

The Gitanjali Cooperative: A Social Enterprise in the Making

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Summary

In 1995 India's Self-Employed Women's Association (SEWA) organized women waste pickers in Ahmedabad into a cooperative to improve their working conditions and livelihoods. When the waste recycling industry collapsed eight years later, eroding waste pickers' already vulnerable income, the cooperative began to manufacture stationery products from recycled waste. Over time, this informal arrangement evolved into Gitanjali—a women-owned and -run social enterprise. With support from key partners, Gitanjali has generated social value, providing its members with safe and dignified work while increasing their earnings. While Gitanjali faces challenges in becoming a fully self-sufficient social enterprise, its experience offers insights for other initiatives seeking to provide opportunities for women to transition from informal to formal work.

Gitanjali's origins

In urban India, more women than men work as waste pickers (0.2 percent of women and 0.1 percent of men in urban informal employment). Waste picking is a highly vulnerable and risky form of informal employment, with variable and low pay, limited access to social protection, no labor rights, and a lack of organization and representation. There is no easy path to transition from waste picking to more decent, better-paid employment.

In 2008 the waste recycling industry crashed internationally—a direct consequence of the global financial crisis. Scrap prices dropped drastically by almost half, compounding waste pickers' problems. In Ahmedabad, waste pickers' incomes shrank, and the city's decision to privatize door-to-door waste collection further deteriorated their earning options.

In response, Gitanjali—a cooperative of women waste pickers organized by India's Self-Employed Women's Association (SEWA) in 1995—created a production unit to manufacture value-added products, specifically stationery material, from recycled waste.

The partners

Gitanjali's transition into a women-owned and -managed collective social enterprise has been shaped by SEWA's vision and services, as well as by external partnerships.

SEWA, the first and largest women's trade union in the world, was founded in Ahmedabad in 1972 to organize informal workers, address their occupational concerns, and provide a variety of member services, including financial services (savings accounts and insurance). Gitanjali shares the

This brief is based on a case study that draws on interviews with key informants in SEWA, Gitanjali, WEConnect International, and Accenture; on questionnaire responses from eight Gitanjali members; and on enterprise business records provided by Gitanjali.

Read the full case study at
cgdev.org/Gitanjali



A Gitanjali sister stands at a dumpsite just outside Ahmedabad, the site of many waste pickers' work.

main hallmark of all SEWA initiatives: the belief that full employment and economic self-reliance form the core of women's empowerment. But unlike other SEWA groups, Gitanjali's members (known as "sisters") work in a factory setting rather than individually from their homes.

Gitanjali established robust partnerships with WEConnect International, a global network that connects women-owned businesses to qualified buyers around the world. WeConnect, in turn, connected Gitanjali to Accenture, a global management consulting company with offices across India. Accenture incorporated Gitanjali into its corporate social responsibility (CSR) markets and helped it obtain corporate customers, with Staples as the main buyer. These partnerships were supported by a one-time grant from the World Bank to help Gitanjali access new markets and by pro bono technical guidance from Gopi Stationery, a local stationery company in Ahmedabad.

How Gitanjali's business functions

Today, the group of 50 sisters collectively owns and manages the cooperative, producing a range of stationery products from fully recycled paper for large multinational corporations, including Staples, IBM, and Goldman Sachs.

Before they join Gitanjali, most sisters have limited education and no formal training or experience in establishing or running a formal business. SEWA provides leadership and skills training, and assists with creating candidate screening procedures. Sisters must pass dexterity tests, which effectively eliminates all but the most qualified candidates. Once trained, women are split up into rotating "teams" that generally follow an assembly-line method, with all teams operating simultaneously. Sisters have a quota of orders to fill and are given incentive bonuses if they create products in surplus of the quota. Sisters report a great deal of solidarity throughout the manufacturing process, often helping each other in their tasks to meet deliverables.

To work toward the growth and sustainability of the cooperative, WEConnect International urged Gitanjali to register with the government as a formal sector organization and to obtain a women's business enterprise certification. Accenture, in addition to connecting Gitanjali to corporate contacts, has provided regular guidance (an average of 45 days annually) on the unit's internal leadership structure, streamlining operations, and improving business strategy, including advice on setting prices and remaining competitive within the stationery market. It has also provided each sister with a stipend of 120 rupees/day (about US \$2), as well as additional capital to pay rent and cover other production costs.

Realizing social impact

Gitanjali has achieved social impact, demonstrated through increases in sisters' earnings (which have more than doubled) and improvements in their overall self-reliance and self-confidence. In moving from waste pickers to business owners, the Gitanjali sisters self-report higher and more reliable earnings and personal empowerment. We are confident that this empowerment effect is the product of having "full employment" (regular paid work in a friendly workplace) rather than the result of simply having reliable cash transfers (or stipends).

By adopting SEWA's priority of providing dignified work to poor women, Gitanjali has succeeded in improving the regularity and quality of the work its sisters perform. Simultaneously, it has avoided the pitfalls of other means of transitioning women into formal work, including through mass hiring into low-paying, low-quality, and hazardous jobs in manufacturing. By operating in a communal factory (rather than through home-based production) where women can come together to carry out their work and make joint decisions about the cooperative's management, Gitanjali has captured the benefits associated with women's networks discussed in the literature. Its model could serve as an example for other initiatives seeking not only to provide women with increased income, but also to assist them in their transition from informal to formal work contexts, especially when working within teams and on a fixed schedule.

The business bottom line

That said, from a business perspective, the story of Gitanjali's potential success is still in progress. Though the cooperative is successfully providing for its sisters' livelihoods and well-being, as well as that of their families, this steady income remains largely dependent on financial support—including stipends—provided by Accenture. Gitanjali has not yet made the leap from an initiative supported through CSR investments to a fully self-sufficient, profitable, and scalable social enterprise.

To work toward sustainability and scale, Gitanjali must make several strategic decisions related to marketing, sales, quality control, and accounting. The resources required to improve in these four areas may be significant. What is the appropriate level of support for a social enterprise in the making that operates in a difficult environment? What we typically consider a successful means of economically empowering women—especially the poorest and most vulnerable—requires significant up-front investments to counter the considerable constraints these women face. Findings from a number of recent impact evaluations of entrepreneurship in Bangladesh, Ethiopia, and Uganda confirm that significant injections of capital with complementary training can and did transform the occupational choices of very poor women. Such is also the case with microfinance: only decades-long subsidies supported the growth of microfinance into the business that it is today.

Gitanjali sisters producing notebooks and files at the factory.





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Members of various SEWA cooperatives, including Gitanjali, at SEWA headquarters.

An ambitious model

Gitanjali's social enterprise model is based on building demonstrative partnerships with organizations of poor, informal-sector women workers for viable and sustainable business growth, and, eventually, more inclusive global trade. The model seeks to demonstrate the potential of a hybrid value chain: local community, private sector, and global buyers operating together to expand women's economic opportunity and alleviate poverty.

Gitanjali's is an ambitious vision that requires commitment and collaboration among different partners, and significant investment. The effort, though demanding, may be worthwhile, especially as alternative solutions to improve the situation of

poor women in informal employment can be equally or more challenging. There are no easy, inexpensive solutions. Organizing informal sector workers by occupation/trade to enable collective bargaining and improve work conditions may be unfeasible when markets crash. Similarly, the expansion of wage and salary work as the result of industrial growth may be in low-quality and low-paid employment, especially for women workers, who tend to be hired in the lowest-level skills jobs in manufacturing.

Given the right level of support, Gitanjali would seem to endorse the recent findings that in poor, largely informal economies, enabling access to capital and fostering entrepreneurship may transform the occupational choices of women informal workers.



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