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The Informal Economy and Collective Cooperation in India:
Lessons from Ela Bhatt
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Abstract

Increasing informality and inequality have been recognised as the two primary outcomes of the twenty-first century globalisation. With growing intensity of the two problems, the world seems to be returning to the nineteenth-century precarious conditions in the world of work. Absence of judiciable status of the worker in informal economy has caused widespread violations of workers’ rights. Consequently, all the protective legislations and ILO standards have failed to extend the desired protection to informal workers, amongst whom the presence of women is dominant, more so in countries of the Global South. Mahatma Gandhi’s philosophy of ‘Trusteeship’ functional on the principle of classless cooperation that has proved successful, particularly among women self-employed workers, needs to be examined and emulated. The practice of ‘collective cooperation’ as against ‘collective bargaining’ has not only led to the establishment of harmonious relationship between capital and labour, but has also enabled the SEWA entrepreneurs to work towards securing decent conditions of work with justifiable returns. As collective bargaining is the central principle of social dialogues in a formal economy, collective cooperation ought to become the basic rule for informal economy.

Keywords: collective cooperation, cooperatives, informal economy, women workers, trade unions, workers’ right

“We are poor but so many.”

—Ela R. Bhatt, Founder SEWA
India, the world’s largest democracy as also one of the fastest growing nations, remains primarily informal with over 90% business establishments as also workers concentrated in its informal or unregulated economy. Most of the labour or employment or industrial laws have focus on factory workers that constitute no more than 7% of India’s workforce (NSSO 2014). As such there is widespread violation of labour rights. The ongoing pattern of economic development with inherent emphasis on deregulation would further lead to the violation of labour rights as also marginalisation of women workers and the self-employed.

Informal workers, more so women workers, remain untouched by the protective legislation, policies and programmes, as they lack the legal status of a worker. Further, the self-employed are not considered as workers in the developing world.

In an environment of gross inequalities, the women workers find themselves ill equipped to check the unreasonable approach of men towards their status as a worker, as also about their economic contribution to family income in particular and national gross domestic product (GDP) in general. The trade union movement of India (TUMI) too have been reluctant to fully integrate the self-employed since they too perceive them as an entrepreneur. Further, in an environment of vast gap between the powers of employers and workers at the place of work, Ela Bhatt, like Mahatma Gandhi, felt that cooperation instead of combative relations with employers and regulator would have better chance of success in securing decent work conditions for workers and for those who are actively self-employed in the informal economy.

Introduction of cooperatives in India by the first prime minister was influenced by Mahatma Gandhi’s philosophy of ‘trusteeship’ which regards both employer/management and workers as co-partners of an economic enterprise. Accordingly, Self-Employed Women’s Association (SEWA), a trade union established under the guidance of Ela Bhatt, formed cooperative societies of SEWA members to undertake various economic activities. The positive impact of SEWA’s working principal of collective cooperation has been in its horizontal and vertical growth. The SEWA model received acknowledgment from the ILO and other global organisations, as also from world’s leading statesmen like Nelson Mandela, Hilary Clinton and so on.
It is well acknowledged that post COVID19 informal economy as well as the ‘work from home’ practice would result in further growth of self-employed and own account enterprises. In such an environment, the class conflict, purported by Karl Marx and that became basis of the factory system would cease to have much impact on the achievement of ILO’s Decent Work Agenda as also UN’s Sustainable development goals. According to the conflict theory those with wealth and power try to hold on to it by supressing the poor and powerless. This is re-emphasised by the communist manifesto which states that ‘individual and groups within society will work to maximize their own wealth and power.’

Trusteeship on the other hand focuses on maximizing collective wealth and power. Hence, Bhatt’s model of ‘Collective Cooperation’ ought to replace the practice of ‘Class Conflict’.

During the months following entry of COVID 19 virus, India has been in a state of stag-nations as movement of people and goods remain restricted; people are reluctant to be in a group due to fear of getting infected; consumers are increasingly sifting to ‘on-line’ shopping. The demands for consumer products have drastically come. A recent survey on the state of Indian economy had concluded shrinking of Indian economy by over 20 percent. On the other hand, the Government of India has announced three sets of eco-nomic packages aimed at reviving the economy. The focus of these economic packages had been to render financial help of micro, small and medium enterprises (MSMES), increasing consumers’ demand by tax reliefs, and job opportunities enhancement. The impacts of these initiatives are yet to become visible but there is reverse migration of migrant workers. Nevertheless, increasing informality and the associated deficit in decent work is a major problem that India is trying to address with the “Atmanirbhar” or “Self-Reliance” campaign.

1 www.marxists.org/archive/marx/works/1848/communist-manifesto/ch01.htm#007
2 Gandhi’s Influence on Ela R. Bhatt

Gandhi’s work had strong influence on Ela Bhatt’s early day thinking and leadership. Her exposure to slums in Surat (Gujarat) transformed her perspective on poverty (Lee 2012). Ms Ela R. Bhatt (popularly addressed as Elaben), by establishing SEWA as a trade union, has intended to bring out women workers from the poverty and socio-economic domination of men by securing for them an identity as an equally important bread earner of the family as also a contributor to the growth of the national economy. She adopted Mahatma Gandhi’s approach of ‘trusteeship’ through the promotion of collective cooperation of workers with employers and the government’s administration. Accordingly, her approach towards employers had been of a non-confrontationist nature. She, like Gandhi, believes in constructive cooperation among competing forces/interests in the world of work.

Ever since my first meeting with Elaben in 1994, I have closely worked and observed the working of SEWA and its positive impact on the status of women, both as a worker and as a self-employed. SEWA’s relentless efforts to seek a place for the self-employed women in trade union movement in India’ (TUMI) as well as earning for itself recognition from the government as a body representing the concerns of women workers in the informal sector led to the increase of its influence in policymaking bodies at the local, state, national, and global levels.
3 Complexities of a Developing Nation – Case of India

India is a country of 664,481 villages wherein about 65% of its 1.3 billion citizens reside. India, with more than 65% of its population below the age of 35 years, enjoys demographic dividend. India’s workforce in 2019 accounted for 49% of its population of which 42.4% were employed in agriculture, 25.6% in industry/manufacturing and the remaining 32.0% in the services sectors (GoI 2020a). According to the World Bank, women accounted for 48.0% of India’s population in 2019. According to the World Economic Forum’s 2018 report on gender gap, women workers in India received 35% less pay as compared to their male counterpart. Religion and castes have important influence on the status of an individual and inter-personal relations.

3.1 Indian Economy

India, with a nominal GDP of $2.94 trillion, is the fastest-growing trillion-dollar economy in the world. India has become the fifth-largest economy in 2019, overtaking the United Kingdom and France. The country ranks third when GDP is compared in terms of purchasing power parity at $11.33 trillion.² Since 2000, its annual average GDP growth has been above 6%. According to the GOI’s Ministry of Micro, Small & Medium Enterprises (MSME) annual report for the financial year 2019-20, India has 63.8 million MSMEs out of which 63 million, i.e., 99.4% are micro enterprises while 0.5% (n = 331,000) are small and only 0.008% (n = 5,000) are medium enterprises. Further, micro enterprises account for 99.8% of unregistered MSMEs in the country and the rest 0.2% is accounted for businesses with small-scale operations. Owing to a strict nationwide lockdown caused by COVID19 pandemic, India’s GDP for April-June 2020 slipped by a sharp 23.9% (GoI 2020c). All the key sectors, except agriculture, have witnessed contractions, with construction witnessing a drop of 50.3% and manufacturing a fall of 39.3% (ibid.).

² www.investopedia.com/insights/worlds-top-economies/#:~:text=India%20is%20the%20fastest%2Dgrowing%20the%20United%20Kingdom%20and%20France
3.2 Making of India

The Republic of India, created through the amalgamation of 552 princely states with British India, secured its political independence on 15 August 1947. While acknowledging the existing socio-cultural diversities, the Constitution of India defines India as a “Union of States” and a socialist secular democratic federal republic having a parliamentary system of governance. The Constitution of India, in Chapter IV, mentions six Fundamental Rights available to Indian citizens (Bakshi 2013). The Indian culture is an amalgamation of several cultures. Religion plays a central and definitive role in the life of majority of Indians. According to the 2011 Census, Hindus account for 79.8% of the population followed by Islam (14.2%), Christianity (2.3%), Sikhism (1.7%), Buddhism (0.7%) and Jainism (0.4%). Each of these religions have diverse cultural practices that had influenced India’s ecosystem.

3.3 Multiplicity of Laws

The laws aimed at regulating labour and their employment conditions are grouped under employment or industrial law. The makers of the Constitution of India, with a view to meet the requirements of a highly heterogeneous society, had grouped subjects into three lists. Labour and industry are placed in the Concurrent List implying that both national and state governments have jurisdiction over the two subjects. This provision has resulted in the enactment of a large number of legislations. The national parliament has so far enacted 44 laws while the state legislatures have enacted over 100. Most of these laws, originating in the British era, have been adapted by independent India with minor amendments. But, the focus of these laws remains on factory/regular workers. Incidentally, the applicability of these legislations is conditional on three factors, (i) whether the person is a workman; (ii) whether the establishment is an industry; and (iii) whether the situation meets the threshold limit. The labour laws and policies in India are immensely influenced by ILO of which India is one of the founding members. India has so far ratified 47 ILO conventions of which 39 are currently in force. The ratified conventions include six of the eight core conventions, i.e. Conventions 029, 105, 100, 111, 138 and 182. India has not so far ratified Conventions 87 and 98.

3 Right to Equality; Right to Freedom; Right against Exploitation; Right to Freedom of Religion; Cultural and Education Rights and Rights to Constitutional Remedies. Specified under Part III of Constitution, pp.13–99.
4 List 1—Union or National List contains subjects that would be governed by the National Government; List II—State List: contains subjects that would be governed by the State Government; and LIST III—Concurrent List: contains subjects that would be governed by both the national/central/the union government and the state governments.
Consequently, the laws are enforceable on a small section of workforce (regular workers) in the formal sector. The workers in the informal sector are practically beyond the coverage of most of the existing legislations leading to large-scale violations of their constitutional rights (Sinha 2004). Therefore, there had been frequent demands for enlarging the scope of the laws so as to bring the undocumented workers and the self-employed, including those active in the informal economy, within a regulatory mechanism. Various committees of the GoI have in their respective reports recommended to undertake labour law reforms so as to enlarge the coverage of the laws. The National Labour Law Association, with support from FES-India, brought out a Draft Indian Labour Code in 1994 aimed at the rationalisation and simplification of existing labour laws.

The latest initiative on labour law reform began in 2014 wherein a large number of national laws have been merged to bring out four subject-wise codes, i.e., wages; industrial relations; occupational safety, health and working conditions; and social security. The codes are aimed at enhancing its coverage to pave way for their universal application, including on the self-employed and undocumented workers. The present reform is also being projected as an instrument for improving “ease of doing business” that would lead to the generation of new jobs (MOLE 2020).

**3.4 Informal Sector/Worker**

Informality is the primary character of the Indian economy. About 94% of the 504 million labour force is concentrated in the informal sector (IFS) (GOI 2020b), which comprises self-employed, unlicensed or unregistered economic activities. It is also a sector wherein participants have neither employment security or any work and social security. On the other hand, informal workers (IFW) are undocumented workers who work in registered and unregistered units as also in households or own establishments and does not include regular workers with social security benefits provided by employers (NCEUS 2007, ILO 2018, Sinha 2002). The self-employed are grouped in the informal sector.

It is however pertinent to understand that the meaning of IFS/IFW in the case of developing countries like India is to be understood as a left-over sector functional on low economy and constitutes people who are unable to find any other place of engagement to earn their livelihood. Incidentally, the IFS has huge concentration of women workers active either as an informal/undocumented worker or are self-employed. It has also been estimated that over 25% of the informal sector workers constitute the urban employment in India. These comprise for instance domestic workers, home-based workers, street vendors, electricians, waste pickers.
3.5 Labour Force Participation Rate

In India, the labour force participation rate (LFPR) stood at 49.8% in 2017–18, falling sharply from 55.9% in 2011–12; on the other hand, the female LFPR fell from 35% in 1990 to 27% in 2018 (MOLE 2020). According to an ILO Policy document the proportion of active labour force declined twice for females between 2011–12 and 2017–18. Compared to 2011–12, the LFPR for females fell by 8 percentage points to 23.3% in 2017–18 whereas the LFPR for males dipped by 4 percentage points to 75.8%. So, only a quarter of the females in the country were either working or seeking jobs. According to the report, the fall in LFPR was far more in rural areas (from 67.7% to 58.7%) than in urban areas (from 49.3% to 47.6%). The gap in LFPR has narrowed between urban and rural areas due to a decline in the active labour force in villages (ILO 2018). Nevertheless, the rural women have higher participation rates than their urban counterparts. Married women, less educated women and women from higher castes are less likely to participate in the labour market.

**Fig 1:** LFPR – all ages

![Graph of Labour Force Participation Rate](image)

*Source: NSSO data; PLFS Report by Ministry of Statistics and Programme Implementation. Author’s calculations.*
3.6 Self-employed

Self-employed are those who work on their own account or with one or a few partners or in cooperatives, and hold the type of jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced. According to a World Bank data, the percentage of self-employed in 2019 accounted for 76.28% of the total employed in India; females self-employed in 2019 accounted for 80.3% of female employment in India. On the other hand, self-employed males accounted for 77.2% of males employed in 2019. However, the trends with regards to size of self-employed show declining trends (Table 1).

Table 1: Self-employed (% of total employment) in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>83.70</td>
<td>92.01</td>
<td>85.79</td>
</tr>
<tr>
<td>1995</td>
<td>82.78</td>
<td>91.48</td>
<td>85.00</td>
</tr>
<tr>
<td>2000</td>
<td>82.57</td>
<td>90.86</td>
<td>84.70</td>
</tr>
<tr>
<td>2005</td>
<td>82.60</td>
<td>89.32</td>
<td>84.37</td>
</tr>
<tr>
<td>2010</td>
<td>82.07</td>
<td>87.54</td>
<td>83.32</td>
</tr>
<tr>
<td>2015</td>
<td>78.06</td>
<td>82.06</td>
<td>79.55</td>
</tr>
<tr>
<td>2019</td>
<td>77.20</td>
<td>80.34</td>
<td>77.89</td>
</tr>
</tbody>
</table>

Source: Modelled on ILO estimates for various years

In developing countries like India there is confusion about the status of one who is self-employed as a worker. In terms of perception, self-employed are considered as an ‘entrepreneur’. As such, they are not covered under any of the protective laws. Cooperatives are also excluded from the coverage of the labour laws. On the other hand, various studies have proved that most of the so-called self-employed in India, as also in other countries in the Global South, are working because they have not been able to find a job and, in the absence of any kind of social protection, they are forced to enter the low-income economy.

In the case of countries in global south, one need to understand that the self-employed account for the dominant share of the workforce. They however lack recognition as workers as such are deprived of rights accruable under the national laws. Recent codification of national laws in India have resulted in enactment of four codes, i.e. Code of Wages, Code on Industrial Relations, Code on Social Security, and Code on Occupational Safety, Health and Working Conditions. These codes have included Gig and Platform workers (who are currently seen as own account entrepreneurs in countries of the Global North) and would be protected by these codes, when enforced.

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5 https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS
3.7 Lower Presence of Women Workers

The conspicuous absence of women in India’s labour force is part of a wider issue that the country is facing when it comes to growth of jobs. The new jobs created are fewer in number and are skill intensive. India’s labour force is also characterised by a low and falling participation rate for women: from 33% to 27% in rural areas and from 18% to 16% in urban areas between 2004 and 2011 (GoI 2020b). Globally, in terms of female labour participation, India ranks 10th from the bottom (KPMG 2016). This is affecting women more than men. This is a major cause of concern as India ranks poorly in UN rankings like the Gender Development Index and Gender Inequality Index.

The lower figure on female labour participation in labour market is also due to the fact that over 80% female workers are concentrated in the informal economy about which there is absence of reliable data. Further, in the absence of any form of social security, it is unreasonable to report that over 75% of the women workers are economically not engaged. The concentration of women in the informal sector and also as undocumented workers indicate their low status in the world of work. They are generally present in low paid works with no social security in agriculture, construction, domestic work, forestry, handicraft, loader/unloaders, etc. Their non-legal status as a worker also implies that they are deprived of the protection available under the plethora of labour laws at the national and state levels.

There are a number of other reasons for low women LFPR, ranging from a lack of jobs growth in female-friendly sectors such as manufacturing, to more women staying in education for longer and the persisting stigma surrounding the idea of women working. Additionally, in India, there has been a cultural expectation that married women should not work and that they should prioritise housework and care work. A survey on social attitudes in 2016 found that around 40–60% men and women believe married women should not work if the husband earns reasonably well. It has also been observed that women’s participation in the labour market had inverted U-shaped curve relationship with family income status. At low economic status, women participation is the highest and as the economic status improves, it initially becomes horizontal and then falls sharply, indicating withdrawal of women from the labour market. Consequently, over three-fourth women workers are absent from the labour market although active in unpaid housework.
4 Development and Inequalities

Indian is grouped among the fastest growing economies but on the per capita income basis it ranks poorly at the 118th in terms of GDP (PPP). India is also one of the most unequal nations with Gini coefficient index being at 0.832 in 2020. There is a great concern that India’s growth story is accompanied by rising income as also wealth inequalities. One recent, widely discussed study produced a long historical time series of income inequality estimates based on the combination of multiple data sources and novel techniques (Chancel and Piketty 2018). The study suggests that income inequality in India declined sharply between the 1950s and 1980s but has increased thereafter. Since the 1980s, the income share of the top 1% has been increasing, reaching 22% for the most recent year for which estimates are available. The top 10% of the Indian population holds 77% of the total national wealth. 73% of the wealth generated in 2017 went to the richest 1%, while 67 million Indians who comprise the poorest half of the population saw only a 1% increase in their wealth (Himanshu 2018). The UN’s Human Development Report of 2019 also concluded that the growth in India during the decade 2009–2018 has been more unequal than in most other parts of the world (UNDP 2019).

In so far the Indian states’ ranking in terms of HDI in 2018 is concerned, the Kerala State HDI is number one ranking with 0.836. The remaining 35 states and union territories (UTs) are grouped under three categories of human development. In the category of ‘high human development’ there are 13 states and UTs with UT of Chandigarh (0.775) occupies the top ranking. In the middle human development category there are 13 states with Maharashtra (0.696) having the highest ranking (UNDP 2019). Incidentally, Gujarat State, where SEWA’s headquarter is located, is also place under middle human development group and is ranked at 21 out of 36 states and UTs. The last category where human development is of average nature and comprises of 9 states with West Bengal (0.641) occupying the highest rank (ibid). This is also the category where one finds the presence of majority of SEWA other offices.

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6 The Gini coefficient, sometimes called the Gini Index or Gini ratio, is a statistical measure of distribution intended to represent the income or wealth distribution of a nation. The Gini coefficient ranges from 0 (0%) to 1 (100%), with 0 representing perfect equality and 1 representing perfect inequality. A higher Gini coefficient means greater inequality. If every resident of a nation had the same income, the Gini coefficient would be zero. If one resident earned all of the income in a nation and the rest earned zero, the Gini coefficient would be 1.
Understanding India’s Socio-cultural Ecosystem

Most of the former colonial countries, including India, have had a rather checkered past. India, for example, was invaded by many foreign settlers as such the remnants of settlers’ cultures are strongly visible even after seven decades of independence. To effectively appreciate the challenges which Elaben tried to overcome through her work at SEWA, it is important to have an understanding of India’s past, especially in social and cultural spheres.

India is a multicultural society as it has been subjected to a complex process of social and cultural transformation. It is closely knitted around religions, castes, tribes, and community networks. These networks exert immense influence in socialization. These also influence the nature of patterned interaction obtaining within and among various types of groups, e.g., family, caste, economic organisation and distribution of power and dominance including among genders. On the other hand the cultural transformation relates to the collectively shared values, ideas and symbols that are associated with these groups and the pattern of social interactions therein; e.g., the value of inequality or hierarchy, the idea of unity or holism meaning that different parts are united in one body. All societies at all time are subject to this process of change whether the forces are internal or external and have important bearing on the culture and practices as also on human behaviour including relationship between genders. This phenomena was very much prevalent in the minds of members of the India’s Constitution Assembly that wrote the Constitution of India and defined it as a Union of States. It is in this context that India is seen at a Union with diversities.

India is a multi-parties democracy. During the course of seven decades since attaining independence, India has acquired distinction of being a mature democracy. The general elections held in 2014 brought National Democratic Alliance (NDA) – a centre-right political alliance led by the Bharatiya Janata Party (BJP). The Gujrat model and Gandhi’s philosophy of ‘self-reliant and constructive cooperation’ are at the centre of NDA’s development model. The NDA was re-elected in 2019 and formed the national government. As on December 2020, NDA had 19 political parties as coalition partners. The NDA members have formed governments in 14 states of India.
5.1 The Context of Social & Cultural Change

The basic values and norms governing traditional Indian society are hierarchy, holism and continuity. Example of this can be found in the varna rank order, unity of different varnas into one body, social and belief in the Karma respectively. These themes continued to be dominant in the Indian society till its contact with the British. The basic values of traditional Indian society like any other traditional society have been those of ascription (status is based on the group or caste one belongs to); particularism (exclusive attachment to one’s own group); affectivity (emotional) and collective orientation (propensity to work in collectives) has also been into existence. This has resulted into development of a prismatic society and co-existence of such mutually opposed values causing conflicts as can be seen in the various spheres of Indian life.

Let’s take Aryan society of the Vedic times (ca. 1500–500 BCE) as starting point to understand the context and causes of structural changes in demographic, familial, stratification, economic and political spheres in India. These had been both of internal and external in nature.

- a. Demography: Indian society has been subjected to frequent demographic changes both due to influx of foreigners. The assimilation of these groups in Indian society led to the transformation of the simplistic varna or caste-based stratification system that was based on occupations. So in 1947, although India became an independent political entity, the social and cultural influences of various settlers were and still remain very much visible. One can still find cases where one’s occupation is based on the caste to which one belongs, though skill requirements are increasingly taking over.

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7 Varna system is the social stratification based on the Varna, caste. Four basic categories are defined under this system - Brahmns (priests, teachers, intellectuals), Kshatriyas (warriors, kings, administrators), Vaishyas (agriculturalists, traders, farmers ) and Shudras (workers, labourers, artisans)

8 Karma literally means action, and more broadly names the universal principle of cause and effect, action and reaction, which Hindus believe governs all consciousness. Karma refers to the totality of our actions and their concomitant reactions in this and previous lives, all of which determine our future.
b. Stratification: Varna’s occupation-based hierarchy gave way to a highly complex hierarchy of jatis. In this hierarchy, brahmins (the priest caste) were at the top and sudras (no caste), the untouchables, were at the bottom of the ritual hierarchy. The hereditary nature of caste membership rendered the hierarchy very rigid permitting only limited mobility. Traditionally, these castes have been performing multiple functions (Figure 2). They acted as occupational interest groups as well as extended kin groups. However, in the post British period and especially after the invention of the factory system (and resultant migration), there had been considerable changes in their functions due to the influence of English culture and enactment of religion, caste and gender-neutral laws.

The factories during the British time were usually established at the coastal areas as also at places where British and their agents had easy access. Indian men were brought from villages to work in these factories and were housed in labour camps within the factory premises. People from different castes [with the exception of sudras] were made to stay together which was resented by the higher-caste Indians. Mahatma Gandhi was opposed to the caste system and detested dehumanisation of sudras. He forbade the practice of untouchability as also gave sudras a new name Harijan (God’s people). The Constitution of India also emphasised equality irrespective of one’s religion, caste, gender, etc.

c. Joint-family: The joint family system too has origin in the Vedic period (ca. 1500–500 BCE). It constitutes household as the basic unit. A joint family constituted a world by itself and performed numerous functions, viz., economic, religious, educational, recreational, etc. One can still find these attributes of joint family in various parts of India, more so in rural areas. However, caused by declining agriculture, urbanisation, consumerism, individualism and misconception about modernisation, the joint family system has started to disintegrate as people migrate to other parts, usually urban and semi-urban areas, for employment.

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9 The term jati appears in almost all Indian languages and is related to the idea of lineage or kinship group. There are perhaps more than 3000 jatis in India and there is no one all-Indian system of ranking them in order of status.
d. Status of Female: Hindu women during the Vedic period occupied an exalted position and they enjoyed a fair amount of personal freedom and equal rights with men. However, during the Mughal period, women status was lower as they had no rights. The status of women at the dawn of the British rule in India reached the lowest level in society. Mahatma Gandhi, amongst others, stressed on the equality of women vis-à-vis men (Gandhi 1968). But in practice, the position of woman in India has remained subordinate to the man. In general, female child is less wanted and less cared as compared to the male child. The girl is given secondary position in the household, with respect to food, dress, schooling, health-care, etc. In the world of work, women are seen as secondary bread earners.
5.2 How did the changes take place?

These changes took place because they fulfilled certain essential needs of the social system. Thus, various substructures adapted themselves to suit the changing needs of the social structure. For example, the proliferation of castes with the expansion of Indian social system can be explained as an adaptive change in the varna system to assimilate the new population, including the foreign settlers into the Indian social structure. Another example can be economic system. During the British rule, the autonomous village communities ceased to exist. The village came to be linked with the international economic activity. To suit the changing economic situation, the economic substructure underwent changes and, thus, its modernisation started. Similarly, changes in the political and educational substructures can be explained as an adaptive response to the changed needs. Following increasing integration of India into the world economy and ease of movement from one country to another, the pace and degree of change have become more rapid. The invention of ICT and growth of Industry 4.0’ has negated importance of geographical distance.

However, Marxists have different explanation for these changes. According to them, the principal forces which caused the socio-cultural dynamics are located in the economic substructure. The contradictions which develop in the sub-structure stimulate change everywhere, while they are being resolved into new synthesis. They regard the conquest of India by the British as a result of the development of capitalism in Britain. Subsequently, a gradual capitalistic development took place in the Indian economy also. This, in turn, triggered a process of change in other sphere also. The same individuality and the need for skilled manpower in the modernising economy brought change in the educational system. Similarly, change in religion, family and the value system, etc., can also be explained as adaptations to the changing economic system caused by unabated competition in the wake of wide spread globalization.
The mechanisation of production, invention of the factory system and collection of large number of workforce to undertake mass production created conditions wherein there emerged conflict of interests despite identical objectives. The factory system gave recognition to workers as an ‘interest’ party in the production system. This in turn endowed the workers with certain rights with due legal support. But inherent imbalance between the powers of employer and workers led to unequal distribution of the outcomes. The mass production resulted in larger gaps between cost of production and market price but the distribution of margin or profits so achieved went more to the employers. In an environment of insensitive management and unequal power between the two interest groups, there arose discontent among workers who went on strike to protest against injustice. Subsequent enactments such as the Cooperative Societies Act (1904 and 1912), the Trade Union Act (1926), the Trade Disputes Act (1929) and the Industrial Disputes Act (1947) laid grounds for the development of framework for collective actions for representation of group interests.

The coming together of Indians for empowering themselves towards certain social, economic and political forces has a long history. The three laws to the effect are the Societies Registration Act, 1860 (for the registration of entities involved in benefits to society such as health, education, and employment), the Cooperative Societies Act, 1912 (for the registration of a cooperative society that is aimed at the promotion of thrift and self-help among agriculturists, artisans and persons of limited means), and the Trade Union Act, 1926 (for registration of trade unions with a view to render lawful organisation of labour to enable collective bargaining). These laws formally recognised the organisation of individuals and gave them legal status. Such collectives were in existence long before India became an independent country.

India’s struggle for independence was centred on collective non-violent actions. Such actions commonly include(d) demonstrations, rallies, protests, and the formation of trade unions and cooperatives, which have helped define the history and practices of Indian democracy. These practices also defined the nature of the developmental mode that India adopted following independence in 1947 and were rooted already in the anticolonial struggle led by the Indian National Congress party under the leadership of M. K. Gandhi. The Congress organized a number of all-India mass movements, typically in the form of non-cooperation and civil disobedience protests. Women participation in these collectives was of significant nature. These included the Anti-Rowlatt struggle in 1919 against a law suspending the right of Habeas Corpus, the Dandi or Salt March (Namak Satyagraha) against the salt law of 1930, and the Quit India movement of 1942. Incidentally all these collective actions/protests were led by Mahatma and had presence of women activists in a large number.
6.1 The Cooperative Movement in India

India’s first Prime Minister Pandit Jawahar Lal Nehru was a strong believer of cooperatives. Pandit Nehru speaking on India’s development plan, said “My outlook is to convulse India with the Cooperative Movement or rather with cooperation to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India […]” (Anwar 2017). The statement was reflective of Gandhi’s philosophy of cooperation among various interest groups to achieve desires goals. Pandit Nehru’s statement became the guiding principle for the promotion of cooperatives in India. The promotion of cooperative societies was also seen as the training ground for democratic business operation with services to members as the primary motive (Sinha 1970).

As per Govt’s Policy on Cooperatives of 1958, the promotion of cooperative is integral part of a planned economy. Following this every state government introduced schemes for the promotion of cooperatives. As such formation of credit and non-credit cooperatives were encouraged (Sinha 1970). As in 2016, there were 0.834 million primary cooperative societies of which 46,700 were labour cooperatives (NCUI 2016, p. 46). These cooperatives are affiliated with their state and national-level federations and the federations, in turn, are allied to the National Cooperative Union of India as also to the International Cooperative Alliance. In the background attainment of independence through mass movements, the people’s participation in all sphere of social and economic activities were at the focus of the leaders of independent India. It was also felt that the economic power be decentralised through active participation of citizens so as to achieve the Constitutional promise of social justice. As such the promotion and development of cooperatives (operational on the seven principles of open and voluntary membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community) has occupied significant place in India’s five-year plans. Cooperatives were also visualized as an instrument for the training in self-management as also for the socio-economic upliftment of poorer sections including women of society. Consequently, the promotion of cooperatives became a matter of State Policy. The government support and recognition led to the mushrooming of cooperative societies started all over the country. The co-operative societies also enjoyed preferential treatment in terms of getting license for manufacturing, distribution of products, marketing of essential consumer articles, amongst others.
6.2 The Trade Union Movement in India

The formation of All India-Trade Union Congress (AITUC) on 31 October 1920 in Bombay said to have laid the foundation of the formal Trade Union Movement in India (TUMI). The establishment of TUMI was immensely influenced by the ongoing independence movement led by Mahatma Gandhi. The founding leaders of the AITUC included Lala Lajpat Rai as its president and N. M. Joshi as its general secretary. Until 1945, AITUC was the lone national trade union representing Indian workers both at national and international levels. As per the latest data on trade unions in India by the Central Registrar of Trade Unions released for 2012, there were 16,154 trade unions which had a combined verified membership of 9.18 million (MOLE 2015). The TUMI is largely divided along political lines and follows a pre-Independence pattern of overlapping interactions between political parties and unions. The net result is that the TUMI is divided on ideological grounds and are close to one or the other political party. Further, TUMI membership is dominated by regularly employed male workers. Its leadership, especially at the federation levels, is in the hands of external members, most of whom have passed the retirement age. The Bharatiya Mazdoor Sangh (BMS) is the largest Central Trade Union Organisations (CTUOs). As of now, there are 23 recognised CTUOs of which six are large ones such as AITUC, BMS, Centre for Indian Trade Unions (CITU), Hind Mazdoor Sabha (HMS), Indian National Trade Union Congress (INTUC), and the SEWA. Further, HMS, INTUC, and SEWA are affiliated to the International Trade Union Confederation (ITUC), while AITUC is affiliated to the World Federation of Trade Unions (WFTU).

The trade unions were promoted with a view to ensure that the workers’ interests are not ignored. Further, since the workers constituted weaker group in terms of organising as also in bargaining with the management, the government rendered necessary support by ensuring that the provisions of the employment laws are effectively implemented, at least in the establishments operational under the control of the national and state governments. It was further expected that the establishments in the private sector would follow the practices of the public sector. However, the multiplicity of laws, absence of any form of social security, ineffective inspection by the state officials and weak, as also divided, trade union movement caused large-scale violations of workers’ labour rights. The concerns of women workers of informal economy as also of those self-employed were ignored as they did not qualify as a worker. As such, although India took pride in projecting itself as having one of the largest national trade union movements in terms of membership, it fared poorly in securing legitimate rights of workers more so of those informal or undocumented workers.
6.3 SEWA – a Trade Union and a Cooperative

The birth of SEWA was caused by twin factors – (i) the trade unions focused on issues impacting the industrial workers which not only accounted for a very small segment of the workforce but was also consisted primarily of male workers. As a result, the concerns of non-industrial workers as also self-employed were ignored. The worse was in the case of women workers who were faced with all kinds of harassment, particularly in the informal sector. (ii) The trade unions were rather disconnected with the socio-cultural environment within which Indian workers resided and interacted. The trade unions, in their working, took the confrontalist approach with complete disregard of the power imbalance between management and workers, as also the larger environment that influenced not only the workplace relations but also the attitude and approaches of workers as also their leaders.

The traditional bias against women workers as also self-employed was visible in the working of Indian trade unions. Like employers, trade unions, too, found difficulties in accepting self-employed and undocumented workers as part of their constituency. It was the reluctance of Textile Labour Association (TLA) to take up the issues being faced by women workers and the self-employed, more so women that induced Elaben to concentrate on the plight of women workers in the textile industry, initially as being part of TLA and subsequently outside TLA as the general secretary of SEWA. In her work she often quoted that she, being a Hindu, is very much framed within that context of karma (Bhatt 2015).

On coming out of TLA, SEWA began to aggressively project its work as *sewa* (service) to women self-employed workers irrespective of the areas of their engagement. Since then, SEWA has not looked back as its influence multiplied both within and outside Gujarat. Impact of SEWA work has been visible in the form of its increasing membership, as also expansion of its work in new areas of women engagement by developing SEWA network of organisations so as to induct women engaged in construction, handicraft, hawking/street vending, tourism, *jari* work, handicraft, rag pickers, garland makers, amongst others. SEWA also established its Cooperative Bank as well as insurance cooperative to meet the financial needs as also social security protection of its members. To equip members to effectively undertake these activities, SEWA organised skills development training programmes such as through research, cooperative management, ICT induction, trade unionism, videography, laws and global regulatory instruments, micro finance, trade facilitation.
SEWA now has a total membership of 1.9 million, works in 12 states, 50 districts and 700 villages in the country. Members are organised into diverse structures, including a trade union (with rural and urban branches), 130 cooperatives, 181 producers groups, numerous service organisations, networks, alliances, federations and self-help groups (SHGs) (SEWA 2019). SEWA sister organisations also joined together to establish their national federation, SEWA Bharat. SEWA Union verified membership in 2002 was 0.688 million (ibid). SEWA’s influence under the leadership of Elaben has gone beyond national boundaries as it became instrumental in forming HomeNet (International Alliance of Home-based Workers) as also its regional offices in South Asia (StreetNet), Turkey (SEWA), and Great Britain (Women in Informal Employment: Globalizing and Organizing – WIEGO).


7 Collective Cooperation Model

In the background of pervasive poverty and limited capacity of the subsistent agriculture, as also machine-driven large manufacturing factories, Elaben re-emphasised Mahatma Gandhi's idea of promoting smaller unit/cottage industries for the creation of much-needed jobs. Promotion of micro enterprises was also added to the core work of SEWA. According to Gandhi, installation of heavy industries was not suited for India. India is privileged to have a huge workforce and they could be productively engaged by promoting micro, small and medium-size establishments (Gandhi 1968, Singh 2019). Gandhi’s views were reemphasised by Prof. E.F. Schumacher in his famous book Small is Beautiful (Schumacher 1973). Elaben saw in MSMEs, seeds for self-reliance. She visualised SEWA members to be job creators rather than job seekers (Bhatt 2015).

7.1 Bringing women out of social confinement

The burden of poverty in an average household indirectly fall on the women of the house to manage her home, which is not acknowledged effectively. Elaben has been extremely concerned about the difficult situation in which average women are placed. Conscious about the social bias against them for not being a certified skilled worker, they were usually confined to home-based works. Those who could venture out took work in the informal economy or became self-employed. In the absence of an effective enforcement of regulatory policies for informal economy, women have been exposed to varied forms of exploitation. Most of the data on employment and unemployment overlooked this group of women workers. Women’s extreme state of poverty was caused also by their negligible status which implied that despite them being contributors to the resources of their families as well as their nation, their own desire and inspirations received no attention and thus they lived in perpetual poverty and in-service of the other members of the family. It was in this context Elaben vouched to exert pressure to secure legitimate status for women. It was unacceptable to Elaben that most women remain poor in spite of them constituting the majority in the informal economy (Bhatt 2006).
Elaben is immensely influenced by Gandhi’s talisman (Gandhi 1960) which stated: “Recall the face of the poorest and the weakest man [woman] whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him [her]. Will he [she] gain anything by it? Will it restore him [her] to a control over his [her] own life and destiny? In other words, will it lead to swaraj [freedom] for the hungry and spiritually starving millions?” Gandhi’s talisman became her guiding principle which she respected in letter and spirit.

In 1968 on being made head of TLA legal department, the first challenge that Elaben decided to focus on was to imbibe in the woman’s psyche that they too are economically productive units of the society. This entailed holding frequent education programmes for SEWA members to bring their own status to the forefront while countering traditional social beliefs and cultural customs that accords many privileges to man. It also entailed convincing their male counterparts as also the women workers themselves that the ‘women contribution in the development of the society was equally significant’. The consistent efforts of SEWA in addressing the concerns of women so as to bring them out of their male servitude, led SEWA to enlist members from sectors of women engagement.

### 7.2 Collective Cooperation

In trying to achieve the twin goals of breaking women out of socially suppressive confinement as also securing their independent status as an economic unit, Elaben focus on one of the Hindu’s basic values, i.e. “working in collectives”. Over two decades of my continued association with SEWA, under the leadership of Elaben, I have seen the organisation grow from Gujarat state-based women organisation to a globally recognised movement, challenging anti-women concepts. It aims to empower women of limited means by honing their skills, bringing them within an organised structure and networking with national and international organisations. Following Gandhi’s principle of self-reliance, Elaben also initiated the process of making women self-reliant by expanding SEWA activities in finance, insurance and trade sectors. Despite changed socio-political environment and challenge of militant trade unionism, SEWA did not deviate from Gandhi’s philosophy of ‘Trusteeship’. Like Gandhi, Elaben saw entrepreneur as co-partner in the creation and growth of wealth. Her modus operandi had been to promote cooperative rather than conflicting relation with entrepreneur and/or state officials.
7.3 Withstanding Crisis

The Corona virus entered India in the early months of 2020. It affected the informal economy the most as workers lost means of their livelihood. The impact of COVID19 pandemic on SEWA membership had been equally bad. Almost 40% of SEWA’s total membership is located in urban areas. Closure of business establishments, including retail shops, restrictions on the movement and social distancing caused loss of demand for their products. They had no way to sell their stock but due to SEWA’s multifarious activities their losses could minimised. Further, the SEWA Bank and SEWA Insurance provided necessary support to enable women workers to face the challenges posed by the said pandemic. In addition, SEWA appealed to the GoI seeking (i) income support to all the families of the informal economy workers; (ii) advise all the States’ Labour Welfare Boards to extend a pandemic relief monthly package for a defined period; (iii) free supply of essential commodities under the Public Distribution System and (iv) six month-amortisation on repayment of all loans (SEWA 2020).

COVID19 has created an unprecedented situation that has practically proved wrong the present pattern of development focused on heavy industry and capital-intensive methods of undertaking economic activities. Gandhi had called for promoting village and cottage industry so as to make once again each village self-sufficient. His followers, including Vinoba Bhave, had expressed the need for adopting labour-intensive models. Elaben, in her latest book ‘Anubandhan’, has re-emphasised the usefulness of labour intensive small units for a country like India (Bhatt 2015). Acknowledging the job crisis, the GoI had announced an economic package aimed at supporting MSMEs which has been identified as the main instrument for achieving UN’s sustainable goals. India is also promoting local manufactured goods under its campaign “Vocal for Local” which is going to have a positive impact on the demands of goods produced by SEWA members.
Making Women Self-reliant

It is our moral failure that we still tolerate poverty. Poverty and violence are not God-made. Poverty and peace cannot coexist, opined Elaben. Women should not be dependent as achievement of their self-sufficiency would not only lead to their well-being but also of family, community and the nation as a whole. It is with this belief and commitment that Elaben during four decades of her persistent efforts and leadership at SEWA was successful in transforming poor women into self-reliant individuals.

For the informal sector as also women active therein, Elaben has been a source of inspiration and the SEWA model has proved its worthiness. SEWA not only brought the informal workers into prominence as an important component of Indian economy and major contributor to its GDP, but also enhanced the understanding of the informal economy from the perspective of the developing world (Bhatt 2015). SEWA also brought new perspectives on self-employment and the compulsions that force women to seek self-employment. Under the stewardship of Elaben, SEWA secured recognition for self-employed women implementing its unique model of co-partnership through constructive cooperation with social partners. The SEWA model is in line with the ILO’s Centenary Declaration that had called for putting humans at the centre of development as also UN’s Sustainable Development Goals (SDG) that called for leaving no one behind. The SEWA model has shown that the collective cooperation model has better chance of success than the traditional class-conflict model in the twenty-first century world that is increasingly informal, unequal as also politically divided than ever before.
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