

SEWA originated in 1972 as the Association's Women's Wing of Textile Labour Association (TLA), which was established by Gandhi in 1918. SEWA is located in Ahmedabad, the city where Gandhi's ashram still exists and once served to facilitate much of the Mahatma's work. SEWA which was founded as a branch of Textile Labour Association (TLA), organization grew very quickly, with 30,000 members in 1996, to 318,527 in 2000, to a current strength of over 2 lakh members (2016). It's units are spread all over India, mainly in the states of Gujarat, Uttar Pradesh, Rajasthan and other states. The principles behind accomplishing these goals are struggle and development, meaning negotiating with stakeholders and providing services, respectively. Behind all these accomplishments was SEWA's founder Ela Bhatt. Bhatt was born in Ahmedabad on September 07, 1933 to a Brahman caste family of lawyers and was herself, a lawyer. Bhatt found that poor women in Ahmedabad were not just domestic workers, but conducted a variety of businesses at home—as hawkers, street vendors, construction labourers—and were not being represented in India's economy. Gandhi's ethos of collective mobilization led to the founding of TLA, which is a labour union generally concerned with textile labourers in the formal sector. Around the era of SEWA's establishment, Ahmedabad youths were enthusiastic to interact with the poor because of Gandhi's legacy in the city. While not explicitly stated, low-income labourers in the formal sector are more likely to be men

because of cultural practice putting men in positions of security and higher status. There were no unions protecting individuals who worked outside the formal sector, which tended to be women. In 1972, SEWA materialized first as a collective of women that worked outside the textile mills and other formalized sources of income—individuals not targeted by TLA. An early survey of SEWA members found that 97% lived in slums, 93% were illiterate, the average member had four children, and one in three was the primary breadwinner.

Its first large project was the SEWA Cooperative Bank, established in 1974 to provide loans to low-income members. As a young lawyer for TLA in the 1970s, Bhatt saw these women outside textile factories and created a department within the Women's Wing of TLA specifically devoted to women in the informal economy. Gender discrimination was apparent in TLA, whose leading figures were all male during the time of SEWA's involvement in the organization. In 1981, TLA expelled SEWA from its organization for publicly supporting the rights of the Dalit caste. Despite the rift between TLA and SEWA, there are clear influences of the Mahatma in SEWA's principles of truth, non-violence, and integration of all people that shape the organization to be so successful. Driving SEWA's every decision are satya (truth), ahimsa (non-violence), sarvadharm (integrating all faiths, all people) and khadi (propagation of local employment and self reliance) which all helped Mahatma Gandhi organize poor people in the Indian independence movement.

SEWA goes beyond being a labour union and additionally acts as a meeting point for poor, Indian women who are regularly marginalized across rural landscapes and isolated to urban slums. SEWA also connects workers in the same business within over 50 cooperatives. SEWA serves as a model for successful bottom-up democratic organizations by emphasizing an organizational model. SEWA has evolved a model organization of women entrepreneurship in which steps to organizing such a large union are outlined as follows:

1. Recruit members and assess needs of this unique cohort
2. Group members by trade, cooperative, region, etc.
3. Foster leadership within groups
4. Train leaders to promote SEWA programs either locally or within their profession
5. Elect members to positions of SEWA leadership councils

Shri Mahila Sewa Sahakari Bank or SEWA Cooperative Bank was formed as an organization to eliminate corrupt banks, moneylenders and other middlemen. Everything about the bank is determined by SEWA members—the bankers and board members are organization members, the loan rates are set by members, the funds are entirely from members. SEWA Bank's philosophy is centred on business, finance a home, and various other ways to establish one's self. Women have become a central demographic within microfinance because they are understood to be the most socially vulnerable population within poverty-stricken communities and also tend to generate wealth for the whole family rather than as an individual.

A large body of literature exists that critiques the merits of microcredit. Many (Keating, Rasmussen, Rishi 2015) argue that microcredits are indeed effective in bringing women into a liberated economy; however, the capitalist system women are introduced to be deeply violent and institutionally sexist. Mahajan (2005) argues that microcredit does nothing to promote economic growth for a nation as a whole for reasons that Surowiecki (2008) such as microloans stifling innovation and prohibiting job production—in other words stagnating business growth at “micro” level instead of “small” business level. Often, microloans simply have a crippling effect on the individual. A study by Jahiruddin (2011) of Bangladeshi microloan benefactors found that the poorest entrepreneurs (i.e. women) tend to be the most susceptible to business failure and increased debt because they have fewer resources as a safety net. The same study also found that entrepreneurs who reported worsening poverty also are the most dependent on microloans.

Research specific to SEWA Bank complicates the above narrative. A 1999 study by Chen and Snodgrass found that SEWA members using the microloan program experiences an increase in income and could more easily find gainful employment. Another study by Bhatt and Bhatt (2016) found that women in the program also find more self-esteem and confidence to conduct business. One reason for these differing experiences could be that SEWA provides both monetary support and financial guidance that other microloan programs do not. These individual experiences, however, do not speak to the deleterious macroeconomic implications of microloans. Other economic tools used by SEWA include guidance in: savings, insurance, housing, social security, pensions, fundamentals of personal finance, and counselling. Saving and entrepreneurship, especially considering SEWA members

have stock in the bank. SEWA gives microcredit, or microfinance, to members through its bank, which is considered by many to increase micro and macro productivity by lending to individuals to pursue a business, finance a home, and various other ways to establish one's self. Women have become a central demographic within microfinance because they are understood to be the most socially vulnerable population within poverty-stricken communities and also tend to generate wealth for the whole family rather than as an individual.

A woman needs savings and financial services throughout her life for fulfilling various needs. Starting from paying the old debts, education of the children, marriage of the children, celebrations /ceremonies in the families or merely for the old age. SEWA meets this fundamental need by adopting simple procedures, door –to –door services, and credit based on savings performance, or loan repayment instead of collateral. SEWA's integrated financial services respond to the members by offering different products of suitable needs under five categories ; credit, insurance , savings, financial counselling and Automated Teller Machine (ATM) Since many of the SEWA's members are illiterate , various banking procedures have to be adapted , such as using thumb prints or photographs and helping them fill in forms. SEWA bank also mobilizes linkages with other support services such as vocational training, healthcare, child care, legal assistance, marketing support, low cost housing, technical services, and other business development services.

At SEWA, vocational training for poor and hapless women is combined with credit. SEWA understands that credit is important, though not adequate for sustainable employment and betterment of the family in the long term. Access to markets, information, and technical know-how and social support services are essential as credit itself. If poor people are to be getting their due share in economic growth of the nation, SEWA has organized itself as a bank where women are the users, owners /shareholders and stakeholders for the wellbeing of their families.

Since its inception, SEWA has become a model organization for sustainability and perseverance of the women from the low and marginalized segments of the society. Through identified organizations, SEWA gives directions for self-employment rather than jobs for the women. SEWA Bank collaborates with Reserve Bank of India (RBI) state Governments, insurance companies, apex institutions like National Bank for Agriculture (NABARD) and national housing finance organizations. Since its commencement, the bank has been able to meet its operational costs, provide for bad debts and generate a decent surplus. The bank's financial resources come from its own members in the form of interest contributions on their savings. Interest rates are 6 per cent from the savings raised by profits of SEWA organizations which form 82 per cent of the total funds. If borrowed from outside 8 per cent is charged by SEWA. Income from net interest meets operational expenses and even meets non-performing assets. Part of the surplus earned from the banking activity is used to provide social security /insurance services, vocational education and training to the members. The remaining part is ploughed back as capital after distributing dividends to members. SEWA acts as a trade union for its members with its associate organizations such as Women's Cooperative Federation and the Women's District

Development of Women and Children in Rural Areas (DWCRA) and producer groups associations.

Banking with poor and illiterate women requires appropriate mechanisms suitable to their culture, needs, and their environment. Their needs include daily savings from the houses or business or providing savings boxes, photographs on their passbooks. They also require training and assistance in understanding and dealing with banking procedures.

Asset Creation under the ownership of women has been the priority of SEWA Bank. This includes transfer of agricultural land and houses in women's names, the acquisition of implements, tools, shops, livestock in their own names, bank accounts, shares and savings and jewellery.

EMERGING HORIZONS

- SEWA has grown slowly but steadily over the years, with a spurt in growth with the liberalization policies of the Government. SEWA which started as an urban bank, but in recent years has expanded in the rural pockets /backward areas, serving the underprivileged and needy women.
- SEWA has devised appropriate mechanisms for savings, insurance, credit, enterprise consultancies in the form of marketing guidance, logistics and distribution set ups etc.,

- SEWA's governance has won the support from NABARD and Government both at the centre and the states. SEWA has been instrumental in providing social security schemes, healthcare and other welfare schemes. With several stories of women upliftment and empowerment, SEWA's organizing model brings together women across castes and class who share experiences of labour exploitation!

Case Questions:

- 1) Portray the origin and growth of SEWA
- 2) "The mechanisms within the SEWA has helped to maintain the priorities for upliftment and self reliance of poor women". Discuss

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