Field Report
A Bank of Their Own
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A Bank of Their Own
Shunned by traditional financial systems, sex workers in Asia’s largest red-light district started their own bank. Now it is empowering other marginalized groups.

BY PUJA CHANGOIWALA

ishakha Loskar was a teenager when she gave birth to her son in the early 1990s. A sex worker in east India’s Sonagachi, Asia’s largest red-light district, Loskar began menstruating abnormally a few months after giving birth and could not take on clients. Her illness prevented her from having enough money to buy milk for her baby or medicine for herself. She borrowed 5,000 Indian rupees ($61) from a private moneylender, unaware that she would have to pay five times the amount as interest over the unsecured loan.

The moneylender was her only option, Loskar says. A few years before her son was born, Loskar had visited a bank to open an account, but she was turned away. “Because I did not have proof of address, they said they could not trust me, that I could be a thief, a bandit, or a beggar,” Loskar explains.

Loskar’s experience is not unique. Sex workers in India typically lead precarious lives with no safety net, according to Meena Seshu, director of Sangram, a nonprofit working with sex workers and other marginalized populations in the western Indian state of Maharashtra. Caught in a vicious web of debt, exploitation, and criminalization—mainly owing to social stigma and ostracization—sex workers do not have savings, access to bank loans, or any other financial services.

In 1995, Loskar and 12 other sex workers established USHA Multipurpose Cooperative Society Limited, the largest sex-worker-led financial institution in South Asia. It is, in essence, a bank run by sex workers for sex workers.

The Economy of Sex
Launched with 30,000 Indian rupees ($367) contributed by USHA’s 13 founding members from their personal savings, the cooperative now manages transactions worth 16.75 crore Indian rupees (more than $2 million) a year. It has a membership of more than 36,000 sex workers from across the eastern Indian state of West Bengal, whom it empowers sex workers and allows them to access better health services and citizenship rights, as well as safer working conditions.”
through the red-light district to collect a day with collection agents who traveled the economic security offered by USHA. themselves of debt, more sex workers sought as they witnessed their colleagues freeing for their eyes,” Chatterjee says. Gradually, they had grown up in the same area, be- nation agents, which propelled a substantial tion: hire sex workers’ daughters as collec- just another Ponzi scheme that would steal their clientele to the new cooperative. They had threatened sex workers against bank- kistiwalas and discovered that madams and conducted door-to-door surveys in Sonagachi tion agents, which was a challenge, says Bharati Dey, a founding member of USHA. “The law that governed cooperative societies had a clause saying that the members of such societies must have moral characters,” Dey explains. Since sex work was considered immoral, she adds, “officials told us that we could register a cooperative if we said we were housewives, but we did not want to do that.” After two years of mobilizing sex workers and lobbying the state government to alter the morality clause, USHA was granted cooperative status.

Even after the cooperative was regist- ered, people were slow to join, says Santanu Chatterjee, who has worked as a USHA bank manager for more than two decades. At the end of the first three years, the cooperative had only 214 members. USHA’s cofounders conducted door-to-door surveys in Sonagachi and discovered that madams and kistiwalas had threatened sex workers against bank- ing with USHA, because they feared losing their clientele to the new cooperative. They had convinced the women that the bank was just another Ponzi scheme that would steal their money. In 1998, USHA devised a solu- tion: hire sex workers’ daughters as collect- ion agents, which propelled a substantial increase in its membership.

“Sex workers could trust these girls, as they had grown up in the same area, be- fore their eyes,” Chatterjee says. Gradually, as they witnessed their colleagues freeing themselves of debt, more sex workers sought the economic security offered by USHA. They could deposit as little as five rupees a day with collection agents who traveled through the red-light district to collect money from their doorsteps.

Some of these collection agents, too, have faced harassment. Smita Saha, a 45-year-old collection agent with USHA, says that madams hurled abuses at her when she visited brothels to collect money from sex workers. Then there were the sex workers’ clients—the men who would sexually harass her. “Once, a sex worker had to chase such a client away with a broom,” Saha recalls.

**Holistic Empowerment**

Rita Ray has been a sex worker in Sonagachi since 2008. She soon opened an account with USHA, started making daily deposits, and borrowed money at 11 percent interest to help her family with expenses. “I built a sturdy home for my family, and also bought agricultural land for them,” Ray says. “Now, I have a voter ID, a life-insurance policy, as well as medical insurance, all through USHA.”

Ray illustrates USHA’s impact on sex workers’ political rights. In 2004, and with the cooperative’s increasingly notable work emancipating sex workers, the West Bengal government legally recognized the passbook issued by USHA as a valid identity document. Sex workers subsequently acquired their voter IDs through this passbook, and in 2006 they exercised their right to vote for the very first time. Today, membership and banking documents issued by USHA are accepted as proof of identity in West Bengal. This has enabled sex workers to obtain documents like ration cards, which, in turn, secure them access to other government-run programs and benefits.

USHA also organizes several vocational training programs for sex workers that teach them skills such as farming, carpentry, and manufacturing sanitary products. Sex workers in Sonagachi are also employed in USHA’s social-marketing program, which provides condoms at subsidized rates to organizations that run HIV and STD intervention initiatives. Additionally, USHA runs business ventures like organic farming and pisciculture —its primary sources of profit, which also act as supplementary sources of income for sex workers employed in these programs.

Chatterjee says that USHA established a dormitory and a sports training facility for sex workers’ children. The cooperative offers education loans at a reduced interest rate of 10 percent per year—a rate that is recalculated after each payment—to help sex workers’ children pursue higher education.

USHA also challenges police extortion and fines. Residents of the red-light dis- trict often witness police officers detaining sex workers, threatening to arrest them by accusing them of being underage, Dey says. The officers’ intention, she explains, is to ex- tort money from them. “Since we have every woman’s record, we go to the police station, show them her documents, and secure her release,” Dey says.

USHA’s model holds several lessons for nations across the world. While the cooperative’s membership totals an impres- sive 36,000 members, India is home to more than 800,000 sex workers, a majority of whom still remain excluded from financial and social services. Seshu of Sangram, a men- tor at the National Network of Sex Workers (NNSW) in India, says that, according to a 2020 NNSW survey of 21,000 sex workers across 6 Indian states, nearly 60 percent of sex workers did not have ration cards—a document necessary to access subsidized food grains under government programs.

For sex workers like Ray, USHA has been transformative. She says that sex workers in Sonagachi have always had to work even during their menstrual cycles, but now, with money secured in their own bank accounts, “we can say no to clients who be- have badly, and we can say no to madams who abuse us.”

In 2016, USHA edited its bylaws to extend membership to other marginalized groups of women, including trans women, fisher- folk, and domestic workers. However, while these groups have been able to take advantage of USHA’s banking services and financial benefits, their social status has remained unchanged. They still do not possess basic identity documents and are unable to ex- ercise their right to vote. USHA is now fighting, Chatterjee says, “to ensure that these mar- ginalized women, too, have all the rights that USHA’s sex workers have.”