Pandemic and Future of Work: Rehabilitating Informal Workers Livelihoods Post Pandemic

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Published online: 11 October 2020
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Abstract

At SEWA, we strongly believe that "Work is a healer". In the current pandemic situation, when the majority of informal workers livelihoods have come to a screeching halt, it is important to focus on rehabilitating the livelihoods of workers, building their resilience, promoting the local decentralized economies, organizing workers into their own economic enterprises, repurposing the supply chains of worker-owned microenterprises and hand-holding workers to adopt and adapt new technologies. At SEWA, we call this Building Economy of Nurturance.

Keywords Informal workers · Women workers · SEWA · Livelihoods · Ela Bhatt · Decentralized local economies

Today the entire world is facing very turbulent times. In particular, for the poor workers from the informal economy, survival itself has become a question. Self Employed Women's Association (SEWA) is a national trade union of over 1.9 million; such poor women workers from the informal economy are spread across 18 states in India and over 125 informal trades.

The current pandemic and the accompanying economic slowdown have directly and in a very destructive way affected the income and livelihoods of these informal workers—both urban and rural. Their access to food and nutrition has dropped implying that access to food and nutrition by the entire family has dropped as usually women are the last to eat and they eat the least.

With the migrants returning to villages, the stress on the rural economy has also increased, exacerbating the issues and challenges around gender inequality, gender pay-gap, preferential employment of men over women, etc. These issues and challenges would directly translate into reduction in women's earning—and thus, continued challenges for women to manage the household expenses as well as unscrupulous demands of their family members.

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Fig. 1 Loss of Employment for Informal workers due to Covid-19 between 13th April and 23rd May in India. *Source:* Survey outcomes of SEWA-Azim Premji Foundation's Covid-19 Livelihoods survey -<https://cse.azimpremjiuniversity.edu.in/>

Fig. 2 Reach of Govt. relief schemes (Cash transfer through JanDhan accounts) during Covid-19 Lockdown in India. *Source:* Survey outcomes of SEWA-Azim Premji Foundation's Covid-19 Livelihoods survey -<https://cse.azimpremjiuniversity.edu.in/>

In order to understand the issues and challenges faced by women workers from the informal economy, SEWA conducted 3 surveys with over 1800 members over the past 3 months and the results reflect that over 67% of the informal workers lost their livelihoods resulting in severe working-capital crisis (see Fig. 1). Eight out of 10 households have not been able to manage the household expenses like rents and utilities, and over 43% had to reduce their food intake to just one meal a day (Fig. 2).

Additionally, it has also been observed that less than 34% of the members have received any kind of cash benefit from the government—and one of the important reasons for this being that a large segment of informal workers are unregistered, thereby putting them outside the purview of government relief packages. So how do these workers survive, what do they eat, how do they pay for the rent and utilities?

“All we can do is pray that things become normal again and we can go back to our work... we are not afraid of difficulties and hardships... because ups and downs are an integral part of a poor worker’s life... we just need work... and we will build our way out of this difficulty too... All our livelihoods have vanished.... Due to the men returning home, it is also difficult to get MGNREGA work.... small farmers either don’t have money to cultivate their fields at all or to pay the farm labourers... where do I find work to feed my family?” says Kasturiben, a member of SEWA from Melasana village in Ahmedabad district of Gujarat.

Kasturiben’s story is not very different from that of thousands of poor women workers from the informal economy. The surveys conducted by SEWA have shown that fortnight after fortnight, the issues and challenges of women workers are increasing with every passing fortnight, while only 27% faced food and nutrition insecurity in the first 2 phases of lockdown, over 43% had reduced their food

intake to less than 2 full meals per day, and over 73% needed food grains support to sustain themselves in the 3rd phase of lockdown.

With economic activities slowly resuming, there was a ray of hope among the informal workers to resume and restabilize their livelihoods. However, factors like international supply chain disruptions, economic slowdown and panic situation in rural areas, etc., are slowing down and to a large extent eliminating several employment opportunities from the informal sector. Thus, in the current crisis—livelihoods have vanished, savings have eroded and workers are facing acute work, income and most importantly food insecurity. So how do we address these challenges and build the resilience of these poor informal workers? How do we help them rebuild their lives and convert their livelihoods to sustainable livelihoods?

SEWA's experience of past several disasters has been that poor women workers do not want charity or relief. What they want is work. Work is a healer for them.

And therefore, SEWA has immediately started providing its members with trainings on new forms of employment such as making paper bags, envelopes, masks and gloves, book binding, preparing dry snacks as well as new ways of working. Such work does not require intensive training or capital investment and yet, it can provide meaningful and productive work from their homes.

One such example is SEWA members' organic and traditional food-processing center KAMALA. Through KAMALA, SEWA has trained about 500 women into making nutritious food. During the lockdown, these women started making dry snacks and selling them in their villages. Thus, the children and their households got nutritive snacks and the women found meaningful livelihoods.

In the urban areas, to ensure the sustainability, KAMALA initiated door-to-door marketing campaign for its products through WhatsApp. Brochures with a list of items was circulated through WhatsApp. Contactless doorstep delivery was offered for niche urban market combined with digital payment options. Efficient route planning and stringent inventory/warehouse monitoring plans were designed and implemented. This helped KAMALA in reaching out to over 2500 households in the rural areas, and KAMALA's urban center in Ahmedabad city made a turnover of over INR 5,00,000 during the lockdown.

RUDI—a working model for Decentralized Local Economy

During the lockdown, the small and marginal farmers faced acute challenge of access to market for selling their harvested spices, cereals, wheat and rice. At the same time, the poor rural households were unable to procure these products from local grocers due to unavailability of stock, exploitation by local grocers and lockdown restrictions

SEWA realized that demand and supply both existed and what was missing was to link them. Therefore, through its agribusiness enterprise RUDI, SEWA started procuring the produce of its small farmers across the state, thereby linking the small farmers directly to market and solving their cash-flow issue. This harvest was then graded, processed and packaged into affordable size packaging and redistributed into the rural market at fair price—thus ensuring affordable access to nutrition for our rural members

During the 74 days of lockdown, RUDI procured over 3000 tons of food grains from small farmers and had a monthly turnover of over 50 lakh INR

- Says Heenaben, SEWA's Senior Coordinator

SEWA strongly believes that the answer lies in promoting decentralized local economies. SEWA's founder Shri Ela Bhatt says "if we apply the 100-mile communities' principle—if six basic needs of life—food, clothing, shelter, primary health-care, primary education, and primary financial services—if these can be met at the local village level, we can set in motion the holistic development of society."

The 100-mile community shall weave together decentralization, locality, scale and livelihoods—it will address the poverty issue, rope-in digital technology at grass-root level, preserve the interest of rural youth in their communities and thus cut down on rural out-migration.

It would also strengthen local markets and local skills. Several such local decentralized economies when overlap, can strengthen the nation's economy—which is the need of the hour. It is a powerful idea. And we must strive to make it work.

SEWA' Vegetable Initiative—Piloting the "100-mile" principle

Several of small farmer members of SEWA grow fresh vegetables—which generally have a very small shelf life. Due to the lockdown, the market yards in the cities were closed, transportation services interrupted, and there was a widespread panic in the villages about the pandemic. Owing to the above reasons, the vegetable growers were under deep distress. Their income had dropped by almost 1/4th. At the same time, due to the irregular market yard timings and closures, the urban street vendors were also not able to procure vegetables for vending regularly and at affordable prices

To address the above issues of its members—in both urban and rural areas, SEWA designed an innovative supply chain wherein every morning, SEWA procured the vegetables from the small and marginal farmers from their doorstep and brought it to Ahmedabad city, wherein they were distributed through:

- The street vendor members of SEWA in Ahmedabad city
- Through door-to-door delivery along with KAMALA and RUDI products in the city

In the Ahmedabad city, SEWA liaised with the local authorities and facilitated over 125 e-rickshaws through the Municipal Corporation to the street vendors. With the locally procured vegetables and the e-rickshaws, the street vendors were able to reach out to customers in the red zone and earn a livelihood of INR 400—500 per day

Thus, applying the 100-mile principle, promoting local production and distribution, SEWA successfully established a supply chain completely owned and managed by informal workers themselves, thereby strengthening the livelihood of over 50 small and marginal farmers and over 125 street vendors during the lockdown—while selling over 100 tons of vegetables to over 150 urban customers

Scaling up of such initiatives could not only strengthen the livelihoods of the informal workers, but also lead to a local decentralized functional economy, generating newer and better employment opportunity for thousands of informal sector workers

Similarly, for the tiny and micro-enterprises of the informal workers, there is a need to streamline existing systems, processes, supply chains, communication channels and technology in order to position them to meet evolving customer needs. The focus needs to be on ensuring minimal disruptions to the supply chain in future. There is also a need to focus on how to integrate the informal workers at all steps in the supply chain, thereby distributing the risks and the profits equally.

SEWA has organized over 15,000 poor artisans from Kutch and Patan district of Gujarat into their own not-for-profit garment enterprise—SEWA Trade Facilitation Center, where these women use their traditional embroidery skills to create garments for national and international designers and fashion houses. While STFC caters to international and national fashion houses, the **artisans** of STFC have also

launched their own brands—“**Hansiba**”—a brand to promote and create a market for their traditional skills in the urban market and “**Harkhi**”—a brand to reverse the decreasing trend of traditional hand-embroidered garments in the rural market. All the products under these brands are hand embroidered and hand crafted, **65% of all sales go directly to the artisans, and the artisans themselves are the shareholders and suppliers of the company.**

During the current COVID crisis, the international and national fashion houses stopped giving work to STFC and also deferred procuring the existing orders, thereby affecting the livelihoods of the poor artisans. On the contrary, STFC ramped up their “Hansiba” and “Harkhi” production during the lockdown so as to provide continued work security and income security to its members. STFC also adopted new forms of marketing—such as online marketing through WhatsApp groups, contact less doorstep delivery along with RUDI items/vegetables in the urban as well as rural areas.

The success of STFC through its brands Hansiba and Harkhi in providing work and income security to poor artisans during the COVID-19 crisis, is a working proof of local decentralized economy. There is a need to strengthen such local decentralized supply chains, thereby ensuring equitable share of profit and risks across the supply chains. There is also a need to focus on integrating digitization in such local supply chains. Scaling of such local decentralized supply chains would generate employment opportunities for several poorer workers from the informal economy.

And an important aspect for restabilizing the worker-owned microenterprises as well as for making the 100-mile principle work is access to enabling financial mechanisms. What we, at SEWA, call the “Livelihood Recovery Fund”—a fund that aims to provide the informal workers with immediate support to recover and stabilize, a fund that provides women workers and their tiny and microenterprises with cash-flow support, prevent debt trap and allow women to hedge risks.

When the lockdown commenced, there were so many challenges. My son was always irritated as he could not go out and meet his friends. My husband could not find any work, so he was always tensed, and I was slipping into depression. There were constant fights.

But SEWA showed me a new path. With the help of SEWA, I procured an order of stitching over 5000 masks. This new work that we got has solved all the problems and made us a team.

“Work has brought us together as a family... it has brought harmony and peace in our home...”

—Bhanuben, a member of SEWA from Arvalli district

The aforesaid livelihood recovery fund can not only help members of SEWA revive/restore their existing livelihoods, but also help them in taking up these new forms of employment.

Distant and virtual working and globalization is one important way ahead, but it is not the only way. There was a world before the airplanes and before the eighty-storied office buildings. We must also try localization. That is local production, local management and local consumption.