Case Study

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USHA Multipurpose Cooperative Society

"It's our own bank, not for non-sex workers or outsiders... We are proud in the only sex worker cooperative...I am proud of myself that through USHA, I met so many people and am well known. I got trained, learned to talk to others, and learned how bank is run."

Julie, daughter of a sex worker, daily collector

USHA[165] Multipurpose Cooperative Society is the largest sex worker-led financial institution in Asia, steered by Durbar Mahila Samanwaya Committee (DMSC), a sex worker collective in West Bengal, India. DMSC, a collective of 65 000 sex workers, is a forum for all sex workers. In 1995, a group of sex workers from DMSC created USHA as their own financial institution.

The cooperative's goals are to enable sex workers to become financially secure; establish worker's recognition and rights of sex workers; and to ensure education and career development opportunities for sex workers' children.

USHA has a current membership of 16 228 female and transgender sex workers. Four to five thousand members receive loans annually. Female and transgender sex workers or their daughters over 18 years can open accounts and are eligible for loans. USHA has one of the best loan recovery rates in the state of West Bengal (over 90%) with an annual turnover of US$ 2.7 million and capital assets of more than US$ 1 million.[166]

USHA's core services are:

- savings accounts, daily collection accounts and fixed deposits, and a tie-in product with the Life Insurance Corporation of India;
- providing loans to members;
- supporting self-employment schemes for sex workers;
- social marketing strategies generate resources for DMSC to better meet the community's needs.

History behind the cooperative

Sex workers in West Bengal were denied access to financial institutions and could not open bank accounts, as they were unable to produce the necessary documents. As a result, the majority of sex workers deposited their money in unauthorised financial institutions (such as chit funds)[167] or left it in the care of their madams, risking mismanagement of their money and sometimes outright loss of savings. Common experiences among sex workers in DMSC were being cheated by these agencies and having their savings taken away by their lovers (babus), local goons and the police. Many did not know how to save money from their daily incomes and usually spent all their earnings. Moreover, there was the prospect of financial insecurity for aged sex workers. They had a declining income, increased health-related expenses along with often financially supporting the family. During a financial emergency, sex workers were generally at the mercy of loan sharks who charged exorbitant interest rates, sometimes as high as 300% per annum. Sex workers were often caught in an inescapable spiral of debt, compounding often fragile financial situations.

At the same time DMSC was consolidating its learning from the HIV prevention programmes they had been implementing since 1992. One of the lessons was that structural barriers limited sex workers' access to health, social and financial support services. They learned that financial insecurity prompted sex workers to compromise their safety, such as being unable to insist that a client use a condom for fear of losing business. Increasing the likelihood of an STI/HIV infection, this ultimately spiralled into greater expense on health care. USHA cooperative was formed to address these socioeconomic and health vulnerabilities of sex workers.

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