

SEWA'S PARTICIPATION IN INFRASTRUCTURE IMPROVEMENT INITIATIVES IN URBAN AREAS:

THE 'PARIVARTAN' SLUM NETWORKING PROGRAM, AHMEDABAD, INDIA¹

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¹ The case study on the Parivartan Program is based on research undertaken by professionals at the Institute for International Urban Development at their previous home, the Center for Urban Development Studies, Harvard University Graduate School of Design. The study was conducted at the request of the U.S. Agency for International Development Microfinance Office, and working through Development Alternatives, Inc. The research paper, entitled *Housing Microfinance Initiatives*, is structured in three parts. The final synthesis report is aimed at identifying the achievements and challenges facing micro-credit extension to low income households for new housing construction, home improvements, land acquisition and infrastructure provision. The regional summaries report identifies the challenges and dynamics of rural and urban development in South and South East Asia, Latin America and Sub-Saharan Africa, and highlights innovative housing microfinance initiatives in operation. Finally, six detailed case studies of innovative microfinance initiatives in South and South East Asia, Latin America and Sub-Saharan Africa have been included: Grameen Bank in Bangladesh, SEWA Bank in India, Center for Rural and Agricultural Development (CARD) and Payatas Scavengers' Association in the Philippines, Genesis Impresarial in Guatemala and the South African Homeless People's Association. The research paper is available at: http://www.i2ud.org/documents/cuds_microf.pdf

SEWA'S INVOLVEMENT IN THE PARIVARTAN PROGRAM

The Self-Employed Women's Association (SEWA) was established in 1972 in Ahmedabad, India as a trade union to empower low-income women working in the informal sector (which account for 96 percent of employed women). SEWA has established two institutions—SEWA Bank, a cooperative bank fully owned by SEWA shareholding members, and the Mahila Housing SEWA Trust (MHT) which provides members with legal and technical assistance to improve their shelter and access infrastructure services. By the end of 1999, SEWA had a membership of 220,000 and SEWA Bank had close to 113,000 depositors and 36,000 borrowers with a working capital of just over US\$6 million.

“Parivartan”—a city-wide Slum Networking Project initiated by the Ahmedabad Municipal Corporation (AMC), involves SEWA, SEWA Bank, and MHT. The project aims to provide families in underserved slums with infrastructure services, including individual water supply, underground sewerage, individual toilets, solid waste disposal service, storm water drains, internal roads and paving, street lighting and landscaping. Acting respectively as financial and technical intermediaries, SEWA Bank and MHT motivate families to contribute US\$48 towards an infrastructure improvement package ranging between US\$333 and US\$345. In addition, families are required to contribute US\$2.3 towards the cost of maintenance, which will be assumed by the community.

Local industry matches the family contribution with US\$48 and the balance is covered by the municipality, which also provides all Parivartan participants with written documents ensuring security of land tenure for a minimum period of ten years. To help participants meet their contribution, SEWA Bank provides loans of up to US\$37 to each family. Loans can be repaid in monthly installments of US\$2.30 or as a lump sum and carry an interest rate of 14.5 percent. Finally, the Ahmedabad Municipal Corporation (AMC) provides written land tenure security for a minimum period of ten years to all of the participants of the Slum Networking Project.

Table 1: Status of ‘Parivartan’ Slum Networking Program, 31 March 1999

Location	NGO	Accounts opened	Total number of households	Percent	Total community contribution	Cash paid to AMC	Association account balance	Contribution to be collected
Sinheswari nagar	MHT	43	43	100	86,000	51,300	27,000	7,000
Sharif patha ni chawl	MHT	92	93	99	185,400	75,000	54,000	57,299
Ghanshyam nagar	MHT	129	129	100	219,300	75,000	53,101	91,199
Jayashakti nagar	MHT	120	178	67	356,000	--	103,803	252,197
Kailash nagar	MHT	100	100	50	200,000	--	34,414	165,586
Ashapuri nagar	MHT	--	158	--	316,000	98,000	--	--
K.Vishvana th ni chawl	MHT	265	450	59	900,000	--	173,164	726,836
Patannagar 1 and 2	MHT	206	420	49	840,000	--	68,764	771,236
Baba labi nagar	MHT	88	100	88	200,000	--	32,023	167,977
Melady nagar	MHT	98	98	100	196,000	98,000	98,000	--

Location	NGO	Accounts opened	Total number of households	Percent	Total community contribution	Cash paid to AMC	Association account balance	Contribution to be collected
Lila nagar	MHT	--	--	--	--	--	--	--
Azad nagar	--	137	76	76	360,000	--	119,595	240,405
Shivaji nagar	--	--	--	--	--	--	--	--
Revaba nagar	MHT	43	--	--	--	--	12,146	--
Pravinnagar Guptanagar	SAATH	848	--	--	--	--	654,370	--
Hanuma nagar	--	284	294	97	588,000	--	134,961	451,039
Sanjay nagar na Chaapra	SAATH	181	181	100	--	--	--	3,578

Source: Ghatate, Smita: Credit Connections, p.11

For the three settlements where infrastructure improvements had been completed by 1999, an evaluation documented an average increase of US\$1.15 per day in net household earnings. Fruit and vegetable vendors are able to wash their produce at home and do not have to wait in long queues at public water points. This allows them to get to the market at 6:00 a.m. and spend more time selling produce. Health problems and serious illnesses, including typhoid, malaria, diarrhea and skin disease, have been reduced by 75 percent. In addition, the success of the project prompted members of SEWA Bank to take out a collective loan providing each household with US \$575 for home improvements².

Prior to the launch of Parivartan, Sinheshwari Nagar's 43 families had only one public water standpost with a highly irregular service ranging from 2 to 4 hours daily. The slum improvement program allowed each household to have an individual water connection, which reduced the risk of waterborne diseases. The majority of the household heads are vegetable and fruit vendors. Parivartan enabled them to save two hours daily, which were spent washing their produce in the public water taps, enhancing their daily earnings by Rs. 40 to Rs.50, or more than 25% of their daily revenue. After the launch of the program and the improvement in water quality, the average number of cases of typhoid and other serious diseases reported monthly fell substantially.

Seven Sinheshwari Nagar families received loans from SEWA Bank to pay the required down payment, whereas the remaining 36 households made the contribution from their own savings. MHT had been organizing the community to participate in the program and launch the collective savings effort since 1996. One year later, the effort culminated in the formal registration of the residents' association. Electrification was also introduced, with residents receiving individual connections after depositing the required down payments.

In addition, after the success of the project, Sinheshwari Nagar community members decided to take out a collective loan from SEWA Bank in the amount of Rs25,000 (US \$575) per household for home improvements.

² In 1996, SEWA received international recognition when it was selected as one of 10 Best Practices worldwide to receive an award for excellence in improving the living environment under UNCHS/Habitat Best Practices and Local Leadership Program.

“We have taken loans from SEWA Bank for Parivartan and now we will take loans for making pucca houses, so that our goods are not ruined in the monsoon. Our house is our storage place, our warehouse, and SEWA bank our mother.”

Kamlaban, a member of Sinheshwari Nagar residents' association, quoted in Ghatate, Smita: Credit Connections, p.13

THE PARIVARTAN PROGRAM: PROJECT IMPACT (2003)

The Parivartan program has now sustained itself for 5 years and has reached 9,435 families or 56,610 people over 40 slums in Ahmedabad. Currently, the program is being expanded to include 59 slums reaching an additional 15,431 households. The project has impacted communities in various areas improving the quality of life and lowering death rates from 6.9 per 1000 to 3.7 per 1000. Communities have seen an increase in children immunized against disease, from 31.25% of all children to 51.35% of children and 100% of newborns. General illness incidence has also been lowered from 24.4% to 16.5%, allowing families to decrease the monthly expenditures in health related issues from Rs.131 to Rs.74.

The program has also impacted the level of education and income generation in the slums, where pre-primary and supplementary classes are now being held with 50 children and literacy rates have increased to 45%. With an increase in income and new employment opportunities, families have also been able to increase their monthly expenditures to Rs.3740 from Rs.2806 and they are able to rely on the aid of community based organizations which have now been established in every slum.

The AMC continues to support communities by holding monthly monitoring meetings with the partners to review work progress and share discussions of future plans. In addition, they maintain office hours to attend to public concerns and provide training to orient the communities on technical aspects of the projects.