

# Building Resilience & Strengthening our Solidarity

A study on women's collective enterprises during COVID-19



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SEWA BHARAT



SEWA  
COOPERATIVE  
FEDERATION

Capacity-building • Business Development • Policy Action

To all our SEWA sisters, who have been at the forefront of COVID response, ensuring their families, households and communities remain protected.

And to the sisters we lost—your work lives on through us.

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# ABBREVIATIONS

Abodana - Abodana Women Artisans' Handicrafts Cooperative Limited  
APMC - Agricultural Produce Market Committee  
ASHA - Accredited Social Health Worker  
Atithi - SEWA Atithi  
B2B - Business to Business  
B2C - Business to Consumer  
BCC - Bihar Credit Cooperative  
BCC - Bihar Thrift and Credit Cooperative Society (Bihar Credit Cooperative)  
CIBIL - Credit Information Bureau India Limited  
CSP - Customer Service Point  
DCC - Delhi Credit Cooperative  
DCC - Mahila SEWA Urban Cooperative Thrift and Credit Society Limited (Delhi Credit Cooperative)  
Ekta - SEWA Ekta Swayat Sahakari Samiti Limited  
ESS - Enterprise Support System  
FGD - Focus Group Discussion  
FPO - Farmer Producer Organisation  
FY - Financial Year  
GeM - Government e-Marketplace  
Gol - Government of India  
GST - Goods & Services Tax  
Homecare - Shree SEWA Homecare Mahila Sahakari Mandli Limited  
INR - Indian National Rupee  
Karn Bhumi - Karn Bhumi Krishak Producer Company Limited  
KVK - Krishi Vigyan Kendra  
LSM - Shree Gujarat Mahila Lok Swasthya SEWA Sahakari Mandali Limited  
Megha - The Tapi District Megha Adivasi Mahila Agriculture Producers' Cooperative  
NABARD - National Bank for Agriculture and Rural Development  
NCDC - National Cooperative Development Corporation  
NCR - National Capital Region  
PDS - Public Distribution System  
PHC - Public Health Centre  
PMJDY - Pradhan Mantri Jan-Dhan Yojana

PPE - Personal Protective Equipment

PTI - Press Trust of India

Rachna - Mahila Rachna Cooperative

RT-PCR - Reverse Transcription–Polymerase Chain Reaction

Ruaab - Ruaab SEWA Artisans' Producer Company

Sarthak - Sarthak SEWA Private Limited

Saundarya - Shree Saundarya Dafai Utkarsh Mahila SEWA Sahakari Mandli Limited

SEWA - Self-Employed Women's Association

SEWA Bank - Shri Mahila SEWA Sahakari Bank

SHG - Self-Help Group

SIDBI - Small Industries Development Bank of India

Trupti - Shree Trupti Nashta Udyog Mahila SEWA Sahakari Mandli Limited

USD - United States Dollar





*Construction Workers, Jahangirpuri, New Delhi*

# EXECUTIVE SUMMARY

The second wave of COVID-19 spread rapidly, with significant health and livelihood effects on both urban and rural India. The impact of this crisis has fallen disproportionately on women workers in the informal economy (Deshpande, 2020; Nikore et al, 2021). These trends are also reflected in the member-level findings of this study. Informal women workers witnessed reduced access to health resources: scarcity of testing centres, as well as an overwhelmed public health system. Across sectors of work, 50 per cent of members lost their means of livelihoods.

This report studies 15 collective social enterprises, owned by informal women workers and supported by a Women's Enterprise Support System (ESS) at SEWA. The enterprises are across five sectors (Agriculture, Handicrafts, Manufacturing, Finance and Services) to understand the impact of the second wave on the collectives and their members. Across these sectors, the experiences of the enterprises were in line with the broader market trends in their respective industries.

## **A summary of the sectoral-level findings are:**

### **Agriculture**

Movement restrictions and transportation constraints caused major setbacks, which led to diminished incomes for the members, as they could not reach their produce to the bigger markets and relied on middle agents. Additionally, members reported a lack of access to health resources (such as doctors and medicines) and a high number of cases. The role of women's collective enterprises in this sector was to bridge the gap between agriculture inputs, farmers and the market. The enterprises in the sample worked closely with the ESS to carry out work during the pandemic.

### **Handicrafts**

The sample enterprises in the handicraft sector did fairly well during the first wave, as they efficiently pivoted to making masks but during the second wave sales and production suffered as several members or their family members were infected with COVID-19 and the market of masks approached a saturation point.



## **Services**

Enterprises in this sector stagnated during the lockdown period, as travel was restricted, and the rate of vaccination of workers remained low due to hesitancy and fear. The enterprises in this sector were seen to either introduce a new business line - such as sale of cleaning products, alongside services; or use new, digital marketing strategies to reach customers.

## **Manufacturing**

Similar to handicrafts, the enterprises that were able to pivot to PPE production remained stable. Enterprises in this sector were involved in the distribution of relief material and information. For example, Lok Swasthya Mandli (LSM) - engaged in crucial COVID-19 relief work by reaching over 130,000 individuals with health awareness initiatives and low-cost medicines. 17 per cent of LSM members were affected by COVID-19, and 3 per cent members passed away due to COVID-19 and COVID-related complications.

## **Finance**

In this sector, a shortage of cash flow was seen, as members haven't been able to pay back their loans on time: there was a 12 per cent increase in overdue loans. This has further affected the enterprises' ability to provide credit, leaving members with no option but to rely on private money lenders offering high-interest rates. However, cooperatives in this sector helped its members to divert into new income streams with affordable loans. Initiatives were also undertaken to help members maintain their credit scores.

Across enterprises, members, leaders and staff came together to collectively solve issues in management. They often used digital technology to connect. The biggest need emerging from enterprises, as they begin to recover is access to flexible financing in the form of working capital and increased access to markets. To this end, it is recommended:

- Special funds for the women-owned collective enterprises and women-owned micro-enterprises should be created which will be used to extend loans and microloans at lower interest rates for women-owned/managed collective enterprises or women micro-entrepreneurs to rebuild, revive and grow. These funds could be routed through organisations such as SIDBI, NABARD for agricultural enterprises, NCDC and federations for cooperatives. Alternatively, the loans may be disbursed through existing micro-lending organisations such

as SEWA Bank, savings and credit co-operatives, or SHG federations.

- Digital market portals can be made more inclusive and accessible for women. For instance, GeM's quota of 3 per cent purchase quota for women enterprises should be increased to 33 per cent. Private aggregators could be incentivized to include quotas or cost discounts for products manufactured/ services delivered by women's enterprises.
- Re-skilling and training women for a post-COVID-19 economy could include initiatives for bridging the gender digital divide.
- Social security measures should be introduced for childcare, healthcare and insurance. This is crucial for women informal workers as the burden of unpaid care work often falls disproportionately on the women members of the household. With over 5.72 crore registrations, these measures may be introduced through the e-Shram portal such that the benefits directly reach the women workers. 51 per cent of these registrations include women informal sector and the gig economy workers (PTI, 2021).



*Ration Distribution, Sangram Vihar, New Delhi*

# BACKGROUND

The first and second waves of COVID-19 in India had widespread health and economic effects, both across urban and rural parts of the country. On average, unemployment increased and aggregate income decreased (Paliath, 2021; Vyas, 2021), and those that bore the brunt were informal women workers, across trades. Evidence from the first wave documents that unpaid care work for women increased by almost 30 per cent (Deshpande, 2020). Emerging evidence for the second wave suggests that with the paucity of health infrastructure, and the intensity of the second wave, women had to withdraw from paid work to attend to ailing family members (Nikore et al, 2021). With lockdowns across different states, women from rural areas were unable to travel to nearby towns for informal work or even to sell their farm produce. However, women in collectives fared better with lower income crunches and greater access to social security (Kala 2020). A study done by SEWA Cooperative Federation in 2020, found that 71 per cent of informal women workers who were in cooperatives and had sought support for livelihood loss due to the first wave of COVID-19, received employment and business-related opportunities from the cooperative (Hiriyur & Chettri, 2020).

In light of such findings, it is essential to assess the impact of the second wave on informal sector collectives/cooperatives. Such assessments will help form relevant and effective policies for assistance to rebuild women's social enterprises. Additionally, while existing reports and studies discuss the impact on women informal workers, few studies discuss sector-specific impacts (Sen et al, 2020; Hiriyur & Chettri, 2020). This report aims to understand the sector-specific impact of the COVID-19 crisis, with a strong focus on the second wave in India, on the women in the informal sector and their cooperatives. In service of this aim, the report first discusses the methodology used, then presents the industry-specific findings and its analyses, which will aid in the arguments for the implications on the way forward. The insights generated through this report may aid in developing capacity-building programs and making targeted policy recommendations, which cater to the specific situations in which the women's cooperatives function.



# METHODOLOGY

This research study draws its sample from womens' collective enterprises supported by SEWA Cooperative Federation and SEWA Bharat. The enterprises vary in size, are active in different states, and were chosen to provide a representation of multiple industries.

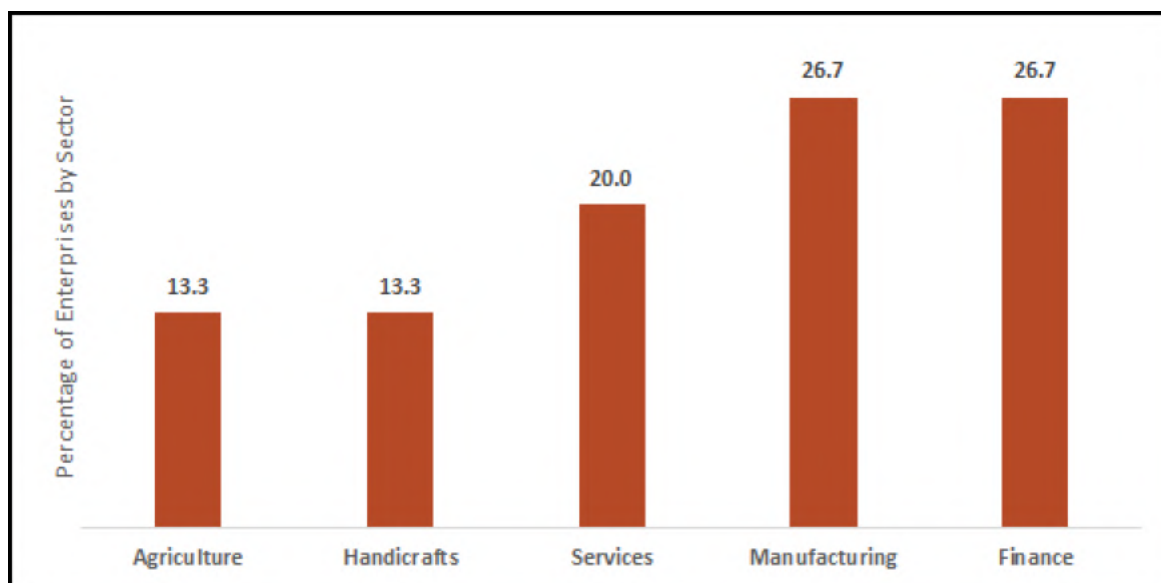
While the total number of members range from 51 to 15,000, on average there are 100-500 members per enterprise. The finance sector enterprises have approximately 15,000 members.

It is important to note here that membership in an enterprise is defined as shareholders. The Board of Directors is an elected body consisting entirely of the members themselves. Table 1 lists the enterprises chosen, the industry and the state in which they work.

#	Name <sup>1</sup>	Industry	State
1.	Karn Bhumi FPO	Agriculture	Bihar
2.	Megha Cooperative	Agriculture	Gujarat
3.	Abodana	Handicrafts	Gujarat
4.	Ruaab	Handicrafts	Delhi
5.	Ekta	Manufacturing	Uttarakhand
6.	LSM	Manufacturing	Gujarat
7.	Trupti	Manufacturing	Gujarat
8.	Rachna	Manufacturing	Madhya Pradesh
9.	Homecare	Services	Gujarat
10.	Saundarya	Services	Gujarat
11.	SEWA Atithi	Services	Uttarakhand
12.	DCC	Finance	Delhi
13.	BCC	Finance	Bihar
14.	Sarthak	Finance	Uttarakhand, Punjab
15.	SEWA Bank	Finance	Gujarat

*Table 1: Enterprises, their sectors and states.*

1. Cooperative's full names and short descriptions are mentioned in the Appendix section (p. 34).



*Figure 1: Sector Disaggregation as per Enterprises in the Study*

Seven enumerators collected data for the study in June 2021 with 15 in-depth interviews at the cooperative level (staff, manager and mentors) and 15 focus group discussions (Board of Directors and the members) at the member level. These interviews were conducted via conference calls and digital platforms such as Google Meet and Zoom. The average time of discussion ranged from 60 to 90 minutes.

Extensive notes of the interviews and FGDs were prepared and translated. The qualitative data was analyzed drawing on grounded coding methodologies, and cross-sectoral themes were identified. Quantitative data, i.e. financial performance, of the last three years of the cooperatives/ enterprises were also analyzed.



*Megha Mandali agriculture worker working on her field*



# SECTOR WISE DEEP DIVE

We have analyzed qualitative and quantitative data of the collectives across sectors: Agriculture, handicraft, service, finance and manufacturing, provide findings of the enterprises we interviewed in each sector, and then summarise key findings on each sector for moving forward.

## Agriculture

Despite being an essential sector, agricultural workers, small and marginal farmers faced losses during the second wave of COVID-19, particularly in the months of the second lockdown (April-June, 2021). Farmers have faced the loss of lives and livelihoods due to the severity and spread of the pandemic. Additionally, there were several supply chain disruptions, the Agricultural Produce Market Committee (APMCs) were closed in several states with lockdowns in several villages. An amalgamation of these factors forced the farmers to borrow from private moneylenders and sell their produce for extremely low rates to local traders. These issues are magnified for women farmers and agricultural workers, as was witnessed across our two agricultural enterprises.

### Member-level findings

In Bihar and Gujarat, the virus was widespread, with an intense presence in remote districts and blocks like Uccal and Nizar in Tapi District (Gujarat) and Munger (Bihar). In Gujarat, testing was scarce and Megha Cooperative members, their households and communities, reported experiencing COVID-19 symptoms- fever, cough, cold and diarrhoea. In the village of Chichbardi<sup>1</sup>, Megha Cooperative's board member Sangitaben reported that 15 people tested positive and a larger number showed symptoms but with negative test results. About 4-5 individuals were referred to hospitals in Vyara, which is approximately 20 kilometres away. Villages around Chichbardi were also affected and Sangitaben reported that there were 2-3 daily deaths, many of whom never got tested and therefore did not receive treatment.

In Bihar, a scarcity of testing centres resulted in inadequate treatment for many. Munger had only one testing centre, while Bhagalpur, fared comparatively better with two testing centres (but a much larger population). In both districts, the centres had long queues and members largely could not get tested, despite having symptoms. As a result, members primarily followed home isolation and home treatment.

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<sup>1</sup> The population of Chichbardi, as per the latest Census (2011), is 718.



**Remote villages of Ucchal and Nizar block in Tapi district were worse affected**

The remote blocks of Ucchal and Nizar border Maharashtra. These blocks are largely underserved with regard to transport facilities, leaving them unconnected. According to Ansuyaben, a Board member of Megha Cooperative, 30-35 per cent of her own village died from COVID-19. She and her husband both contracted the virus and managed to recover through treatment at home.

There were only two doctors visiting the villages in these blocks, which led to overcrowding at the public health centre (PHC) and a large number of people with symptoms did not receive adequate medical attention. ASHA workers also could not reach these remote villages, and even if they did, they only had paracetamol tablets and not much else. Lack of oxygen supply was the main reason behind the deaths of many, she reported.

In both states, lack of access to health resources - medicines, tests, hospital beds, doctors - was widely reported. In Gujarat for instance, public facilities could not cope with demand, and local people also did not trust them due to a fear that the facilities lacked resources. They, therefore, had to go to private hospitals, spending INR 500-1000 (USD 7-13)<sup>2</sup> per day on tests and medicines with one Board member from Tapi reporting that hospital bills ranged from INR 1-1.5 lakh (USD 1343 - 2014) for a week if a patient succeeded in getting a bed for treatment. Members of both agricultural collectives, for the most part, could not afford these prices and had to rely on home treatment.

**Economic Status**

In terms of farmers' livelihoods, both collective enterprises reported a massive slow-down in work and income. In Gujarat, okra is harvested and sold in March-April, when the rates are usually the highest. Unfortunately, this year the lockdowns pushed down the rates for okra, leaving small and marginal farmers with little to no income from harvest, while commodity prices shot up. They had to rely on the benevolence of landed farmers with higher household incomes for food security. In Bihar, lockdowns and curfew made it difficult for farmers to access the market to sell their produce. In most blocks, farmers reported that markets were only open till 10 AM, which made it difficult for women to access the markets because of the burden of unpaid care work.

**Enterprise-level Findings**

Karn Bhumi and Megha Cooperative both saw losses during the second wave. Megha Cooperative did not operate for 3-4 weeks in April 2021 when the pandemic was at its worst. Every year, this is when the cooperative sells subsidised seeds to the lo-

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2 USD to INR conversion rates on 11 November, 2021 considered ( INR 1 = USD 74.47).

cal farmers. However, this time they were unable to map the local demand and conduct sales. To recover, both Karn Bhumi and Megha Cooperative, sold seeds and fertilisers in the months of June and July, and have been matched with working capital from SEWA Cooperative Federation. Here, Megha Cooperative reported sales of INR 3,50,000 (USD 4700).

SEWA's health cooperative worked with members of the agriculture enterprises and trained them on precautionary measures against COVID-19, distributed health kits through the *aagewans* (grassroots leaders) in their communities. The locals in Tapi District also realised the importance of the cooperative, as they could seek assistance and information from the members. Similarly, Karn Bhumi members also conducted health awareness sessions. They linked those in need with a telemedicine helpline, mapped the farmers' seed requirements for the next season. Thus, the cooperative addressed both health and livelihood needs. In some cases, when they were unable to physically locate and reach farmers due to the lockdown, they called members to convey health information and understand their needs for seeds. Intermittently, a team member from the FPO<sup>3</sup> also travelled to the field to check on the work and understand the needs of members.

### ***Digital Inclusion***

Karn Bhumi and Megha Cooperative teams had some experience with online work, due to the first lockdown in 2020. For instance, the board meetings and other sessions heavily relied on video conferencing and most communication/ coordination related tasks were conducted through WhatsApp.

### ***Strategy alteration and/or adoption***

Karn Bhumi planned marketing initiatives for wheat seeds in March and April. As soon as they began this work, the lockdown was put in place and a number of members' villages were marked as containment zones. They were able to reach 35 per cent of their projected outreach with output marketing. The farmers who had stored their wheat to sell through Karn Bhumi were unable to do so since the FPO could not access them during the lockdown. In some cases, the women sold the wheat to local traders for lower rates, since they needed some income for the household's sustenance. The Federation supported Megha Cooperative with INR 8,27,400 (USD 11,111) of working capital to procure seeds.

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3 FPOs, or farmer producer organisations, are groups formed by producers of agricultural products. FPOs serve as aggregators of member farmers to augment their economies of scale and bargaining power.

## Financial Analysis

### Karn Bhumi

There was a sharp increase in revenue in FY 2020, as compared to FY 2019, due to the Enterprise Support System. But, in FY 2021, the enterprise reported a net loss. The significant increase in revenue did not translate into profits because Karn Bhumi is yet to achieve economies of scale. There was an operational halt during the pandemic- almost 50 per cent of the members suffered from COVID-19. Several business opportunities were also missed due to the inability to map demands and multiple lockdowns.

In mid-2020, two new strategies were developed: Krishi Sakhis (local women trained to map demand and work as sales agents) were hired and operations were managed at a block level. As a result, revenue and outreach in the 2021 Kharif season increased by approximately 3 times. Essentially, Krishi Sakhis - local women who were trained as demand mapping and sales agents - enabled doorstep delivery, which allowed work to continue in some form even through a lockdown. Karn Bhumi combined this with splitting operations at the block level, instead of across districts with an aim to reach 500-750 members across each block for effective operations and governance. Both of these strategies together enabled an almost 3X increase in revenue and outreach in the 2021 Kharif season, going from earning Rs. 2,15,466 in June 2020 to Rs. 7,22,815 in June 2021. Additionally, Karn Bhumi was able to supply seeds to 350 farmers in June 2021, an increase from 92 in June 2020.

During this season, another critical intervention was building backward linkages with an agri-tech startup, DeHaat, which enabled Karn Bhumi to source inputs in time and avoid inventory losses by the buyback. By providing better quality seeds and doorstep delivery of seeds, Karn Bhumi reduced the 15 per cent cost of inputs for all buyers of inputs. This reduced price influenced other local seed sellers, and potentially decreased a 3-5 per cent decrease in the cost of production for up to 9,000 farming families who live in the areas where Karn Bhumi operates. Similarly, forward market linkages for selling agricultural output helped avoid a local supply glut and enabled up to 30 per cent better selling price realisation for 25 farmers. This may have potentially increased selling prices by 15 per cent for the other 3,600 families in the vicinity.

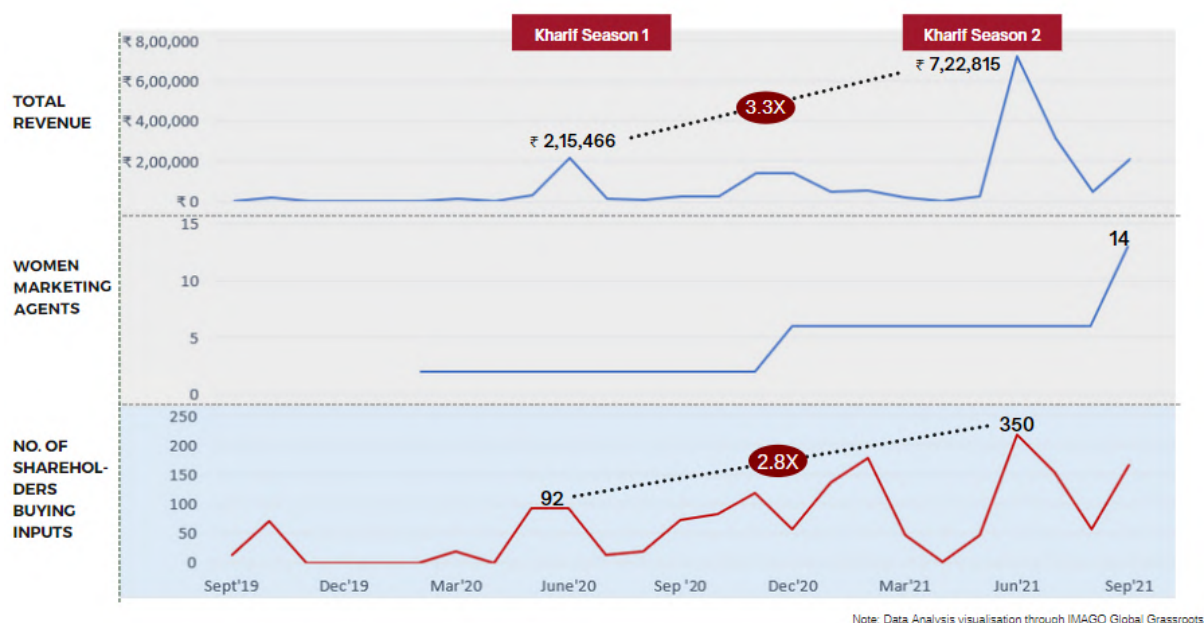


Figure 2: Karn Bhumi's Revenue and other metrics' trajectories through September '19 to September '20

## Megha Cooperative

The cooperative and its members were severely affected due to market restrictions given the pandemic. Farmers were forced to sell their produce at less than market rates, which led to a fall in their profits by 147.14 percent. While this year, there was an increase in the quantity of produce, members were unable to access markets and sell their produce due to COVID-19 restrictions. As a result, the unsold produce rotted, which contributed to the fall in revenue and surplus.

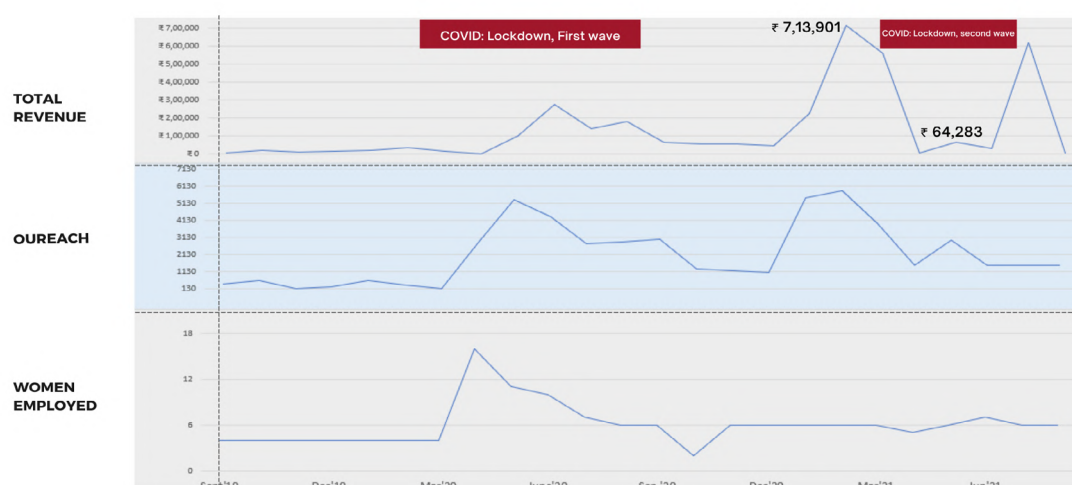


Figure 3: Megha Cooperative's Surplus/ Loss between FY 2019 and FY2021



### ***Emerging needs and Moving Forward***

The most pressing need, which emerged through the pandemic was the need to access flexible financing, largely for the procurement of agricultural inputs like seeds, fertiliser. To this effect, SEWA Cooperative Federation established a 'Livelihood Recovery Fund' which supported the two enterprises with working capital.

Using this capital, the Megha cooperative provided seeds to the 3494 farmers at four times less than the market price. Also, provided organic farming training to 365 farmers and hence their cost of production was reduced by 37.5 per cent. This ensured that the harvest cycle was not broken due to the massive losses faced by small farmers during the crisis.

Karn Bhumi also obtained working capital from SEWA Cooperative Federation so they could purchase seeds and fulfil their members' demands. This allowed Karn Bhumi to start a new business line of selling rice seedlings to women farmers, including non-shareholders. The capital influx allowed the enterprise to buy in volume and thus sell larger quantities, reaching more farmers, and was the primary source of income for Karn Bhumi during the second COVID wave. Karn Bhumi aims to reach more farmers in new villages and blocks. They have seen an interest from women farmers to link with the FPO, including an increase in demand for seeds. The working capital also allowed Karn Bhumi to experiment with new modalities of reaching more communities.

Moreover, SEWA Cooperative Federation and Megha Cooperative together distributed 2000 relief and health kits to the villagers during the crisis and trained 75 master trainers who educated more than 36,000 people about COVID healthcare. These master trainers became the main income earners for their households, earning a cumulative income of INR 6,56,000.

"We had no access to healthcare during COVID-19, as our village is quite remote. There was fear and lack of information. Through the cooperative and the Federation, we were trained in identifying symptoms of the virus, and we distributed relief kits. Livelihoods were affected, as transport systems were affected. Farmers faced a lot of losses. We got together and matched our members with seed capital, so they could procure seeds and continue the farming cycle," said Sangitaben, Farmer, Board member, Megha Cooperative.

# Handicrafts

Procurement of raw materials and decline in the number of orders were the major economic effects of the COVID-19 pandemic on the cooperatives in this sector. The handicrafts sector cooperatives for this study include Abodana (Gujarat) and Ruaab (Delhi).

## Member-level Findings

The cooperatives in the handicrafts sector pivoted fairly well during the first wave, however, the second wave brought with it major losses of lives and livelihoods in both Gujarat and Delhi. Gujarat did not have strict lockdowns, but long curfews and high infection rates severely affected the members. The situation in Delhi during the second wave rapidly worsened, which overwhelmed the local health systems and the capital was under complete lockdown for several weeks at a stretch.

Many of the women artisans and/ or members of their households were infected with COVID-19, which they managed largely through home quarantine. Several members and/ or their household members lost jobs due to the economic effects of COVID-19, increasing the percentage of people in need of state support.

"I joined SEWA after the 2002 riots, when the Federation offered us work in relief camps. Despite resistance from my brothers, I attended the training sessions. I did not know how to stitch then, but today I know various artisans skills and crafts. For a while, I even managed the cooperative which helped me develop my interpersonal, managerial and marketing skills. I am, now, financially independent and lead a comfortable life. It is my vision that the other members of my cooperative will have continued access to livelihood."

Rehatben, Handwork Artisan and Board Member, Abodana Cooperative.

## Economic Status

Since many members did not have access to health insurance, sudden increases in medical expenses caused considerable financial distress. As many household members lost employment, household incomes drastically decreased. Members were relying on online and word-of-mouth orders.



*Embroidery Artisans, SEWA Ruaab Artisans' Producer Company*



## **Enterprise-level findings**

During the first wave, Abodana and Ruaab quickly pivoted to masks and PPE production with the help of working capital and capacity building via the Enterprise Support Systems. Last year, the artisans learnt to stitch masks through online meetings and videos, which helped in meeting the rising demand for masks and becoming digitally able. The women used the skills and training from the first wave to have some income security during the second wave, but as infection rates were very high in Ahmedabad and Delhi, the productivity of the two cooperatives was severely hit.

Though the members of both Ruaab and Abodana have been getting a fair amount of work, input costs like raw material prices and transportation costs have increased drastically. The fabric became more expensive, as most of the fabric comes from outside Delhi for Ruaab and COVID-19 restrictions led to several delays in meeting deliverables.

Procuring and delivering raw materials to the women workers was a challenge with COVID-19 severely affecting lives in Gujarat leading to stress. As the second wave eased, the enterprises have been trying to re-enter the market, both through retail and third-party manufacturing. This includes both PPE and other goods. During this time, 360 members gained means of livelihood.

## ***Digital Inclusion***

During the first and second wave of COVID-19, enterprises pivoted to producing masks and PPE kits for which 140 members were virtually trained. The members held management meetings online. For members who did not have a personal digital device to connect, they often took help from a family member or a fellow SEWA member. In the previous year, members have become more confident in using electronic devices for meetings and training sessions.

## ***Strategy alteration and/or adoption***

Ruaab tried to find vendors in Delhi who provide good quality raw material at reasonable rates which would help with the current problem of expensive fabrics being bought from vendors outside of Delhi NCR. This led to delays in product delivery as well. Abodana has expanded its catalogue and has started building its presence in the online market.

## Financial Analysis

### Abodana:

Using the working capital support it received, Abodana pivoted to making SHG-95<sup>4</sup> masks in response to demand fluctuations due to COVID-19. This enabled the enterprise to continue operations and generate higher revenue. Unfortunately, as the demand for masks and PPE in the market reached saturation, the production and sales did too, making it difficult for the workers to sustain themselves. This is reflected in Figure 4, wherein there is a peak in revenues during the first wave and a smaller peak during the second wave. In January 2020, capacity building initiatives were organised, which led to an increase in outreach and the number of women employed.

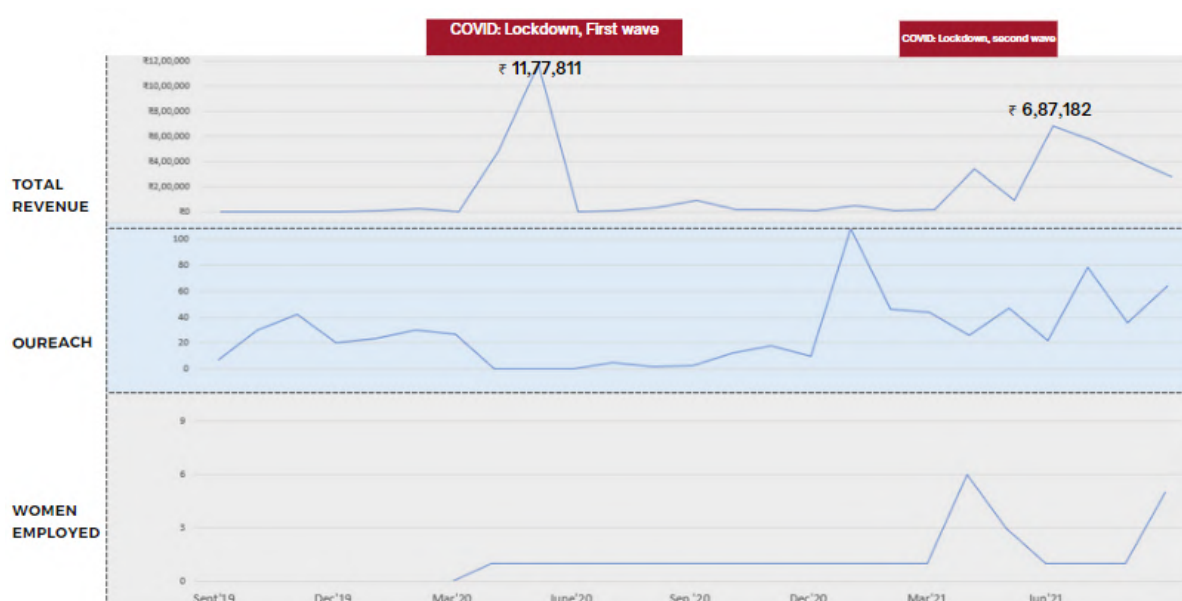


Figure 4: Abodana's Revenue and Surplus/ Loss between FY 2019 to FY 2021

### Ruaab:

Ruaab once again pivoted to mask orders to combat the complete halt of work orders. The second wave severely affected the members and in anticipation of a complete lockdown, a number of skilled members relocated to their villages. The disruptions in transportation substantially increased the cost of inputs. During the first wave, there was an increase in member payment: 29 per cent due to the bulk mask orders that Ruaab received. However, with the onset and impact of the second wave, women are hoping to earn more as their current earnings from Ruaab is only INR 2,000-3,000 (USD 27-40) per month compared to INR 5,000-6,000 (USD 67-81) per month pre-COVID-19 earned through offline exhibitions and export houses sales. Despite the second wave

<sup>4</sup> SHG-95 masks were developed by the Billion Social Masks initiative, which got approval for a filtration product, which can be inserted between cloth masks, and functions similar to the N-95 mask.



and its economic effects, 250 members were provided with work and the cooperative achieved a turnover of INR 24 lakhs (USD 32,228) in one month. Once again, during the second wave, the demand for masks began to rise which accompanied the increase in revenues for the enterprise. But Ruaab managed to attain the same peak in revenue as in the first wave.

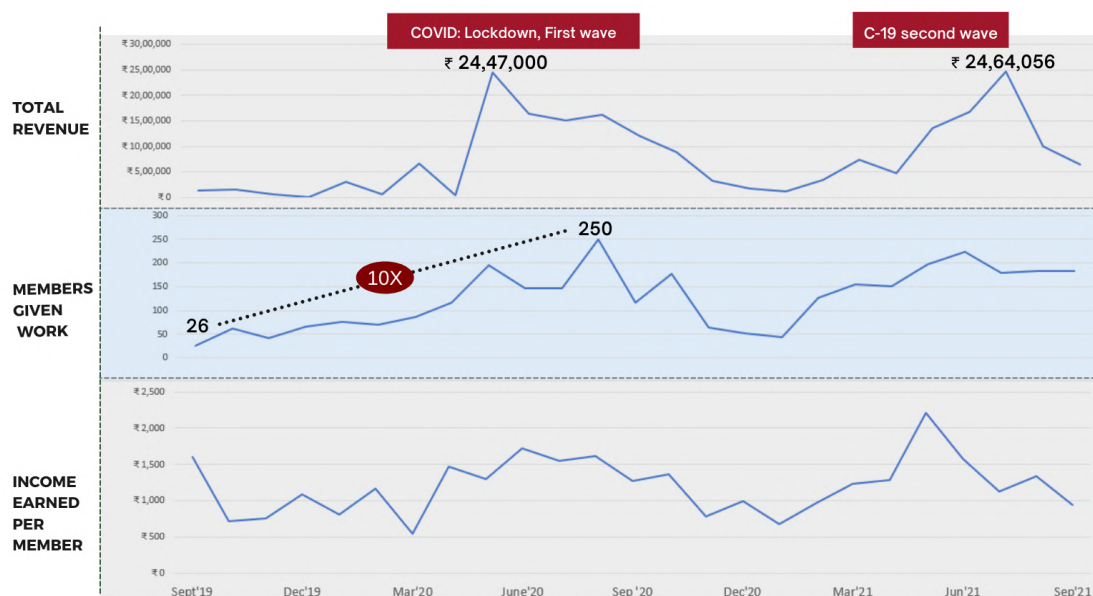


Figure 5: Ruaab's Revenue and Surplus/ Loss between FY 2019 to FY 2021

### Emerging Needs and Moving Forward

The need of the hour emerging from most members' accounts is livelihood support, as many are struggling to make ends meet with rising inflation and reducing job and income security. With the working capital support, Abodana cooperative was able to produce 3,10,500 masks and provided work and income to 110 artisans. Also, the cooperative distributed 150 health kits, 110 ration kits and 1000 sanitary napkins in the community.

Both the cooperatives are trying to expand the catalogue of their products and obtain more orders. Marketing platforms of both Abodana and Ruaab are working towards increasing online engagement, due to COVID-19 restrictions, offline exhibitions are yet to be organised.

Ruaab plans on getting more orders by expanding its catalogue and slowly resuming sales in the offline market via exhibitions if the pandemic situation permits. Abodana has decided to focus only on third-party manufacturing, or the B2B model and developing new clusters by mobilizing new artisanal groups.



*Bhagwati ben, Homestay Host, SEWA Atithi*

# Services

Service sector workers have been particularly affected by the pandemic, due to the nature of their work. SEWA's members are engaged with different services, including domestic work, child care, geriatric care, catering, and homestays among others. For this study, the focus has been Homecare (domestic workers), Saundarya (cleaners) and Atithi (tourism and hospitality sector workers).

## **Member-level findings**

Enterprise members in the service sector are predominantly in urban areas. In-depth interviews with members highlighted that the situation was relatively worse in Uttarakhand, compared to other states. In both Uttarakhand and Gujarat, a majority of members showed symptoms of COVID-19 but remained undiagnosed. While a majority of the surveyed members in Gujarat tested negative for the virus, their immediate household members contracted the virus, and the women were involved in caregiving.

In terms of medical expenses, it was reported that treatment costs ranged from INR 25,000-1,200,000 (USD 336-16,114). Additionally, private hospitals and clinics often demanded an advance cash payment when patients went for hospitalization. Members were forced to borrow money to be able to get treatment. Only a few surveyed members reported having health insurance. Little awareness and understanding of the importance of insurance were found and targeted awareness drives will need to be adopted.

It was observed that for 2 to 3 months in the second wave, none of the household members had worked due to the lockdown. A few members in Gujarat and most in Uttarakhand availed of rations under the public distribution system (PDS), which were insufficient to feed an average household size of 5 to 6 members.

During the lockdown, public transportation was not available. Service sector workers, particularly, depended on this to get to their employers' houses. Without transport, they were unable to get to work or had to pay high fares for private transport.

## **Economic Status**

As the second wave subsided and lockdown restrictions were lifted, gradually offices started opening up again. which helped members secure work. The Homecare Cooperative (domestic work) was facing issues as the majority of its members are not yet vaccinated, due to both fear and difficulty in obtaining the vaccine, and clients have strongly pushed for their domestic workers to get vaccinated. However, all Homecare

workers have received the first dose, and many have taken the second dose. As a result, workers now find entry into housing societies which has helped improve the financial situation. In September 2021, about 50 members found regular work through the cooperative.

Although Atithi (Uttarakhand) members don't consider homestays as their primary source of income, members had invested between INR 22,000 to 30,000 (USD 295-403) to renovate their houses to meet international standards for homestays. Similar to the hospitality industry trends, Atithi members did not secure a sufficient number of bookings to get adequate returns on their investments. Besides the pandemic situation, bad weather conditions in Uttarakhand also affected the number of bookings. Moreover, migrant workers came back to their homes in Uttarakhand, adding to the financial pressure on households.

### **Enterprise-level findings**

Atithi was incubated just before COVID-19 reached India. Thus, it has been facing economic losses since 2020. However, just as the economic situation improved, the second wave arrived and bookings were cancelled for the months of May and June. This affected the cooperative's projections for FY 2021-2022. The members, themselves, are now demotivated and are afraid of hosting guests. Additionally, there are network connectivity issues in Uttarakhand, which makes conducting virtual meetings and training sessions difficult. Atithi plans to venture into the offline marketing model to target individuals and to devise new packages for their needs.

Services provided by Homecare and Saundarya have faced serious demand shocks due to COVID-19. With offices being shut and households resistant to hiring domestic workers, even when the lockdown eased out, the earnings of the members and the cooperative have taken a significant hit. In many cases, customers have stopped hiring cooperative members, as they want workers who do not use public transportation for commuting. However, now that workers are vaccinated, the customers are easing out the restrictions they previously followed. While this has helped Homecare, Saundarya's business remains unaffected pre and post-vaccination.

During both waves of COVID-19, cooperatives faced a staff crunch as some of their staff members and their household members were infected with COVID-19. Running the cooperatives became a challenging task because of the inaccessibility of public transportation, lockdowns, and staff members falling ill. Saundarya provided opportunities for work to the members on a rotation basis for fifteen days. Currently, this

cooperative is providing livelihood to 65 members compared to 157 from last year. For members of Saundarya and Homecare providing domestic care work, the demand for 24 hours of work was high. However, the cooperative was unable to meet this demand as the members who reside in Ahmedabad did not want to work for 24 hours. In some cases, the families of some members were afraid of allowing women to work outside the home.

Atithi had decided to close bookings for a few months because of members' apprehensions. Coordinating and meeting with members was challenging due to restrictions on transportation, as most members live in distant areas.

**Sadhnaben, President of Saundarya Cooperative explained,** "This second wave of COVID-19 was more difficult than first, as in the beginning of this year (2021), 3-4 organizations shut their offices and shifted their operations online so 20 to 25 of our members lost their jobs. The cooperative's income reduced more this year compared to last year. Usually, the cooperative used to increase the service charge every year so that members get a salary hike, however, this did not happen last year because of COVID-19. Moreover, the cooperative does not have a GST number and hence we are not getting work from big institutional clients. When we go to visit new clients, security staff often do not allow us into the building."

### ***Digital Inclusion***

Cooperatives began adopting digital platforms to manage daily tasks. The cooperatives in Gujarat, shifted to digital platforms, such as WhatsApp, for communication and coordination purposes. For meetings, they opted for conference calls and video conferencing through google or zoom meetings. In the last year, through digital training support, members learnt how to attend conference calls and online meetings.

However, this was not the case with Atithi as a lack of smartphones and poor network coverage in the hilly regions of Uttarakhand prevented many members from joining online meetings. To overcome this, one of the staff members would visit members once in fifteen days and take updates from them.

### ***Strategy alteration and/or adoption***

Atithi began operations in 2019 and immediately after this, the pandemic and subsequent lockdowns began. As an alternative strategy, the staff used that time to establish an online presence and to undertake other groundwork. The cooperative had started a "Work from the Mountain campaign" and initially earned some revenue. However, considering the intensity of COVID-19, they stopped the campaign and advertising on their social media platforms.



Primary guests were either from SEWA's network or from Instagram. The rest came from word-of-mouth marketing. Atithi's current digital marketing strategy is limited to social media (Instagram) and Bookings.com, but they plan on expanding their online presence in the future with the help of SEWA Anubandh (a SEWA platform that connects grassroots women entrepreneurs to consumers across the globe). Along with this, the Atithi team is also planning to work on offline marketing in local cafes and restaurants for visibility. Furthermore, they are thinking of an 'immersion visit' package to be designed and sent to companies for their staff retreats, particularly those that have a commitment to ethical business.

The Homecare cooperative has started looking for opportunities in providing different kinds of services such as nursing on a few hours per day basis. The staff is trying to educate the members on providing care services to post-COVID patients, as huge demands have arisen from the market in the second wave this year. Considering the need for digital literacy and operations, the cooperative is planning to purchase smartphones for their board members from the reserve fund of the cooperative. To increase visibility and credibility, the cooperative is seeking funds for uniforms and safety equipment.

Besides working capital and some financial aid, the Homecare and Saundarya cooperatives need skill-based training for nursing, physiotherapy, massage, gardening and sanitizing services. The cooperative also intends to have their own vehicles to remove the lack of transportation as a barrier for members to work.

## **Financial Analysis**

### **Atithi**

During the COVID-19 pandemic, the tourism industry came to a halt. Considering the second wave of COVID-19 in the state, all travel had been suspended, and thus revenues had completely ceased during this period. Atithi will be hosting guests once there are favourable conditions. In FY 2021, Atithi generated INR 9073 (USD 122) in revenues.

### **Homecare**

From April 2019 to November 2020, the cooperative served a total of 134 individual and 9 institutional clients. The COVID-19 crisis severely impacted the cooperative's business activities, decreasing turnover by 38 per cent since last year. The Federation's Enterprise Support System (ESS) enabled the cooperative to negotiate with employers for payment of wages even during the period of lockdown. This ensured work and income security for domestic workers which is reflected in the outreach numbers.

In Homecare's context, outreach indicates the number of workers placed with employers. With the increased rate of vaccination among the workers and opening lockdown, the cooperative was able to provide livelihoods to 1.9 times as many workers as post first wave. Despite the second wave lockdowns, 49 women were employed and the cooperative provided income to 14 members of a total INR 70,000 from its savings.

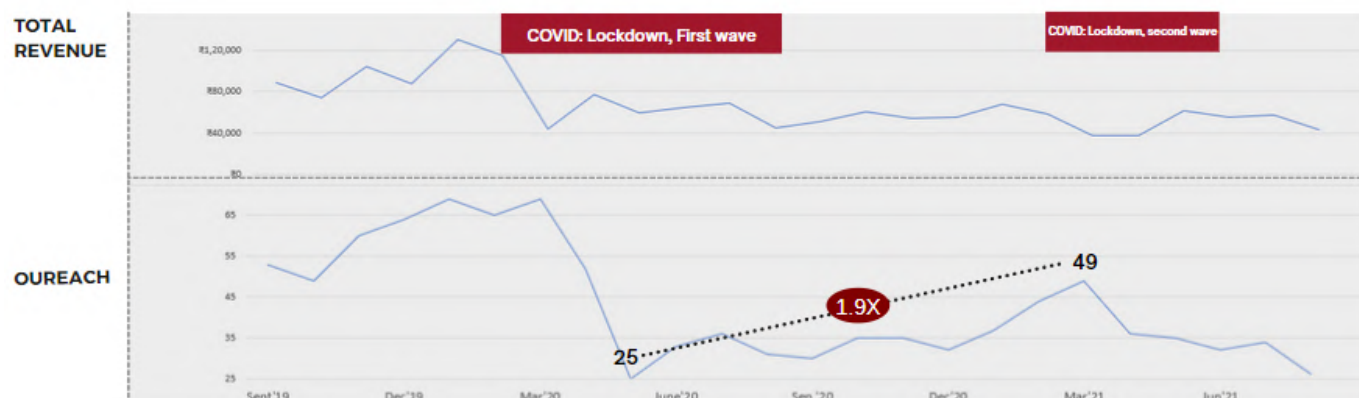


Figure 6: Homecare's Revenue and Outreach trajectories between September '19 to August '21

### Emerging needs and Moving Forward

COVID-19 restrictions and fear have made it difficult for service sector enterprises to continue providing their services during the pandemic. However, the Homecare cooperative distributed 250 ration kits and 150 health kits to the members. The cooperatives have started planning for capacity-building interventions since livelihood remains the most pressing need for all service sector workers.

Saundarya board members plan to sell cleaning equipment to the organizations for which they work. They require working capital support and have been provided with this by the SEWA Cooperative Federation through the 'Livelihood Recovery Fund'. As an alternative strategy, the Homecare cooperative plans to provide services during special events and festivals. Moreover, both the cooperatives are planning to mobilize and enrol younger members. As per Atithi's assessment, they are not expecting guests before September 2021. Hence they are beginning to focus on brand-building by promoting regional arts and culture through social media platforms. Atithi intends to continue the capacity-building of homeowners to enable them to serve potential customers better and increase the likelihood of bookings. Also, most workers have been vaccinated against the coronavirus, which may lead to a greater sense of security for the customers.



*Ayurveda Production Unit, Lok Swasthya Mandali*



# Manufacturing

Enterprises included in this sector are Ekta, Lok Swasthya Mandali (LSM), Rachna, and Trupti. The types of manufacturing enterprises within the SEWA ecosystem cover a wider range of segments from farm processing to Ayurvedic medicines, consumer goods, food and confectionery items.

## **Member-level findings**

By the end of May 2021, nearly 315 members of the LSM tested positive and 56 members died as a result of the COVID-19 second wave. Similarly, many of Rachna's staff members and their families suffered from the coronavirus infection and are still recovering from the long term effects of the virus. Trupti members and staff reported at least one positive case in each of their households. The scale of personal loss is similar across the states. Members across enterprises, and especially in the Ekta co-operative, reported a rise in fear in the villages after the second wave.

Since LSM members are health workers, their fieldwork was intensive, particularly in the months of April and May 2021. Many members had symptoms but getting them tested was difficult since RT-PCR tests were unavailable. Some members waited for days at a stretch and then eventually went to private facilities for testing. Unfortunately, a few aagewans or grassroot leaders from Rachna lost their lives to COVID-19. SEWA members across manufacturing enterprises reported instances of vaccine hesitancy resulting from rumours or narratives surrounding the death of people after taking vaccine shots.

## **Economic Status**

For LSM, procuring inputs for Ayurvedic medicines was not an issue, so the work continued and there were employment opportunities for members and 6 members got work. Though Trupti hadn't fully recovered from the first wave, during the second wave it utilised funds to distribute food through tiffin services, free of cost, and healthy snacks to COVID-positive individuals and their families.

Members across all enterprises raised concerns about the lack of livelihood opportunities in their villages. With reduced incomes, members relied on their own savings or borrowed money to buy daily groceries. Members largely borrowed from family members or neighbours and in a few cases, they even had to mortgage assets like their vehicles. Our interaction with members also brought out two major concerns: very few members had insurance and mental health concerns are increasing, as other individuals in their households remain unemployed.



### **LSM Health Workers Leading the Vaccination Drive at the Grassroots**

Parvatiben, like other LSM health workers, tried explaining the benefits of vaccination in her assigned village, Adhipura (Sanand Taluka, Gujarat). Yet, most members of her village weren't ready to take the vaccine. Thus, Parvatiben went door to door to convince the women in each household that by taking the vaccine, they were protecting their families. The women, in turn, convinced the men in their households. Just as this strategy seemed to be working, the local authorities refused to organise another drive since few people showed up during the previous 3 vaccination drives. Undaunted, Parvatiben secured 300 women's signatures as evidence of interest in vaccination and reached out to Nirmalaben (another LSM member). Together, they convinced the health authorities to do another vaccination drive. As a result, all eligible adults in the village have received at least one dose of the vaccine.

For Parvatiben, this was a personal victory, too. She had barely stepped out of her home, but now she is recognized as a SEWA sister.

### **Enterprise-level findings**

Due to the second wave, Ekta's operations reached a standstill. As revenues have been next to nil in the previous four months, the enterprise has been unable to procure any of the raw materials from members. Members' harvest could not reach the market because all the local markets or 'mandis' were closed, and much of the produce rotted. Transportation has become especially challenging adding to the cost of the produce.

Rachna produces tapioca snacks, ground spices, chilli powder, whole red chilli, potato chips and more. This work is contact intensive and requires people working together in close quarters. Work processes in Rachna therefore, were at a complete standstill for a few weeks in the month of April while the cooperative learned how to pivot their processes. Eventually, 20 Rachna members were given curfew passes and they could begin work while maintaining COVID-19 protocols. Occasionally, the cooperative's vehicle was used to provide materials and supplies. With the pivot in production protocols, sales this year were better as demand for these products remained strong. Due to the lockdown, shops were closed and consumers bought directly from Rachna. The cooperative was also able to give out loans to about 20 micro-entrepreneur members in the last one-year period.

LSM managed well throughout the pandemic. Due to the COVID-19 relief work, LSM gave work to more than 95 women. It tried to provide mental health and psychosocial

support while providing livelihoods. Medicine sales this year were better than last year, and Ayurveda sales increased, too, due to third-party manufacturing contracts. Procurement of raw materials for Ayurvedic medicines was not an issue, hence production continued, thereby enabling employment opportunities to members.

With the reduction in turnover compared to last year and with an increase in expenses, Trupti cooperative is currently incurring losses. Raw materials have become particularly expensive. For example, the price of oil rose three-fold making it difficult for the enterprise to sustain itself.

Management of the enterprises with the lockdowns was a challenge. Initially, coordinating via phone calls and video conferencing was difficult. In LSM, the Ayurveda business increased, but there was considerable stress as many members fell ill which contributed to an increase in workload. Yet, the cooperatives successfully provided means of livelihood to 177 members.

### ***Digital Inclusion***

There was a need for training and encouraging members to use WhatsApp features, such as creating and participating in groups. There were many members who did not have smartphones. Those who did were provided digital literacy training in the use of WhatsApp and the internet to facilitate their work.

### ***Strategy alteration and adoption***

Ekta plans to undertake a value chain assessment and then plans to move towards B2B clientele. This decision is motivated largely by the business model itself as the demand for organic products exists outside of Uttarakhand. To strengthen the supply side, Ekta plans to train and orient members on crop management and input supply issues. The team recognizes that members need to understand in-depth what an organic product entails.

While many of the suppliers either refused or were unable to fulfil orders, the staff at Rachna relied solely on their network for raw material supply and Rachna provided home delivery services to their buyers. Significant sales were made to small businesses and resellers. The wholesale vendors also purchased some of the products. However, Rachna attracted only a few individual customers. Since the processing stage requires members to physically collect the raw materials, clean and package the products and the team had to abide by curfew timings, they had to enhance their efficiency which resulted in improved sales from the previous year.

Since products by LSM were essential and high in demand, a strategy was devised to fix a schedule and was coordinated through Whatsapp, so that LSM members in rural areas could collect raw materials and provide services and delivery on time.

Last year, Trupti faced a major loss in revenue. This year, Trupti pivoted to providing nutritious tiffin meals and dry snacks to COVID-19 patients and their families for which they raised funds. Moreover, since hotels and restaurants were required to staff no more than four workers at once, Trupti managed to find cooks who had lost their jobs, to support their tiffin services.

## Financial Analysis

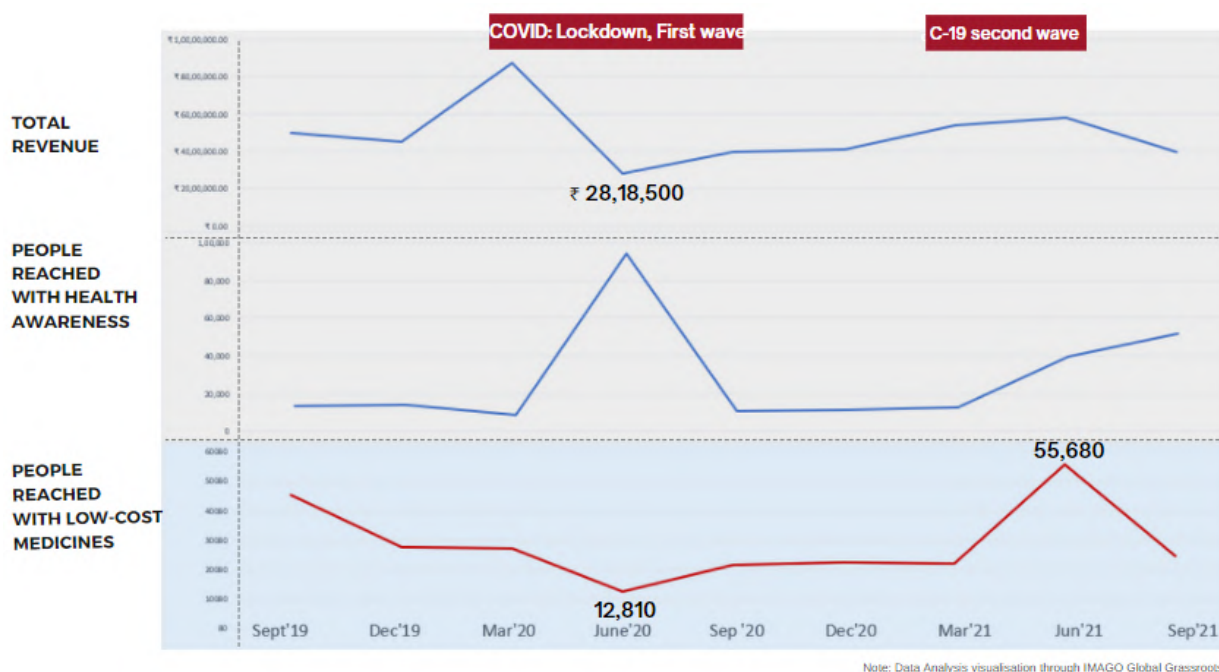


Figure 7: LSM's Revenue and other metrics' trajectories between September '19 and September '20

LSM, has been at the forefront during the pandemic. Two out of the three pharmacies have been working around the clock, making medicinal supplies more accessible. During the pandemic, working capital was extended for sanitisers and soap production. Sanitisers, soaps, and immunity supplements production and sales increased. Revenue through the sale of Ayurvedic products has increased in the year 2020-2021 as compared to the previous year by INR 15 lakhs (USD 22,142). LSM played a crucial role in SEWA's relief work since the medicinal products in the health kits were procured from the cooperative, which provided some income security. In 2020-21, LSM employed 56 women for the production of sanitisers, soaps and immunity-boosting formulations. In total, the community health workers reached over 1,30,000 individuals with health awareness and low-cost medicines.

For Trupti, as depicted in the graphs below, the turnover has been quite consistent, even during the first year of the pandemic, as the work in a canteen continued. Trupti incurred losses in 2020-21 as the canteen was shut due to multiple lockdowns and restrictions leading to a steep fall in revenues and sales. In response to this, the co-operative pivoted to dry snacks. As 80 per cent of its sales come from the canteen, a change is expected in 2021-22, with tiffin service and dry snacks being the main sources of revenue. The losses in 2020-21 were also due to an increase in costs and the cost of major renovations in its premises.

### ***Emerging needs and Moving Forward***

Given the long-term effects of COVID-19, both staff members and members require mental health support. Due to the economic slowdown, all enterprises are in need of working capital to re-build their businesses. Capacity building to enhance their business and market knowledge is urgently required. Being a health cooperative, the LSM team plans to focus on mental health support. Also, it will be creating a new product line and job-work, which will focus on non-licensed manufacturing for a third-party manufacturer. It also plans to increase outreach in terms of clients and create a group of grassroots volunteers who earn a commission from sales. From experiences during the COVID-19 relief work, LSM plans to provide medical consultation in its pharmacies, for a nominal fee, and also will explore the possibility of telemedicine services.

Moving forward Ekta plans on pursuing its plan for warehousing, given the short shelf-life of farm commodities. Their recent market analysis also recommends obtaining a few regular B2B sales to increase their revenue. The team's analysis showed that Ekta on the one hand, needs to develop more products to tap into the B2B space and on the other, must increase its productivity to strengthen its business and ultimately, its members.

Rachna will work towards getting adequate working capital to help enhance the market linkages, hire full-time staff and focus on capacity-building of members to understand market trends and needs to be required to effectively expand its consumer base.

Trupti aims to utilise the working capital funds it has received for tiffin and dry snacks services whilst trying to focus on the catering business which was adversely affected due to COVID-19. They also plan on selling food items to various outlets.





*Sarthak SEWA CSP - Neela ben enabling last mile financial access in Uttarakhand*

# Finance

Enterprises included in this sector are the Delhi Credit Cooperative (DCC), Bihar Credit Cooperative (BCC), Sarthak SEWA and SEWA Bank.

## **Member-level findings**

Many of the members and their family members tested positive for COVID-19. Most of these cases were managed with home quarantine and medical teleconsultation. However, quarantining at home was often difficult due to space constraints. The enterprises tried to spread awareness, among their employees and customers, of the need for testing, preventing and caring for patients infected by the virus. There was a low incidence of testing. Just as in the other sectors, employees in the financial sector enterprises reported dwindling incomes. Here, DCC extended the VimoSEWA or SEWA's insurance coverage to its employees and initiated a digital literacy program to supplement their earnings. Specifically, in the case of BCC, the grassroots-level outreach workers or Vitt Saathis made field visits to prevent the customers from fearing that their savings are in danger. Most employees and outreach workers were insured.

## ***Economic Status***

After the first wave of the pandemic, the banks were able to streamline their work which was again disrupted by the lockdown in April 2021 in the second wave.

The crisis severely affected members' earnings such that their current total earnings are expected to be 60 per cent of their usual earnings. Often the members were the sole income earners in their families. Further, they were at a strong risk of defaulting on their loans. To pay the loan interests in time and avoid a bad credit score, members took up alternative jobs such as stitching, mending clothes, and street vending.

It was significantly harder on members who are engaged as domestic workers or street vendors. Domestic workers suddenly lost employment or couldn't visit their place of work for over two months and were without any income. Now without their livelihoods, it was difficult to source meals. Some members even reported that they were not getting foodgrains.

## **Enterprise-level findings**

With the physical distancing and lockdown being implemented, all communication and work pivoted to the digital mode. While most bank members don't own smartphones, business was conducted through members where there was at least one

smartphone in the household. In case of no smartphones, the outreach workers, bank saathis and aagewans, served as useful links. Several members reported a sharp decline in household income as family members were being laid-off. Subsequently, the volume of withdrawals from the bank increased. To ensure that members have access to their withdrawals, the bank employees opened offices early and kept in constant touch with vitt sathis.

Experience from the first wave proved useful in mitigating the disruptions of the second wave. The banks' teams kept in constant contact with the members such that business did not grind to a halt. Members stepped in and assisted each other through the difficult times. Yet, the volume of the business declined by 25 per cent which adversely affected the Bank Saathis who work on a commission basis. Additionally, there has been a negligible recovery of loans with increased chances of bad debts. Overall, there is a 10 to 15 per cent reduction in demand for loans in the months of April to May 2021 in comparison with non-pandemic times.

### ***Digital inclusion***

Approximately 25 to 30 per cent of all transactions were digital in nature. During the second wave, all training and capacity-building sessions were held online. The aagewans assisted in administering these sessions. However, over 20 per cent of those contacted actively participated in the SEWA Bharat initiatives.

### ***Strategy alteration and/or adoption***

In the past, the banks had organised financial and digital literacy programmes which helped in the crisis situation. Members were aware of the need for maintaining a strong CIBIL score, therefore they were hesitant to take more loans. One of the banks, SEWA Bank, even conducted a survey with a sample of 400 individuals to understand their financial situation and requirements. The findings revealed that members were unsure of the prospects of their future business activity due to the new uncertainties and that members would now prefer to take stock over the next few months to decide on future plans.

In May 2021, only 60 per cent of the total expected collections were met. Those who defaulted on their repayments had reported no income sources. Despite the low collection rate, the banks tried to support their most vulnerable members by providing foodgrains, fighting vaccine hesitancy, and giving financial advice. Further, the bank saathis visited their designated areas to spread awareness about various precautionary measures on COVID, map members' demand trends and make collections.



Occasionally, training and counselling sessions were conducted. The aim for future sessions is to nudge members to think of stable income sources and secure appropriate funding for the same. Through these sessions and other community interactions, data on members' food and healthcare needs too was collected.

## Financial Analysis

### Sarthak

Transactions were impacted since the door-to-door movement was restricted this time, given the spread of the virus in rural areas. However, there was an increase in earnings with the reinstatement of an INR 1,000 (USD 13) incentive by the State Bank of India. Still, there was a comparatively high dependency on banking correspondents because they were accessible, in times of disruptions in travel. The customer service points (CSPs) saw a 78 per cent increase in average commissions.

Despite the adverse economic effects of the pandemic, Sarthak's revenue continued to rise with an annual outreach of 60,000 unique customers. 30 per cent of all customers are women and 60 per cent of Sarthak's customer service points offer access to social security schemes. Before the pandemic affected the Indian economy, Sarthak had doubled its monthly unique customers count. This growth rate was sustained throughout the financial year.

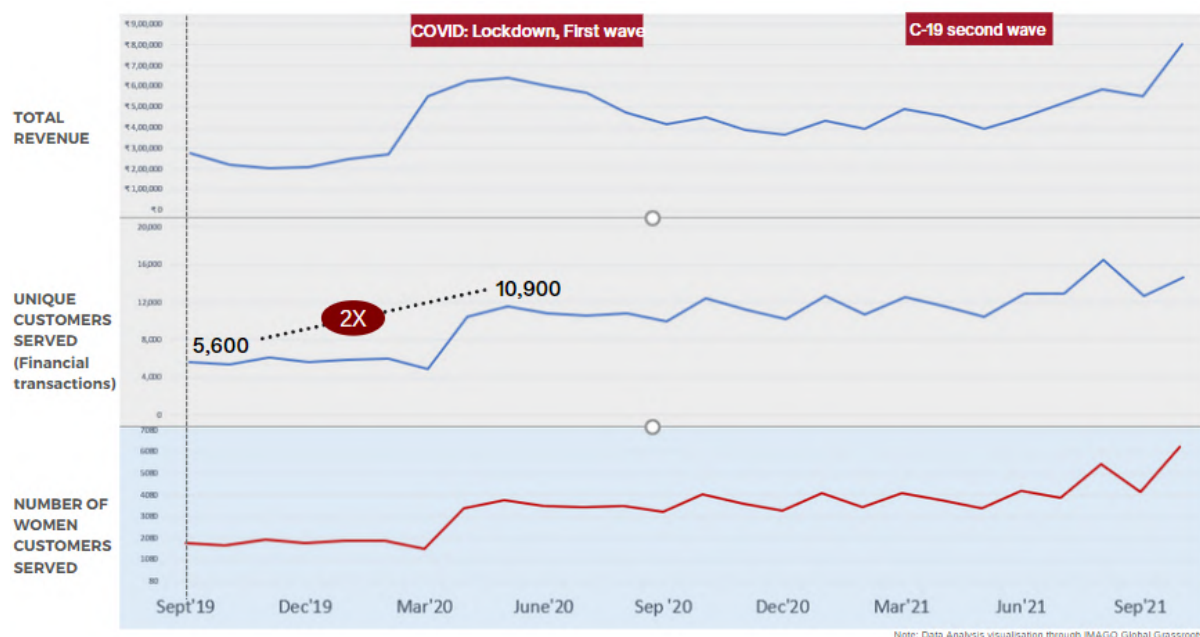


Figure 8: Sarthak's Revenue and other metrics' trajectories between September '19 and September '20



## SEWA Bank:

SEWA Bank has approximately 1,26,370 members from various trades within the informal sector. Given the adverse economic effects of the COVID-19 pandemic, many of the members needed financial support and were unable to repay their loans, which led to a slight decrease in income from FY 2020 to FY 2021. SEWA Bank also helped 2110 self-employed women, associated with the bank, to divert their income streams. This helped the women sustain their households when they couldn't access their primary source of income.

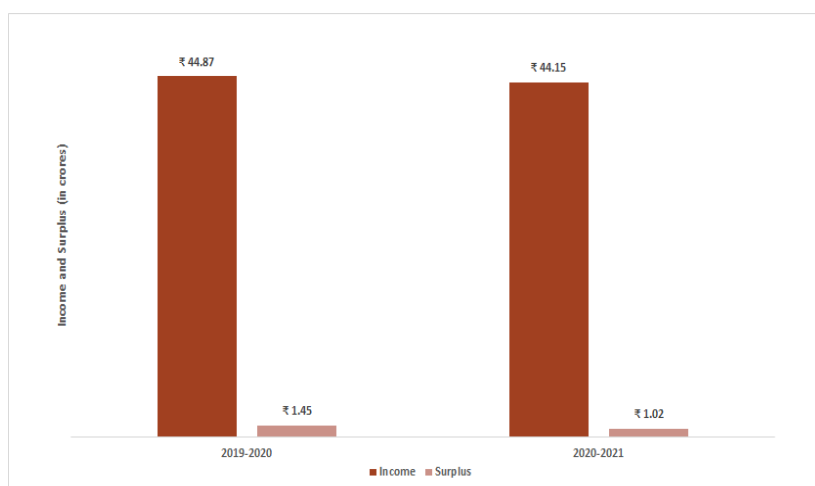


Figure 9: SEWA Bank's Incomes and Surplus between FY 2020 and FY 2021

## Delhi Credit Cooperative (DCC):

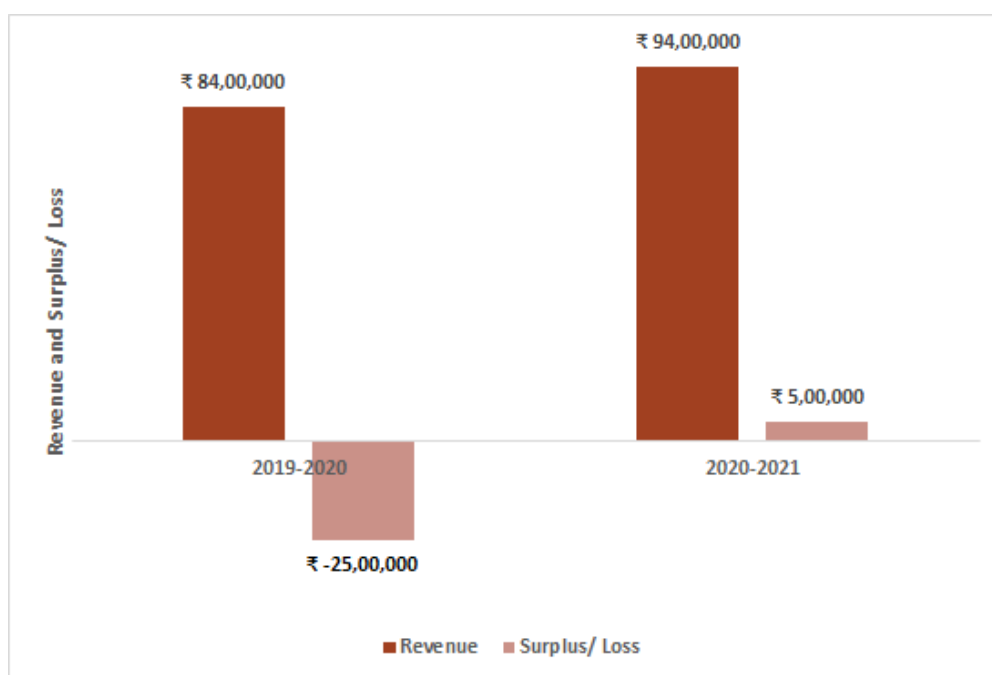


Figure 10: Delhi Credit Cooperatives' Revenues and Surplus/ Loss between FY 2019 and FY2021

Most shareholders lost their livelihood due to multiple lockdowns, and therefore, they couldn't save regularly. Demand for short-term emergency loans increased, due to loss of employment. There was a 12 per cent increase in overdue loans, and the staff was unable to reach the members during the strict lockdown. Despite such hurdles during the pandemic, DCC earned a profit of about INR 500,000, (USD 6714) when in the previous financial year it had reported a loss of INR 25,00,000 (USD 33,571). These profits were a direct result of expenses reduction, increased conversion of inactive members to active members, and support via the Government of India's UDY-AMI Entrepreneurship Development program.

### ***Emerging needs and Moving Forward***

The most prescient needs were working capital and digital infrastructures. The banks expected an increase in cash withdrawals which could lead to a cash crunch. An infusion of funds and working capital would be of great support. There is a strong need to provide technological assets such as laptops and other devices to bank employees to manage work from home. Building digital infrastructure can not only enable remote data entry and management but also serve as ways to enhance efficiency in the future too. Additionally, the banks aspire to increase their membership base, but this increase must be accompanied by new staff to continue seamlessly. A key requirement to fulfil all these needs is grant funds and working capital.

The banks intend to increase communications with members to conduct need assessments such that new and relevant strategies may be developed. Weekly meetings will be conducted to develop, implement and monitor these specific strategies. Some banks are considering purchasing zoom to seamlessly conduct meetings. Future plans also include administering adequate financial and digital literacy training for all their members.

# SOCIAL PROTECTION

Social protection is essential to keep the women workers afloat, such that the advances through their years of work and income generation isn't negated. With this in mind, SEWA Cooperative Federation and SEWA Bharat distributed COVID-19 relevant aid. COVID-19 specific microinsurance products were designed and deployed to women who experienced significant losses in wages. The cooperatives and enterprises ensured that their members had access to food, health kits, and other essential commodities.

Over 884 community health kits (which includes oxygen concentrators, oxymeters and thermometers), 34,355 health and 165,107 ration kits were distributed which consisted of basic medicines, masks, sanitisers, rice grains and pulses among other essential items. More than 5.9 lakh cooked meals were distributed through SEWA child care centres, 5070 sanitary packs and 2.6 lakh masks were distributed, 670 telemedicine calls were facilitated, and 124,000 women were insured against COVID-19. About 660 women community leaders were trained to provide relief, health awareness and rapid referrals through whom 587,714 women were informed of social protection schemes. Eight audio-visuals were also prepared for crucial health information dissemination, circulated through various means by the women community leaders.





*Board of Directors of Karn Bhumi Farmer Producer Company, Bihar*

# CONCLUSION

Across the 5 sectors considered in this study, there were increases in costs of production/ provision which ate into the cooperatives' revenues. In most cases, the increase in costs led to losses. Despite these losses, the cooperatives dipped into their funds and savings to provide livelihoods and support to not only their own members but also to the local communities in which these cooperatives operate. SEWA Cooperative Federation and SEWA Bharat provided INR 1 crore (USD 134,450) as working capital support to its member cooperatives, which enabled in adopting alternative strategies and providing livelihoods.

In the agricultural sector, small and marginal farmers were adversely affected by the supply chain disruptions. With APMCs shut, poor transportation arrangements, and lockdowns, the cost of transporting the produce to the market increased significantly. Often the harvest crops and vegetables rotted as farmers were unable to sell their produce. As a result, both the cooperatives studied (Karn Bhumi and Megha Cooperative) reported losses. While Karn Bhumi's turnover increased, its profit margins decreased and it had a loss in FY 2021. Megha Cooperative, on the other hand, was consistently reporting profits when in FY 2021, it reported a loss.

For the handicrafts sector, the biggest challenge amidst the second wave was procuring raw materials in time and mitigating the fall in demand. During the first wave, the handicrafts cooperatives had pivoted to stitching masks and PPE kits, but this time the market for masks and PPE kits was saturated. As a response to these challenges, both cooperatives started working on expanding their catalogue and increasing their online engagement. In the manufacturing sector, the drop in revenue post the first wave made procuring raw materials in the wake of the second wave difficult. This is where the working capital support from SEWA Cooperative Federation and SEWA Bharat was most useful. Often, the production process had to be halted in line with local COVID-19 protocols, and workers or their household members contracted the disease. Yet, the manufacturing sector cooperatives have been at the forefront of the COVID-19 relief work. Lok Swasthya Mandali – the health cooperative produced sanitisers and ayurvedic medicines. Trupti (the food manufacturing cooperative) produced 10,162 dry snacks packets and 4276 tiffins for COVID-19 patients and their families.

However, the service sector cooperatives were particularly affected since workers in this sector directly engage with their customers. Often their workplace is either their clients' houses/ office spaces (as in Homecare and Saundarya's case) or the workers' household (as in Atithi's case). But to counter this, Atithi initiated a "Work from the Mountains"

campaign which helped secure a few clients. Within the patient care domain, Homecare introduced the care services package for post-COVID patients. As several members lost their employment, many members who had borrowed from the finance sector cooperatives, failed to repay the full amounts of their loans. However, members are aware of the importance of maintaining a good credit score and CIBIL rating. Thus, efforts were made to ensure that timely loan repayments occur. Moving forward, the finance sector cooperatives intend to increase communications with their members such that needs and challenges may be gauged to develop relevant strategies.

Undaunted by the effects of the pandemic, the cooperatives and their members found alternative methods to achieve their targets. In this regard, all the cooperatives were quick to embrace the online medium. With experience from the first wave and digital literacy training sessions, video conferencing and procuring orders via social media platforms (like WhatsApp and Instagram) became the norm.

Yet, the cooperatives are yet to reach their pre-pandemic levels of profits and require support. To this end, it is recommended that:

- ✘ Creation of **two special funds** - a fund for women-owned micro-enterprises and for women-owned collective enterprises - could be created. These funds will be used to-
  - ✘ Extending loans at lower interest rates for women-owned/ managed collective enterprises to rebuild, revive and grow. These funds could be routed through organisations such as SIDBI, NABARD for agricultural enterprises, the nascent Ministry of Cooperation (Government of India) and NCDC and federations for co-operatives.
  - ✘ Extending microloans for women micro-entrepreneurs with respect to their size. These loans may vary from as small as Rs 10,000 to Rs 1 lakh. These loans may be disbursed through existing micro-lending organisations such as SEWA Bank, savings and credit co-operatives, or SHG federations. Additionally, the PM SVANidhi scheme, for street vendors, should have a 33 per cent quota for women vendors.
- ✘ **Digital market portals** are made **more inclusive** and **accessible for women**. For instance, GeM's quota of 3 per cent purchase quota for women enterprises should be increased to 33 per cent. Private aggregators could be incentivized to include quotas or cost discounts for products manufactured/ services delivered by women's enterprises.
- ✘ **Re-skilling** and **training** women for a post-COVID-19 economy. This could also include initiatives for bridging the gender digital divide.
- ✘ **Social security measures** should be introduced for childcare, healthcare and

insurance. This is crucial for women informal workers as the burden of unpaid care work (which includes household chores, child care and looking after the sick and the elderly) often falls disproportionately on the women members of the household. With over 3 crore registrations, these measures may be introduced through the e-Shram portal such that the benefits directly reach the women workers.



# APPENDIX



SEWA Bharat is a federation of women-led institutions providing economic and social support to women in the informal sector. SEWA Bharat is part of the national SEWA movement and was established in 1984. SEWA Bharat emerged out of the need to address the SEWA movement's challenges with geographical expansion and coordination. SEWA Bharat is a family of SEWA organizations to further informal women workers' rights, livelihoods, financial independence, education, health, and social security.



To support and strengthen women's cooperatives, SEWA established an apex organisation - SEWA Cooperative Federation. Since its inception in 1992, the Federation has organized 300,000 women into over 100 primary cooperatives/collectives, across sectors. The Federation's vision is to achieve full employment and self-reliance for these enterprises, and through them strengthen local communities.

## Brief profile of sample social enterprises



### **The Tapi District Megha Adivasi Mahila Agriculture Producers' Cooperative (Megha Cooperative)**

Megha Cooperative is a cooperative of Adivasi (indigenous) women farmers, located in the Tapi District of South Gujarat. The cooperative provides critical agricultural inputs like farm tools and seeds at rates that are significantly lower than those offered in the market, by connecting with government institutions like Krishi Vigyan Kendras (KVKs) and non-governmental organizations for sourcing and to ensure smooth supply chains. Farmers are also trained in organic farming to encourage sustainable farming. Registered as a cooperative in 2014, Megha Cooperative is a collection of decentralised farmers' groups of 25 women as shareholders of the cooperative. Megha Cooperative spans over 67 villages, has 17 board members. These localised groups (or mandals) serve as a platform for planning and providing various services. Each mandal has a community leader, known as the 'aagewan', who are trained and supported by 'Sanklit Saathis'. For every 10 villages, there is one Sanklit Saathi and 40 aagewans.



### **Karn Bhumi Krishak Producer Company Limited (Karn Bhumi)**

Karn Bhumi is a producer company with 747 women farmers. Registered in 2018, it operates out of two districts in Bihar: Bhagalpur and Munger. It has been involved in promoting vegetable farming, inputs sales, agro-advisory and output marketing.



### **Ruaab SEWA Artisans' Producer Company (Ruaab)**

Ruaab is an artisans' producer company based in Delhi. This collective was formed by women home-based garment workers and handloom weavers, in order to eliminate exploitative layers of middlemen in the garment industry and to create a supply chain that is transparent and fair. It provides work and income security and involves women as the producers, managers and owners of their own producers' company. Over 50 per cent of Ruaab's workers belong to the informal sector. Being a producer company, Ruaab combines the efficiency of a company and the moral spirit of a cooperative. Its stitched and embroidered products are sold across India, Europe and the USA. SEWA Bharat organised Ruaab's workers into a registered union in Delhi such that they can negotiate and access orders from export houses directly. Ruaab has nine board members which includes two SEWA representatives and the artisanal producers.



**Abodana**

### **Abodana Women Artisans' Handicrafts Cooperative Limited (Abodana)**

Abodana is a women's handicrafts' cooperative in Gujarat. This was the first cooperative that brought together block printing workers from what was then known as the Chhipawad area of Ahmedabad. This cooperative was formed with a vision to transform livelihood opportunities of women practising block printing, through collectivisation. But over the years the cooperative extended its membership to self-employed women practising various artisanal crafts, working alone or in groups.

### **Mahila Rachna Cooperative (Rachna)**

It is a Cooperative based out of MP, which helps women entrepreneurs procure and produce food products like papad, *chiwda* etc. They also train women entrepreneurs on Entrepreneurship Development, Digital and Financial Literacy, as well as support them with linkages.



**SEWA**  
HOMECARE

### **Shree SEWA Homecare Mahila Sahakari Mandli Limited (Homecare)**

With 51 members, SEWA Homecare was incorporated in 2010 as an urban cooperative in the city of Ahmedabad, Gujarat. As of 2017, the cooperative had grown to include 142 shareholders and 50 associate members. The cooperative has 11 elected board members from among its shareholders, who are also the workers. Currently, Homecare offers four categories of services: childcare, elderly care, patient care and housekeeping for differing durations.



SAUNDARYA

### **Shree Saundarya Dafai Utkarsh Mahila SEWA Sahakari Mandli Limited (Saundarya)**

Registered as a primary cooperative in 1986, the Shree Saundarya Safai Utkarsh Mahila SEWA Sahakari Mandli Limited (Saundarya Cleaning Cooperative or Saundarya Cooperative) provides cleaning services to institutions and building complexes. The cooperative enters into a formal agreement with the client institution or building complex and a team of cooperative members is assigned to provide cleaning services to the client. Currently, the cooperative has over 500 members who are either former waste-pickers or are the daughters/ daughters-in-law of former waste-pickers.





### **SEWA Atithi (Atithi)**

SEWA Atithi is a grassroots women-run hospitality and ecotourism collective enterprise. Offering homestays to host guests, conducting trekking and related experiential activities in Almora and Rudraprayag has been a primary attraction. Alongside promoting experiential, responsible, and social-impact tourism that promotes the local culture and heritage is another feature of the enterprise

### **SEWA Ekta Swayat Sahakari Samiti Limited (Ekta)**

Ekta was registered as a cooperative society in 2010 to promote a collective livelihood model and currently has a shareholding of over 700 women farmers from across Almora, Uttarakhand. Ekta's farmers have been trained in organic farming and produce 100 per cent organic turmeric, coriander, and chilli. Their produce is collected at the cooperative's processing unit in Almora, processed into powdered spices, packaged, and sold to other businesses and customers within and outside Almora. Ekta's farmers are working with the hope of reshaping and redefining agriculture in the region. Our current area of focus is to improve the cooperative's procurement capacity further and establish market linkages.



### **Shree Gujarat Mahila Lok Swasthya SEWA Sahakari Mandali Limited (LSM)**

Lok Swasthya Mandli (LSM) was initiated for informal women workers to bridge the gap between work and their health security. Based on the premise, 'our bodies are our only assets', LSM is a state-wide cooperative that has been providing comprehensive health coverage to, now, over 150,000 women across Gujarat since 1972. In 1990, LSM was registered as a cooperative. To build financial viability, LSM now manufactures ayurvedic products and runs medicine shops. Today, there are over 1825 LSM members across Gujarat.



### **Shree Trupti Nashta Udyog Mahila SEWA Sahakari Mandli Limited (Trupti)**

In 1994, Trupti Nasta Udyog was registered as a cooperative with 70 members providing catering services, canteens in institutions and selling dry snacks. Currently, the cooperative has 92 women shareholders and 9 elected Board of Directors.

सार्थक सेवा



### **Sarthak SEWA Private Limited (Sarthak)**

In 2014, the Government of India (GoI) launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) - a financial inclusion program, which intended for every household to have a bank account. This led to the opening of over 356 million bank accounts between 2014-19, of which 59 per cent (211 mn) belonged to rural customers and 53 per cent (190 mn) to women. However, access to suitable formal financial services still remained elusive for many among the rural poor for various reasons. Women especially faced hurdles while performing the most basic banking transactions such as depositing and withdrawing savings, accessing remittances, pensions and other government direct benefit transfers. The remote nature of some villages and the lack of well-trained banking agents deployed there, further compounded the problem. In order to address the above hurdles and serve the dual purpose of facilitating financial inclusion through women agents came about: women ensured last-mile banking and social security and Sarthak was formed.



### **Shri Mahila SEWA Sahakari Bank (SEWA Bank)**

SEWA Bank was founded in 1974 with 4000 members. It is an urban cooperative bank regulated by the Co-operative Societies Act, as well as the Reserve Bank of India. SEWA Bank supports and extends financial services to women in the informal sector. The bank has 13 branches in urban and rural areas of Ahmedabad, Baroda and Gandhinagar districts. Today the bank serves around 5 lakhs members.

### **Mahila SEWA Urban Cooperative Thrift and Credit Society Limited (Delhi Credit Cooperative)**

In 2007, in response to demand from poor self-employed women in Delhi to scale beyond SHGs and thereby access more services, SEWA Delhi facilitated the merging of multiple SHGs into a credit cooperative and thus the Mahila SEWA Urban Co-operative Thrift and Credit Society came into existence. The elected representatives in the Board are members of SEWA, and they actively participate in the decision-making. Today the credit cooperative provides financial services to around 9000 women in Delhi.

### **Bihar Thrift and Credit Cooperative Society (Bihar Credit Cooperative)**

In Bihar, it was gauged that a credit cooperative institution was pertinent to serve the financial needs of women as the SHG movement wasn't providing adequate loans and services to women. Bihar Credit Cooperative (BCC) was therefore started in 2013 as a State level Credit Cooperative with the objective of providing better credit and savings to women. They aim to address a need for alternatives to the exorbitant interest rates of mahajans, and support where there is limited access to credit to women in the informal sector (owing to lack or no assets).

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