

Promoting and supporting women-owned and women-managed cooperatives in India: Recommendations to the Ministry of Cooperation

Summary of Recommendations

1. Ensuring autonomy of the cooperatives
2. Facilitating and enabling institutional changes to strengthen the cooperatives
3. Promoting and supporting women's cooperatives
4. Investing in cooperatives
5. Promoting livelihood and social security through cooperatives
6. Promoting public education and awareness of cooperatives especially among youth

Introduction

Cooperatives are engines of growth and development, especially for the most vulnerable workers in our country like women in the informal economy. Over 9.6 crore women work in the Indian informal economy¹ without access to decent work or social security measures (such as healthcare, childcare, insurance and pension.) Informal women workers often work in hazardous conditions and earn significantly lesser than their male counterparts.

The Self-Employed Women's Association, SEWA, has been organising women into unions and cooperatives since 1972. In 1992, SEWA set up the first ever state-level women's cooperative federation-SEWA Cooperative Federation. Organising informal women workers into cooperatives ensures that they have access to work and income security, safe working conditions, insurance and other social security measures. Through cooperatives, worker-owners also access several non-pecuniary benefits such as voice and representation in various policy-making fora.

The COVID-19 pandemic has shown that cooperatives play an important role towards mitigating adverse effects and providing assistance to communities during crises. For instance, even during the ensuing economic distress, cooperatives offered relief kits, paid leave and greater livelihood security to their employees and members², contributing towards strengthening community resilience, worldwide³.

Despite the benefits, there are only a few women owned and managed cooperatives in India. While there are over 8,54,300 cooperatives in India, only 2.52% of these cooperatives solely comprise women⁴. This indicates the need to encourage women's cooperatives to mitigate the effects of informality, and formalise the informal economy through cooperatives. The Ministry of Cooperation can play a pivotal role in this and the SEWA Cooperative Federation is ready to collaborate with the Ministry and state governments in this endeavour. Based on our experience

¹ <https://scroll.in/article/990984/in-indias-informal-economy-crores-of-women-face-gender-bias-and-insecurity#:~:text=Women%20make%20for%20only%2023.of%20Social%20Studies%20Trust%20report>

² https://www.ilo.org/global/topics/cooperatives/news/WCMS_740254/lang--en/index.htm

³ https://www.cicopa.coop/wp-content/uploads/2018/03/cooperatives_and_employment_a_global_report_en_web_21-10_1pag.pdf

⁴ International Co-operative Alliance Asia Pacific. (2021). Cooperatives in India.

of organising women into cooperatives, the SEWA Cooperative Federation would like to submit the following recommendations to the Ministry of Cooperation.

Recommendations

1. Ensure that legislation and regulation of cooperatives and their federations, protect the cooperative's autonomy and promote independent decision-making

The Ministry of Cooperation, Government of India, and the state governments should work together to ensure that cooperatives are strengthened and their autonomy is protected. Principles of regulations and legislation may be worked out in consultation with the states, cooperatives and their federations to ensure that autonomy is preserved, and democratic functioning is supported.

2. Facilitate and enable institutional changes to strengthen cooperatives

Several interventions are required to strengthen, revive and rejuvenate cooperatives if they are to be the engines of growth, providing livelihood and employment to poor and vulnerable citizens, especially women. This is even more so in the current context of the COVID-19 pandemic, where livelihoods have been severely affected. Cooperatives have immense potential to help revive our economy towards the goal of a self-reliant India or Atmanirbhar Bharat.

The following interventions will help to support the strengthening of cooperatives

- a. Encourage states to promote cooperative development by providing an appropriate package of services, developed in consultation with cooperatives and their federations such as SEWA Cooperative Federation, NABARD for credit cooperatives and the National Cooperative Development Corporation (NCDC) for non-credit cooperatives. These services could be provided through an Enterprise Support System (ESS) at state, and preferably at district or regional level, and should include activities to promote formation of cooperatives, business development and marketing services.
- b. Encourage diversification of economic activities of cooperatives through amendments by state governments in rules relating to registration of cooperatives.
- c. Provide support to cooperatives for digitalization. The Ministry of Cooperation may consider investing in standardized software for various operations of cooperatives.
- d. Support states, through the National Cooperative Union of India (NCUI), to develop appropriate human resource policies for cooperatives.
- e. Ensure standardization of auditing and accounting practices for cooperatives, especially Primary Agricultural Credit Society (PACS). The Ministry of Cooperation should take the lead for this, in consultation with the states.

3. Promote and support women's cooperatives

Cooperatives owned and managed by women lead to their economic empowerment and contribute towards the development of the local and national economy. They also help to achieve the Sustainable Development Goals (specifically gender equality, good health and well-being, decent work and economic growth), while improving access to sustainable means of decent work. A stronger policy focus on women-owned and managed cooperatives may be developed through:

- a. Commissioning research on the status, needs and challenges specific to women-run cooperatives.
- b. Encouraging the development of women-owned cooperatives through capacity- building programmes, investment for cooperatives' growth and public procurement from women-run cooperatives to assist in their growth.
- c. Encouraging women's active participation, shareholding and leadership in traditionally male-dominated cooperatives (such as PACS, dairy and fish cooperatives.)
- d. Encouraging capacity-building programmes for management, leadership training and digital literacy through provision of ear-marked funds.

4. Invest in cooperatives by providing finance and ensuring its access

All cooperatives, especially women's cooperatives, need access to capital for their growth and development. This support may be provided through:

- a. Developing a 'Cooperative Enterprise Development Fund' to enable capitalisation and business development. The process to access support from this fund should be simple and should be prepared in consultation with cooperatives and their federations.
- b. Developing a specialised credit rating system to assess cooperatives so that they can raise capital and funds from financing agencies.
- c. GST and income tax waiver for cooperatives with a turnover below ₹10 crores.
- d. Promoting business development through provision of working capital.
- e. Making public and private procurement platforms, such as GeM, simpler and more inclusive by pro-actively reaching out to cooperatives, especially those run by women, and providing assistance in navigating the portal and accessing business opportunities.

5. Promote livelihood and social security through cooperatives

Cooperatives encourage development and resilience in local economies through decent work and social security. They can also ensure last mile delivery by actually undertaking implementation. The promotion of decent work and social security through cooperatives may be encouraged through:

- a. Promoting cooperatives in new and emerging sectors such as tourism, childcare and geriatric care, horticulture and other agro-allied sectors, health and education.
- b. Providing financial support for storage and work spaces.

- c. Providing support for digitalization and use of social media.
- d. Enabling and supporting social protection like childcare, healthcare and insurance services by convergence with existing government schemes and services and promoting the implementation of these through cooperatives for efficient last mile delivery.

6. Promote public education and awareness of cooperatives especially among youth

Cooperatives present opportunities for young people to be gainfully employed. However, youth are not actively involved in the cooperative movement⁵. Through public education initiatives, more young people can first learn about cooperatives and then join the cooperative movement. These initiatives could include:

- a. Sharing the concept of cooperativism and its principles in school and college curricula.
- b. Establishing of a fellowship programme on cooperativism by the Ministry of Cooperation, wherein young people are placed in cooperatives and assist and support them in their work.
- c. Introducing courses in cooperative management at the higher education level.
- d. Collaborating and converging with related ministries (such as the Ministries of Women and Child Development, Rural Development, Housing and Urban Affairs, and Labour & Employment) to include cooperatives in their numerous programmes and schemes.

⁵ <https://www.ica.coop/sites/default/files/news-item-attachments/coops4devyoungpeoplereport-267264990.pdf>