

# **Financial Inclusion through banking services for Commercial Sex Workers in Mumbai**

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There are a number of people who earn their living directly or indirectly through commercial sex work. Exploitation, vulnerability, forced labour; servitude, stigmatization characterizes Commercial Sex Workers (CSW). A sense of immorality, criminality, and informality associated with their work keeps them excluded from mainstream society. This clandestine work does not allow them to enjoy any social power. They are compelled to keep themselves away from participating in any social, political or economic activities with mainstream society. Moreover, the lack of education, economic opportunities and health opportunities further marginalizes them. Their involvement in protest movements can only be traced in the past decade. A major portion of the money earned by them is given to the brothel owners, pimps and police. In several instances, under the pretext of safety, brothel owners keep the money earned by the CSW leaving them indebted. Lack of financial literacy restricts opportunities for the CSW to move out of her profession.

The first section of the paper encompasses commercial sex work and the dynamics associated with the same. The second section of the paper covers sex work situation in Mumbai and the government, private and civil society contribution for assisting commercial sex workers. The third section covers the problems associated with their financial inclusion, while the fourth includes empirical analysis of financial inclusion of commercial sex workers. The fifth section provides recommendations.

## **What is commercial sex work**

Sex work could be defined as a provision of sexual services, sexual favors for financial exchange (Giddens, 2009). The United Nations (UN) condemns prostitution, but do not ban it. Legislations for prostitution vary across countries: certain countries prohibit only certain types of prostitution like child, street etc. On the other hand, countries like Germany and Netherlands legally acknowledge Sex Parlours and Eros Centres. Amongst the countries who have legalized sex work, only a few of them have legalized male sex work (ibid). In instances, governments were in disagreement with the UN as they preferred to legalize CSWs rather than prohibit it (Kapur, 2001).

In India, sex workers can be classified into five major categories mainly Brothel-based FSWs in red-light areas and elsewhere; (2) FSWs of devadasi origin; (3) Floating FSWs; (4) Call-girls; (5) Hijras; and (6) Male sex workers (MSWs) other than hijras (Nag 2012) (6) Child Prostitutes, (7) Escorts.

Brothel based commercial sex workers

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These commercial sex workers live within the brothels collectively with other CSWs. Their customers visit the brothel for their services. Their income is higher than floating commercial sex workers (UNFDPA, 2005).

#### FSWs of devadasi origin

This tradition started in the 12<sup>th</sup> century where girls were married to different Gods and Goddesses (like Yallama in Northern Karnataka). This marriage involved providing sexual services to the priests and religious of the temple. The illegality of this profession did not restrict this practice, it still continues in Maharashtra, Karnataka and Andhra Pradesh ([www.un.org](http://www.un.org)).

#### Floating FSWs

Floating FSWs are those women who wait at pick up joints for clients.

#### Call-girls

Call girls are commercial sex workers who work on a part time basis. They are well groomed, educated, receive higher income, great freedom in choosing their clients and take good care of their health ([www.un.org](http://www.un.org)).

#### Male sex workers (MSWs) other than hijras

A CNN-IBM special report of Indian gigolos or male prostitutes stated that these men are mainly from higher socio-economic backgrounds employed within IT companies. According to them, they are into this profession as it allows them to have no-string attached sex along with additional earnings.

#### Escorts

Escorts mainly are women who are within the fashion, film industry or colleges students. In comparison with others within the flesh trade escorts receive the highest remuneration ([www.un.org](http://www.un.org)).

#### Child sex workers

Poor families sell their children to sex work for meager sums of money. A UNICEF report in 2004 stated that there are around 500,000 child sex workers in India.

#### **Mumbai Scenario**

Most of the sex workers in Mumbai are sold into the profession at a very young age. Girls from very poor families are brought into this profession by their families as a means of support. Moreover, lovers trick their partners, bring them to Mumbai and sell them to pimps. Displacement due to the Maharashtra government's skewed re-development policy and subsequent impoverishment has led many women to prostitution. A number of brothels in Mumbai are managed by Indian Mafia. This proves to be a hindrance for NGOs and Advocacy groups who seek to aid or protect these women and help them move towards alternative occupations.

Fear of AIDS and police raids prevent landlords from giving their house on lease to commercial sex workers. A strong nexus is seen to exist in Mumbai between commercial sex workers, mafia/ drug lords and police. The underworld frequently visits Bachhu Wadi a red light area. Police forces are aware of the brothels but refrain from taking action on the same. It was only after RR Patil was home minister that the brothels in Bachhu Wadi were closed down (Agustin, 2010).

### **Need for assistance**

A number of commercial sex workers come from lower socioeconomic backgrounds, are widowed, deserted or victims of violence. They are largely illiterate (Bhattacharyya M, 2008), possess limited skills and limited capital. Once they enter this profession, their status in society is further looked down upon. Their nature of work is informal, illegal, poorly regulated, regarded as immoral and clandestine. Moreover, the stigma attached to their work makes it difficult for them to move freely in public places. They are subjected to health disorders like HIV which further ostracizes them in society. NGOs like Sanmitra Trust arrange health camps, HIV tests, and regular health checkups for commercial sex workers. A large portion of the earnings of a brothel based commercial sex worker is given to the brothel owner, pimp and police (Bhattacharyya M, 2008). In instances, the sex workers are bonded to the brothel. Apart from their rent, they have to pay the brothel owner a monthly deposit to cover the price the pimp consumed while buying the commercial sex worker.

They are not likely to possess legal identity documents like ration card, pan card etc which again raises questions about their citizenship. Nor would they possess insurance, pension or any legal protection. The money earned through this profession is considered illegal and immoral and often termed as 'dirty money'. When they would return home with their cash, they would get harassed and robbed by local mafia. On the other hand, once the police have identified them, they would harass them whenever they move out of their houses. Informal savings mechanisms are seen to exist among some commercial sex workers who save their money in rice tins, below their pillows, within their cupboards etc. Unfortunately, their husband or children would use the money for their personal indulgences calling it dirty money. Later on, most of the women start saving their money with the local shop keepers or hotel owners. The safety of this money is questionable. All these factors keep them entrapped in the cycle of poverty.

Financial inclusion for this section of women requires urgent attention. If they are able to save their money in formal institutions, then they will be able to retain the money and be in a position to take loans, remittance, credits, transaction etc. It would give them an opportunity to move out from the profession and consider alternatives.

### **Government interventions**

The government has permitted commercial sex workers to avail themselves of LIC schemes like Jeevan Madhur. The Ministry of women and child development in 2001-2002 launched a Swaadhar scheme. This scheme provided temporary accommodation,

rehabilitation and maintenance for women/ girls who are homeless because of family discord, crime, violence, mental stress, social ostracism and prostitution. The inmates are provided vocational training for rehabilitation. A number of short stay homes were also organized (wcd.nic.in). However, studies have indicated that the Swaadhar Homes are rife with corruption, victims are re-victimized (Bandyopadhyay 2008; Jayasree 2004), subjected to invasive medical examinations, unethical background studies and have no privacy or bodily integrity (Dhaliwal, 1997). The Government has also installed a human trafficking management information system (HTMIS) which is a data base of trafficked victims (Government of India, 2008).

### **Private and Civil society Initiatives**

NGOs working with commercial sex workers provide livelihood, training and savings. They organize health camps and treatment for HIV infected patients. They are involved in organizing sex workers into collectives to provide income and alternative skills for rehabilitation. This is popularly seen in BIRDS in Karnataka (O'Neil et al, 2004) and Sangram in Maharashtra (Misra et al 2000). Moreover, they work towards ensuring child rearing and family stability (O'Neil et al 2004).

#### ***Financial Inclusion for Commercial Sex workers***

Private banks like ICICI offer commercial sex workers micro-finance which in turn would assist them to move out of poverty in a sustainable manner. Moreover HDFC also provides microfinance, no-frills accounts, loans, credit etc.

Sangini Women's Cooperative Bank targets sex workers living and working in Mumbai's Kamathipura red light area. They also have branches in Vashi and Bhiwani. Registration in this cooperative bank does not require any legal identity proof such as residence documents or birth certificates. However, the sex worker should belong to the local sex workers' collective. The bank agents move from house to house and collect money. Moreover, they individually counsel, answer queries and deliver account books, photo identity cards etc. This bank has around 2 million deposits and 1,700 account holders. Sangini Women's Cooperative Bank invests Rs 25,000 deposits in fixed savings schemes with state-run banks.

Nav Jeevan Centre, an NGO working with commercial sex workers and their children over Mumbai and Thane district organizes schools, vocational training institutes, empowerment, rehabilitation and reintegration. They motivate women to save money through banks and other institutions. At times when trafficked women do not possess identity documents and are unable to open legal bank accounts, Nav Jeevan Centre provides loans.

Kranti Mahila Mandal works with commercial sex workers and rag pickers, inculcates savings behavior through opening bank accounts, credit, insurance etc. Similarly, Astha an NGO working for the same cause encourage them to move out of their profession by insisting on savings and giving loans.

## **Financial Inclusion for Commercial Sex workers in Malwani- Malad, Mumbai- a case story**

In Malwani there are around 2500 to 3000 sex workers. It is said that every 10<sup>th</sup> household would have a commercial sex worker. Most women have entered this profession due to poverty and helplessness. One of the major pull factors is the dearth of income within huge families. They enter this profession as it does not require any prior capital investment in education and skill building. These women are floating commercial sex workers, they wait at pick up points in Aksa Beach, Kandivali, Parla and Nehru Nagar etc in Mumbai. If the woman is in dire need of money she would settle for a 100 to 200 Rs per act. As women get older, her income reduces by 300-400 Rs per act.

An NGO in Malwani tied up with a public sector bank for no-frill accounts, was in turn tied up with their technology providers. The sex workers who opted for no-frill accounts faced several difficulties. The difficulties were mainly with the technology providers. Initially when the bank opened their accounts, the technology provider delayed delivering the bio-metric cards by 4 to 6 months. Moreover, money remitted reached the concerned person only after a month. For this purpose the bank introduced, a tatkal system wherein the money remitted would reach in few hours however, this system has additional cost assigned i.e. Rs 100 was deducted from the sender and the receiver. This deduction did not appear to be feasible for the commercial sex workers. Moreover, they were charged on money transactions if the account held less than 1000 Rs. The deductions were Rs 2 if the account had less than Rs 500 and Rs 3 for more than 500 less than 1000. These additional charges proved to be difficult for these marginalized women. Additional charges were levied on account maintenance. Unfortunately, the Business Correspondent did not receive any commission for initiating No-Frill accounts. Moreover, they did not receive the preliminary Business Correspondent (BC) deposit on repeated requests. The BC sends around 20 complaints in a day to the bank and the technology provider, most of which were not attended to. The bank officials operating the No-Frill account system were oblivious to the functioning of the account. Moreover, they were understaffed.

Through these experiences one can question the concept of No-Frills account or zero balance accounts, when the consumer has to pay maintenance and cannot maintain a nil balance in their accounts. The cost on remittance and withdrawals can prove to be unaffordable.

### **Recommendations**

Most of the banks are keeping up to the mandate of RBI by opening No-frills account. However, these banks are not delivering timely service to their customers. It would greatly benefit the poor if RBI authorizes few groups to monitor the no-frill mechanism in every bank. Moreover, they could penalize the banks who have not kept up to the minimum number and quality of the accounts.

The bank officials who are implementing the no-frill accounts are grossly understaffed. It would be interesting if the banks could employ commercial sex workers after training them, to carry out the functions pertaining to the no-frill accounts. This would open up

avenues of alternate employment for commercial sex workers and help them move out of poverty.

Nationalized banks could collaborate with local corporative banks working with commercial sex workers. This would increase the reach of the bank this excluded category.

## **Conclusion**

Conflicts on legalizing commercial sex workers would continue to prevail through generations. In a society like India legalizing commercial sex work is most unlikely. However, it is possible to integrate them into mainstream society by ensuring that they enjoy the benefits of social and financial inclusion. This could be possible through providing identity documents, schooling, savings, credit insurance etc and through collaborative efforts by police, public sector and private sector officials.

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