MAKING THE POOR WOMEN REACH MARKETS: "SEWA's JOURNEY"

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What we want is work. Work that will bring income in our hands. When our lives improve, the area will improve. We will improve the soil and water. We will plant trees. But first give us work. We want that brings income in our family.

**Rambhaben**

SEWA’s Barefoot Manager-Puriben Aahir, a skilled embroiderer, contacting Banascraft, their direct outlet, by telephone in her far off and isolated village.
**Context:**

Along with increasing rates of globalisation, employment in the informal sector has increased rapidly over the past two decades, and women comprise a large and increasing segment of these informal workers and producers. While there are both positive and negative effects of globalisation on women in the informal sector, women have tended to be the least able to seize opportunities and the most likely to suffer from the changes involved.

While there has been much research done on the differential impact of globalisation on rich and poor countries, on the rich and poor within countries, and on women and men, less thought has been given to developing effective strategies by which the most marginalized groups can better take advantage of growing international markets and thus share the benefits of globalisation rather than be further marginalized by the process. The market and the poor remain separated, and most policy initiatives put emphasis on the market to reach the poor.

**Introduction:**

Women in the informal sector constitute a large section of the workforce in most developing countries. Official Statistics State that in developing countries the informal sector consists of 40% to 90% of the non-agricultural labour force and beyond 90% if agriculture is also included. In addition their contribution to the national income varies between 25% to 70%. However, policy makers and researchers have underestimated the role of these workers, particularly women, in direct production, trade and services as well as their link to the formal sector and to the economy as a whole. As a consequence policies have been biased against these activities, despite their importance for the livelihood of a majority of the population in most developing countries. Assistance programmes have tended to ignore the informal sector,
focusing instead on the small and medium industries, which are easier to reach. When attention has been given to the informal sector it has tended to focus narrowly on the supply of credit and training for micro enterprises neglecting the importance of changing the policy and regulatory environment and of promoting organisations of self employed women.

Rapid changes are today taking place in most economies across the worlds, due to the process of globalisation. These processes affect enterprises and workers not only in the markets, which are directly globally linked through exports, but also in all markets nationally and locally, often down to the remotest villages. Most workers and producers in the informal sector are linked to various markets-financial markets, product markets, labour markets, and global markets. Globalisation has had both positive and negative effects; it both opens new opportunities and closes old ones. Unfortunately, due to the invisibility of the informal sector, policy makers have not explored ways in which the impacts, with the result that, these women, who could have benefited from the opening of new markets and thus increased their already significant contribution, are left instead to take the brunt of the harmful effects.

Instead of waiting for the market to reach the poor is it possible to make the poor reach the market?

**SEWA’S EXPERIENCE:**

SEWA is a member-based organisation. The total membership is of 1,67,000 members. Out of which 1,01,000 members are rural members. The majority of SEWA’s rural members live in drought prone areas where their ability to produce goods for consumption and sale is severely affected by frequent water shortages which limit their ability to grow crops and foodstuffs, and also affect supplies of other sources of livelihoods such as gum and salt. This means that prices/profits from
any commodities, which are grown/collected, must be maximized, and that returns on craftwork (one of the few sources of employment not dependent on rainfall) are increased as much as possible.

Within this context, SEWA has worked over a decade to assist women producers to realize the maximum financial benefits from their labour. For the most part, this has been through assisting them to organize and to bargain for better prices from middlemen-and often to eliminate middlemen altogether. There have been some notable successes in this experience of making the poor reach the market.

**Banascraft: A Case Study in Rural Marketing**

Banascraft is a direct marketing outlet of several thousand craftswomen of the Banaskantha district of Gujarat. Banascraft is a means of providing livelihoods to desert families whose only source of income, when rains and harvests fail, is craft. Banascraft is a door for the poor women to reach the market. And it is their own door.

SEWA’s main aim, through its Artisan Support Programme in arid Banaskantha district, is to provide sustained work and incomes to the local communities, using their own indigenous skills, strength and creativity. Thus, when the women enter the market, they enter with their own products and services.

Building on those skills and the rich reservoir of traditional motifs, design and colour, reviving and using local materials, SEWA has organised the women and developed a range of products, aimed at the Indian market. The range of items have attracted wide interests. The efforts is to bring out an integrated, long standing, image in a whole range of customers in India. It helps to specialise. It also helps to generalise. The poor women are experimenting with success in specialising and generalise. The poor women are experimenting with success in specializing and generalising, as suitable.
Since its early beginnings in 1989 with a few eager but uncertain women, Banascraft has steadily progressed. Over 3,000 women currently get work and income of around 500 rupees a month, with an annual turnover of over of Rs. 50 lakhs (50,00,000). Their confidence and sense of self-worth has grown with their earnings. This is important. Not only the profit but the self-profile must also rise. To stand in the highly fluctuating market for so long is not easy. But Banascraft has survived and is moving ahead.

Out of every rupee sold at Banascraft 65 paise goes to the artisan. The forced migration of families in search of work has dramatically declined with such inflow of cash income in the hands of the women. And the rich cultural and aesthetic heritage of this otherwise desolate, drought-ridden, resource-poor desert has been put on the craft map of India. The poor women not only gain a better sense of their work, but also of the market and themselves.

**Strategy:**

SEWA’s approach in organising rural members has been to identify the issues or needs of the communities. Design demand driven programmes that strategically link with the existing Government programmes thereby satisfy the needs of the communities. This has been SEWA’s main aim in the efforts. The advantages are increased participation and ownership of the programme from the initial stage. Local Government recognition is also useful in such efforts. Public sector support becomes especially effective when it is lent to the poor who are organised to reach out to the market.

When SEWA started organising the women in Santalpur, the immediate need of the communities was for work. SEWA soon tumbled across crafts.
Since the women had never used their rich traditional skill for commercial purposes SEWA faced many difficulties in the initial stages:

(1) To fulfill the order on time, the women had to adopt discipline in their work culture. For their domestic use, the craftswomen used to embroider the items at their leisure. They may finish embroidering a piece in ten days or may take six months, depending on their will and free time. But now they had to embroider in the stipulated time period, as required by the ordering party. Deadlines had to be met if the market was to be reached.

(2) The women had to be very strict on themselves for quality of the product. So far the women had made traditional items, and used to work on thick and coarse material. Now, they had to work using much finer and costly material. Sometimes the fine thread in the material would get pulled. Or to complete the work on time, the women would embroider at night using oil lamps and occasionally the material would get stained with oil or even burn. Quality had to be maintained if the market was to be reached.

(3) Designs and colours based on the specifications of the client had to be strictly followed. Traditionally these women always used bright colours and local thread of Cotton. Now, they had to use a wide range of colours and finger anchor threads. Very often, the women would not prefer the subdued non-traditional colours and will start using colours of their own choice instead. The market trends had to be followed if the market was to be reached.
Lessons Learned:

Some lessons, that have been learnt from the experience of Banascraft are:

(A) Business Planning:

From the very beginning plan and execute as an enterprise, if the groups want to address markets. Markets demand planned approach. The idea of free flow of forces is not so true when you enter. The concept of planning, business planning, production and purchase plans, sales plans should be introduced, implemented and monitored vigilantly, if the markets are to tamed and profits to be made.

Review the plans half yearly, learn the market trends based on the sales figures and analysis -plan for next six months accordingly.

(B) Market Survey and Research:

Invest in regular market survey and market research. That is essential for sustainable market strategy. This helps in market forecasting,, shaping, leading, and bypassing if needed.

(C) Product Development:

In order to build market, Banascraft needs to have regular planned product development cycle. Product development meets the customer needs/demands, also generates demand.

(D) Market awareness and intelligence:

Banascraft consciously emphasizes on its artisans themselves, taking up marketing. This helps the artisans get customer feedback both on the existing product range, as well as the type of demands. It also helps the artisans become aware of their competitors, the going market trends, and changing prices.
(E) Marketing Strategy:

Banascraft, being a rural artisan based micro enterprise, has evolved a multi faceted marketing strategy. It strives hard to strike a balance between:

1. **Local marketing**: to cater to the local needs and produce accordingly.

2. **Urban/metropolitan marketing**: evolve a product range to cater to the urban, modern market.

3. **Institutional marketing**

4. **Retail marketing**: from individual customers in the city and

5. **Wholesale marketing**: to bulk buyers from other cities and countries from three continents.

(F) Sales Promotion:

In order to effectively implement the planned marketing strategy Banascraft needs to invest in sales promotion and publicity campaign. This is by offering special customer discounts, special festival discounts. Publicity through mainstream media such as newspapers, T.V. channels, major tourist locations, hotels etc. Again, this cost money and donors must develop new schemes for this.

SEWA'S Approach:

As a labor union our underlying approach is to see the poor as workers and producers, rather than just as income-deprived or vulnerable people. The first structural issue is their place in the economy. Where do they fit into the economy? What is their contribution to the economy and what do they receive from the economy? What are the economic barriers they face? In this context we have adopted the concept of the informal sector as the main pool of poverty.
However, the economic structure is closely connected with the social structure. Barriers to entry to labour as well as product markets, for example, are closely connected with gender, caste and class. Furthermore, social needs such as health, child-care, education and housing are all linked to economic capabilities as well as to the provision of social security, by markets and the State. Thus it is the market and State structures which determine the poverty or well being of the people.

The interrelated nature of these structures emerges very forcefully in our daily work. In dry rural areas for example, the provision of drinking water is closely linked to the capability of women to enter the labour markets, so that when we try to intervene to link the embroiderers with markets, we find that we have to deal with the Gujarat Water Board for better drinking water schemes for them. Similarly, while organising women workers for better wages in tobacco processing plants, we were faced with the need for child care for their children who otherwise had to spend their days in the midst of tobacco heaps. Although SEWA Bank is one of the pioneers of micro-credit, we very early discovered that without helping the small entrepreneurs to deal with changing markets and policies, we could not expect the loans to work towards poverty reduction.

Since the economic and social structures are so interrelated, the solutions too have to be integrated. This means that there is no one formula for poverty reduction, rather it has to be an approach which addresses the various economic and social factors which cause and perpetuate poverty. Hence SEWA’s approach has been an integrated approach, where various inputs are needed not one after the other but simultaneously.

How do poor overcome these constraints:
As we have seen the poor are not merely deprived persons, but workers and producers in their own right. They wish to earn their living, not depend on doles or outside support. They need a continuous flow of
employment through which they can earn enough in terms of cash and kind to meet their needs. In other words they need full employment. That is, the poor reach markets through work.

Creating employment is then no longer a matter of creating 'jobs', but of strengthening these workers and producers to overcome structural constraints and enter markets where they would be competitive. Often these markets-which may be labour markets, products markets or financial markets-may not exist locally, and would need to be built up or institutions created which would link with the larger markets.

If better functioning markets are required for reaching full employment, the role of the State is no less important. Policies and programmes of the Government determine the institutions that control both markets and the formation of capabilities. Policies may create barriers to entry or they may facilitate growth of employment. Government funds may destroy existing work or they may enhance the poor's capacity to earn more. In India, although the Government has begun the process of liberalization, this process has been reached only to the formal sector and has yet to reach the poor who remain straight jacketed by confining policies. What do the poor need to reach this state of full employment?

(1) The poor need capital formation at the household level through access to financial services (savings, credit, insurance) to build up and create assets of their own (land, house, workshed, equipment, cattle, bank balance) (Asset ownership is the surest weapon to fight the vulnerability or poverty.

(2) The poor need building of their capacity to stand firm in the competitive market i.e. access to market infrastructure, access to technology, information, education knowledge and relevant skills (accountancy, management, planning, designing, e.g.).

(3) The poor need social security - at least healthcare, childcare, shelter and relief-to combat the chronic risks faced by them and their families.
(4) The poor need collective, organised strength (through their associations) to be able to actively participate in the planning, implementation and monitoring processes of the programmes meant for them, and also in all other affairs of the nation.

Making markets reach the poor:

The market can also reach the poor, if it listens to the demands of the poor. The poor themselves are the planners, users, managers and owners of the poverty alleviation meant for them. Also, it is equally important that we ensure that the poor imbibe all the four components simultaneously, and in the combination that they think is viable and manageable by them. One without the other does not yield result. One after the other also makes no sense. This is very important.

SEWA thereby strategically links the producers and their demands to the market. The strategy for sustaining in the mainstream market varies from sector to sector. SEWA’s experience has been that organising the producers is a major tool for making markets reach the producers directly.
For the Forest Produce collectors, especially for SEWA members collecting gum getting organises made the market reach them.

Earlier, the daily collection of gum was sold to local private traders at the rate ranging between Rs. 4 to 6 but now they sell the gum to the Forest Development Corporation at Rs. 10 to 12 per kg. Thanks to their organisation of groups.

Since all the plantations in the desert are on the forest land and all the forest products are nationalised for the collection of this forest produce, one has to get the Agency License from the Gujarat State Forest Development Corporation (GSFDC). Unfortunately, the poor, self employed, gum collectors were unaware of the existing infrastructure and were exploited by the private traders, suffering a loss of Rs. 4 to 6 per kg.

SEWA has organised about 3000 women gum collectors into groups and obtained Agency License for these groups from the State Forest Development Corporation.

Now the women are authorised to collect gum and sell it directly to the Corporation.

The next step was to advocate strongly to get license to sell in the open market. The producer’s organisation advocated for three years. After strong perseverance the Government granted license to sell in the open market.

Now the gum collectors, collect gum and through their organisation sell in the open market at the rate of Rs. 20/- or Rs. 25/- per kg. Thus
earning Rs. 10/- per kg more, and having an increased income of Rs. 1000/- per month.

SEWA's second strategy of making markets reach the poor directly, is by eliminating the middlemen and contractors. This is by way of linking the growers directly with/to the vendors. The linkage gets strengthened only by integration of organising of growers and vendors, timely access to credit/asset creation to relieve them from the clutches of private traders and capacity building both managerial and financial.

SEWA's experience of taming the agriculture market in favour of the poor has further strengthened SEWA's Agriculture workers. SEWA's 54% rural membership comprises of small and marginal farmers, mainly vegetable growers. Whereas its urban membership comprises of 20% vegetable vendors. Both the rural as well as urban members had to rely for marketing and purchase only on the middlemen or the private traders.

The dependency increased like a vicious circle, also for purchase of seeds, for credit, for space. Thus the vegetable growers and vendors were under complete control of private traders. The price of vegetable was determined by the traders and not the growers. Added to this the Government levied cess on the vegetable growers and the vendors.

The only way to break the vicious circle of indebtedness and poverty was to enter the market directly reducing the dependency.

Therefore, SEWA through its organised strength of vegetable growers and vegetable vendors hired a shop in the Agriculture Produce Market Committee. Thus created a base in the main market.
Now the vegetable growers bring their vegetables directly to their shop in the market.

The vegetable vendors buy their needed vegetables, directly from the growers from their shops. Thus directly linking the vegetable growers and vendors.

The next logical step was to strengthen their business skills, and the improving the quality of vegetables. SEWA organised capacity building inputs.

The next immediate intervention was to provide timely access to credit needs. This was done by organising Self Help Group and providing interest free revolving fund.

In one year, with the direct linkage of vegetable growers and vendors, the shop is breaking even.

**Moving Ahead in the Market:**

Making market reach and stay with the poor, needs upscaling. Even by linking a few producer groups to the market, for them to survive and sustain is difficult. This requires large and strong production base, at the same time large network. This calls for upscaling.

SEWA realised the need for a state level Apex marketing organisation to build a sustainable market network. "SEWA Gram Mahila Haat" an
apex marketing organisation of 9 district level Producer Federations provides marketing facilities and services to these Federations and producer groups to enter and survive in the market.

Earlier marketing of salt for a few salts producing groups was extremely difficult. They were based locally, had no direct access to the market, no access to market information, no access to Information Technology tools, Their capacity to invest was limited. Therefore, they were forced to sell their annual production of salt of 20,000 tonnes to local traders.

Gram Haat, through its website procured industrial and export orders for salt. The groups now sell 40,000 tonnes of salt annually with an increased earning Rs. 200 per tonne per annum. This not only helped upscale the production but also doubled the income.

Thus SEWA's experience proves that having strong producer organisation and their networks is a journey to reaching markets.

**Future Agenda:**

**Trade Facilitation Centre (TFC)**

The process of globalisation is rapidly changing the structure of markets. SEWA's experience has found that individual women workers and producers are too weak both socially and economically to enter markets on their own. However, when they organise into groups, they are able to pool their capital, skills and resources and begin to enter the markets. The pilot TFC, which has been recently developed, will be looking mainly at addressing the following issues:

- The lack of market information and access.
· The lack of capacity and entrepreneurial skills to run their own enterprises.

· The lack of access to capital.

· Policy constraints.

· Supply-Demand mismatch.

· E-business(b2b)

**TFC's GLOBAL OUTREACH: Agenda for the Future**

Our Global Market Programme, which seeks to increase the understanding of policy makers and women themselves of the negative and positive impact of globalisation; and also increase the capacity of women workers in the informal sector (and their organisations/associations) to gain direct access to global markets.

This current pilot project is testing out innovative strategies for linking informal sector workers and producers with global markets. Located in Gujarat and primarily serving SEWA's one million rural members in that State, the TFC will serve as a model for replication in other parts of India and other parts of the world.

The contextual framework for the project is that of global value chains which enable us to see who is doing and getting what in the specific sub-sectors, as well as examining the distribution of power/bargaining relationships and identifying strategic points for intervention to bring about a more even distribution of returns and power. Although much research has been done on global value chain analysis, this rarely gives an adequate reflection of the perspectives of grassroots producers, and usually fails to lead to practical and effective recommendations of action.
Conclusion:

However, our experience indicates that it would be ineffective for women producers in the informal sector to jump straightaway into the mainstream markets. It is recommended that initially a proper "buffer" be created which not only absorbs the pulls and pressures of the market forces but also guides and helps them in a stepwise manner, in carving out a niche in the market.

The informal sector's onerous journey from simply producing to marketing in the national and international spheres can be substantially 'made-easy' by creating SEWA Trade Centres, in key locations, all over the country.

This centre can be a contact point in domestic network and can be considered as a gateway to both, domestic and global networking.