



Global Network of Sex Work Projects
Promoting Health and Human Rights

Usha Multipurpose Cooperative Society Limited

Economic Empowerment for Sex Workers

National Case Study

Introduction

Usha Multipurpose Cooperative Society Limited ([USHA](#)) is the largest and the first ever sex worker-led financial institution in South Asia, exclusively run by and for sex workers. Steered by Durbar Mahila Samanwaya Committee ([DMSC](#)), a sex worker collective in West Bengal, India, USHA was formed in 1995 in response to the economic and social challenges faced by sex workers in Sonagachi, the red-light area in Kolkata. USHA provides economic empowerment to sex workers by offering them loans at low interest rates, encouraging short and long-term savings and supporting self-employment schemes. The Cooperative that started with capital of just INR 30,000 (approx. \$ 400) and 13 sex workers as its members, now deals with INR 30 crores (\$ 4 million) a year and has a membership of over 30,000 sex workers from across the state of West Bengal.

History of USHA

USHA was formed in response to the economic and social conditions prevailing in Sonagachi in the early 1990s. Prior to USHA, sex workers could not open bank accounts in any bank without legal identification and proof of residence – documents that their ‘illegal’ occupation did not allow them to possess. Under India’s Immoral Traffic (Prevention) Act, 1956¹, (ITPA) running a brothel and ‘living off the earnings’ of a sex worker is criminalised. Hence, sex workers in Sonagachi were unable to use their own address for any official purpose for fear of being arrested. Sex workers also faced humiliation, stigma and discrimination when banks refused to offer them any services upon finding out they were from Sonagachi and called them women of ‘immoral character’.

“The banks used to treat them [sex workers] like untouchables when they [sex workers] would tell them their address as Sonagachi.” - Dr. Smarajit Jana, Chief Advisor, DMSC

The banks also insisted that, if they wanted to open a bank account, they bring their ‘husbands’ along and put down ‘housewife’ as their profession.

“USHA is empowering for us. Earlier we faced humiliation when banks asked us to bring our ‘husbands’ along. Because of this constant humiliation and disrespect, most of us lost interest in banks.” - Sabita, sex worker and USHA member

In the absence of bank accounts, some sex workers kept their earnings with their madams, pimps or regular clients, who would often dupe them and not return their money. Sex workers were also often robbed of money by local goons (criminal thugs) or by the police through extortion during their regular raids. As a result, most sex workers chose not to save and spent the day’s income that day itself. In the absence of savings, to meet unforeseen expenses, they were forced to borrow money from local moneylenders at interest rates as high as 300% or approach chit funds (savings / credit scheme) offering unfair lending deals. Consequently, sex workers found themselves trapped in a vicious circle of poverty and debt and were compelled to engage in unsafe work, which further exposed them to severe exploitation and health risks. In order to address these issues, sex workers decided to start their own financial institution that catered to their needs and respected their work.

“Before USHA, I used to keep my money under my mattress or give it to my madam. But many times, she would refuse to give my money back to me or only give me a small amount. Now I have a bank account, I have my own savings and I have taken loans twice – once to send my brother to an

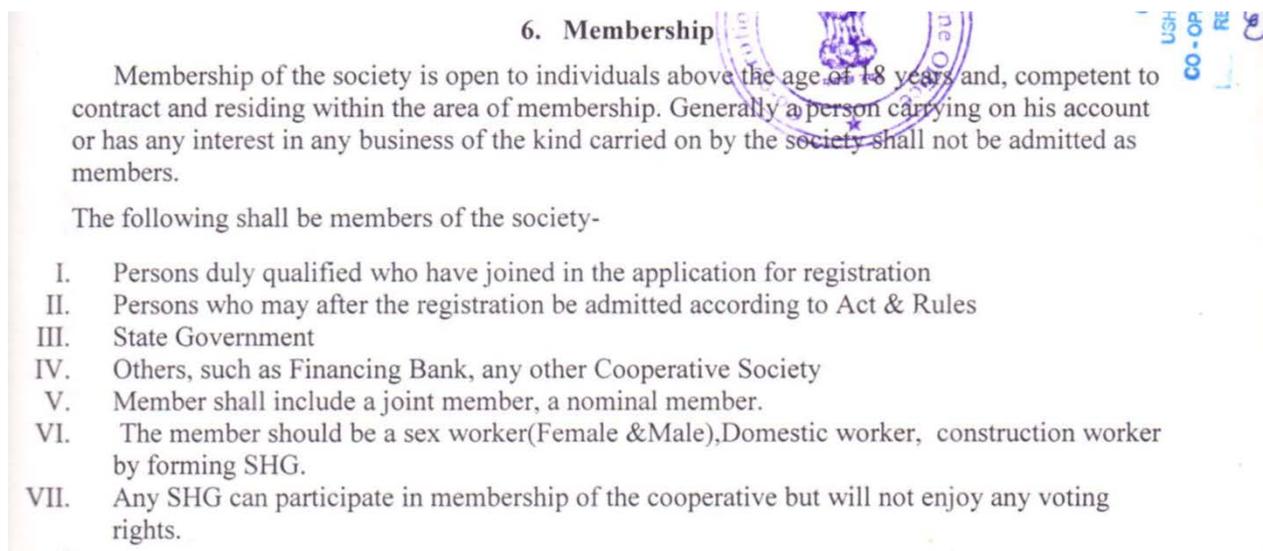
¹ Government of India, 1956, [“Immoral Traffic \(Prevention\) Act, 1956”](#).

engineering college and then to build a house. USHA has supported us and empowered us. It has helped us stand on our own feet.” - Bharati, sex worker and President of USHA’s board

However, a ‘morality clause’ in the West Bengal Cooperative Societies Act, 1983, was used to deny sex workers the right to form a Cooperative. The Act’s rules allowed Cooperative groups to be registered under a common profession, but sex work was not considered a legitimate or legal profession. Once again, they were asked to put down ‘housewife’ as their profession, but sex workers refused to do so and insisted that their profession be recorded as sex work. They started organising and demanded workers’ rights, arguing that sex work is work. At this point they also coined the slogan –“*gotor khaatiye khaai, shromiker odhikaar chaai!*” (“We put in labour in our work, so we demand labour rights!”)

A long struggle finally led to the amendment of the WBCSA, allowing sex workers to form a Cooperative by recording their profession as ‘sex work’ and not ‘housewife’. Following the amendment, USHA was legally registered in 1995 under the Cooperative Society bylaws. The rules and regulations for financial transactions undertaken by USHA are now governed by the West Bengal Cooperative Societies Act, 2006².

“To register a Cooperative Society run by sex workers as members was not easy. There was a debate in the West Bengal Legislative Assembly and an amendment was brought to the Cooperative Act to enable sex workers to start a cooperative society.” - Dr. Smarajit Jana, Chief Advisor, DMSC



From the bylaws of the Usha Multipurpose Cooperative Society Limited

Financial Inclusion & Security

USHA has enabled sex workers to create a reserve of savings to fall back upon in crisis situations, such as the ongoing COVID-19 pandemic. “We don’t know when we will be able to work again. Because our work is very intimate that means it will be risky for us and our clients. If we didn’t have any savings at USHA, what would we eat right now? We are now realising the importance of savings.” - Sex worker and USHA member

² Government of India, 2006, “[West Bengal Cooperative Societies Act](#)”

The dependence of sex workers on unscrupulous money lenders, loan sharks and other dubious financial agents has markedly diminished because of USHA's intervention. Indebtedness and economic insecurity among sex workers has also been reduced, and financial security has led to a higher bargaining power with clients. *"Because of financial security, we can now negotiate with customers and not compromise on safe sex. Earlier, some customers would refuse to use condoms and we were in need of money, so we would give into their demands. Now that we have savings and we can also take loans if there's an emergency, we say no to customers who don't use condoms."* - Sex worker and USHA member

USHA also runs micro-credit programmes enabling sex workers to save through field-based daily collection and several other deposit schemes. The interest rates provided by USHA are higher than that of other banks, thus incentivising savings. The processes of investing and saving money have also been made easy, unlike the long, bureaucratic processes used by most banks that can be very time consuming, intimidating and difficult to navigate. Loans are offered at low interest rates along with easy and flexible loan repayment options that are sensitive to sex workers' social and financial circumstances.

"USHA has made us self-sufficient and financially secure. This initiative was necessary as earlier the sex workers had to sometimes sell their belongings for loan repayment."- Nelu, sex worker and USHA member

"USHA has given us respect and a life of dignity. Earlier we had to take loans from local money lenders and madams with very high interest rate. USHA has given us empowerment by setting us free from the clutches of moneylenders, pimps and traffickers." - Sabita, sex worker and USHA member

Economic Empowerment Schemes

"USHA provides vocational trainings which gives a sense of dignity and allows [sex workers] to fight the stigma attached with sex work as a profession." - Sabita, USHA member and sex worker

USHA undertakes a range of commercial activities that help supplement income for sex workers and create alternative jobs for out-of-work and elderly sex workers. These economic empowerment initiatives also allow sex workers to move to other types of work if they wish to. In response to the ongoing COVID-19 pandemic, USHA has offered small loans to sex workers who wish to start a new business since sex work has come to a halt.

Some of the economic empowerment initiatives include:

1. A 'social marketing' scheme for the supply of condoms, with up to 5.4 million packs of condoms made available. Through this scheme condoms are provided to sex workers at subsidised rates to encourage safe sex practices. Additionally, sex workers are employed in the marketing scheme, which allows them to have an additional/alternative income.
2. Supply of stationery to governmental and non-governmental organisations in different parts of West Bengal.
3. Travel and tour services including organisation of local tours within Kolkata.
4. Vocational training including driving, carpentry, farming as well as the manufacture and marketing of sanitary napkins among sex workers at subsidised rates.
5. More recent ventures include *kantha* embroidery, organic farming and fish farming. The Government of West Bengal has offered financial aid to develop the infrastructure for farming and fish breeding.

6. Production and sale of face masks and hand sanitizer (started in 2020 in light of COVID-19).

Education Loans for the Economic Empowerment of Children of Sex Workers

USHA offers educational loans that enable sex workers' children to pursue higher education. Loans of up to INR 300,000 (approx. \$ 4,000) are provided at reasonable rates of interest to sex workers, and repayment of loans commence one year after the completion of the degree or six months after securing a job, whichever is earlier.

"USHA has helped to address stigma and discrimination attached to sex workers and their children by contributing towards increasing enrolment in schools as well as improving their access to higher education. - Sabita, sex worker and USHA member

One of the daughters of a sex worker talked about how she was able to pursue a full-time education because of USHA's support. She had been trained at USHA to work as a 'daily collector' where she carried out field-based collection of a part of the daily earnings of sex workers and now works as a deputy manager at USHA.

"My mother was a sex worker. I started working with USHA as a daily collector, going door to door. Now I am the deputy manager at USHA and I got the opportunity to work with high ranking government officials. This would not have been possible without USHA's support." - Satabdi, Deputy Manager at USHA and daughter of a sex worker

Social and Political Empowerment

As a sex worker-led financial institution, USHA has had larger socio-political implications on sex workers' rights, by providing them not only with economic security but also political leverage. Having a bank account and a passbook that has their name and address allows them to rent a house, to vote and to be a beneficiary of government welfare schemes.

For instance, in 2004, USHA members started negotiations with the election commission in West Bengal to get voting rights for sex workers by securing the Electoral Photo Identity Card (EPIC). USHA members persuaded the officials to allow sex workers to use USHA's official address as their proof of residence and apply for the EPIC. In 2004, sex workers from Sonagachi got a chance to exercise their right to vote for the very first time.

Following suit, in 2008, the Life Insurance Corporation, India, (a state-owned insurance and investment corporation) relied on USHA's passbook as valid identity documents to offer life insurance policies under the 'Jeevan Madhur Scheme'³, which has been especially designed for economically weaker sections of society. Thus, the Cooperative has not just been successful in providing financial security but also opened other avenues of economic empowerment for them.

The Cooperative also offers membership to other marginalised groups of women in West Bengal including transgender women, fisher-folk and domestic workers who face similar socio-economic barriers.

"Before USHA, there was no institution or community for us [transgender people]. Nobody would stand up for us. We were treated like untouchables by everyone. USHA has not only empowered us financially but given us our citizenship rights. Before USHA, I never felt like a citizen because I did not have any

³ Life Insurance Corporation, India, "[Jeevan Madhur Scheme](#)"

documents or a bank account. USHA has given me recognition and dignity.” – Abhijeet, transgender woman and USHA member

Conclusion

USHA is an inspirational institution and many organisations in India and elsewhere have replicated the model of a sex worker-led cooperative bank. For instance, in 2007 the Sangini Women’s Cooperative Bank was set up in Mumbai to cater to sex workers from Kamathipura (Asia’s second largest red-light area). Modelled on USHA, the bank’s policies were designed to help sex workers and accepted deposits of amounts as low as INR 5 (\$0.066) without demanding any paperwork or identity documents apart from a photograph. The bank unfortunately shut down in 2017 due to a fund crunch. “Now they are hiding the money somewhere in the cubicle or are stitching it up in their pillow covers”⁴. Another example of a sex worker-led bank is the Sadana Didi Multipurpose Co-operative Society ([SDMCS](#)), which was set up in 2013, in Mysore, to work towards financial inclusion of sex workers. Outside of India, sex workers in Bangladesh also fought for the inclusion of sex work as a profession in the Bangladesh Cooperatives Act, using the amendment of the WBCSA and the success story of USHA as a reference point.

USHA has demonstrated how financial inclusion and recognition of sex work as work empowers sex workers and allows them to access better health services and citizenship rights, as well as safer working conditions. The success of USHA can be credited to the fact the bank was set up especially for and by sex workers and catered to the specific financial and social needs of sex workers. In the long run, USHA has not only provided financial security and economic empowerment but also allowed sex workers to pursue alternative and supplementary work, take loans for their children’s education, rent houses, access formal identity documents and exercise their right to vote.

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NSWP is an alliance partner of Bridging the Gaps – health and rights for key populations. This unique programme addresses the common challenges faced by sex workers, people who use drugs and lesbian, gay, bisexual and transgender people in terms of human rights violations and accessing much-needed HIV and health services. Go to: www.hivgaps.org for more information.

⁴ Roli Srivastava, “[Funding crunch shuts bank that gave hope to Mumbai’s sex workers](#),” Thomson Reuters Foundation, 28 December 2017.