



Housing Finance for Poor Working Women: Innovations of the Self-Employed Women's Association in India

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The Self-Employed Women's Association (SEWA) recognizes that the home is a paramount productive asset, particularly for poor women. Secure tenure allows access to financial assistance, which is critical to supporting and expanding most kinds of economic activity, particularly self-employed work. SEWA's experience – in both regulated banking and slum upgradation – proves that responding to the demands of self-employed women for better housing through tailored credit programmes and integration of pro-poor institutions can be viable and sustainable, even in the absence of legal tenure and traditional mortgage guarantees. Most significantly, improving housing and security of tenure greatly enhances the economic and social status of these workers, their families and their communities.

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Where Governments and Regulators Have Failed: Addressing Social Security, Self-Employment and Urbanization

The lack of access to social security (e.g. pension schemes, insurance) and financial tools (e.g. banking, loans) for informal economy workers in developing countries means the vast majority of the economically active population, despite its major contribution to local, national and global economies, is left unprotected.

On the one hand, national governments have systematically failed to address the link between urbanization, the informalization of the economy, and the increasing insecurity of income and housing. This reflects either a lack



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of political will and interest or simply short-sightedness among legislators and governments.

Regulators and financial institutions, on the other hand, continue to consider financial and social security products unviable for informal sector workers. This assumption reflects two main technical concerns: the unpredictability of informal workers' income – against which financial products are calibrated – and the lack of conventional collateral, primarily houses and bank deposits.

This policy brief illustrates the efforts of SEWA (a network of self-employed women's organizations that began, and is most active, in the state of Gujarat in India) in proving these assumptions wrong. In particular, the work of the SEWA Bank and the Mahila Housing SEWA Trust in urban Ahmedabad shows that financial inclusion of informal sector workers is not only possible but also sustainable and profitable. Further, it bears strategic potential for the economic, social and political empowerment of self-employed women, their families and the communities in which they live.

Rather than dismissing credit for the poor as untenable, SEWA's efforts have proven that financial inclusion of informal sector workers can be a powerful tool for poverty-alleviation efforts. Housing finance is central to the success of such efforts in the long-term; attempts to scale up existing pilots and programs ought to be a priority.



A study of how SEWA members were using credit revealed that over 44 per cent of the money borrowed was being used for the single purpose of repairing or upgrading the family house. For home-based workers, better housing and services directly translates into more time at productive work, easier access to water, safer storage for stocks and better equipment.

² Information drawn from www.sewa.org.

³ Information drawn from: Gujarat Mahila Housing SEWA Trust 2000; SEWA Bank 2008, 2012.

SEWA: Origins, Philosophy and Patterns of Institutional Growth²

SEWA is an organization of poor, self-employed women workers. It was founded and registered as a trade union in 1972 in Ahmedabad, the capital of Gujarat, a state of western India known for its long history of business and industrial entrepreneurship. SEWA was born with the main aim of “strengthening its members' bargaining power to improve income, employment and access to social security.” It emerged at the confluence of three movements : the labour movement, the cooperative movement and the women's movement. At the root of SEWA's philosophy lies the belief that the exclusion of most poor women from the economic mainstream – and from the social security, financial inclusion and support services offered in formal employment – can be addressed through organizing. Today, SEWA has over 1.4 million members, and 19 sister organizations across nine states of India, each pursuing an independent scope of work. Across its parts, SEWA works for the empowerment of poor women by linking their efforts to organize with that of creating assets and of generating income. SEWA defines these three dimensions as inextricably interconnected in a woman's social, economic and political life.

Bringing Banking to Working Women's Doorsteps³

The first SEWA organization to be founded after the trade union, in 1974, was SEWA's hugely successful cooperative banking arm: the Shri Mahila SEWA Sahakari Bank Ltd. SEWA Bank, as it is known, is a cooperative bank that runs exclusively on the deposits of members, who are the bank's shareholders. In 2012, 120,000 self-employed women were shareholders (SEWA and WIEGO 2012). The

bank operates under the direction of an elected Board of self-employed women, many of them illiterate, who represent the various sectors SEWA members are working in: *bidi* rolling; waste picking; street vending; block printing; incense stick making; and so on. Under the guidance of the Board, SEWA Bank aims to provide poor women with access to financial services that are tailored to self-employed women's needs and means.

SEWA Bank's first – and most popular – product is a savings account that can be opened with a one-page application and Rs 50 (about USD 0.90⁴) capital. The account allows women to deposit any amount at their doorstep through a network of SEWA Bank's employees spread across the city.

Although its focus has been primarily that of promoting savings, in 1977 SEWA Bank piloted a cash loan for the purchase of supplies and the purchase or upgrade of work equipment for self-employed women. Unexpectedly, the absolute numbers of applicants soared (from 173 in 1977–8 to 29,500 less than 20 years later) and the repayment rate (>95 per cent) proved higher than comparable trends in the mainstream banking sector. Heeding the increasing demand, SEWA Bank progressively expanded its offerings: from loans of about Rs 2,000–20,000 repaid over one year at interest rates of 12–17 per cent, today SEWA Bank lends up to Rs 100,000 (USD 1,814) at a decreasing rate of 18 per cent with a typical repayment schedule of 35 monthly instalments.

SEWA Bank's focus on housing emerged two decades after its foundation, and as a result of members' increasing demand for credit. In 1994, the need to diversify loans beyond business became in fact quite apparent. A study of how SEWA members were using credit revealed that



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⁴ All currency conversions in this paper are based on a rate of Rs 1 = USD .01814, the mid-market rate on December 21, 2012 cited at www.xe.com.

Parveenben

Parveenben is a middle-aged woman, a SEWA member and a home-based worker. She lives in a two-room pukka house with her husband, her mother, her three sons, one daughter-in-law and a young child. Her husband is retired; her children are a teacher, a web developer and a data entry operator, and Parveen works at home where she stitches and embroiders *salwar suites* that she then sells on her own. She earns Rs 3,000-7,000 (USD 54-127) per month, depending on the season and festivities.

In 2002, Parveenben was the first member of her family to open a bank account, a SEWA Bank savings account, after learning from a SEWA Bank staff member working in her neighbourhood that she could do so with an initial deposit of just Rs 50 (USD .90), as opposed to the Rs 500 or 1,000 (USD 9-18) required by other banks. She likes that it is a “women’s bank,” it makes a great deal of difference to her. Beyond depositing her savings regularly, she has also become a member of the SEWA Union and started attending meetings to get “business tips” (financial literacy and business planning).

In 2003, she took a first Rs 7,000 loan (USD 127) to buy a sewing machine, which she repaid by saving regularly amounts as small as Rs 250. In 2005, while Ahmedabad was experiencing a severe monsoon, she took a second loan from SEWA – this time of Rs 15,000 (USD 272) – to buy stitching material at a discounted price from a fabric wholesaler whose stock was getting spoiled in the rains. In 2008, she took another cash loan, Rs 50,000

(USD 907), to meet a quarter of her sons’ wedding expenses, matching the amounts her son had borrowed from his employer and her husband’s savings. Finally, in 2010, she took a Rs 100,000 (USD 1,814) housing loan that contributed to a 400,000 (USD 7,256) renovation and expansion of their *kutchra* house, including the construction of a toilet, a small kitchen with a gas cylinder, individual water and sewage connections, and the complete refurbishment of the main room around which all family activities and Parveenben’s work activities took place. She says the main room is now a “proper drawing room, while before it was split into two areas, half for the kitchen with the kerosene stove, and the other where I worked and we all slept. We used to take turns to eat, even during *Ramadan!*” The investment was large, she notes, as construction labour in Ahmedabad is expensive, and the house can be reached only through narrow alleys, so all construction material had to be transported by hand from the main road. “Nobody would deliver it further.”

Parveenben is still repaying her loan but feels she can now produce an average of five dresses per month, compared with three before the renovation. She can work also during the monsoon because her stock won’t get wet and the house will stay dry. The house now has running water between 6 a.m. and 8 a.m., avoiding the morning walks to fetch water at the common water pump, and the whole family does not need to use the public toilets anymore.

over 44 per cent of the money borrowed was being used for the single purpose of repairing or upgrading the family house: the tiling of a floor; the creation of storage space; roof repairs or rebuilding; the cementing of walls; the addition of a room or a toilet; and direct connections to running water, electricity and sewage. In the vast majority of cases, housing improvements were explicitly linked to the members’ desire to expand their productivity. For the home-based workers, better housing and services directly translates into more time at productive work, easier access to water, safer storage for stocks and better equipment.⁵ An individual electrical connection, for example, can make it possible to use an electric sewing machine, while a water connection quickens the production of food to be sold on the street.

To match the overwhelming demand – and as an offshoot of loans meant to improve the productive capacity of home-based women workers or those self-employed workers who use the home to store raw material or finished goods such as street vendors and waste pickers – SEWA Bank developed two dedicated house financing products. The first supports interventions on the basic infrastructure of the house (the most popular being a roof, plastered walls and tiled floors), individual connections to essential services like piped water, electricity and the sewage network (including the creation of individual toilets) and, finally, house extensions (as in the case of an additional room or a covered porch). The second, added in 2011, provides capital for the purchase of newly-built houses, at market prices.

In the first case, the terms of credit evolved too with the evolving needs of SEWA members and market prices, moving

⁵ For a complete examination of all of SEWA’s interventions on behalf of home-based workers, please see WIEGO Policy Brief N°13 (2013), *Supporting Women Home-Based Workers: The Approach of the Self-Employed Women’s Association in India* by Shalini Sinha.



Individual piped-water connections are one of the highest priorities for SEWA members: they improve the life of the family and increase the productivity of its members. Gujarat Mahila Housing SEWA Trust (MHT) a women-run SEWA sister organization is dedicated to supporting members' voices in urban planning processes and their efforts to improve their housing and infrastructure conditions.

from Rs 2,000-20,000 (USD 36–362) to 10,000-50,000 (USD 181–907) loans. Presently, SEWA Bank has hit the regulatory limits of Rs 100,000 (USD 1,814) imposed by the Reserve Bank of India for insecure loans. For loans on the purchase of new houses, instead, the level of formality of transactions and the availability of paperwork allows credit as large as Rs 800,000 (USD 14,512). The fundamental viability of lending such large amounts to self-employed women was confirmed by an unexpected 100 per cent repayment rate on new housing loans in the first year of this new product.

Since 1994, SEWA has progressively realized that decent housing is an essential – if not the most critical – productive asset for a self-employed woman, particularly for the home-based workers. A 2012 survey confirmed that housing repairs, purchase and upgrades are the top priority for 100 per cent of SEWA members when they envisage applying for higher levels of credit.⁶

⁶ Interview with SEWA Bank staff, 13 September 2012.

The success of SEWA Bank's credit lines for self-employed women is nevertheless not just the result of fortunate product innovation (that is, the right combination between the amount loaned and the size and number of instalments). SEWA Bank's housing loans, in fact, reflect a broader institutional commitment to the flexibility of processes, accessibility for clients, and an on-going adaptation to members' needs – all aspects that characterize SEWA organizations as member-driven institutions.

Flexibility

The disbursement of loans is integrated within a number of additional financial and non-financial services: savings, deposits, insurance; but also legal aid, child-care and vocational trainings, often in collaboration with other SEWA organizations. The common aim is to build a woman's financial confidence and income generation capacity, ultimately reducing her financial vulnerability. SEWA Bank also provides extensions of the repayment period in case of hardship, and is able to monitor the financial implications of a woman's living situation directly and on an ongoing basis.

Loans are disbursed in an incremental way to build the repaying habit and capacity of the client: higher amounts are disbursed only once a lesser amount has been repaid in full, and specific collateral services are matched to the loans' purpose. Moreover, pre-inspections and post-inspections are carried out to document that the use of credit matches the purpose stated in the original application, fostering a relationship of trust and clear communication between the clients and the bank.

Accessibility

Application procedures are simplified to a one-page form that can be filled in with the assistance of dedicated SEWA Bank staff, making loans unambiguous and extremely accessible. The regular presence of SEWA Bank employees

in the community and door-to-door collection of instalments and deposits fosters a personal relationship with the client, and allows clients to avoid the cost of transportation to a branch. Getting to know the context in which a member client works and lives helps SEWA Bank understand what might affect the repayment of credit. These personal relationships also put SEWA Bank in a position to formally accept as collateral paperwork that is not strictly legal, but that clearly indicates stable house tenure (for example, locally-notarized or Power of Attorney certificates), even if they would not necessarily hold up in court.

In sum, the insecurity derived from the lack of a steady income and conventional forms of collateral – factors that invariably put off commercial banks – is mitigated by a flexible system of checks and balances that revolve around the close relationship SEWA Bank establishes with its member clients. As members and shareholders of the Bank's capital, moreover, clients have a unique sense of ownership. Peer-pressure among members discourages late repayments and even more so failures to repay. The long-term and integrated nature of this relationship allows SEWA Bank to assess loan applications against a member's life-long saving behaviour. SEWA Bank's direct knowledge of members and their daily contact provide extremely reliable information about income and financial behaviour. An in-depth knowledge of the client's economic capacity and a relationship based on trust and close interaction, in other words, supplants more traditional concepts of collateral. This approach makes it possible for a working woman who does not own anything in her own name to establish her first productive asset, and leverage it by accessing further loans.

Remarkably, SEWA Bank interest rates, though high by many standards, appear to be one of the most appealing features of SEWA Bank's credit, particularly when compared with those offered by moneylenders or relatives (often as high as 4 per cent per month, non-de-



Sheelaben and her family took a large loan of 900,000 INR (USD 16,600) to buy a brand new house under an MHT 'affordable housing' scheme. They are managing to repay the loan in 12,000 INR monthly instalments.

creasing). The current 18 per cent interest rate is reflective of the cost of carrying out all routine transactions at the client's home, and covers the Bank's fixed administrative cost irrespective of the loan amount. By sourcing capital for credit from its members' savings at a relatively low cost of 6 per cent, SEWA Bank can thus also turn a profit and keep expanding, something its members are especially proud of.

SEWA Banks' mandate, and its place in the larger SEWA Movement, has allowed it to understand what mainstream financial institutions define as insurmountable risks in terms of key obstacles to a woman's income generation capacity: where other banks and regulators see income insecurity and lack of collateral, SEWA Bank sees the opportunity to provide working capital and productive assets.

As a purely financial institution, nevertheless, SEWA Bank has also come to terms with its important regulatory and institutional limitations: its impact is limited to individual clients, it is bound by the regulatory limits of Rs 100,000 even against a vast and growing demand for higher amounts, and it has a limited capacity to support SEWA members on any non-financial issue. Faced with increasing demand for housing finance, particularly for water and sanitation infrastructure, SEWA Bank realized it needed to engage key actors like urban planners and municipal institutions, something it is not in an institutional position to do.

From Housing to Habitat, and Back⁷

Realizing that supporting decent housing as a productive asset for informal sector workers could not be fully achieved through the offer of housing loans alone, SEWA Bank joined hands with SEWA and the Foundation for Public Interest (FPI) to promote the creation of

⁷ Information drawn from: Gujarat Mahila Housing SEWA Trust, 2006.

Varshaben

Varshaben lives in a two-room house along with her mother, her husband and three school-aged children. The house was built by her family on an Ahmedabad Municipal Corporation plot, but the family does not have proof of legal tenure.

For Varshaben, her house is also her workplace: she runs her own tailor shop full-time in the front room, and sells small quantities of grains and beans and the small fire stoves she builds herself from aluminium buckets and clay on the porch. Varshaben's mother cleans railway cargo carriages and her husband is a plumber.

Varshaben mother, a lifelong member of SEWA, convinced her to join the organization. Varshaben has three bank accounts with SEWA Bank: a Kishori Gold Yojana (a savings account specially designed to allow the purchase of gold ornaments for weddings), a daily savings account, and a recurring account where she saves Rs 100 (USD 1.80) per month for five years. All of the family's savings go into her accounts.

After getting a connection to water, electricity, sewage, and a toilet through the Parivatan slum-upgradation project, she took a SEWA Bank housing repair loan of Rs 30,000 (USD 544) along with a Rs 50,000 (USD 907) loan from her mother to build a waterproof roof, tile floors, plaster walls, and add a bathroom. She repaid her SEWA loan in monthly instalments of Rs 1,500 (USD 27), and of Rs 3,000 (USD 54) for her

Varshaben with her son in her home which is also her workshop. Her SEWA Bank housing repair loan enabled her to keep her fabric supplies dry and attract more customers. She is planning to apply for a business/housing loan for additional storage space and fabric stocks.

mother's. She took an additional loan against a fixed deposit to pay for surgery on her forearm, without which she could not work. She is planning to apply for a business/housing loan for additional storage space and fabric stocks.

Varshaben is very happy with her repaired house. Having a nice-looking house has attracted many customers to her tailoring workshop, and she can now keep her fabric supplies safe and dry during monsoon, and can spend more time working. She also feels more motivated: she can keep the house clean easily (avoiding infestations) and host her guests in a nice environment. Her income went up by almost four times, from around Rs 200 (almost USD 2.00) a day to Rs 500 -700 (USD 9-13). "Now I can carry out both of my jobs easily," she says of stove-making and tailoring, "and we can also pay our children's English-medium school fees and tuition."



the Gujarat Mahila Housing SEWA Trust (MHT) in 1994. Also based in Ahmedabad, MHT is a women-run SEWA sister organization with a mandate to address issues relating to the habitat of poor self-employed women. Fully dedicated to supporting members' voices in urban planning processes and their efforts to improve their housing, MHT provides technical assistance and a wide range of support services, and strives to influence urban policies. It works with specialized organizations such as housing finance institutions or private contractors, with urban planning institutions at the municipal and state level, and with communities, where it offers extensive doorstep services and encourages and supports local mobilization on housing issues.

In this capacity, MHT has been able to support SEWA Bank's housing work. MHT maintains that the critical gap in credit availability for low-income households in India ranges between Rs 100,000 to Rs 800,000 (USD 1,814 to 14,512). Specifically for housing repairs and expansion, and against increasing costs of labour and raw materials, the regulatory limits imposed on microfinance institutions like SEWA Bank by the Reserve Bank of India are an insurmountable obstacle to the financial inclusion of a large majority of the economically active population.⁸ Two examples of this sustained integration of mandates and competences are MHT's involvement of SEWA Bank in slum upgradation programs, in partnership with affected communities and the Ahmedabad Municipal Corporation (AMC),⁹ and its support in designing a low-income mortgage product for the purchase of new houses at market prices. In both cases, MHT has played a critical role in expanding SEWA Bank's perception of its mandate; it complements SEWA Bank's financing role with technical, advocacy and mobilization work. It also builds buy-in

⁸ According to SEWA, 94 per cent of women in the labour force in India work in the informal sector.

⁹ See Rusling 2010 for more on this program.



SEWA Bank and MHT staff on a visit to an informal settlement in North Ahmedabad. MHT (Gujarat Mahila Housing SEWA Trust) was established to tackle the broader challenges of housing that a financial institution like SEWA Bank could not address alone.

in the communities by providing, among other things, legal and technical support to SEWA Bank members who take on large housing loans.

Through its own housing loan pilot in 2012 – started in cities other than Ahmedabad, such as Surat and Delhi – MHT has been also able to expand the offer of housing loans beyond SEWA Bank's own limitations. It did so in three critical ways: by offering a workable solution to the problem of lack of legal tenure on one's house; by expanding the notion of security of informal workers' income and offering accordingly larger loans; and by shifting the focus of housing interventions from single individuals to entire communities.

Transitional Tenure

MHT challenged the understanding of tenure insecurity used by mainstream financial institutions. Though desirable, legal ownership is an unrealistic prospect for millions of economically active households who require decent housing. For most of them, in fact, informal tenure is the only option. Hence, following a collaboration with the AMC relating to the Parivartan slum upgradation project, MHT has been exploring mechanisms and parameters that would frame levels of tenure security (or insecurity) on the basis of a whole settlement's status in legal and urban planning, rather than referencing a single household at a time.

Based on its in-depth knowledge of the urban environment and policies, large infrastructural plans, public or private land ownership, the history of the property, and transfers among occupiers, MHT came up with a notion of transitional tenure, that is a 10-15 years non-eviction guarantee. Accordingly, once a loan application has been submitted, MHT officers scrutinize the relevant urban planning regulations and interact with the competent authorities to obtain, often only verbally, an assurance regarding evictions in the relevant settlement. Once this se-

curity is established, the benefits of investing in the house are seen to outweigh the risk of eviction, making the credit institutionally viable and the investment meaningful from the perspective of the loan applicant.

Following the complex but fruitful interaction with the AMC in the context of the Parivartan project, similar attempts have resulted in comparable verbal assurances in much more complex regulatory contexts, including in New Delhi, where settlements are often under the control of multiple urban authorities. As a result, MHT has been able to disburse housing repair and expansion loans in slums, unauthorized settlements and resettlement areas where it has a presence, including for amounts that exceed the regulatory limits imposed on SEWA Bank by financial regulations.

Joint Income

MHT disburses loans only to women who have been part of its regular mobilization, awareness, and training activities within a settlement where MHT is working. Interaction with the women, neighbours and other community members has been instrumental for MHT to define the income capacity of the household as a whole, and the woman's saving history and behaviour. By considering the joint income as a primary reference measure, MHT formally includes the applicant's husband as co-recipient of the loan, and requires a guarantor, usually a neighbour or a family member, to join in, adding additional guarantees to the loan disbursed. This move reflects the reality of self-employed women's use of SEWA Bank to meet the financial needs and manage the income of their whole household.

Technical and Legal Guidance

MHT also substituted SEWA Bank's consumer loans – that is, cash loans – with loans tied to a mutually agreed construction plan. These are disbursed in tranches contextually with site visits by an MHT engineer, photographic documentation and recordkeeping of all labour and supply expenses. The personal and technical guidance as well as the legal

assistance offered by MHT reduces significantly the risk of repayment failure by strengthening trust. Most mainstream financial institutions lack the capacity and competency for such extensive interactions. Moreover, MHT guarantees minimum quality standards and allows women to oversee the housing repair or construction work first-hand.

Understanding and Addressing Poverty, from Below

As a community-based organization specializing in habitat issues, MHT is capable of understanding decent housing, tenure insecurity and income insecurity not as a limit inherent to the economic condition of informal sector workers, but rather as a critical gap in knowledge and institutional capacity of mainstream (and even microfinance) actors. MHT's focus on community as opposed to individuals, on settlements and urban planning as opposed to single houses, and on joint household income as opposed to individual saving behaviours, are critical to the uniqueness of this approach.

In a September 2012 interview, Bijalben, an engineer by training and the current director of MHT, said: "This can only be done by a non-financial institution, that is through processes that privileges an extremely local knowledge of the urban context, above concerns over the financial product and its design." Providing housing security to informal sector workers takes sustained institutional relationships, a deep-rooted presence in communities and sound technical competence.

If MHT has overcome some of the limitations SEWA Bank is tied to by sector regulations, a number of critical challenges still lie ahead: the limited geographical reach of SEWA and particularly SEWA Bank's operations, the statutory and regulatory limits imposed on MHT's capacity to access sufficient revolving funds to expand its loan program (at the moment the funds are entrusted to SEWA Bank), and the replicability of its pilot in different regulatory and urban

environments. Now, MHT's vision is that of bringing to the national scene the urgent need for recognizing the productive and non-productive needs of self-employed working women, their economic contributions and their financial capacity, and – critically – the strategic centrality of housing to any attempt at supporting women out of poverty as part of their household and their community.

In an attempt to address the nation-wide gap in housing finance, MHT is devising ways to scale-up its housing loan pilots by creating a further institution: a national housing finance company, the SewaGrih Rin. This new institution will be built upon the experience and joint know-how of SEWA Bank and MHT. It is poised to start its operations in Delhi and Rajasthan. In line with the SEWA approach, the company will be driven by poor women to provide a range of financial services for housing starting from sanitation infrastructure, the purchase of land, and repairs/extensions to low-income housing mortgages. This will follow on MHT's experience in transitional tenure assessment. The approach could contribute significantly to responding to the critical gap in housing finance for low-income households India-wide, and hence address significant dimensions of the vicious cycle of poverty that both governments and mainstream financial institutions seem largely unable or unwilling to tackle.

The integrated experience of SEWA Bank and MHT bear important lessons for much broader financial inclusion of informal sector workers, and self-employed women in particular:

- *Income in a household is most often joint*, and often only one person has access to financial services. Offering financial access to women often places them in control of the whole family's savings, credit, pensions and insurance. This supports significantly their economic and social empowerment within the family, even as she enacts shared financial decisions and responds to joint needs. Accordingly, financial behav-



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Conclusion: Responsive and Integrated Institutions in an Era of Global Indifference?

Housing issues linked to urban growth and the increasing informalization of labour are extremely complex, spanning homelessness and pavement dwelling, rural-to-urban migration (permanent and seasonal), affordable housing, street children, displacement, and landlessness (including gender and identity-based lack of access to secure tenure) (Habitat International Coalition 2004). While often associated exclusively with the right to shelter under the right to a dignified life (as sanctioned by international legal instruments like the International Covenant on Economic, Social and Cultural Rights), in developing countries family accommodation is for many the main and only workplace. The home is a critical, if not the most important, productive asset, particularly for women.

SEWA's experiments with housing finance show that financial inclusion for informal sector workers is neither unsustainable nor unviable, and that such deep-rooted assumptions are simply wrong – they are the result of institutional inertia rather than insurmountable limits.

our is never exclusively individual, but it depends on the whole household and its evolving composition.

- *Self-employed women's financial needs are much broader* than what can be tied directly to an investment into their business. Attempts to establish the purpose of credit in terms of its exclusive contribution to the women's productivity is often difficult and can be misleading.

- *Financial behaviour is also intergenerational and embedded*, with positive and negative effects. In the same way moneylenders remain a viable source of credit in specific circumstances because of entrenched habits, (for example, before weddings) SEWA members engage their daughters and daughters-in-law into SEWA's activities. Accordingly, financial inclusion works best as part of an integrated offer of services, among which awareness building must be central.

Supporting women's investments in their own houses is therefore strategic. SEWA's experience shows that in order to demystify and unpack the perceived risk of working with low-income groups, what are needed are flexible, responsible, versatile, competent and multiple institutions that are close to the people they aim to benefit, on a daily basis. Important questions remain around the legal, financial and institutional viability of SEWA's membership or community-based organizational model on larger scales, and the replicability in other contexts of the unique multi-pronged and integrated membership engagement that is at the core of its success. Replicability will probably prove extremely context specific, emerging at the intersection of legal and regulatory frameworks and original organizational experimentations rather than one-size fits all solutions.

Nevertheless, SEWA's on-going experiments in housing finance highlight a number of important dimensions for future attempts to support informal workers' basic needs:

- the importance of recognizing, institutionally, the value of housing as a primary productive asset, particularly for women
- the need for pro-poor, pro-illiterate and gender-sensitive processes, and a rooted presence in communities
- the importance of "learning-by-doing," or realization of poor women's complex and evolving needs, as opposed to a focus on technical innovations in the design of financial products
- an openness to an integrated approach to women's needs, particularly through inter-organizational collaboration and learning, and a mix of technical support, community mobilization and policy advocacy that build on each other
- finally, and as a precondition, a regulatory environment that does not discourage small players and facilitates scaling up of successful programs.

Interviews

- Bijal Bhatt (aka Bijalben), Chief Coordinator, Mahila Housing SEWA Trust, Ahmedabad, 11 & 14 September 2012.
- Jayshree Vyas (aka Jayshreeben), Managing Director, SEWA Bank, Ahmedabad, 13 September 2012.
- Veenaben, Coordinator, Mahila SEWA Housing Trust, Delhi, 7 September 2012.
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WIEGO POLICY BRIEFS offer information on policies and organizational practices that affect the informal economy. This series supports advocacy processes and disseminates better practices and ideas, contributing to a worker- and livelihood-centered approach to development.

ABOUT WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO draws its membership from membership-based organizations of informal workers, researchers and statisticians working on the informal economy. For more information see www.wiego.org.

ABOUT INCLUSIVE CITIES: Launched in 2008, the Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. Inclusive Cities is a collaboration between MBOs of the working poor, international alliances of MBOs and those supporting the work of MBOs. For more information see www.inclusivecities.org.

