

## Our very own bank - SEWA Bank

Swashrayi Mahila SEWA Sahakari Bank is SEWA members' largest cooperative, the first of its kind in India. The bank is owned by the self-employed women as shareholders, and policies are made by their own elected board of women workers. The Bank is run by qualified managers, accountable to the board.

SEWA Bank was established in 1974 with 4000 depositors who each contributed Rs. 10 from their daily earnings as share capital. Today 2,76,684 poor women are depositors. The Bank's total working capital is Rs. 94 crores. Since 1996 SEWA Bank has attained equal status with nationalized banks.

Our Bank's headquarters are in a modern building on the banks of the Sabarmati river. But we have extension counters in the working class areas of Ahmedabad.

The demands for banking services in 11 rural districts of Gujarat has grown considerably. As a result SEWA Bank extended its services to rural savings groups with 76,000 women and Rs. 2.5 Crore worth of savings. SEWA Bank not only helped to promote these groups but also continues to provide training in accounting and management to them. Thus, our Bank brings financial services to our members doorsteps.

Non-banking financial activities like insurance and housing finance were also expanded by SEWA Bank this year (see sections on insurance and housing under social security).

### Our Approach to Banking with Poor Women



Banking with poor women requires an approach which meets their particular needs and draws on their capabilities. In its 32 years of experience, SEWA Bank has formulated the approach outlined below:

#### Encouraging Savings by Women

It is method of ensuring financial discipline, and also results in improved repayment loans.

It is a fall-back, a form of social security, in time of crises. Whenever she urgently needs cash in times of sickness or death, she has her savings to fall back on.

### **Integrated Approach**

SEWA Bank's integrated approach distinguishes it from other micro-credit efforts. Access to markets, information, technical know-how, and social support services is as important as money if the poor are to share in economic growth. SEWA Bank works closely with SEWA, the trade union and with other economic organisations of the SEWA movement such as the Women's Cooperative Federation and the Rural District Associations.

### **Appropriate Mechanisms**

Banking with the poor and illiterate requires special procedures and mechanisms suited to their culture, their needs and their economy. This requires adopting procedures and designing schemes suitable to them, like collecting daily savings from their places of business or houses or providing saving boxes. It requires special loan procedures which take into account their economy. It requires saving and credit schemes which allow for small amounts of major savings, and adapts to their crises situations.

### **Asset Creation**

A major factor which leads the self employed into the cycle of poverty, is the lack of assets in their name. For women the situation is even worse; when a family does acquire an asset, it is rarely in the name of the woman. Asset creation with the ownership of women has been the priority of SEWA Bank. This includes transfers of agricultural land and houses in the woman's name, and acquiring implements, tools, shops, handicrafts, livestock in their own name. In addition, SEWA Bank promotes women's own capital, bank accounts, shares and savings certificates.

In the urban areas, Bank Sathis act as 'hand-holders' and promoters of financial services. They ensure that all information reaches women's doorsteps. They also collect loan installments from our members. In the rural areas, local union leaders or aagewans perform these roles.

Table 8.1  
**SEWA Bank in 2005-2006**

	<b>2004-2005</b>	<b>2005-2006</b>	<b>Increase/Decrease</b>
Audit Grade	A	A	
Shareholders (No. of women)	44,938	49,909	4,971
Share Capital (Rs.)	2,05,98,000	2,57,83,000	51,85,000
Depositors (No. of women)	2,76,684	2,91,535	14,851
Total Deposits (Rs.)	62,47,66,000	66,57,94,000	4,10,28,000
Working Capital (in Rs.)	89,14,47,000	94,12,07,000	4,97,60,000
Loan Accounts (No. of women)	64,326	76,857	12,531
Loans (Rs.)	18,41,72,000	24,37,47,000	5,95,75,000
Surplus (Rs.)	62,20,000	61,38,000	82,000

## Special Programmes of SEWA Bank

### 1. Sanjivani Scheme

Ahmedabad was known as the Manchester of India. But with the establishment of small powerloom factories in 1980, the cotton textile mills started closing down. Closure of mills created unemployment among mill workers and their economic conditions deteriorated. A whole generation of workers' families have been driven into poverty. In fact, more than one lakh erstwhile mill workers have been affected, not to mention the ancilliary industries with workers dependent on the textile industry. Textile mill workers who once had legal protection and work security, have now been forced to make a living in the unorganized sector, for the first time in their lives. Their incomes have fallen and their work has become very insecure.

In 1997 SEWA Bank started a scheme by which the women family members of mill workers began revitalizing and strengthening their families by taking loans for new ventures. SEWA Bank also offered trainings for increasing their capacities and insurance to protect them against risk. A list of affected mill workers and their families was prepared, and the Bank resolved to help one member from each family obtain a loan for self-employment. The Bank is also providing technical and other services linkages, assistance to access raw materials, and market information to loanees. Further, social security services are being provided to loanees and their families. In this way, SEWA Bank hopes to assist families of unemployed mill workers obtain stable work and enhanced incomes. The achievements of Sanjivani in 2005 are given below:

Table 8.2  
Sanjivani Loans through SEWA Bank

Reason for loan	Total women	Total Amount (Rs.)
To purchase equipment required for work	242	5,191,000
To purchase stock of raw material for the goods	2,682	458,30,000
To purchase sheds	63	587,000
<b>Total</b>	<b>2,987</b>	<b>516,08,000</b>

### 2. Urja Loans



Urja means energy. The goal of this loan is to improve the economic situation of the household of self-employed women by increasing their capacity in the area of technology, energy and finance. Through this loan, SEWA Bank encourages women's employment upgrading their skills and by strengthening their businesses, but especially through energy-saving (including human energy) equipment and renewable energy equipment like solar cookers and lights.

In 2005 members were given Urja loans worth Rs. 1,79,000/- for 37 members.

### **3. Financial Literacy**

Our members are engaged in a number of economic activities. They earn through sheer hard work but find it difficult initially to calculate how much profit they actually make after deducting their expenses. Thus, SEWA Bank organizes financial literacy for workers. The goal is to help them maximize their profits so that they become self-reliant, their assets increase and their businesses expand and grow.

Financial literacy is achieved through training which includes the following topics:

What is business? It is not just to make a living but also to make profit and prosper;

How to expand and develop current and new businesses; characteristics of successful businesswomen.

Women learn of the different types of businesses: production, trading, crafts etc.

They also learn what inputs are required for business: working capital, equipment, space, labour and raw materials. They also learn how to use their resources carefully, to calculate all costs, how and when to invest and increase their earnings. And they also learn how to keep accounts and develop their assets. Finally, they learn to calculate their own profit margins.

In the past year, more than 400 women have participated in these financial literacy trainings.

### **4. Amrut Jharna mobile financial literacy programme**

Many women cannot enroll in the financial literacy training for various reasons, including lack of time. Thus, SEWA Bank takes financial literacy training to the women through a mobile van fitted with audiovisual equipment and teaching aids. Our members not only learn about budgeting and business planning, but also are encouraged to save daily. They use "piggy banks" from SEWA Bank to save. Many workers learn of our Bank for the first time through this programme which was started in October 2005. Thus far 686 women have been involved in Amrut Jharna.

### **5. Jeevan Asha daily savings programme**

Our Bank encourages women to save everyday and then collects their savings, thus promoting savings and asset-building. Women who are regular in their daily savings get loans within the shortest possible time within a day.

In addition to these special programmes, SEWA Bank offers several savings products for housing finance, for emergencies, for special occasions, education and old age. It also offers a special loan product for members, enabling them to take the fixed deposit payment option for insurance coverage through SEWA Insurance or Vimo SEWA.