

Draft Paper on Financial Crisis Based on Experiences of Self Employed Women's Association (SEWA)

There is no doubt that there is a world-wide economic crisis and that this has resulted in a severe fall of employment. Although India has not suffered from a collapse of its banks or other financial institutions as have the US, UK and Europe, the economy has definitely been affected in many ways leading to economic hardship.

SEWA's members are women who work in the rural and urban informal economy who are suffering hardships due to the crisis. However, the focus of newspaper reports, of Government attention and of rescue packages has been on the formal sector, and the hardships of the very large number of vulnerable informal workers has not been highlighted. Here we try to describe the impacts that we have observed. Our information has been collected from hearing the views of our members in nine States of India, and by focus group discussions and small surveys¹

Measuring the Unemployment effects in India

The unemployment effect of the economic crisis is generally measured in "jobs" lost, that is it is mainly jobs that are lost in formal employment. In this way the ILO estimates a loss of 28 million jobs world-wide². However, in India most of the employment comes from the informal economy in casual wage work or through self employment. These "jobs" are rarely "lost". Rather incomes decline, days of work available decrease and livelihoods disappear. In order to understand the effects of the economic crisis on common people in India, we need to look at different measures than "job-loss". This is especially true for women, who are rarely in formal employment.

In a study (sample of 1500 workers) undertaken by SEWA and GIDR in 2007-2008, we found that proper job contracts were lacking even for salaried workers. Less than 48% of salaried workers and 2% of casual workers had any type of written contract.

Type of contract relation	Salaried worker %	Casual Worker %
No Contract	10.9	15.8
Verbal agreement Daily	8.4	59.2
Verbal agreement monthly	31.7	17.1
Written agreement no date	2.2	0
Written agreement one year	5.8	0.7
Written permanent	40	1
Other/Don't know	1.1	0.2
Total	100	100

In SEWA we have been seeing considerable effect of the economic crisis on our members. These effects have varied depending on the sector of the economy in which she works. In

¹ SEWA is presently participating in a study organized by UNDP to collect information on affected sectors of the economy. The data presented here is from a preliminary, indicative survey.

² It is not clear whether this figure includes unemployment in the informal economy, or how this figure was reached. Most probably, this does not include the loss of employment of informal workers or the loss of income of the self employed.

some sectors there has been a direct loss of income and livelihoods. In other sectors, the effects have been secondary, but resulting in losses, nevertheless.

Crash in the recycling industry

One of the worst hit sectors world-wide due to the current crisis is the recycling sector. This sector includes some of the poorest and most vulnerable groups such as the rag pickers and waste collectors who earn their livelihood by collecting waste paper, metal, rags, plastics etc. from the streets, neighbourhoods and industrial areas and sell it to contractors who send it to industry for recycling. In India, these waste collectors are from lower castes, often women or children and tend to work long hours roaming the streets in hazardous and even dangerous conditions.

World-wide, recycling is a source of employment and a source of income for poor people. **The World Bank estimates that one percent of the urban population in developing countries earns a living through waste collection and/or recycling;** in the poorest countries. A significant number are women, and, in some cases, children. These poor workers render an important service to urban society by contributing to public health and sanitation, environmental sustainability and providing a cheap source of raw materials to industry.³

It is unfortunate that the crash of prices by 50% or more, and therefore of livelihoods in this sector has received little world-wide attention, and certainly none from the Government of India, although the numbers of people affected are huge.⁴ The tables below show some of the prices before and after the economic crisis:

Prices of Waste Received by waste collectors in Ahmedabad⁵

Items	Price in Rs/kilo April 2008	Price in Rs/kilo Jan 2009	% decrease
Waste Steel	6	3	50%
Steel Sheets	10	5	50%
Plastic bags	8	5	37.5%
Newspaper	8	4	50%
Hard Plastic	15	7	53%
Soft Plastic	10	4	60%
Dry Bones	4	2	50%
Waste hair	1000	300	67%

Decrease in prices of waste received by waste collectors in Delhi⁶

Item Name	Selling Price Rs./kilo		%
	Apr'08	Jan '09	

³ www.wiego.org

⁴ The main reason for this crash in price is said to be the closure of recycling industries in China, which is the largest importer of the world's waste.

⁵ SEWA survey

⁶ From Chintan

Hard Plastic	12	7	37.6
Soft Plastic	11	7	36.7
Card Board	5	3	26.7
Paper	11	7	37.3
Metals	127	74	41.9
Glass	1	1	28.1
Rubber	1	1	12.0

Some Examples World Wide⁷

In the UK Steve Eminton, of letsrecycle.com, said: "Warehouses around Britain could start to be filled with waste paper, metal and plastic bottles. There's nowhere for these materials to go at the moment. It's rapidly becoming a very serious problem." The speed at which prices collapsed has taken the recycling industry and local authorities by surprise and has been made worse because recycling rates are at record levels.

In Bogota, Colombia the market for Polythene has fallen to zero, whereas prices have dropped 70% for ferrous metals and 60% for non-ferrous metals.

In China official media reported that four-fifths of China's recycling units had closed and that millions will eventually be left without employment.

SEWA's waste collector members in Ahmedabad say they compensate for lower prices by have spending more hours to collect the waste. They used to go in the morning at 5:00 am but now they start their work at 3:00 am with the mentality that 'some one else will come early and pick it up, instead I will take it first.' Earlier, women member in the family would go to pick up the waste, now they prefer to take more members especially children of the family so that more waste is collected. As they are now unable to pay the fees and other expenses for education they have taken them out of school and started to involve the children in waste collection as well as sending them for other income earning activities. They have also started to do other , low-paying, mainly home-based work, such as sticking bindis or cutting threads.

Ranjanben Ashokbhai Parmar who stays in Rabari Vasahat at Odhav is a long-time member of SEWA. When I visited her house during the area meeting, she started to cry, when I tried to explain her that is just a phase and every thing will be fine again, she started to cry harder and said, "*Who sent this recession! Why did they send it?*" I was speechless. Her situation is very bad, her husband is sick, she has 5 children, she stays in a rented house, she has to spend on the treatment of her husband and she is the sole earner in the family, how can she meet her ends. When she goes to collect scrap she takes along her little daughter, while her husband sits at home and makes bundle of wooden ice-cream spoons, from which he can earn not more than Rs. 10/- a day when he prepares bundles of 10 spoon each for 20-25 kgs of such spoon.⁸

Construction Industry

Construction is the second largest provider of the livelihood next to Agriculture. SEWA has organized 182,520 women construction workers of informal economy in India, but due to

⁷ Wiego website

⁸ Manali Shah, SEWA in Anasuya

financial crisis construction work has reduced considerably. This is due to the high increase in the cost of raw material. Secondly the construction work has drastically reduced because the rates of land are highly increased and the builders have blocked their money in share market so due to shortage of funds they cannot invest in new construction schemes. The main sufferers in this crisis are the construction workers, whose days of work as well as earnings are reduced considerably.

The effects of the economic crisis began to really be felt for construction workers after Diwali 2008. We asked the workers about the differences they had experienced before and after Diwali. The following impacts emerged from our indicative surveys in Indore (MP), Ahmedabad (Gujarat) and Surat (Gujarat):

Decline in days of work available

In Indore:

Before November 2008, 100% of the women had more than 15 days of work, of which
85% had more than 20 days of work.

In January 2009, 10% of women had no work,
89% had less than 20 days of work (67% had less than 15 days of work)

In Surat

Before November 2008, 100% had more than 20 days of work

In January 2009 45% have no work
40% have less than 20 days of work

In Ahmedabad

Before November 2008, 80% had more than 10 days of work, of which
23% had more than 20 days of work.

In January 2009, 23% had no work,
67% had less than 10 days of work

Decline in Rates

The masons earlier used to get Rs. 250-300 daily and the manual workers got Rs. 125-150 per day. However, following the economic meltdown the masons get Rs. 200-250 and the manual workers get Rs. 90-120.

This combination of lower rates and drastic decline in work days has led to considerable suffering in these families as the decline occurs for both the men and women who are working in the same trade.

Women try to keep the family income going by any means; taking loans doing any other work. In Indore 67% of the women say that have taken loans at 3% to 5% per month:

Of these 50% have taken loans between Rs. 5000 to 10000 got illness, marriages or education and

50% have taken loans of Rs. 5000 or less for food, rent or electricity bills.

In Ahmedabad and Surat women say that they have started doing other work such as collecting waste, domestic work, small cleaning jobs etc.

However, the males in the family are having great difficulty adjusting and many of them have turned to drink causing additional hardships in the house.

In the chalis of Ahmedabad men have started drinking. They say, 'In the morning we look for work, nowadays we cannot find any so we feel very tense and we go to the (illegal) liquor shop and start drinking. It makes us feel better'. Their wives say, 'there is no money in the house and they spend Rs. 20 or more a day on liquor. Then they come home in the evening and are violent with us and the children'.

Some women say that their husbands have disappeared. They say that they could not bear to come home every day without work and first they got very depressed, and then one day vanished.⁹

Since the sale of liquor has increased so much, children are getting work and income, providing liquor and collecting the empty liquor bags!

Small Factories

Much has been written about the effect of the economic crisis on the manufacturing sector. However, the focus of most of the media as well as the Government seems to be on the large industry. In fact the majority of workers work in small units around the country.

Our survey covered small factory workers in Gujarat. These small scale factories include Iron furnaces, Plastic factory, Winding, Power looms, Spinning, making of wooden bobbins, tube light starters, surgical items, food items, etc

As a result of the financial crisis, many small scale factories are decreasing production or closing down, temporarily or in some cases permanently. The reasons told to us were first, that there was lack of working capital, second that some of the factories which export products have no orders and thirdly, there is a slowing down of domestic demand also. In particular, 80% of the iron furnaces have closed down.

Some information we got in the focus group discussions was:

- Closure of a towel factory in Sanand block of Ahmedabad District have affected employment of 100 family members of SEWA members.
- One of the tile producing factory in Kadi block of Mehsana district had around 2000 – 3000 workers had gradually started retrenching the employees and presently it is totally closed.
- One of the iron spare parts producing factory in Borsad Taluka of Anand district wherein 200 worker were working but presently they are getting work for only 15 days in a month – which has resulted into decrease in the family income making the livelihood of this workers difficult.
- 800 – 900 workers have lost there employment due to closure of sugar factory.

⁹ Op cit.

- Closure of lignite mine in Pantro village of Dayapar block of Kutch District, wherein earlier daily 3000 trucks were loaded and sent to other states. Instead of 3000 trucks presently only 700 trucks are loaded which has resulted into loss of employments for the truck drivers as well as workers working for loading the trucks.

Our (indicative) survey covered small factories in the city and surrounding areas of Ahmedabad and Mehsana in Gujarat. We found that there had been a considerable decline in days of employment.

November 2008 : 6% of the workers interviewed had less than 15 days work and 70% were fully occupied with more than 20 days work.

February 2009 : 20% had no days of work—totally unemployed, 37% had less than 15 days of work and 20% were fully occupied with more than 20 days of work.

In general the wages of women in these industries is very low, as they earn Rs. 50 to Rs. 75 per day. Although the daily rates had not decreased, the women workers told us that their earnings had decreased considerably due to less work days.

November 2008, 70% were earning Rs. 1000 or above per month ;
February 2009, 27% were earning Rs. 1000 or above per month

Home-based workers in Garments and Hand-work

Over 50% of the women (non-agricultural) workers in the country are engaged in working from their own homes as home-based workers, but tend to remain invisible to the policy makers, so that there is practically no information on what is happening to these workers in any sector.

About 1.5 lakh SEWA members are home-based workers. Of these many are in textiles, as garment stitchers or handloom weavers or embroidery, chikan and zardozi workers. We conducted the survey among Ahmedabad garment workers and focus group discussions among the chikan and zardozi workers of Lucknow.

It was found that the days of work for the garment workers had reduced, but no one had become totally unemployed.

In November 2008, 100% of the workers had more than 20 days of work,
with 88% having 30 days of work

In February 2009, 69% of workers had more than 20 days of work,
With 38% having upto 30 days of work
30% workers had less than 20 days of work.

Home-based workers generally get low piece-rates, and it was found that on the whole their piece-rates had not declined, but due to the decline in amount of work, their incomes had decreased.

In November 2008, 50% workers earned between Rs. 1000 to Rs. 2000
50% workers earned between Rs. 2000 to Rs. 5000

In February 2009, 50% workers earned less than Rs. 1000
31% workers earned between Rs. 1000 to Rs. 2000
19% workers earned between Rs. 2000 to Rs. 5000

The women in the focus group in Lucknow told us that their products were for export market or for the more luxury market of big cities. They said that the products were stock piling up in the go-downs and both the amount of work available and the piece rates had come down. They said that whereas earlier they would get Rs. 10 for a dress, now it was reduced to Rs. 8. And for a good zardozi sari, they would get Rs. 4000 to Rs. 5000 for a month's work, but now they could get only Rs. 1500.

Agriculture

More than 60 % of SEWA members come from the rural areas and majority of them are small and marginal farmers and agricultural labourers. The current situation of crises has major direct and indirect effects on the lives and livelihood of these families dependent on agriculture.

It is being argued today that the recession has not hit agriculture, and some commentators go as far as to say that agriculture is doing "well". However, this has to be seen in the context of the experiences of farmers in the last decade, which has been a period of increase risk and downturn for agriculture. For small and marginal farmers, the incomes from agriculture are well below the poverty line and has to be supplemented by other incomes.

Changes in a Decade

Savitaben Baldevbhai and her husband Baldevbhai are small farmers from Takhatpura village of Bayad Taluka in Sabarkantha district. They earn for their family from 2 *bigha's* of agricultural land. In last 10 years, they have made enormous changes in their agriculture pattern on the basis of the market demands, soil conditions and availability of water, HYV seeds, fertilizers and pesticides, so as to obtain a better living.

Changes in the market in the last ten years:

1. Chemical fertilizers, pesticides and HYV seeds are available within accessible areas, earlier they were not.
2. Pulses and cash crops like cotton and groundnut are giving better returns as compared to cereals, like rice, *bajra* and maize. Within the last ten years, prices for pulses, cotton and groundnuts have increased by 300-525 per cent (other than moong, which is still grown with local seeds), whereas prices of cereals have increased by 100-275 per cent.
3. Lack of storing facility with farmers and over-production have resulted major fluctuations in the market prices of crops.

Other changes related to agriculture:

1. Now, investment is needed to get better production, for their 2 *bigha's* of land, they requires HYV seeds and 2 bags each of DAP and urea to grow a crop in any season.
2. Production has increased after the use of HYV seeds and fertilizers.
3. Water level in the wells of his village has dropped from 40 feet to 800 feet in the last ten years.
4. Using HYV seeds has increased the risk in agriculture, as lack of adequate water results in failure of the crop, whereas if local seeds are used, the farmer can ensure some production (about 50 per cent) even with insufficient irrigation.

5. Lack of work in the field has changed the total working hours in a day. The reasons for this reduction in working hours are the lack of water and mechanization. Earlier, a farmer had to work 16 hours a day in a field, now she works only for 8 hours in a field.

Increased Cost of Inputs and Related

The small and marginal farmers have experienced increase in the cost of agriculture inputs eg. cost of pesticides has shown an increase by over 100 %. Due to this increase the poor small and marginal farmers either take debts or else they harvest their fields in partnership / support from others. This leads towards worsening the situation.

Increased cost of inputs has also resulted into duplicate pesticides in the market which lead towards more loss in the produces for small and marginal farmers. Also in the current situation of financial crises experienced in all the sectors makes difficult for these farmers to get agricultural inputs on credit from the market

Reduction in the Rate of Produces to the Farmers, and Support Prices

The market sale prices of some crops have decreased this year. In particular in Gujarat we found a 20% drop in the price of castor, 20% in wheat and 10% in cotton. The situation has been mitigated as Government has announced support prices for cotton and wheat. A large number of farmers have been able to sell their crops at the support prices. However, the small and marginal farmers, especially in more remote areas, are facing problems because they do not have bank accounts and so cannot take advantage of the support price mechanism and have to sell their crops at lower prices to the bigger farmers. .

The vegetable growers from Boriyavi village of Anand district are not getting reasonable prices for their produces and thus they are not picking the vegetables from fields as they do not want to sell at such low prices.

Climate Change

The current conditions of climatic changes are also working towards worsening the situation of agriculture workers as well as small and marginal farmers. Many of the agriculture produces like tobacco, sesame etc. are experiencing diseases and on account of that the production is less which further works as fuel to fire in this current situation of economic crises. The changing atmosphere, scarcity of irrigation facilities etc. has also resulted into less harvesting of crops like rice leading towards less agriculture work and employment.

Due to similar such effects in the sesame seeds in Surendarnagar District, one of the farmer has gone mad and is roaming around in the village with a spade on his shoulder and is always crying and saying that his produce of sesame seeds has destroyed.

Reduction in livelihood from Animal Husbandry

Due to scarcity of water and less rainfall in the area the members are also experiencing scarcity of fodder. Also they are not getting reasonable rates for milk. Experiencing this in such crises situation has shown that in few of the districts 50 % of the cattles are sold. In many of the cases and in dry and draught prone areas like Radhanpur the members have kept only 1 of the cattle for their own need and have sold other cattle as they are not able to afford the fodder and related expenses.

NREGA a Mitigating Programme
(To be completed)

Effect of the Economic Crisis and Agriculture

Effect of the economic crisis has been reducing other sources of income and in increasing the supply of labour in the rural areas. As mentioned, agriculture alone cannot sustain families and so family members diversify their sources of income by working in small industries in surrounding areas, or migrating to industrial towns.

The crisis has caused a major loss of income as the small industries close down or reduce days of work. Furthermore, those families who had migrated to other cities are forced to return. Many rural families in Gujarat had migrated to Surat, Kambat and other areas to earn an income in diamond polishing. Also, in many areas small diamond polishing units had been set up to feed the Surat based companies.

The economic crisis has hit the diamond industry very badly and around 80% of units have closed down. The workers have been migrating back to their villages and we met some of them in the focus groups. We also met the diamond workers in Surat who had not yet gone back. They said that they were having great difficulty making ends meet, they had reduced their food expenditures, had taken their children out of private schools and put them in Municipal schools, they had stopped using auto-rickshaws or even buses to travel around and had taken to walking. However, their major problem was the inability to pay rent. Tiny rooms in Surat have exorbitant rents and without a house where would they stay.

During the survey we visited one house of a diamond worker in Surat. We went in and the man was crouched in one corner with his head on his knees. As we came in he began shouting, "Go away, go away. I promised I will pay the rent. I will start working soon and I will pay the rent". His wife said that he thinks everyone is a rent collector and he remains crouched all day in that corner refusing to get up. She does home-based work on garments but it is not enough for rent and they will have to return to their village soon, where they have a small unirrigated piece of land.

The workers who return to their village find that there is little work available and they are not welcomed by the village. The landless villagers say that with the return of so many people, there is no work for the agricultural labourers as the returnees are doing the farm work on their own land or on that of their family members. They say, when work is available it is at very low rates.

"I returned to my village", says a young man Village...., "As my diamond factory closed down. I am willing to do any work. My family members say that I am no good at field work, they send me out to graze the cattle. I have to keep hearing taunts from them---why have you come here to burden us. Go back to your city"

A couple from the Manjipura village of Baroda district were engaged in the diamond polishing factory. They used to earn Rs. 150 / day. But now they are totally unemployed and have returned to the village. The husband who sings very well has been to sing for Panchayat community awareness programme. Through this he hardly earns Rs. 2000 / month that too if there are funds for such Programmes. Presently there are no funds for such Programmes which has made his and his families livelihood difficult.

Effects of the Crisis on the Lives of Families

NUTRITION AND HEALTH

It has been observed that the poor workers have reduced the consumption of green vegetables - instead of eating chapatti and vegetables people have started eating boiled rice with very little vegetables and many times they are eating chappati with chilly, butter milk or tea. Many times it does happen that poor members eat only once. This further affects their health.

Also during the illness many times they have to approach private hospital if the facilities are not available at the government hospital. In such a situation they have to take loans at a very high rate of interest and as result increase in indebtedness is observed.

INCREASED INDEBTEDNESS

Increased indebtedness is experienced as the worker and their family are not able to earn enough livelihood to fulfill their minimal needs. In our focus groups and surveys we found that many families had begun to take loans especially for food, rent and electricity, education and larger amounts for illness.

EDUCATION OF CHILDREN

The impact of the above is also seen in the education of the children as due to decrease in their income the poor workers can not afford their children to study and thus stop educating their children.

SELLING OF VALUABLES AND ASSETS

The current situation of crises in the lives of poor has left them with a very little income and thus in such cases the members often have to sell their small assets or valuables whatever they have – also many times they have to sell their utensils as well.

REDUCED SAVINGS AND INSURANCE

The current situation has made the survival of the poor members very difficult which has led towards decrease in savings and unwillingness in taking insurance is also experienced.

INCREASED MIGRATION

A high level of migration is seen in the urban as well as rural areas due to lack employment opportunities, excess labour, closure / retrenchment in existing employment opportunities etc.

SEARCH OF ALTERNATE EMPLOYMENT—CREATING SURPLUS LABOUR

In their search for alternative employment the workers from closed industries have begun crowding into other sectors which have not experienced major down-turns and into which entry is relatively easier. In the urban areas, they become street vendors and crowd the streets, or lowering the earnings of existing vendors. Women look for home-based work of aggarbatti making, sticking bindis, unshelling dals and peas etc. and with this surplus labour the piece-rates are lowered. In rural areas, people are returning into agriculture, overcrowding the alnd and again creating unemployment for local landless labourers.

INCREASED SOCIAL VIOLENCE AND ADDICTIONS

The unemployment and the financial crises situation at the household level also creates frustration and pressure for sustaining the minimal livelihood requirement and thus leads to the frustration among the members, tensed atmosphere in their houses. Many times this results into various other problems such as (a) violence at household level, (b) Addictions like chewing tobacco, drinking etc. which affects there health.

DECREASED PURCHASING POWER

Purchase of few of the item which were earlier purchased in bulk are nowadays purchased on daily basis. Also the members are purchasing less no. of clothes than what is required.

OTHERS

The current situation has also shown changes with respect to the expenses incurred during the social occasions like marriages, death ceremonies etc. Certain castes and communities have decided to lessen the amount spent on food and snacks during such occasions as well as invitation to less no. of people is also seen. Further such type of cut in the expenses are made compulsory.

What Can be Done

(I am only putting points here—more detailed recommendations required)

It has been recognized that addressing the Economic Crisis will need a great deal of intervention from the Government. We propose the following actions which will mitigate some of the effects of the crisis on the poorest and most vulnerable families, will help restart the economy by increasing consumption and at the same time will be future oriented, working towards a more skilled work-force and a dynamic, growing economy.

Activating and expanding employment programmes

- The NREGA is the country's biggest employment programme, and has proved to be a source of relief to families in poverty, especially when other sources of employment do not exist. This programme needs to be expanded but also made more effective.
- 90% of enterprises in the country are micro-enterprises. These small, usually own-account, enterprises provide employment to people, building on their entrepreneurship and using local markets. There are many Government programmes which do encourage these such as the handloom and handicraft schemes, the subsidized loan schemes etc. Many of these schemes can be expanded and a new cluster approach adopted. (See NCEUS recommendations)
- Agriculture continues to be a major occupation of the communities in the rural areas and so programmes for making farming more productive needs to be continued. At the same time rural programmes which provide additional income and also complement and promote agriculture can be undertaken. These include:
 1. Continuation of support prices. Making sure the support prices reach the small and marginal farmers.
 2. Local procurement for Government's public distribution scheme.
 3. Wide spread distribution of seeds and fertilizers
 4. Wide spread programmes for small irrigation schemes
 5. Large scale plantation and agriculture activity should be undertaken on the wastelands in the villages

Protecting Existing Employment

We have seen that many sectors have been affected by the economic crisis leading to decrease in employment. However, it is also true that many poor people are losing employment due to policies of the Government, and due to non-recognition of their work. In the urban areas street vendors and street markets are being rapidly displaced; slum dwellers are being moved to make room for private housing colonies and are losing their employment as domestic workers and service providers; small home-based enterprises are being stopped due to zoning policies. In the rural areas, rural haats, which provide employment and a market, are disappearing due to Government regulations; forcible evictions for projects are still going on in spite of rehabilitation policies; although new Forest Act is in place, it is not being implemented; communities are not being allowed to build and preserve water resources.

We recommend that Government review existing policies and laws which preserve employment such as the National Policy for Street Vendors etc. and

Safety Nets for Security

Existing Government Schemes and Laws

At this stage when families are sliding into poverty from relative prosperity, and when the safety nets. These safety nets should not only give a minimum security to the poor will also give a boost to demand and spending, and hence to the economy. The existing Government programmes can be used for this purpose, and be made effective. In particular :

- ICDS
- Free education and scholarships
- RSBY
- Act for Unorganised Sector Workers—health insurance, pensions, life insurance
- Food security programmes

Unutilized Funds

There are also pockets of funds which are lying unutilized and which should be made available to people at the earliest. These include:

- Construction Workers Welfare Funds: As we have seen, the construction workers are currently unemployed and using up their little savings to survive. On the other hand, Construction workers Welfare Funds in some States such as Delhi, Gujarat and Madhya Pradesh have funds of nearly Rs. 200 crores each, very little of which is reaching the workers. The Government needs to urgently think about how these funds can go to workers to mitigate their distress.

Cash Transfers

At this time of crisis people need cash in their hands before they go deep into debt. Often a scheme may provide a benefit which does not meet the family's urgent requirement, for example, the requirement may be for rent or electricity bills to allow a family to keep on earning, whereas the benefit provided is food or child care or pension. It is therefore best if wherever possible the benefit be in the form of cash directly transferred to the person concerned.

Skill Development

One of the impediments to both growth and employment creation in the economy has been the lack of employment-oriented skills. Whereas earlier industry was willing to invest in skill building, at this time of slow-down, we find that industries are dismissing all their apprentices. We propose that Government utilize this time to launch a large skill building programme with small stipends to the workers. This will utilize the time and energy of unemployed workers, it will give them a small amount of cash and it will create a work-force which can contribute to faster growth when the economy recovers. Some areas can be

1. All types of construction skills
2. Computer skills
3. Skills in services including education, health and domestic services
4. Agricultural skills especially in the areas of seed production, water conservation etc.
5. Nursery raising, vermin compost and other environment improving skills
6. Skills linked to green sources of energy
7. Skills linked to textiles and handicrafts
8. Financial and managerial skills
9. NREGA also include skill building.

..... (to be completed)

Community Based Organisations and Structures

In a study which has just been completed by SEWA and GIDR it was found that people who are members of community structures are better able to access other benefits, including State benefits and private benefits, and are better able to deal with crises. This is especially true for members of SEWA. We recommend that community organisations and structures be strengthened to carry out many of the above programmes. Some examples:

- Farmers groups be recognized and strengthened
 - Licences for seeds
 - Watershed programmes
 - Storage space
 - Loans
- Self Help Groups and their federations, especially of women
 - Savings and loans
 - Insurance and pensions
 - Skill building
 - Joint marketing
- SEWA and SEWA-type organisations
- Co-operatives of all types

Special Funds and Packages

- For recycling and waste
- For small constructions—poor people’s housing and infrastructure especially toilets
- For Small and Marginal Farmers
- For artisans especially embroidery (which is women oriented)
- For Reaching local markets (example of Rudi)
- For Reaching financial services