



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



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Self-Employed Women's Association, SEWA

- Founded in 1972 by Ela Bhatt in Ahmedabad, India
- SEWAs in 15 states with 1.5 million members, all informal women workers
- Promoted more than 5000 small medium, large membership-based organisations: unions, cooperatives, SHGs, their federations, producer companies

SEWA's approach: Joint action of union and cooperatives

- The union promotes workers' solidarity and unity; defends and advocates for workers' rights — minimum wages, decent work/working conditions, social protection
- Cooperatives promote *development* – enable members to obtain work, income, food, and services (finance, social protection, etc.)



Why did SEWA choose cooperatives?

- Democratic, membership-based and member-driven
- Provide a pathway to formalization of informal work to organize workers for full employment and self-reliance



History and scale of SEWA's cooperatives

- SEWA Bank – SEWA's first cooperative, founded in 1974
- Quilt makers cooperative – SEWA's first trade-based cooperative, founded in 1977
- SEWA Federation – Founded in 1992 to help promote the 33 existing cooperatives at the time
- Today 115 SEWA-promoted cooperatives in India (106 in Gujarat)
- 300,000 women, annual turnover of Rs. 3 billion (Rs 300 crores) or USD 46.8 million

What makes SEWA's cooperatives different?

- Owned and controlled by informal women workers
- Mostly viable (80% totally viable)
- Innovative – a “first ever” effort toward organizing and formalizing sectors and services (e.g., childcare, healthcare, cleaning)



SEWA's role vis-à-vis cooperatives

- Organize informal women workers, build their solidarity, support cooperative development – preparing bye-laws, registration, first general body meeting and board elections
- Link members to different services (SEWA's and others) like social security, financial services
- Policy action with, by and for members – representation of their issues and challenges, linking with labour, cooperative and women's movements



Achievements of the cooperatives (1/2)

- Formalization of a wide variety of economic activities carried out by women in the informal economy (e.g. childcare, healthcare, domestic work, construction, farming, banking)
- Providing visibility and recognition to their work, giving them identity as workers
- Significant leadership and management development, enabling them to become leaders in their families and communities



Achievements of the cooperatives (2/2)

- Dual strategy of union and cooperatives enable full employment and self-reliance, linkage to the labour movement. Union has also protected the cooperatives in times of crisis
- 80% of the cooperatives are financially sustainable, pay dividends to their members, self-managed
- Growth in women's ownership and assets, both at the individual and collective levels (not the norm in Indian society)



Challenges faced

- Resistance from cooperative/ government officials, bureaucratization of departments
- Changing regulatory environments
- Exclusion of cooperatives from the 'new economy'
- Lack of autonomy for cooperative boards
- Limited access to working capital and assets
- Developing management skills for scale

Lessons Learnt (1/2)

- Organizing and managing a cooperative is crucial for addressing social and economic well-being of informal workers
- Effective way to organize informal workers and formalize their work
- Through the cooperative, members earn a regular income, start saving and take loans when needed, thus joining the formal financial system
- However, financial sustainability is an ongoing struggle and a work in progress



Lessons Learnt (2/2)

- Cooperatives promote decentralized, democratic governance, and can be considered schools for democracy
- Educating cooperative members about cooperative values and principles as well as about the specificities of their business is central to the success of the cooperatives
- An integrated approach is essential; informal women workers need access to a range of services for full employment and self-reliance, and simultaneously



Recommendations

- Advocate for an enabling regulatory environment with greater recognition of and autonomy for women's cooperatives
- Strengthen education and capacity-building for cooperatives
- Support the financial viability of cooperatives by providing business services and expertise
- Promote public education on cooperatives including in schools, colleges, etc. as an alternate model for decentralized, formalised, livelihoods



Thank you

What do we mean by formalization of the informal through cooperatives?

- Increasing members' job and income security
- Enabling access to social protection through services like insurance, childcare, pensions, etc.
- Generation of economies of scale and access to markets through collective purchasing, marketing, etc.
- Access to skill training (technical and business)
- Establishing collective voice and subsequent bargaining power
- Visibility and recognition as workers in the eyes of employers, consumers, and policy-makers – supportive structures, alliances, and affiliations
- Practicing economic democracy and devolution of power to the women workers