

# Income Generating Programmes for Women

## - Some Pitfalls

by  
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*In the last decade, many voluntary organisations have tried to solve the problem of women's unemployment or underemployment by setting up small income generating projects for them. They hope that these programmes, funded by government and by international agencies, will provide examples of how women can be helped to be economically independent. Operating as these programmes do, however, on the fringes of the economy, they tend to remain dependent on funding agencies for survival, and rarely become viable ventures. These case studies of three income generating programmes in urban Maharashtra and Madhya Pradesh reveal the pitfalls of this approach to women's employment.*

JMM is a women's organisation based in a slum which has an all female membership. It was organised and developed amongst local women living in the slum by a resident municipal school teacher who no longer was working. Her interest was to develop the women of her own area using employment and education as a means.

They initially began by making readymade petticoats. When they went to sell to the shop they found their prices were too high, and they did not have the variety of colours and sizes that the shopkeeper wanted. They maintained that the contractor could provide the petticoats at lower rates because he bought cheaper cloth at wholesale rates, the quality of thread used was cheaper though not as good, and he paid a lower rate for stitching. When they tried alternatives, marketing directly to slum and middle class women, thinking that eliminating the middlemen they would be able to keep prices a bit higher, they found that they not have the

variety necessary for such direct sales. Nor could they get orders from the contractors at a rate which was sufficiently remunerative.

For some time the women were not able to obtain any work. Then they finally got a contract from a government organisation which wanted envelopes made. JMM gave a quotation of Rs 15 for 1,000 packets, on the assumption that the women making the envelopes would be paid Rs 3 for 1,000 and could make Rs 6 in four to five hours of work. This included the cost of raw material, that is, paper and gum. The government agency

received another quotation of Rs 12. Therefore, if JMM wanted the work the government organisation said they would have to agree to the lower rate. The organisers of JMM feel that the other contractor could offer to give a lower rate because he had his own printing press and owned a cutting machine and did not have to hire these services.

JMM had a meeting of its members to ask if it should take on this work. The women, who were quite desperate for work, in order to meet the competition, agreed to take only Rs 2 per 1,000 packets made. JMM had to pay a deposit and agree to a two year contract to provide a certain fixed number of envelopes each month.

Once they got the work and the women started doing it, the women found that the work was more difficult than they expected. Perhaps because the work was new their productivity was low and women found they could barely do 1,000 envelopes a day. It was exhausting and the payment only Rs 2. Once



they found this out, they did not want to continue doing this work any longer, but JMM finds itself in difficulties. They have already given a money deposit for work and are now bound by the contract to do the work at the rate agreed.

Besides the contract JMM has also tried to get bank loans through the Khadi and Village Industry. After one year no progress has been made. They have found it hard to get guarantees. Those who have houses cannot use them as security since they are usually registered in the husbands' names.

In a housing colony near JMM, another group of lower middle class women heard about JMM's activities. They decided to set up a similar organisation UMM. They started by making petticoats, but as with JMM this activity was a failure.

They then contacted Mavim, a government organisation set up to assist women small scale producers. The government organisation asked for ground spices. The organisation started making it but only had orders for a limited amount. They also contacted other organisations.

The cooperative shops wanted spices but UMM found that they could not provide the spices at prices quoted. Why is this? According to UMM, they used pure spices and did not adulterate with colours or other material. How other small manufacturers managed to provide spices at low rates was explained by one of the women members who had worked in a factory, making spices. She said that there is ground rock kept in piles in this factory, and it is regularly mixed with the ground spices. This increases the weight. And then oil and colours are added to give it the desired colour of the spices.

When UMM tried to reason with the cooperative shops and other grocery shops that their material was more expensive because it was pure, the shops said that those who are buying the spices did not complain and hence they were not interested in selling their more expensive material.

It is interesting to note that now the



women's organisations have to compete not only with small scale manufacturers but also multinationals in India, who have gone into the local spices market, backing their products with high level advertising over TV and radio.

UMM also tried to get the contract to supply spices to the college canteen in whose premises most of the houses are located. The owner of the canteen directly asked for a bribe and a cut from the money, which UMM was not willing to give. Thus finding a market is extremely difficult for small groups.

Currently, they make spices only when they manage to get some orders, and women work at the rate of Re 1 per hour. There is very little work and members meet only irregularly.

SB is a more general women's development programme. It has attempted to develop a union amongst homebased workers, and a savings scheme for women's groups with over 1,000 members. It gives loans for some activities, runs *bulwadis*, a health programme, and vocational training and production centres. Here we examine primarily their experience in income generating work.

SB was active in trying to develop a cooperative amongst the women *bidi* workers. The common problems of *bidi* workers are that:

1. They do not get the minimum wage prescribed by the government.
2. They get insufficient or bad material so they have to buy it with their own money.
3. They have to give 10 percent more *bidis* to the middleman for which they are given neither payment nor raw materials.

SB has been trying to organise a union around these problems to make a representation to the government and the labour ministry, and has helped to start a cooperative where such practices would not exist. Sixty three men and women got together and contributed Rs 26 each to register a cooperative. They managed to get a contract to supply the government jail with *bidis* and for four months the members were very satisfied with the operation of the cooperative. Payment was as per minimum wages and raw material supplied was good. However this contract was cancelled when the jails decided to manufacture *bidis* themselves. Ever since then there has been no regular work and currently each member *can* make only a limited amount of 500 *bidis* for the cooperative.

The women who broke their existing relationship with the contractors when the cooperative orders came claim they then found it difficult to reestablish the relationship. They were

able to get work only after some time. Hence the experience of the cooperative is mixed. It is good if it runs regularly. Regular work is what is most important to the women. The possibility of higher wages in a cooperative which works irregularly is not attractive because she may lose her regular work.

The second experiment taken up was stitching uniforms. The government gave a central shed to SB and a large government contract to make uniforms for all the schools run by the state government. A hundred women got work at piece rate wages for four months. When all the uniforms were made there was no work. In the next year they got orders for only half the number of uniforms and at a lower rate than before. The other half probably went to a contractor who had specified the lower rate. The women decided that all the 100 women would share the existing work. Many women were angered at the lack of work and, instigated by a male union leader, took out a demonstration to the government authorities asking for more work. In the course of the demonstration slogans were also raised against the women's organisation, saying that the organisation was not making sufficient efforts to get work.

One of the striking limitations of this group's work was the lack of local level committees in which the local members could take an active and regular interest. Although the Organisation claimed a membership of over 3,000 and the executive committee was composed primarily of women from the slums, there was no local level functioning group. Thus decisions of various kinds were taken by the central leadership. In several cases we noticed that the women members even from the committee did not know how and why certain decisions affecting their area were taken.

For example, in a programme for vocational training for children a survey was made by the social workers and the women from the centre decided who would attend. There was no local committee to decide on criteria for who should benefit from this programme



which could only benefit a limited number of women members especially since a stipend was to be paid to each child. This led to several allegations being made and many complaints. Grassroots participation in decision making seems essential, especially in large organisations. Attention should be paid to the development of decision making in such grass roots local groups, so that these sort of problems do not develop.

We can see from the above brief reports that in most cases units which had started their own projects could not remain in that sort of activity for long. This was largely due to their inability to provide sufficient variety; higher cost of materials; unwillingness to pay bribes lack of other contracts to tide over periods when major contracts were exhausted; and the lack of adequate knowledge of the changing market. In time most organisations chose to work



at a lower level of risk by taking on work on a contract basis from contractors, government institutions or companies. Under this “putting out” system the women’s organisation basically provided labour and did not have to worry about finding a market, though they had to rely on government organisations that would switch to other suppliers willing to underbid them for the contract.

Another striking commonality is that women got very little work and their extremely low wages did not rise. Often, the next contract from the agency wanted the same work done at lower piece work rates. When asked why, the woman organiser said that other contractors were offering to do the work at lower piece work rates and hence if they were to get the contract they had to offer competitive rates. Even in the more democratically run organisations where women members were consulted before taking on contracts at lower wage rates

one notices that the Mandals seem to have got caught in a vicious circle. Once the Mandals have been organised and once they have taken on some work it becomes essential to keep the Mahila Mandals going. Thus most of them were compelled to agree to take on the work at lower rates. If lower rates were not offered the quantity of work was reduced so that, in effect, by the time all the women members shared the existing work the amount each earned became much less.

In cases where entering such schemes had meant a break with already existing contractors, women found that the contractors were hesitant to give them work again, because they had already found alternative sources of labour. This is one reason why women are hesitant to form groups or cooperatives because they have seen from their own experience that the work they obtain in this way above the market

rate turns out often to be not regular, and even if it begins by giving higher wages and better raw material, over time things equal out, and the amount earned is almost equal to that which the contractors were offering.

This seems bound to happen, given the fact that the women are operating not in isolation but in an overall economic set up which is governed by its own rules. Work that is being given but on a putting out system is usually done to get the lowest possible rates. Whoever offers the cheapest rates will, get the job. It is the unorganised home based woman who generally works at the lowest rate. Quality of materials and quality of work are not a prime consideration. And it is they the contractors after the cheapest price possible contact, and then determine the lowest piece rate for these putting out jobs. □