

Financial Inclusion of Women During the Pandemic | The Role of Jan Dhan Accounts and Cash Transfers

**A Lest We Forget Study | October
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better laws.**

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List of Abbreviations

List of abbreviated terms	Explanation
APL	Above Poverty Line
ATM	Automated Teller Machine
BCs	Business Correspondents
BCNMs	Business Correspondent Network Managers
BPL	Below Poverty Line
DBTs	Direct Benefit Transfers
DFS	Department of Financial Services
FIs	Financial Institutions. This comprises 10 PSBs, 10 PvSBs, 2 SFBs, and 1 payment bank.
FI Index	Financial Inclusion Index
GER	Gross Enrollment Ratio
GSMA	Global System for Mobile Communications Association
IFC	International Financial Corporation
JLGs	Joint Liability Groups
MFIs	Microfinance Institutions
NBFC-MFIs	Non-Banking Financial Company-Micro Finance Institutions
PIB	Press Information Bureau

PMGKY	Pradhan Mantri Garib Kalyan Yojana
PMJDY	Pradhan Mantri Jan Dhan Yojana
PSBs	Public Sector Banks
PvSBs	Private Sector Banks
RBI	Reserve Bank of India
RBIH	Reserve Bank Innovation Hub
RRB	Regional Rural Bank
SFBs	Small Finance Banks
SHGs	Self-Help Groups
UP	Uttar Pradesh
UN	United Nations
Vidhi	Vidhi Centre for Legal Policy
WB	World Bank
WWB	Women's World Banking

Explanation of Relevant Terms

List of relevant terms	Explanation
Lockdown	Lockdown imposed by the Central Government and the State Governments in India between April 2020 - March 2021
Total women respondents	560 women respondents surveyed
Women respondents with PMJDY accounts	465 women respondents who held a PMJDY account (either jointly or singly)
Women respondents with PMJDY accounts and a phone	295 women respondents
Women respondents who received the cash transfers in any or all of the three months	235 women respondents
Women respondents who had withdrawn cash transfers	220 women respondents
Women respondents with no/without PMJDY account	94 women respondents
BC respondents	17 BC respondents surveyed
FI respondents	23 FIs surveyed
FI respondents that offered financial services/ products or loans to help lower- middle income group customers during the pandemic	2PSBs and 1 SFBs that offered such financial services/products
Surveyed Districts	Shimoga (Karnataka), Rupnagar (Punjab), Malkangiri (Odisha) and Shravasti (UP)
WB Global Findex Database Report	The Global Findex Database report released by WB on access to and use of formal and informal financial services and digital payments.

Study	This Study on the access to financial services by women during COVID-19.
Surveying Agency	Morsel Research and Development Private Limited

I. Setting the Context

Financial inclusion has been identified as one of the major drivers of economic growth in a country.¹ It has been hailed to be crucial for poverty alleviation, since access and usage of formal sources of finance would enable one to access capital, increase productivity, and reduce vulnerabilities.² This would in turn help in empowering vulnerable groups and promote inclusive socio-economic growth.³ For the purposes of this Study, in consonance with the definition provided by the RBI, financial inclusion has been referred to as the “process of ensuring access to financial services and timely and adequate credit for vulnerable groups such as weaker sections and low-income groups at an affordable cost.”⁴

The FI Index for March 2022 published by the RBI, which measures the level of financial inclusion in India stood at 56.4- an increase from 53.9 in March 2021 and 43.4 in March 2017.⁵ Although this was quite a considerable achievement for India, there is still a long way to achieve the goal of financial inclusion. The RBI FI Index is based on three sub-indices that are used to measure financial inclusion- access, usage, and quality.⁶ Access indicates the supply side of financial inclusion- whether there is availability of formal financial channels, financial services, and of physical and digital financial infrastructure.⁷ Usage refers to the extent of adoption and penetration of financial services, and quality indicates whether efforts have been taken to increase consumer awareness and financial literacy.⁸ Therefore, financial inclusion has been seen from a holistic perspective and efforts must be made to advance each of these three parameters to facilitate economic empowerment.

One of the major target groups for financial inclusion have been women. Financial inclusion has been consistently identified as one of the major drivers for the economic empowerment of women.⁹ Access to and control over finances enable women to come out of poverty and reduce their vulnerability and it

¹RBI, 'National Strategy for Financial Inclusion: 2019-2024' (January 2020) <<https://rbidocs.rbi.org.in/rdocs/content/pdfs/NSFIREPORT100119.pdf>> accessed 18 July 2022. ["RBI National Strategy for Financial Inclusion"]

²ibid.

³ibid.

⁴ibid.

⁵Anil Kumar Sharma and others, 'FI Index for India' (*RBI Bulletin*, September 2021) <www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=20502> accessed 18 July 2022. It measures financial inclusion on a scale of 0 to 100 based on three sub-indices i.e., access, usage, and quality. It uses 97 indicators. ; RBI, 'Reserve Bank of India Introduces the Financial Inclusion Index' (*RBI Press Release 2021-2022/703*, 17 August 2021) <https://rbi.org.in/scripts/FS_PressRelease.aspx?prid=52068&fn=2754> accessed 21 September 2022 ["FI Index for India"]; RBI, 'Financial Inclusion Index for March 2022' (*RBI Press Release 2022-2023/635*, 2 August 2022) <https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=54133> accessed 21 September 2022.

⁶FI Index for India.

⁷ibid.

⁸ibid.

⁹Greta Bull, 'Women and Finance: Enabling Women's Economic Empowerment' (*CGAP Leadership Essay Series*, March 2021) <<https://www.cgap.org/blog/women-and-finance-enabling-womens-economic-empowerment>> accessed 12 October 2022; Abigail Hunt, Emma Samman, 'Women's Economic Empowerment: Navigating Enablers and Constraints' (*ODI Research Report*, September 2016) <<https://cdn.odi.org/media/documents/10683.pdf>> accessed 18 July 2022.

facilitates their participation in the workforce.¹⁰ It ensures equitable growth and goes a long way in mitigating the exploitation and marginalisation faced by women.¹¹

Historically, women in India have had lesser access to formal financial services, and even when they have been included within the fold, they have not regularly or independently undertaken financial activities.¹² Unstable or low income as well as frequent movement in and out of the workforce have been the primary reasons for such low participation of women in the formal financial ecosystem.¹³ Low levels of financial/digital literacy and awareness amongst women along with the prevalence of patriarchal social norms which disempower women from having their own economic agency have also actively contributed to women not using financial services.¹⁴

The 2017 WB Global Findex Database Report,¹⁵ stated a 6% gender gap between men and women on the parameter of account ownership.¹⁶ In context of India it highlighted that, 6 out of 10 women, remained unbanked or under-banked.¹⁷ However, the 2021 WB Global Findex Database Report, stated that the present gender gap relating to account ownership had become “insignificant” in India,¹⁸ reflecting a significant improvement in access to financial services by women. Despite this, it has been observed that India still lags in usage of these financial services by women. For instance, the 2021 WB Global Findex Database Report stated a very low adoption of financial services amongst women, with almost 42% of women having inactive accounts as compared to 30% of men – a gender gap of 12% in relation to account usage, whereas in other developing economies excluding India the account inactivity rates are more or less equal for men and women.¹⁹ Overall in developing economies (including India), the 2021 WB Global Findex Database Report stated that on an average women account owners were 5% more likely to have an inactive account than men account owners.²⁰ There was also a reported 17% gender gap in the use of digital payments in India.²¹ The abovementioned figures are suggestive of the

¹⁰RBI National Strategy for Financial Inclusion; The Quantum Hub, 'Women's Economic Empowerment in India- Policy Landscape on Financial Inclusion' (January 2020) <https://thequantumhub.com/wp-content/uploads/2020/12/Financial-Inclusion-Section_WEE-Policy-Landscape-Study-Final.pdf> accessed 18 July 2022.

¹¹RBI National Strategy for Financial Inclusion; Sarah Hendricks, 'The Role of Financial Inclusion in Driving Women's Economic Empowerment' (2019) 29:8 Development in Practice <https://www.icrw.org/wp-content/uploads/2019/11/Hendricks_The-role-of-financial-inclusion-in-driving-women-s-economic-empowerment.pdf> accessed 12 October 2022.

¹² RBI, 'Report of the Committee on Medium-term Path on Financial Inclusion' (December 2015) <<https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/FFIRA27F4530706A41A0BC394D01CB4892CC.PDF>> accessed 18 July 2022 ["RBI Report of the Committee on Medium-term Path on Financial Inclusion"]; Rahul Chatterjee and others, 'The Real Story of Women's Financial Inclusion in India' (*Microsave Consulting*, 2019) <www.microsave.net/wp-content/uploads/2020/01/191125_The-real-story-of-womens-financial-inclusion-in-India_Gender-research-report.pdf> accessed 18 July 2022 ["The Real Story of Women's Financial Inclusion in India"].

¹³ The Real Story of Women's Financial Inclusion in India.

¹⁴ibid; Somiha Chatterjee, 'Women's Financial Inclusion in Digital India: Need for Gender Thrust' (*SPRF Issue Brief*, September 2021) <https://sprf.in/wp-content/uploads/2021/09/SPRF-2021_IB_Gender-and-Financial-Inclusion.pdf> accessed 1 July 2022.

¹⁵ The Global Findex Database is a global study which seeks to compare the access to financial services among adults worldwide based on more than 100 financial inclusion indicators.

¹⁶ Asli Demirguc-Kunt and others, 'Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution' (*WB Group*, 2018) <<https://openknowledge.worldbank.org/handle/10986/29510>> accessed 18 July 2022.

¹⁷ibid.

¹⁸ Asli Demirguc-Kunt and others, 'Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19' (*WB Group*, 2022) <www.worldbank.org/en/publication/globalfindex> accessed 18 July 2022 ["2021 WB Findex Database Report"].

¹⁹ ibid.

²⁰ ibid.

²¹ ibid.

fact that account ownership alone may not suffice in bringing about financial inclusion as well as convey the present state of financial exclusion of women in India.

The economic and social fallout of the COVID-19 pandemic further intensified the financial exclusion of women in India. It has been estimated that 47% of women lost their jobs and did not return to the workforce after 2020 as compared to 7% of men who lost their job and did not return to the workforce.²² While the economic shock of the pandemic was felt by everyone, it affected women more disproportionately than men.²³ There is literature to indicate that as of 2021 the gender gap in terms of economic participation has worsened by 3%.²⁴ Women are, and were even more so during the pandemic, vulnerable to job loss and income loss, which deepened their exclusion from accessing and using financial services.²⁵

Therefore, targeted policy interventions were required to bolster the financial inclusion of women and to enable them to access and use financial services. This was necessary to help women counter the severe economic shocks and income losses they faced and are facing because of the pandemic.

One of the policy interventions that policymakers have explored to facilitate financial inclusion are cash transfers. Cash transfers are provided with the objective of equipping persons with the means to access and use financial services. It seeks to help in increasing the personal disposable income of vulnerable groups, which can be used by them to acquire productive assets.²⁶ Specifically, in relation to women, the response to cash transfer has been mixed. On one hand, there is literature which has highlighted that targeted cash transfers to women does not necessarily improve their economic agency and control over finances, thereby not enhancing their economic empowerment as such.²⁷ On the other hand, there is also literature to highlight that targeted cash transfers do indeed bridge the economic inequality faced by women. A study found that cash transfers were effective in bringing about financial inclusion of women,²⁸ since they enabled women to access and use financial services. They provided women with

²²Azim Premji University, Centre for Sustainable Employment, 'State of Working India 2021- One Year of COVID-19' (2021) <<https://cse.azimpremjiuniversity.edu.in/state-of-working-india/>> accessed 18 July 2022. ["State of Working India 2021- One Year of COVID-19"]

²³Anu Madgavkar and others, 'COVID-19 and gender equality: countering the regressive effects' (*McKinsey & Company*, 2020) <www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects> accessed 20 July 2022.

²⁴RBIH, 'RBIH Whitepaper: Gender and Finance in India' (February 2022) <www.microsave.net/wp-content/uploads/2022/03/%E0%A4%B8%E0%A5%8D%E0%A4%B5-%E0%A4%A8%E0%A4%BE%E0%A4%B0%E0%A5%80-Swanirbhar-Nari-program.pdf> accessed 18 July 2022.

²⁵OECD, 'Women at the core of the fight against COVID-19 crisis' (*OECD Policy responses to Coronavirus*, 2020) <www.oecd.org/coronavirus/policy-responses/women-at-the-core-of-the-fight-against-covid-19-crisis-553a8269/> accessed 18 July 2022; State of Working India 2021- One Year of COVID-19.

²⁶RBI Report of the Committee on Medium-term Path on Financial Inclusion ; Ambar Narayan and others, 'COVID-19 and Economic Inequality- Short-Term Impacts and Long-Term Consequences' (*WB Policy Research Working Paper 9902*, January 2022) <<https://documents1.worldbank.org/curated/en/219141642091810115/pdf/COVID-19-and-Economic-Inequality-Short-Term-Impacts-with-Long-Term-Consequences.pdf>> accessed 18 July 2022.

²⁷Claire A. Simon, 'The Effect of Cash-Based Interventions on Gender Outcomes in Development and Humanitarian Settings' (2019) UN Women Discussion Paper No. 31 <unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2019/Discussion-paper-Effect-of-cash-based-interventions-on-gender-outcomes-en.pdf> accessed 12 October 2022; Jessica Hagen-Zanker, 'The Impact of Cash Transfer on Women and Girls' (*ODI Briefing*, March 2017) <<https://cdn.odi.org/media/documents/11374.pdf>> accessed 12 October 2022.

²⁸Pragya Gupta, Marina Dimova, 'Catalyzing Women's Bank Account Use through COVID-19 Relief- Lessons from India on leveraging government transfers to drive women's financial inclusion' (*Findev Blog*, 2021) <www.findevgateway.org/blog/2021/03/catalyzing-womens-bank-account-use-through-covid-19-relief> accessed 18 July 2022.

financial independence and economic agency, using which they could make their own financial decisions and facilitate their economic recovery.²⁹ Cash transfers also enabled women to participate in the workforce and increase their autonomy.³⁰ Studies also found that there was a difference in spending the cash transfer by men and women. Households where women received cash transfers saw a rise in expenditure on food and it enabled their economic empowerment.³¹ In the context of the pandemic, which severely affected women's income, leading to their further marginalisation, cash transfers have been globally identified as one of the major policy responses that should be implemented to mitigate the economic disempowerment of women and increase their financial inclusion.³²

In India, to address the gendered impact of the pandemic, the Central Government announced one of the largest cash transfers programme under the flagship PMGKY initiative. The objective of this initiative was to enable women to maintain control over their finances and access financial services independently, to further the financial inclusion of women during the pandemic.³³ Under the PMGKY initiative, during April 2020 - June 2020, the Central Government transferred INR 1500 to women-held PMJDY accounts (INR 500 for a period of three months). PMJDY accounts were introduced in 2014 as part of the National Mission on Financial Inclusion.³⁴ It was one of the largest drives to ensure financial inclusion of socio-economically vulnerable communities and low-income groups and for the unbanked population so that they could have access to and could use formal finance channels.³⁵ The PMJDY account is a basic savings bank deposit account which can be opened by anyone who does not have any other bank account.³⁶ Additionally, there is no minimum balance requirement in the PMJDY account.³⁷ The PMJDY scheme has a national coverage of almost 45.57 crores beneficiaries, out of which 55% are women beneficiaries.³⁸

In pursuance of the above, this Study sought to examine the accessibility and use of financial services by women, (especially the use and access of PMJDY accounts and the financial services accessed through this channel) during the pandemic. For the purposes of this Study, "financial services" meant access to banking, payments, and credit facilities by women. Access to insurance and pension products

²⁹ WB Group and others, 'Digital Cash Transfers in the Time of COVID-19- Opportunities and Considerations for Women's Inclusion and Empowerment' <<https://documents1.worldbank.org/curated/en/378931596643390083/pdf/Digital-Cash-Transfers-in-Times-of-COVID-19-Opportunities-and-Considerations-for-Womens-Inclusion-and-Empowerment.pdf>> accessed 18 July 2022.

³⁰ IWWAGE, 'Advancing Gender Equality in a post COVID Context' (2020) <https://iwwage.org/wp-content/uploads/2020/08/Policy_Note.pdf> accessed 18 July 2022.

³¹ Anna Lazzarin, 'Empowering Women Through Targeted Conditional Cash Transfers' (Abdul Latif Jameel Poverty Action Lab Policy Briefcase, 2021) <https://www.povertyactionlab.org/sites/default/files/publication/Briefcase_empowering-women-through-targeted-cash-transfers_north-macedonia_10152021.pdf> accessed 12 October 2022; Alex Armand and others, 'Gender-Targeted Conditional Cash Transfers on Household Expenditures: Evidence from a Randomized Experiment' (2020) 130(631) The Economic Journal <<http://www.alexarmand.org/Papers/Ungated/Macedonia-CCT-EJ.pdf>> accessed 12 October 2022; Norbert Schady, Jose Rosero, 'Are Cash Transfers Made to Women Spent Like Other Sources of Income?' (2007) WB.Policy Research Working Paper; No. 4282 <<https://openknowledge.worldbank.org/handle/10986/7471>> accessed 12 October 2022.

³² WB Group and others, 'Digital Cash Transfers in the Time of COVID-19- Opportunities and Considerations for Women's Inclusion and Empowerment' <<https://documents1.worldbank.org/curated/en/378931596643390083/pdf/Digital-Cash-Transfers-in-Times-of-COVID-19-Opportunities-and-Considerations-for-Womens-Inclusion-and-Empowerment.pdf>> accessed 18 July 2022.

³³ 2021 WB Findex Database Report.

³⁴ RBI National Strategy for Financial Inclusion

³⁵ PMJDY, 'About' <<https://pmjdy.gov.in/about>> accessed 1 July 2022.

³⁶ PMJDY, 'Scheme Details' <<https://www.pmjdy.gov.in/scheme>> accessed 12 October 2022.

³⁷ *ibid.*

³⁸ PMJDY, 'Progress Report' (June 2022) <<https://pmjdy.gov.in/account>> accessed 1 July 2022.

was not included. The Study also focused on the PMGKY cash transfer and whether it brought about any change in the financial activity and behaviour of the women beneficiaries i.e., in terms of them conducting more financial transactions. In doing so, the Study also focussed on and examined the role played by FIs and BCs in facilitating the effective delivery, access and use of financial services and products to women.

Research objectives

In pursuance of the above, the research objectives of the Study were as follows:

1. The Study sought to assess the accessibility and use of financial services by women during the pandemic. This entailed focusing on the financial activities and the necessary infrastructures availed by women during the pandemic. The Study sought to also examine whether women adopted technology to avail financial services and the nature of such technology adoption.
2. To briefly examine the implementation of the PMGKY cash transfer initiative to understand if there was any change in the financial behaviour of women post such cash transfer and the nature of the use of financial services after the same.
3. To examine more specifically the role of FIs and BCs in furthering the accessibility of women to financial services during the pandemic. The Study focused on the awareness initiatives undertaken by them to better serve women customers during the pandemic. The Study also examined if they offered any women-centric products that could be availed by women customers during the pandemic to further their financial inclusion.

II. Research Methodology

The Study relied on a combination of primary research and secondary literature to fulfil the above-stated research objectives. This included: -

Primary research

Data was collected from 3 sets of respondents: women respondents, BC respondents and FI respondents between the month of March 2022 to May 2022. The survey was undertaken physically by surveyors hired from a third-party data collection agency. The Surveying Agency had translated the questionnaires in Kannada, Odia, Hindi and Punjabi (as the survey respondents were located in the states of Karnataka, Odisha, UP and Punjab as discussed below), digitised them, provided in-house training to their enumerators and thereafter conducted the survey to record the data.

1. Data collection tools and method of analysis

- (i) The authors prepared questionnaires that were to be administered to the 3 sets of respondents. The rationale was to triangulate information across respondents to gauge the access and usage of financial services by women during the pandemic and whether receiving the cash transfer furthered their financial inclusion. The questionnaires of each of the respondents can be accessed [here](#).³⁹
 - (a) For women respondents, the questionnaire comprised of objective questions to gauge whether they had a PMJDY account (since the cash transfer was given to PMJDY women account holders only), their usage of PMJDY accounts, the change in account activity post the PMGKY cash transfers, ease of access to banking infrastructure during the lockdown, access to credit during the lockdown as well as use of technology in using such financial services.
 - (b) For BC respondents, the questionnaire comprised of objective questions to understand how their women customers used financial services during the pandemic and the impact of PMGKY cash transfers on their account activity, the kind of financial as well as non-financial services provided by the BC respondents as well as gender-specific training and support received by them.

³⁹ Questionnaires can be accessed through this link- https://drive.google.com/file/d/1LqdqMViu4yqu_QedsAsT9hzBAiELuDT4/view?usp=sharing.

(c) For FI respondents, the questionnaire comprised of objective and open-ended questions to assess, the usage of PMJDY accounts by women customers as well as the change in their account activity post PMGKY cash transfers, if women-centric financial products and services were offered by FIs during the lockdown, the importance of literacy and awareness campaigns for women customers as well as training provided by them to BCs to serve women customers specifically.

(ii) The data received from the Surveying Agency was collated and analysed by the authors to produce key findings and observations as captured in this Study. The responses have been presented as descriptive statistics.

2. Survey of women respondents⁴⁰:

(i) Sample size: 560 women respondents were surveyed.⁴¹

(ii) Time frame: The time frame for conducting the survey was between February 2022 - March 2022.⁴²

(iii) Geographic spread: The Surveyed Districts for conducting the Study were based on the Crisil Inclusix, 2018,⁴³ which is an index prepared by Crisil to measure the extent of financial inclusion in India across 666 districts. While 2 districts (Shravasti, UP and Malkangiri, Odisha) were chosen from the bottom 50, 2 districts (Rupnagar, Punjab and Shimoga, Karnataka) were chosen from the top 50. The following were the ranks for each of the districts surveyed: Shravasti- 622, Malkangiri- Rank 619, Rupnagar- Rank 41 and Shimoga- Rank 1. The women respondents were spread uniformly⁴⁴ across the four Surveyed Districts. The women respondents belonged to one block of each district but were spread across approximately ten villages that were selected by the Surveying Agency on a random basis and the sampling was based on convenience.

(iv) Marital status: 91% of the women respondents were married, with the remaining 9% of the respondents being unmarried, divorced or separated.

⁴⁰ The Surveying Agency was instructed by the Vidhi team to specifically identify women respondents from socio-economically weaker areas of the districts chosen for conducting the survey. This was specifically relevant as PMGKY cash transfers were specifically targeted towards the benefit of low-income PMJDY women accountholders.

⁴¹ Vidhi intended to look at a sample size of 500 to 600 women respondents for this survey and the Surveying Agency was able to identify 560 women respondents within the specified period of the Study.

⁴² Data pertaining to specific time frame such as during the lockdown or pandemic is indicated therein itself.

⁴³ Please note that the Study does not look into regional variation in the responses received across the best performing and worst performing districts. Crisil, 'Crisil Inclusix' Vol 4 (February 2018) <<https://www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents/2018/march/crisil-inclusix-financial-inclusion-surges-driven-by-Jan-Dhan-yojana.pdf>> accessed 19 July 2022.

⁴⁴ Breakdown of women respondents across each district is: Shravasti, UP- 140, Malkangiri, Odisha - 139, Rupnagar, Punjab- 141, Shimoga, Karnataka -140.

- (v) Socio-economic background of the women respondents surveyed⁴⁵: Four variables captured the socio-economic status of the women respondents (a) the kind of ration card held, (b) the educational qualifications of the respondents, (c) their source of income, (d) whether they undertook their own financial decisions.
- (a) The majority of the women respondents belonged to economically weaker sections based on their ownership of BPL, Antyodaya or Patra Grihasthi Ration Cards. Around 63% of the women respondents held a BPL, Antyodaya or Patra Grihasthi Ration Card and 23% of the women respondents held an APL ration card.⁴⁶ 14% of the women respondents did not own any ration card. This may have been because of two possibilities- respondents may have been eligible but still did not have a ration card or respondents may not have been eligible to hold a ration card in the particular state.
- (b) Low levels of educational qualification of the respondent group. Only 14% of the women respondents were educated beyond Class X. 39% of the women respondents had received no education, 21% were educated only till Class V, and 27% were educated till Class X. When compared to national figures, as of 2020-21, the GER⁴⁷ of girls in primary education (classes I-V) is 104.5%.⁴⁸ GER of girls in upper primary level (classes VI-VII) is 92.7% and in secondary level (classes IX-X) is 79.5%.⁴⁹ The GER of girls in higher secondary education (classes XI-XII) is 54.6%.⁵⁰
- (c) With respect to the source of income, out of the total women respondents, 77% of the respondents relied on other family members for their source of income. They relied on their spouses, or other male members for their income. The remainder 23% were either employed (17%) or had their own businesses (6%). 64% of such women who were employed or had their own businesses prior to the pandemic either lost their jobs or their businesses were closed due to the pandemic.

⁴⁵ We recognize that caste, religion, and overall family income are also critical components in determining the socio-economic status of the respondents. However, data regarding these specific components have not been collected to keep the briefness of the survey.

⁴⁶ Please note that each of the surveyed states has a different criterion for determining the eligibility for a ration card and states like Odisha and Karnataka, also indicate an urban-rural variation in the income criteria. Broadly, while BPL and Antyodaya card holders have an annual income ranging somewhere between INR 10,000 to INR 17,000 depending on each of the surveyed state, Punjab's annual income amount is on a higher side, i.e., INR 60,000. In the present Study, the holding of BPL, Antyodaya or Patra Grihasthi Ration Cards, represents Priority Household Ration Cardholders under the National Food Security Act, 2013. These cardholders are eligible to receive essential commodities from the fair price shops. Holding of APL Ration Cards represents Non-Priority Household Ration Cardholders under the National Food Security Act, 2013. These cardholders are ineligible to receive subsidised food grains.

⁴⁷ GER is measured as total enrolment in a particular level of school education, regardless of age, expressed as a percentage of the Population of the official age-group which corresponds to the given level of school education in a given school year. See Department of School Education and Literacy, Ministry of Education, Government of India, 'Report on District Information System for Education Plus (UDISE+) 2020-21' (2021) < https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/UDISE%2B2020_21_Booklet.pdf> accessed 12 October 2022.

⁴⁸ Department of School Education and Literacy, Ministry of Education, Government of India, 'Report on District Information System for Education Plus (UDISE+) 2020-21' (2021) < https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/UDISE%2B2020_21_Booklet.pdf> accessed 12 October 2022.

⁴⁹ *ibid.*

⁵⁰ *ibid.*

- (d) Further, with regard to financial decisions, only 27% of the total women respondents who were either married or unmarried made their own financial decisions.

3. Survey of BC respondents:

- (i) Sample size: 17 BC respondents were surveyed for conducting the Study.⁵¹
- (ii) Time frame: The time frame for conducting the survey was between February 2022- April 2022.⁵²
- (iii) Geographic spread: They were chosen from the same Surveyed Districts from which women respondents were surveyed.⁵³ Similar to women respondents, the BC respondents belonged to one block of each district and were chosen based on convenience.
- (iv) Gender: The majority of the BC respondents, i.e., 14, were males.
- (v) Years of operation: 9 BC respondents had been operating for more than three years, 6 BC respondents had been operating for one to three years and 2 BC respondents had operated for less than a year.
- (vi) Kinds of services offered: The BC respondents offered withdrawal, cash deposit, account opening services and financial or digital literacy services.
- (vii) Associated banks: 12 BC respondents were associated with PSBs, 3 with PvSBs and 1 with an RRB.⁵⁴

4. Survey of FI respondents.⁵⁵

- (i) Sample size: 23 FIs were surveyed for conducting the Study. It included 10 PSBs, 10 PvSBs. Payment banks and SFBs were also sought to be surveyed given their important role in promoting financial inclusion. However, only 2 payment banks and 1 SFB responded. The 10 PSBs and 10 PvSBs were chosen from the list of FIs that had opened the highest number of PMJDY accounts as on 30 March 2022 and as available on the website of DFS, Ministry of Finance.

⁵¹ Vidhi intended to look at a sample size of 20 BC respondents for this Study and Surveying Agency was able to identify and reach out to 17 BC respondents within the specified period of the Study.

⁵² Data pertaining to specific time frame such as during the lockdown or pandemic is indicated therein itself.

⁵³ Breakdown of BC respondents across each district is: Shravasti, UP- 4, Malkangiri, Odisha - 4, Rupnagar, Punjab- 5, Shimoga, Karnataka -4.

⁵⁴ Name of associated bank not available for 1 BC respondent. BCs are engaged by banks to provide a limited range of banking and outreach services in place of bank branches/ATMs.

⁵⁵ The Surveying Agency was not able to either contact MFIs or not able to gather any responses from them.

- (ii) Sample description: The surveyors spoke to managerial-level persons for conducting the survey and other employees were only considered in case of non-availability of the former. Answers were received from managers, assistant managers, branch managers and probationary officers, clerks, cashiers, and the sub-staff of the FI.
- (iii) Time frame: The time frame for conducting the survey was between March 2022 - May 2022.⁵⁶
- (iv) Geographic spread: The FI respondents were surveyed in Lucknow (UP), Sitapur (UP), Gonda (UP), Patiala (Punjab) and Barnala (Punjab). These geographies were selected on the basis of convenience.

5. Secondary Literature

The Study also relied on available data released by government sources and international organisations and the existing literature on similar issues.

- (i) The data released by DFS, PIB, WB Global Findex Database Report and RBI was used to extricate the status-quo of access and usage of financial services in India. Specifically, the data was used to study the number of PMJDY accounts, the status of PMGKY cash transfers, account dormancy, gender gaps in account ownership, uptake of digital payments and the status of cash-out points in India.
- (ii) The Study also relied on existing literature on data-driven studies and research reports by economists, research organisations, and NGOs on the impact of the pandemic on the daily lives of women and their access to financial services. Specifically relevant to the Study was the literature covering the impact of the lockdown on (a) women's income and employment levels that have witnessed a considerable decline, (b) access and usage of financial services and the challenges faced therein, in terms of delivery channels being closed or completely unavailable, (c) the status of PMGKY cash transfer initiative in the country and its consequent change on financial activity levels of women customers and, and (d) the role played by BCs especially female BCs in furthering financial inclusion of women and the level of support received by them from FIs. The key takeaways from such literature review informed the survey questions and this Study.

⁵⁶ Data pertaining to specific time frame such as during the lockdown or pandemic is indicated therein itself.

III. Key Findings and Observations

a. PMJDY accounts and impact of cash transfer on women's financial inclusion

I. Status of women who held PMJDY accounts – General Observations

How many women respondents held PMJDY accounts?

To assess the financial inclusion of women, the Study sought to first gauge the general access to PMJDY accounts by the total women respondents. The PMJDY scheme has been one of the most instrumental policies to bring forth financial inclusion of women in India, by giving them access to a bank deposit account and provision for other facilities such as overdraft and investments.⁵⁷

Existing literature has suggested that the access to such accounts may ultimately enable them to access various financial services and receive cash transfers.⁵⁸

The findings indicated that the majority of the total women respondents i.e., 83% of the total women respondents had a PMJDY account (See: Figure 1). Majority of the women respondents with a PMJDY account had opened it prior to the lockdown (See: 91% in Figure 2). Therefore, an overwhelming majority of the total women respondents were eligible to receive the PMGKY cash transfer for the period of April 2020 - June 2020.

The remaining 17% of the total women respondents who did not own a PMJDY account cited lack of

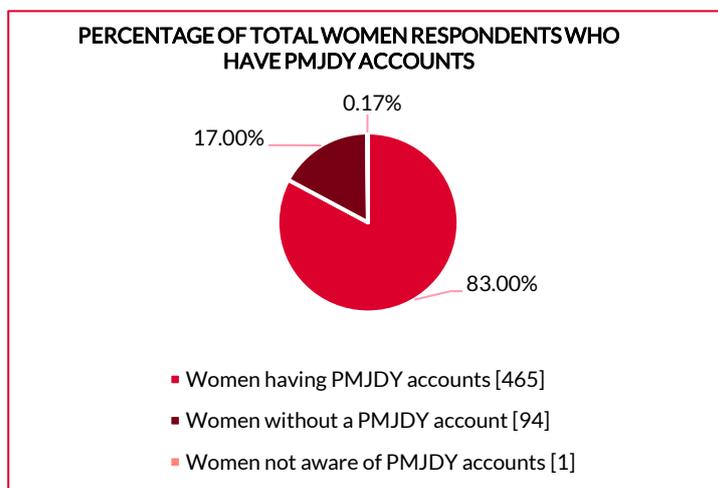


Figure 1

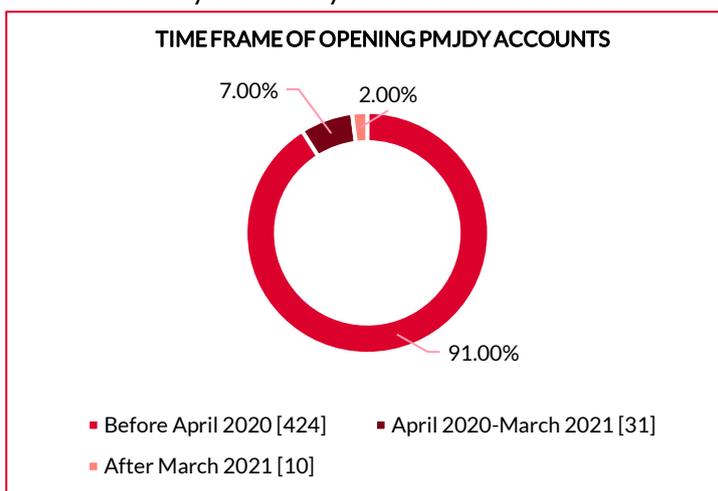


Figure 2

⁵⁷Ministry of Finance, DFS, 'PMJDY- A National Mission on Financial Inclusion' (2014) <https://pmjdy.gov.in/files/E-Documents/PMJDY_BROCHURE_ENG.pdf> accessed 18 July 2022.

⁵⁸ For instance, *ibid*; Mobile Solutions Technical Assistance and Research Project, 'India Digital Financial Inclusion- Journey Map Report' (March 2019) <www.usaid.gov/sites/default/files/documents/15396/mSTAR_IndiaDFI_Report_DRAFT_FINAL.pdf> accessed 19 July 2022.

awareness regarding PMJDY accounts (13%) for not having an account. However, the majority of the women respondents without a PMJDY account were willing to open a PMJDY account (84%).

The PMJDY account ownership trends from the perspective of BCs and FIs revealed that:

- (i) Most BCs served a sizeable number of PMJDY women account holders. 4 BC respondents indicated that more than 50% of the women customers served by them had a PMJDY account. For 7 BC respondents, out of the total women customers they served, 25-50% of them had a PMJDY account. 6 BC respondents stated that less than 25% of the women customers they served had a PMJDY account. Notably, only 2 BC respondents indicated that out of the total women customers that they served more than 75% of them had a PMJDY account.
- (ii) 8 PSBs and 5 PvsBs, stated that out of the total women customers that they served, 50%-75% of them had PMJDY accounts. 1 PSB and 2 PvsBs indicated that more than 75% of their women customers were PMJDY account holders.

Who operated the women-held PMJDY accounts?

Most women respondents with PMJDY accounts indicated that they had their own personal PMJDY accounts, which they operated by themselves (See: 83% in Figure 3). 13% of the women respondents with PMJDY accounts indicated that it was operated by their spouse or family. Only 1 such women respondent indicated that they operated their PMJDY account with the help of a BC.

II. Cash transfer under PMGKY

The cash transfers to women-held PMJDY accounts announced under the PMGKY scheme was one of the largest cash transfer packages which sought to address the gendered impact of COVID-19.⁵⁹ INR 500 was to be transferred in each of the months between April-June 2020.⁶⁰ Banks were advised to intimate their women beneficiaries by way of a text message regarding the credit on each month.⁶¹ The

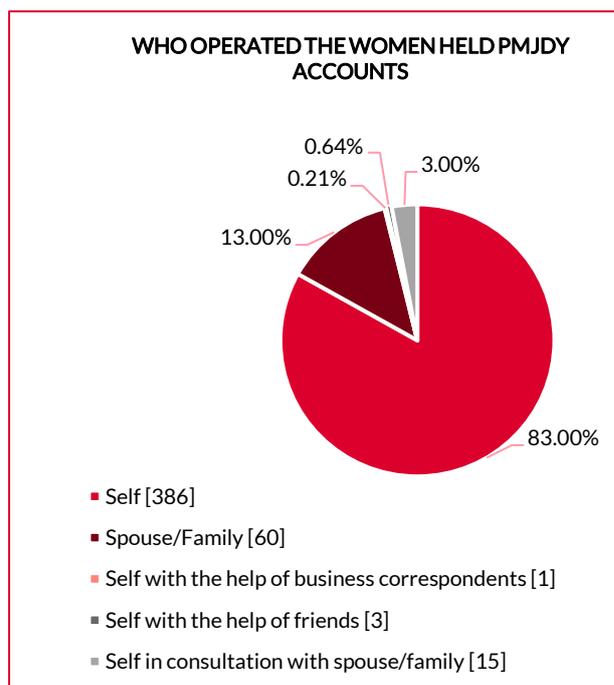


Figure 3

⁵⁹Alan Gelb and others, 'Social Assistance and Information in the Initial Phase of the COVID-19 crisis: Lessons from a Household Survey in India' (*Microsave Consulting*, 2021) <www.microsave.net/wp-content/uploads/2021/08/social-assistance-and-information-initial-phase-covid-19-crisis-lessons-household-survey.pdf> accessed 27 June 2022.

⁶⁰ Ministry of Finance, Government of India 'Finance Minister announces Rs. 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus' (*Press Information Bureau*, March 2020) <<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1608345>> accessed 12 October 2022.

⁶¹ Ministry of Rural Development, Government of India, 'Direct cash transfer to women PMJDY account holders under PM Garib Kalyan Package for the month of April 2020 in the light of COVID-19 pandemic' (*Press Information Bureau*, April 2020) <<https://pib.gov.in/newsite/PrintRelease.aspx?relid=200951>> accessed 12 October 2022.

Progress Report of the PMGKY package as released by the Government in June 2020 indicated that all three installments were credited to 100% of the women beneficiaries (20.62 - 20.65 crore women held PMJDY accounts).⁶²

This was corroborated with the data provided by all the FI respondents. They reported that INR 500 was credited to all women-held PMJDY accounts in their respective banks/branches, for all 3 months of April 2020 - June 2020 and there was no hurdle in transferring such amount to the PMJDY accounts.

However, the ground reality from the Study indicated that the majority of the women respondents with PMJDY accounts had not received the cash transfer for all three months (See: Figure 4). 42% of the women respondents with PMJDY accounts had not received any cash transfer in their PMJDY accounts during the three-month period. Further, only 11% and 16% of them had received the cash transfer for one and two months respectively. Notably, only 23% of such women respondents received the cash transfer for all three months. Other research studies also highlighted similar findings wherein it was observed that 20-30% of women PMJDY account holders had not received the cash transfer under PMGKY.⁶³

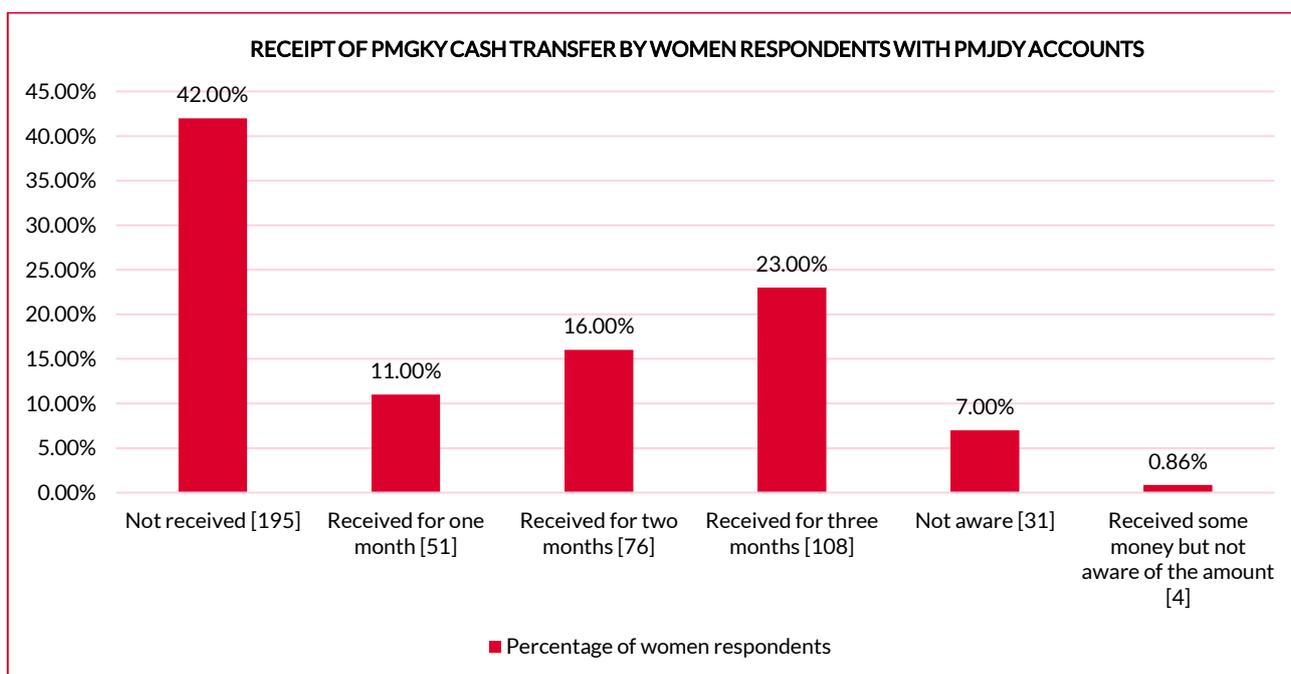


Figure 4

⁶² Ministry of Finance, 'PMGKY - Progress So Far' (June 2020) <<https://pib.gov.in/PressReleasePage.aspx?PRID=1632863>> accessed 1 July 2022.

⁶³State of Working India 2021- One Year of COVID-19; Basudeb Guha-Khasnabis, Suvir Chandna, 'Socio-Economic Impact of COVID-19 on Women Migrant Workers- Evidence from 12 Indian States' (UNDP Global Policy Network Brief, June 2021) <www.undp.org/library/dfs-socio-economic-impact-covid-19-women-migrant-workers> accessed 18 July 2022; Sneha Pillai and others, 'India's Policy Response to COVID-19 and the Gendered Impact on Urban Informal Workers in Delhi NCR' (International Centre for Research on Women and the Quantum Hub Thematic Brief 2, 2022) <www.icrw.org/wp-content/uploads/2022/03/2_-_Economic-Well-Being_230222.pdf> accessed 18 July 2022; Another study which was conducted in May 2020 also reported that as of 2nd week of May 2020, 21% of the surveyed women were yet to receive the 1st installment due on April 2020, see National Coalition of Civil Society Organization, 'Exploring Cash Transfer to Jan Dhan Accounts as COVID-19 Response: Findings from A Rapid Survey (28 April to 12 May 2020) for Assessing the Ground Reality' (May 2020)

Through the survey of women respondents, the Study also attempted to assess the reasons for most women responding that they had not received the cash transfers for all the three months. There was a relatively high level of awareness observed regarding the cash transfers as 65% of the women respondents with PMJDY accounts indicated that they were aware of the PMGKY cash transfer announcement (See: Figure 5).

On the parameter of phone ownership, 63% of women respondents with PMJDY accounts owned a phone. Out of these women respondents with a PMJDY account who owned a phone, when asked if they received a notification on their phone regarding transaction (including debits, credits, etc.) on their PMJDY account, 8% of them indicated that they had not linked their contact number to their PMJDY account and notably, around 47% of them indicated that they did not receive any notification on their phone regarding their PMJDY account (See: Figure 8). Therefore, it may be assumed that most women respondents with a PMJDY account and a phone, might have linked their phone numbers to their accounts.⁶⁴ Hence, it may be argued that some women may have genuinely not received the cash transfers in their accounts and it was not merely a case of lack of awareness regarding such transfers.

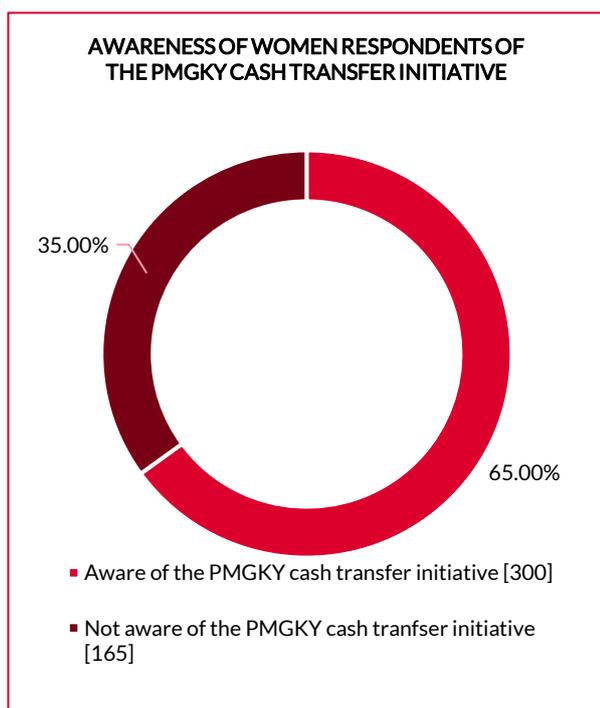


Figure 5

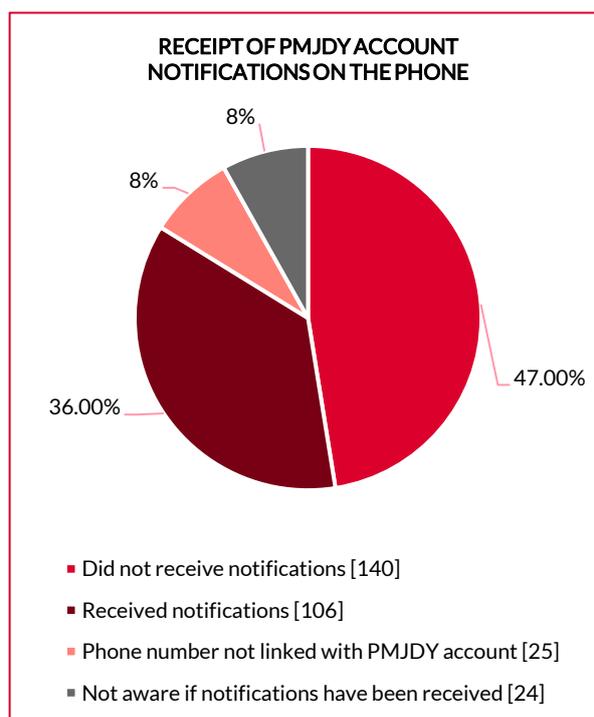


Figure 6

III. Use of financial services during the pandemic

One of the objectives of the Study was to understand the use of financial services by women respondents during the pandemic. The findings from the BC respondents indicated that the women

<https://d1ns4ht6ytuzzo.cloudfront.net/oxfamdata/oxfamdatapublic/2020-06/Rapid%20Survey-Cash%20Transfer%20to%20Jan%20Dhan%20Account%20Holders-Report-26%20May%202022....pdf> accessed 18 July 2022.

⁶⁴ Please note that there was no specific question on whether women respondents had linked their phone number to their PMJDY account. Therefore, this is solely an assumption.

customers they served, availed basic level⁶⁵ of financial activities during the pandemic (See: Figure 7). The three financial services availed most by women during the pandemic, were account withdrawals (16 BC respondents), checking account balance (9 BC respondents) and raising queries regarding cash transfer credits in their PMJDY account (6 BC respondents).⁶⁶ Please note that these findings reflected the general usage of financial services by women during the pandemic and, were not just specific to the financial activities in relation to PMJDY accounts.

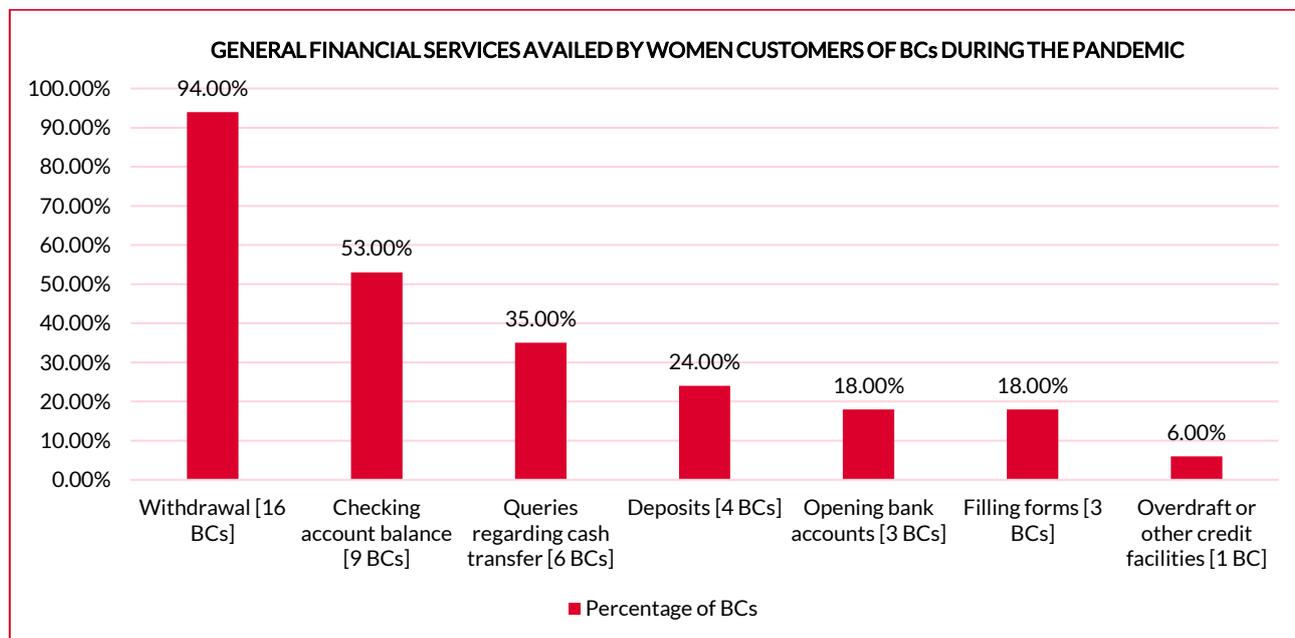


Figure 7

⁶⁵ For the purposes of this Study, we understand basic financial services as withdrawals, checking account balance, queries regarding account, and advanced financial services such as fund transfers, deposits, investments, online transactions and availing credit

⁶⁶ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

More specifically, the Study also sought to gauge the use of financial services by women respondents through PMJDY accounts during the pandemic. Notably, only 55% of the women respondents with a PMJDY account indicated that they had used their accounts frequently during the lockdown (See: Figure 8). The remaining 45% of them indicated that they either did not use their PMJDY account at all during the pandemic or used it very rarely. Concerning the nature of use during the pandemic, only a minority of women respondents with PMJDY accounts availed of the deposit or overdraft facilities related to PMJDY account. Only 32% of the women respondents with PMJDY accounts, indicated that they had deposited any savings into their PMJDY account during the lockdown. (See: Figure 9). Further, only 6% of the women respondents with PMJDY accounts availed of the overdraft facility during the pandemic and that too for emergency or personal reasons (See: Figure 10). The majority of the PSBs and PvSBs indicated that none of their women customers who had PMJDY accounts had availed of the overdraft facility during the pandemic.

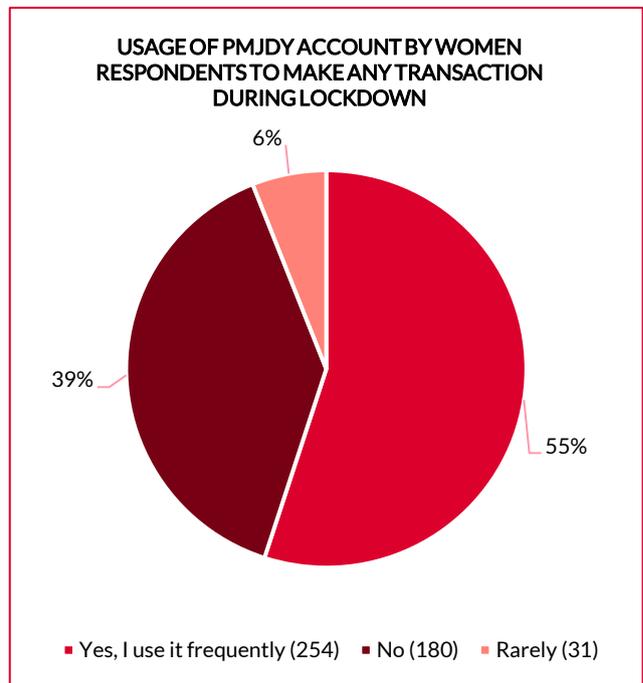


Figure 8

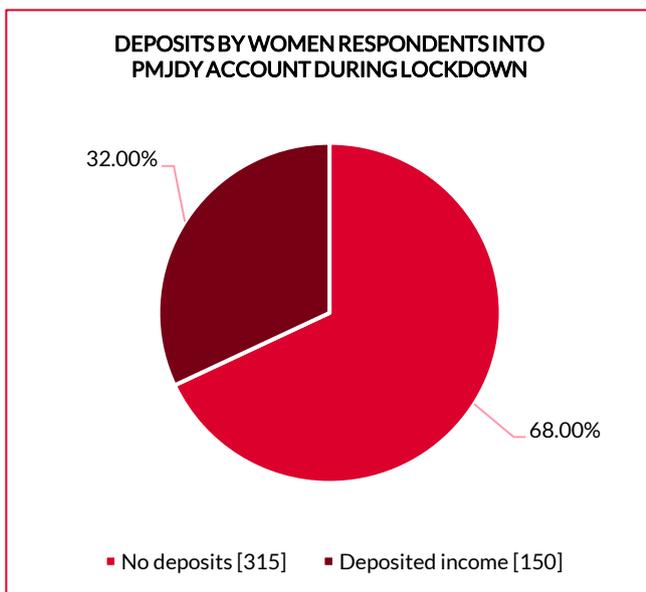


Figure 9

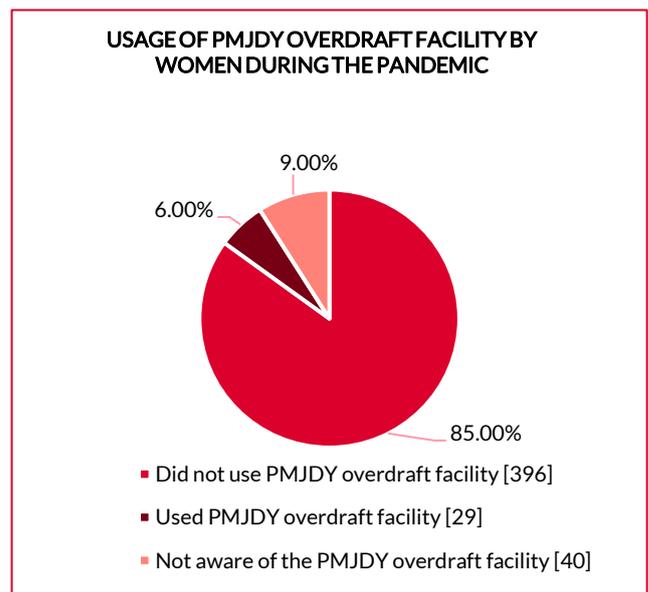


Figure 10

Further, as discussed above, cash transfers have the potential to stimulate the economic growth and empowerment of women by making them financially independent.⁶⁷ This financial independence promotes their financial inclusion since it enables women to use and access financial services to cultivate further economic assets for themselves. Therefore, one of the primary objectives of the Study was to gauge whether there was any change in the financial behaviour of and PMJDY account usage by the women respondents post such cash transfer. This included an examination of the nature of the PMJDY account based financial services that were accessed or used by the women respondents post the cash transfer.

The findings indicated that post the cash transfer, women respondents who received the cash transfer in any or all of the three months, continued to undertake basic levels of financial activities and availed basic financial services (*See*: Figure 11). Majority of the women respondents who received the cash transfer in any or all of the three months withdrew the money (94%).⁶⁸ Only a small fraction of such women respondents saved the cash transfer (11%) or made online payments (8%)⁶⁹ and an even smaller number of such women respondents invested the sum received under the cash transfer (3%).⁷⁰

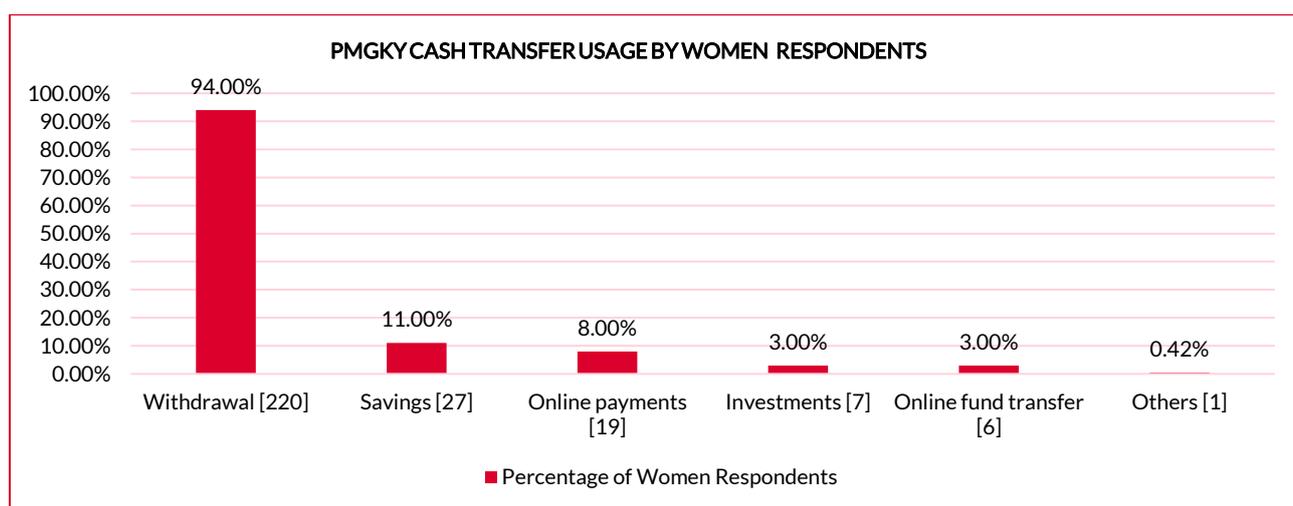


Figure 11

A similar finding was also observed from the data of FI and BC respondents. Most of the BC respondents (10 BC respondents) reported that the change in account activity was limited to an increase in withdrawals (7 BC respondents), the opening of PMJDY accounts (5 BC respondents), and queries regarding PMJDY accounts and services (5 BC respondents).⁷¹ Notably, only 2 BC respondents indicated that there was an increase in other activities such as deposits, credit facilities, fund transfers,

⁶⁷ Please refer to the section 'Setting the Context'.

⁶⁸ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁶⁹ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷⁰ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷¹ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

etc.⁷² Further, 17 of the FI respondents (excluding the SFB) indicated that post cash transfer, there was a change in account activity of women limited to withdrawals.⁷³ Only 1 respondent each from PvSBs and payment banks saw an increase in account activity relating to deposits.⁷⁴ None of the FIs saw any increase in account activity relating to an investment in other financial products.⁷⁵

Possible reasons for low saving and investment by women vis-à-vis PMJDY accounts

The above findings indicated that the financial transactions that were carried out by the women respondents who received cash transfers in any or all three months, were primarily limited to withdrawals over savings or investments. Although there was an increase in the access of financial services post cash transfer, but the nature of usage of financial services remained quite basic.

During the pandemic, vulnerable households reported an average loss of at least INR 1200 of monthly income.⁷⁶ Other reports also highlighted that income of 10% of the poorest households were lower by INR 15,700 between March to October 2020.⁷⁷ Further, a survey of women migrant workers reported that they needed an average of INR 10,039 monthly to be able to fund their household necessities.⁷⁸ In this context, research studies concluded that the PMGKY cash transfer which sought to transfer only INR 1500 for three months was vastly inadequate to counter the economic shock and income loss resulting from the pandemic.⁷⁹ Especially for women who not only lost out on income during the pandemic but who would also be most probably excluded from the workforce post the pandemic, a meagre amount of INR 500 per month for only three months, was not enough to ensure their sustained economic empowerment.⁸⁰

This was also observed in the findings of this Study above, where 68% of the women respondents with PMJDY accounts indicated that they had not deposited any sum in their PMJDY account during the lockdown. Out of these women respondents who had not deposited any sum into their PMJDY account, an overwhelming majority (*See*: 94% in Figure 12) of them indicated that the primary reason for them not being able to deposit money was owing to a lack of income or savings.⁸¹ The other reasons for not being able to deposit any money in their PMJDY accounts included not knowing how to deposit cash

⁷² Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷³ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷⁴ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷⁵ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁷⁶ State of Working India 2021- One Year of COVID-19.

⁷⁷ *ibid.*

⁷⁸ Basudeb Guha-Khasnabis, Suvir Chandna, 'Socio-Economic Impact of COVID-19 on Women Migrant Workers- Evidence from 12 Indian States' (*UNDP Global Policy Network Brief*, June 2021) <www.undp.org/library/dfs-socio-economic-impact-covid-19-women-migrant-workers> accessed 18 July 2022.

⁷⁹ *ibid.*; Sneha Pillai and others, 'India's Policy Response to COVID-19 and the Gendered Impact on Urban Informal Workers in Delhi NCR' (*International Centre for Research on Women and the Quantum Hub Thematic Brief 2*, 2022) <www.icrw.org/wp-content/uploads/2022/03/2--Economic-Well-Being_230222.pdf> accessed 18 July 2022.

⁸⁰ *ibid.*

⁸¹ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

(5%), preferring liquidity (5%), and not being comfortable with using bank accounts for depositing money or because they found such accounts unsafe (4%).⁸²

This suggests that perhaps the entirety of the cash transfer was sufficient to fund only personal or household expenses. Additionally, it may be plausible that since only 11% of the women respondents with PMJDY accounts, received the cash transfer for only one month and 16% of such women respondents received it for two months, the sum available to them was even lower (only INR 500 or INR 1000 respectively) which may have made it infeasible for them to invest or use it for any other financial service, other than withdrawing it for meeting urgent needs. Thus, the lack of any advanced financial activity on behalf of the women respondents from the cash transfers may be attributed to the inadequacy of the amount of the cash transfer provided under PMGKY as well as its non-crediting for all of the three months.

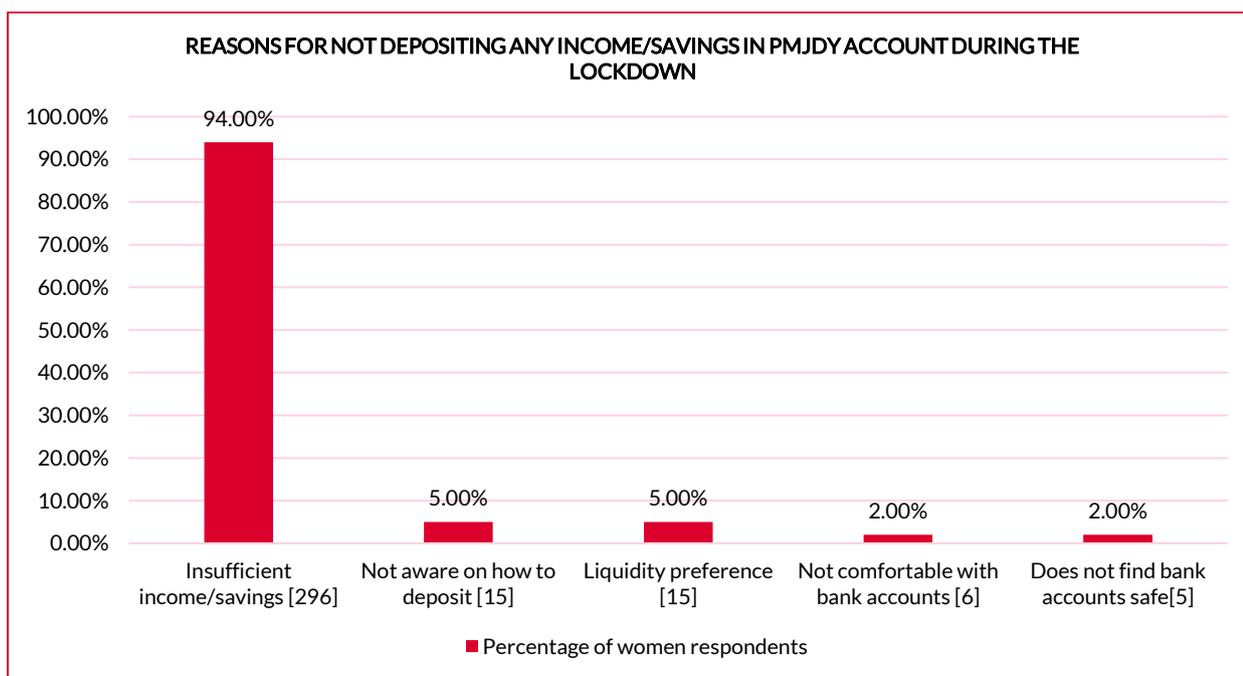


Figure 12

⁸² Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

Key Takeaways

- *The majority of the total women respondents had a PMJDY account (83%) which they had opened before the pandemic (91% of the women respondents with PMJDY accounts), and they operated it by themselves. (83% of the women respondents with PMJDY accounts).*
- *45% of the women respondents with PMJDY accounts indicated that they did not use their PMJDY accounts frequently during lockdown. The majority of the women respondents with PMJDY accounts stated that they did not use their PMJDY accounts for deposits (68%) during the lockdown or overdraft facility (85%) during the pandemic.*
- *During the pandemic, the financial services availed by women (not just limited to PMJDY accounts) were limited to very basic levels of financial activity which included withdrawing money or checking account balance.*
- *Specifically, regarding the PMGKY cash transfer, 42% of the women respondents with PMJDY accounts had not received the cash transfer for all three months and only 23% of them had received it for all three months.*
- *The women respondents who had received the cash transfer in any or all of the three months, mostly withdrew it (94%) and a small fraction of them, used it for savings or investments (14%).*
- *The meagre amount of the cash transfers and the finding that not all women respondents received it for all three months, may be the possible reasons why women respondents engaged in basic financial activities, indicating that they have not graduated to using other financial services linked to the PMJDY account such as deposit, overdraft, and investment.*

b. Access to financial services during the lockdown and the role of FIs

I. Access to banking infrastructure and challenges faced by women customers due to the pandemic

The available literature confirms that the lockdown restrictions curtailed⁸³ and exacerbated the risks arising from gender inequalities,⁸⁴ in access as well as usage of financial services, especially for the lower to middle-income customers.

The same was corroborated by a dip in the average customer footfall witnessed by the BC respondents, with 11 such respondents reporting that their customer footfall had dipped during the March 2020-April 2021 (See: Figure 13).

The presence of adequate banking infrastructure (bank branches, ATMs and BCs) was relevant during the pandemic, for women customers to leverage the cash transfers being given by the government under PMGKY. Existing studies assessing the implementation of these cash transfers pointed towards delivery channels being closed or completely unavailable, long travel-time to reach the delivery channel, and access being a time-consuming activity due to overcrowding as some of the challenges faced by women beneficiaries in accessing the banking infrastructure.⁸⁵ In this context, the present Study sought to understand the ease of access to banking infrastructure by women respondents during the pandemic.

On a positive note, 57% of the women respondents with PMJDY accounts indicated that the banking channels were functioning smoothly, and they did not face any difficulty in accessing them; whereas 30% of such respondents stated that the banking channels were functioning smoothly but indicated two

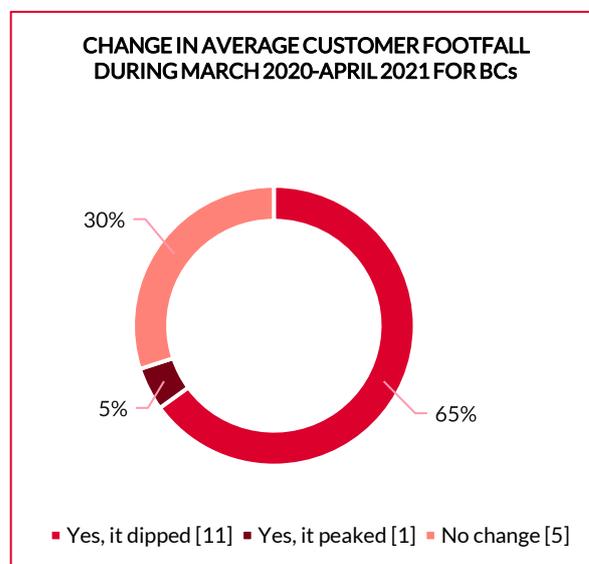


Figure 13

⁸³ Alreena Renita Pinto, Amit Arora, 'Digital Doorstep Banking: Female Banking Agents Lead Digital Financial Inclusion Through the Pandemic and Beyond' (August 2021) <<https://www.adb.org/sites/default/files/publication/736831/adbi-wp1285.pdf>> accessed 25 May 2022 ["Digital Doorstep Banking: Female Banking Agents Lead Digital Financial Inclusion Through the Pandemic and Beyond"].

⁸⁴ Michelle Milford Morse, Grace Anderson, 'The Shadow Pandemic: How the Covid-19 Crisis is exacerbating gender inequality' (*UN Foundation*, 14 April 2020) <<https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/>> accessed 25 May 2022.

⁸⁵ Cash withdrawal being a time-consuming activity, long travel required to reach the cash out point, BCs not working identified as primary issues in withdrawal of cash transfers, Dvara Research, 'State of Exclusion: Delivery of Government-to-Citizen Cash Transfers in India' (2022) <<https://www.dvara.com/research/wp-content/uploads/2022/06/State-of-Exclusion-Delivery-of-Government-to-Citizen-Cash-Transfers-in-India.pdf>> accessed 19 July 2022; Inability of beneficiaries to travel to a bank and difficulties in access due to lockdown identified as the logistical issues in withdrawal of cash transfers, Microsave & Center for Global Development 'Social Assistance and Information in the Initial Phase of the COVID-19 Crisis: Lessons from a Household Survey in India', CGD Policy Paper 217 (July 2021) <<https://www.microsave.net/wp-content/uploads/2021/08/social-assistance-and-information-initial-phase-covid-19-crisis-lessons-household-survey.pdf>> accessed 19 July 2022.

challenges in terms of using them - access was time-consuming and costly (28%) and fewer banking channels were operating (2%) (See: Figure 14).⁸⁶

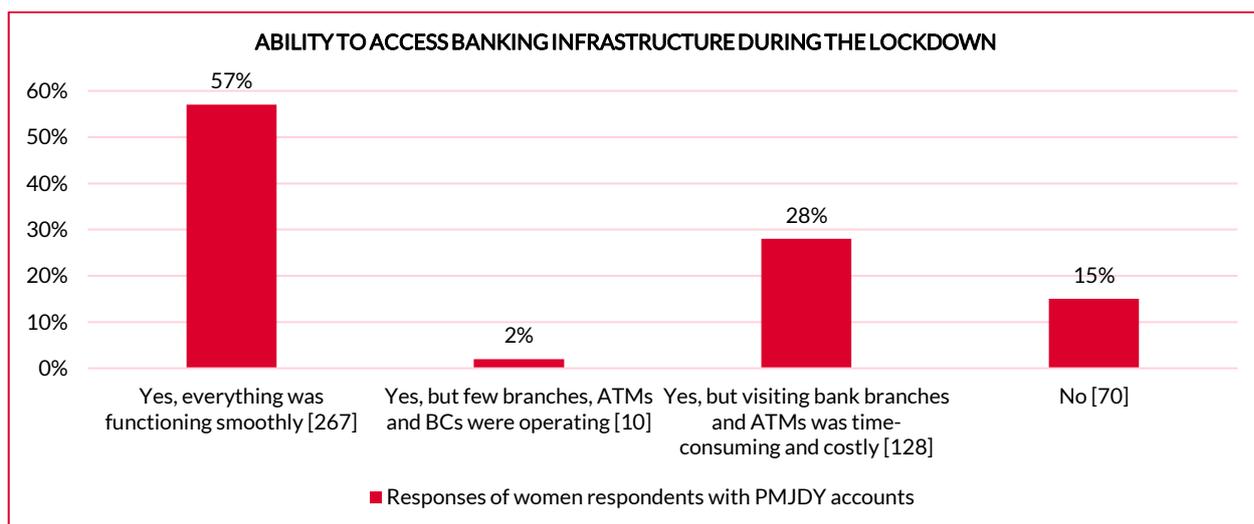


Figure 14

Notably, only a minority of women respondents faced challenges in accessing banking infrastructure. The Study found that only 15% of women respondents with PMJDY accounts indicated that it was not easy for them to access bank branches, BCs, and ATMs to withdraw/deposit money or to avail of any banking service at all. For such women respondents, who found it difficult to access adequate banking infrastructure, a range of options⁸⁷ were given in the questionnaire for the Study to assess the kind of challenges faced by such women. Some of the major challenges faced by such women in order of ranking were as follows - long travel to avail infrastructure to withdraw money, non-availability of cash in ATMs, BCs not working, and bank branches not operating (See: Figure 15). A similar finding was also observed in the 2021 WB Global Findex Database Report wherein long travel time to visit a FI was identified as one of the reasons for account dormancy in India.⁸⁸

In terms of access to cash transfers made under PMGKY during COVID-19, one of the reasons for women respondents with PMJDY accounts being unable to access them, as deduced from a BC perspective, was absence of adequate cash-out points (like local bank branches, ATMs or BCs) due to the lockdown imposed.⁸⁹ This applied to women respondents who received the cash transfers in their PMJDY accounts in the first place.

⁸⁶ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

⁸⁷ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents. Beyond the options given in the questionnaire on women customers, crowding as well as standing in queues was identified as challenges faced by women customers from 3 other responses received.

⁸⁸ 2021 WB Findex Database Report.

⁸⁹ Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents. Out of 4 respondents that indicated women customers were not able to easily withdraw/access cash transfers 3 stated the above-mentioned rationale.

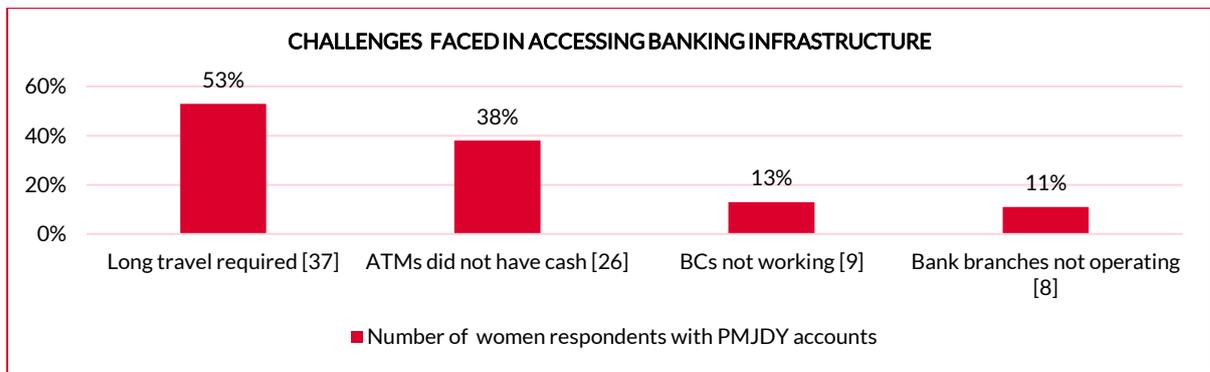


Figure 15

In terms of preference of a mode of withdrawal for women respondents who had withdrawn cash transfers, 85% of such women respondents showed an inclination towards visiting bank branches⁹⁰ in comparison to accessing ATMs and using BCs. There may be different possible interpretations for the preference for bank branches for withdrawals, and three such reasons are elaborated here. First, it may indicate that women respondents may still prefer physical touch points and personalised services provided by such branches. Existing literature indicated that women customers were more trusting of manual balance checks of the cash transfers at the bank branches in comparison to online checks by BCs.⁹¹ Second, it is also possible that the low percentages of women respondents visiting ATMs may be attributed to the lower number of ATMs in the rural areas.⁹² For instance, findings from round one of a survey conducted to examine access to essential services indicated that for around 40-45% of the respondent beneficiaries cash-out points (ATMs and BCs) were not available or no longer accessible.⁹³ Third, this inclination towards visiting bank branches despite the distance, may be attributed to the lockdown itself. Even though services of BCs were categorised as “essential services”,⁹⁴ the fear of contracting COVID-19 due to human interface as well as lack of identity to show that they were carrying out essential services⁹⁵ may have limited the interaction of BCs with women respondents.

⁹⁰ In a survey conducted by Dvara Research to assess the impact of COVID-19 on daily life on 347 households, key findings indicate that more than 60% PMJKY beneficiaries preferred bank branches as the cash-out point; Dvara Research, 'COVID-19 Impact on Daily Life Survey' (2020) <<https://www.dvara.com/research/wp-content/uploads/2020/08/COVID-19-Impact-on-Daily-Life-Survey.pdf>> accessed 20 July 2022.

⁹¹ Microsave & Center for Global Development 'Social Assistance and Information in the Initial Phase of the COVID-19 Crisis: Lessons from a Household Survey in India', CGD Policy Paper 217 (July 2021) <<https://www.microsave.net/wp-content/uploads/2021/08/social-assistance-and-information-initial-phase-covid-19-crisis-lessons-household-survey.pdf>> accessed 20 July 2022.

⁹² RBI, 'Report of the Committee to Review the ATM Interchange Fee Structure' (7 July 2020) <<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UriPage=&ID=1000>> accessed 20 July 2022; 'ATMs in rural areas are still a far cry' (*The HinduBusinessLine*, 15 January 2018) <<https://www.thehindubusinessline.com/money-and-banking/atms-in-rural-areas-are-still-a-far-cry/article9382683.ece>> accessed 20 July 2022; Anand Kumar Bajaj, 'Micro ATMs: Driving digital economy in rural India' (*Deccan Herald*, 13 February 2022) <<https://www.deccanherald.com/business/business-news/micro-atms-driving-digital-economy-in-rural-india-1081143.html>> accessed 20 July 2022.

⁹³ Dvara Research, 'COVID-19 Impact on Daily Life - Data Sheet' <<https://www.dvara.com/research/social-protection-initiative/covid-19-impact-on-daily-life/>> accessed 20 July 2022.

⁹⁴ Government of India, Ministry of Home Affairs, Annexure to No. 40-3/2020- D (24th March 2020) <https://www.mha.gov.in/sites/default/files/MHAOrder_29042021.pdf> accessed 28 June 2022.

⁹⁵ Microsave Consulting, 'Impact of the COVID-19 pandemic on CICO Agents' (June 2020) <<https://www.microsave.net/wp-content/uploads/2020/06/India-Impact-of-COVID-19-on-Business-Correspondents-1.pdf>> accessed 28 June 2022.

II. Role of FIs in providing access to financial products and services to women customers during the lockdown

Targeted communication and awareness for women customers

Targeted communication for women customers plays a critical role in the uptake of banking products and services by them as well as in leveraging the benefits of government schemes.⁹⁶ The FI Index also specified financial literacy and awareness campaigns as sentinel components to ensure quality financial inclusion.⁹⁷ All FI respondents agreed that literacy/awareness campaigns help customers in using and accessing banking services.⁹⁸



Besides building awareness for customers,

some FI respondents even pointed out that literacy and awareness campaigns resulted in better awareness of government schemes (2 FIs), were beneficial for the uptake of banking services (2 FIs) and were an easier mode of communication of information to customers (1 FI) (See: Figure 16).

Figure 16

The FI respondents also reported that they made their customers aware of specific financial products/ services or loans which were designed to help lower-middle income group customers during the pandemic, through phone notifications. However, only 1 such FI reported that it targeted its awareness campaign towards women customers.⁹⁹

Notably, the findings of the Study from the women respondents' survey also corroborated the importance of awareness campaigns for financial services. However, the women respondents indicated a requirement for an increased focus on such campaigns on the part of FIs:

- 80% of the women respondents with PMJDY accounts stated that no awareness campaigns related to PMJDY

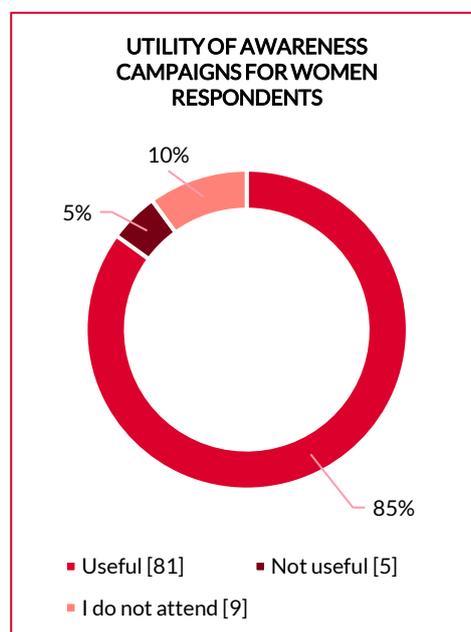


Figure 17

⁹⁶ Arshi Aadil, Graham AN Wright, 'Optimizing awareness, communication, and outreach for government payments in times of crisis' (Microsave Consulting, 2020) <<https://www.microsave.net/wp-content/uploads/2020/10/201006-ACO-Long-Paper.pdf>> accessed 21 July 2022.

⁹⁷ Financial Inclusion Index for India.

⁹⁸ Please also note that "No response received for payment banks."

⁹⁹ 1 FI mentioned here is a PSB.

accounts, digital banking and payments, had taken place in their locality. However, out of the remaining women respondents that indicated such campaigns had taken place, 85% found such campaigns to be useful (See: Figure 17).

- 66% of the women respondents with no PMJDY accounts stated that they were not aware of the PMJDY scheme, and the accounts opened thereunder and 5% stated that they had heard of it but were not aware of the details. This may indicate that a lack of awareness had resulted in women customers not opening PMJDY accounts. Existing literature has also highlighted that one of the primary structural barriers which hinder women from accessing financial services is the lack of awareness and financial literacy regarding the nature and use of such financial services.¹⁰⁰ Specifically, the RBI has also noted that lack of awareness is one of the major reasons for PMJDY account dormancy.¹⁰¹

Women-centric products and services offered by FIs during the pandemic

From a gender perspective, in the Study, the majority of the FI respondents (8 PSBs and all surveyed PvSBs, payment banks and SFB) acknowledged that women customers may have different considerations and needs while accessing and using financial services as compared to other customers. The common theme of responses for women having different considerations and needs attributed it to women becoming independent, active financial decision-makers, better educated, and having more financial freedom.¹⁰² An earlier report of Vidhi, which conducted a study of almost 31 FIs (PvSBs, PSBs, SFBs and NBFC-MFIs), had also highlighted the dearth of women-centric financial products that are being offered.¹⁰³ Existing literature has emphasised that FIs are “biased” against women customers and perceive them to lack creditworthiness as well as adequate collaterals.¹⁰⁴ The lack of gender-disaggregated data has also led to women’s specific needs being neglected in designing of financial products.¹⁰⁵

Studies have shown how women are more profitable than men since they are more proactive and committed savers, with strong loyalty towards FIs.¹⁰⁶ They have indicated that a woman customer’s

¹⁰⁰ The Real Story of Women’s Financial Inclusion in India.

¹⁰¹ Financial Inclusion Index for India.

¹⁰² 2 PSBs denied that women customers may have different considerations and needs while accessing and using financial services as compared to other customers.

¹⁰³ Shreya Garg, Manvi Khanna, ‘The Law Needs to Account for Her: Reforms to Make Finance Inclusive’ (Vidhi Centre for Legal Policy, April 2022) <<https://vidhilegalpolicy.in/research/the-law-needs-to-account-for-her/>> accessed 26 September 2022.

¹⁰⁴ *ibid*, IFC, ‘Financial Inclusion for Woman-Owned Micro, Small & Medium Enterprises (MSMEs) in India’ <<https://www.ifc.org/wps/wcm/connect/ca5c0868-e89d-4b43-ace5-8a702ed29b25/Financial+Inclusion+for+Women-owned+MSMEs.July+31.pdf?MOD=AJPERES&CVID=mOK28X8>> accessed 23 September 2022; Melissa Baez, Shweta Pereira ‘Why are so few small businesses run by women in India?’ (Accion, 2016) <<https://www.accion.org/small-businesses-run-women-india>> accessed 23 September 2022.

¹⁰⁵ WWB, ‘The Power of Jan Dhan: Making Finance Work for Women in India’ (2021) < <https://www.womensworldbanking.org/wp-content/uploads/2021/08/WWB-The-Power-of-Jan-Dhan-Report-Web.pdf>> accessed 22 September 2022. [“The Power of Jan Dhan: Making Finance Work for Women in India”]

¹⁰⁶ *ibid*.

lifetime revenue is at least 12% more than a male customer's lifetime revenue.¹⁰⁷ Women customers have also been highlighted to be more open to taking up services such as credit, insurance etc. other than just savings products.¹⁰⁸ Traditional financial products which do not account for the different needs and circumstances of women have had less uptake by women and ultimately led to the exclusion of women from the ambit of formal financial services.¹⁰⁹ Therefore, development and offering of gender-specific products have been identified as one of the preliminary strategies to increase financial inclusion of women.¹¹⁰

The Study not only sought to understand the response of FIs in better serving their customers during the lockdown but also attempted to gauge the response of FIs in catering to the differentiated needs of its women customers - however only a few FIs catered specifically to the needs of women customers. The majority of the FI respondents (8 PSBs, 10 PvSBs and 2 payment banks) indicated that no financial products/ services or loans were offered by them to help lower to middle-income group customers avail and access financial services better during the lockdown. Only a few FIs (2 PSBs and 1 SFB) provided such products, and services such as loans to carry out small businesses and door-to-door services for customers. Out of these 3 FIs that provided financial products/ services specifically to lower-middle income groups during the lockdown, only 1 PSB offered women-centric products and services. It provided income-generation group loans to assist women to start a business.

Therefore, suggesting that despite FIs recognising different needs and considerations of women in availing financial services and products, women-centric products and services were hardly offered to lower-middle income group women customers during the lockdown.

¹⁰⁷ *ibid*; Global Banking Alliance for Women, 'The Paradox of Gender-Neutral Banking' (October 2016) < https://www.findevgateway.org/sites/default/files/publications/files/gba_paper.pdf > accessed 22 September 2022.

¹⁰⁸ *ibid*.

¹⁰⁹ Arisha Salman, Keiko Nowacka, 'Innovative Financial Products and Services for Women in Asia and the Pacific' (April 2020) Asian Development Bank Sustainable Development Working Paper Series No. 67 < <https://www.adb.org/sites/default/files/publication/576086/sdwp-67-financial-products-services-women-asia-pacific.pdf> > accessed 22 September 2022; Global Banking Alliance for Women, 'The Paradox of Gender-Neutral Banking' (October 2016) < https://www.findevgateway.org/sites/default/files/publications/files/gba_paper.pdf > accessed 22 September 2022 ["The Paradox of Gender-Neutral Banking"].

¹¹⁰ The Power of Jan Dhan: Making Finance Work for Women in India; The Paradox of Gender-Neutral Banking.

Key Takeaways

- *57% of the women respondents with PMJDY accounts found that access to banking infrastructure was easily available during the lockdown.*
- *85% of the women respondents who had withdrawn the cash transfer relied on bank branches for withdrawal.*
- *For the remaining women respondents, who faced challenges in accessing banking infrastructure during the lockdown, the main challenges identified included - long travel and cost to avail banking infrastructure, absence of cash in ATMs, BCs not working, and bank branches not working.*
- *To increase access and usage of financial products for women customers:*
 - *Targeted communication and awareness programs are considered important by FIs and women respondents. However, women respondents indicated that such awareness programmes were largely missing on the part of FIs.*
 - *FIs recognise different needs and considerations of women in availing financial services and products. However, women-centric products and services were hardly offered to lower-middle income group women customers during the lockdown.*

c. Role of technology in the adoption of financial services by women

During the pandemic, owing to the lockdown, physical banking infrastructure such as bank branches were only operational for a few hours with a reduced staff strength and, therefore, could only cater to a limited number of customers.¹¹¹

Therefore, existing literature highlighted that during the pandemic, digital payments became a primary mainstay to facilitate access to and usage of financial services. The 2021 WB Global Findex Database Report stated that the pandemic led to

the massive expansion of and uptake of digital payments across the world.¹¹² Two-third of the world's adult population started making or receiving digital payments during the pandemic.¹¹³ In India, it was specifically observed that over 80 million people made their first digital merchant payment during the pandemic.¹¹⁴ The RBI as well, highlighted that the pandemic led to an enormous increase in contactless and online payments.¹¹⁵ It stated that there was an increase of 216% in digital payments from March 2019 to March 2022.¹¹⁶

However, the increase of digital payments was not felt uniformly across the board. Research studies conducted in India indicated that groups, who did not have access to digital financial infrastructure pre-pandemic, became even more marginalised as digitisation of financial services grew.¹¹⁷ Further, these studies noted that in terms of adoption and usage of digital payments across different Indian states, there was a significant gender gap, with a significantly higher number of male respondents using digital

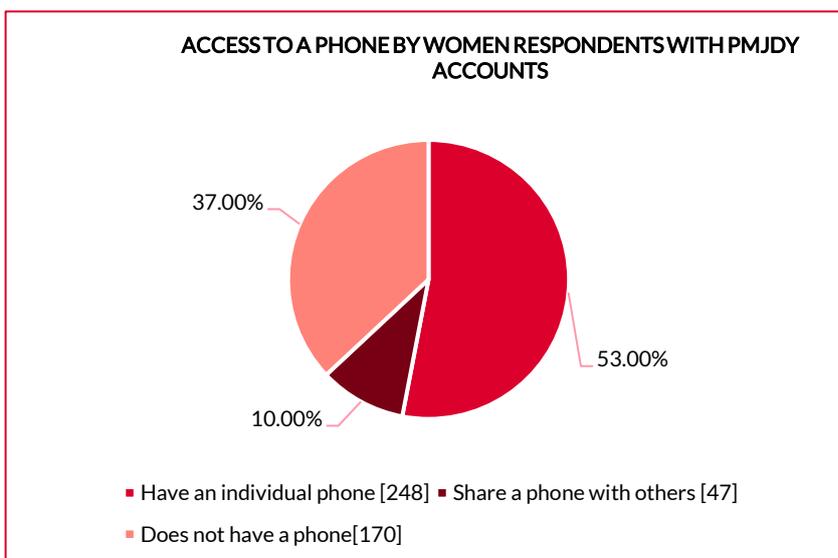


Figure 18

¹¹¹ Indian Banks Association, 'Covid-19 Advisories on Standard Operating Procedures for Banks' (April 2021) <<https://bankofmaharashtra.in/writereaddata/documentlibrary/eede8eca-c6d5-4b4b-9ab1-fab50f7e3c51.pdf>> accessed 11 October 2022.

¹¹² 2021 WB Findex Database Report.

¹¹³ *ibid.*

¹¹⁴ *ibid.*

¹¹⁵ RBI, 'Payments Vision 2025' (June 2022) <www.rbi.org.in/Scripts/PublicationVisionDocuments.aspx?id=1202> accessed 20 July 2022.

¹¹⁶ *ibid.*

¹¹⁷ Anubhuti Singh, 'Our Reflections from the Analysis of Data from CUTS on Accessibility & Experience of Digital Payments in India' (*Dvara Research, Data Brief*, August 2020) <www.dvara.com/research/wp-content/uploads/2020/08/Our-Reflections-from-the-Analysis-of-Data-from-CUTS-on-Accessibility-Experience-of-Digital-Payments-in-India.pdf> accessed 20 July 2022.

payments than female respondents.¹¹⁸ The 2021 WB Global Findex Database Report also recorded a 17% gender gap in India in relation to digital payments.¹¹⁹ Further, in terms of access to phones itself, according to data released by the Department of Telecommunications, as of March 2017, women mobile subscribers comprised of only 17.4% of the total mobile subscribers in the country.¹²⁰ In a report released by GSMA in June 2022, based on a survey conducted in 2021, there was a reported 14% gender gap in mobile ownership in India.¹²¹

Since the objective of the Study was to understand the accessibility level of financial services for women during the pandemic, intrinsic to this, was to also study the level of adoption of technology in accessing financial services and the nature of such adoption. It was recorded that 53% of the women respondents with PMJDY accounts had access to a phone individually and 10% of women respondents with PMJDY accounts had a phone that they shared with others (*See*: Figure 18). Out of this, 48% of them owned a feature phone, while 52% owned a smartphone.

The findings also indicated that despite having access to a smartphone, generally, the women respondents with PMJDY accounts and a phone, primarily used their phones to avail basic digital financial services (*See*: Figure 19). These included checking their account balance (47%) and receiving notifications regarding account transactions (16%).¹²² A very small fraction of such women respondents actually used their phones to carry out slightly more advanced digital financial transactions such as

¹¹⁸ *ibid*; Akhand Tiwari and others, 'The Need for Immediate Gender-focused Initiatives to Promote Digital Financial Services for Women amid COVID-19 Insights from India' (*Microsave Consulting*, September 2020) <www.microsave.net/wp-content/uploads/2020/10/The-need-for-immediate-gender-focused-initiatives-to-promote-digital-financial-services-for-women-amid-COVID-19-insights-from-India.pdf> accessed 20 July 2022["The Need for Immediate Gender-focused Initiatives to Promote Digital Financial Services for Women amid COVID-19 Insights from India"].

¹¹⁹ 2021 WB Findex Database Report.

¹²⁰ Department of Telecommunications, 'Service Area Wise Mobile Subscription, by Gender for all Operators as on 31.03.2017' (2018) <https://dot.gov.in/sites/default/files/2018_08_28%20REP%20STT.pdf> accessed 12 October 2022.

¹²¹ GSMA, 'The Mobile Gender Gap Report 2022' (June 2022) <www.gsma.com/r/wp-content/uploads/2022/06/The-Mobile-Gender-Gap-Report-2022.pdf?utm_source=website&utm_medium=download-button&utm_campaign=gender-gap-2022> accessed 20 July 2022.

¹²² Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

making online payments (10%) or making funds transfers (4%).¹²³ This highlighted that there was possibly a low adoption of technology by women respondents to avail financial services.

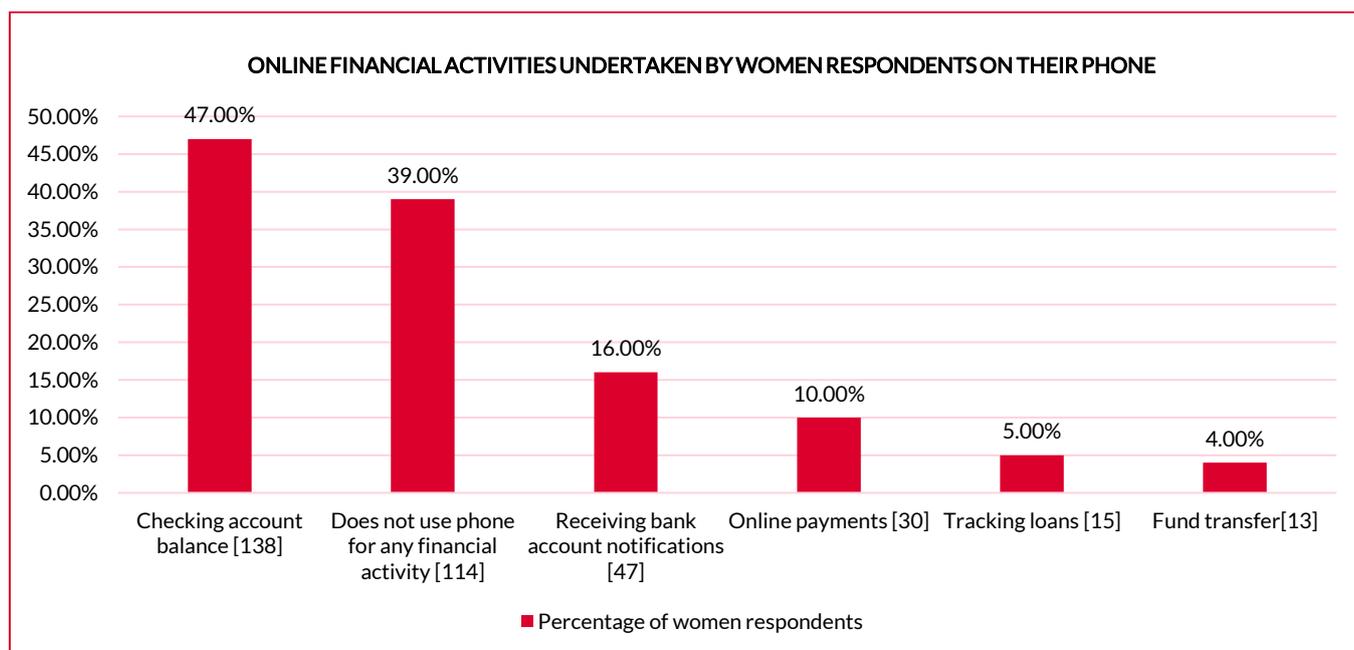


Figure 19

Existing literature highlighted that one of the major barriers to digital financial inclusion of women has been low digital literacy and lack of privacy in terms of not having access to an individual phone.¹²⁴ These factors severely hindered women from undertaking digital payments and financial services.¹²⁵ In India, it has been identified that for most women access to a phone is limited to a shared phone or a “household phone” whose primary users are the male members of the household.¹²⁶ There is a considerable gap in phone access and usage which further limits the ability of women to use phones for advanced functions.¹²⁷ Studies have also consistently highlighted that social and cultural norms play an important

¹²³Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

¹²⁴Alan Gelb and others, ‘Beyond India’s Lockdown: PMGKY Benefits During the COVID-19 Crisis and the State of Digital Payments’, CGD Policy Paper 257 (April 2022) <www.cgdev.org/sites/default/files/beyond-indias-lockdown-pmgky-benefits-during-covid-19-crisis-and-state-digital-payments.pdf> accessed 20 July 2022 [“Beyond India’s Lockdown: PMGKY Benefits During the COVID-19 Crisis and the State of Digital Payments”]; Lina Sonne, ‘What Do we Know About Women’s Mobile Phone Access and Use? A review of Evidence’ (*Dvara Research Working Paper 2020-03*, August 2020) <www.dvara.com/research/wp-content/uploads/2020/06/What-Do-We-Know-About-Womens-Mobile-Phone-Access-Use-A-review-of-evidence.pdf> accessed 20 July 2022.

¹²⁵ibid.

¹²⁶Beyond India’s Lockdown: PMGKY Benefits During the COVID-19 Crisis and the State of Digital; GSMA, ‘The Mobile Gender Gap 2018’ (2018) <www.gsma.com/mobilefordevelopment/wp-content/uploads/2018/04/GSMA_The_Mobile_Gender_Gap_Report_2018_32pp_WEBv7.pdf> accessed 20 July 2022; Giorgia Barboni and others, ‘A Tough Call: Understanding Barriers to and Impacts of Women’s Mobile Phone Adoption in India’ (*Cambridge, MA: Evidence for Policy Design, Harvard Kennedy School*, 2018) <<https://wapp.hks.harvard.edu/publications/tough-call-understanding-barriers-and-impacts-womens-mobile-phone-adoption-india>> accessed 20 July 2022.

¹²⁷GSMA, ‘The Mobile Gender Gap 2019’ (2019) <www.gsma.com/mobilefordevelopment/wp-content/uploads/2019/02/GSMA-The-Mobile-Gender-Gap-Report-2019.pdf> accessed 20 July 2022; Giorgia Barboni and others, ‘A Tough Call: Understanding Barriers to and Impacts of Women’s Mobile Phone Adoption in India’ (*Cambridge, MA: Evidence for Policy Design, Harvard Kennedy School*, 2018) <<https://wapp.hks.harvard.edu/publications/tough-call-understanding-barriers-and-impacts-womens-mobile-phone-adoption-india>> accessed 20 July 2022.

part while assessing the uptake of mobile phone services of women. Tight control is asserted over what kind of assets a woman can own and use.¹²⁸ These social and normative barriers hinder women from using or accessing a phone.¹²⁹ Due to these barriers there is fear and low levels of technological awareness amongst women which can lead to lesser uptake of digital financial services as well.¹³⁰

In this Study as well, the reason for such a low level of technology adoption may also be attributed to the hesitancy some women respondents with PMJDY accounts and a phone indicated in availing of financial services through their phones. 39% of the women respondents with a PMJDY account and a phone, indicated that they do not avail any financial service through their phone.¹³¹ The primary reasons cited by them for such non-usage were (See: Figure 20): lack of awareness on how to use their phones (64%) and not having access to an individual phone which they could use to avail financial services (18%).¹³² Other reasons also included low trust in phones and security concerns (9%) as well as preferring cash over digital payments (7%).¹³³

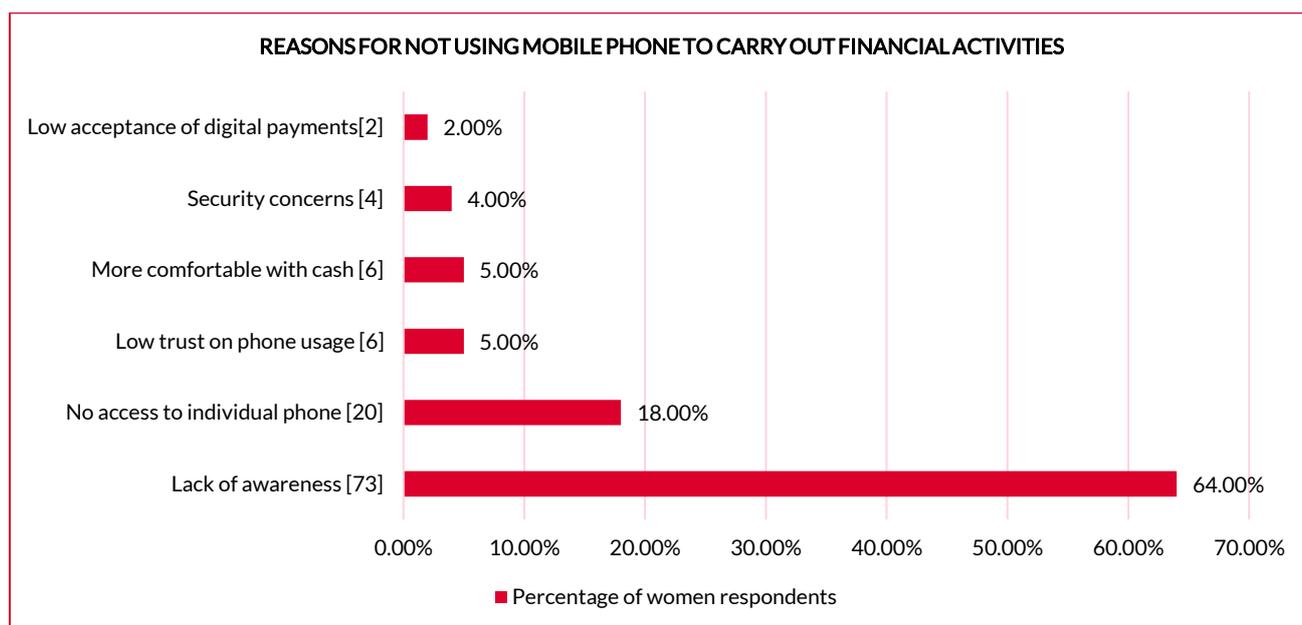


Figure 20

¹²⁸ Lina Sonne, 'What Do we Know About Women's Mobile Phone Access and Use? A review of Evidence' (*Dvara Research Working Paper 2020-03*, August 2020) <www.dvara.com/research/wp-content/uploads/2020/06/What-Do-We-Know-About-Womens-Mobile-Phone-Access-Use-A-review-of-evidence.pdf> accessed 20 July 2022.

¹²⁹ Giorgia Barboni and others, 'A Tough Call: Understanding Barriers to and Impacts of Women's Mobile Phone Adoption in India' (*Cambridge, MA: Evidence for Policy Design, Harvard Kennedy School, 2018*) <<https://wapp.hks.harvard.edu/publications/tough-call-understanding-barriers-and-impacts-womens-mobile-phone-adoption-india>> accessed 20 July 2022; The Need for Immediate Gender-focused Initiatives to Promote Digital Financial Services for Women amid COVID-19 Insights from India.

¹³⁰ Jayana Jain and others, 'What does it take to nudge low- and moderate-income population segments to adopt DFS?' (*Microsave Consulting, November 2020*) <www.microsave.net/wp-content/uploads/2020/11/201117_DFS_Journey_mapping.pdf> accessed 20 July 2022.

¹³¹Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

¹³² Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

¹³³Please note that this question allowed respondents to select multiple answers, and percentages reported are calculated out of the total number of respondents.

During the pandemic, one of the major policy recommendations that came forth from research studies was the need to introduce gender specific initiatives for digital financial inclusivity. It was observed that during the pandemic, while there was an increase in the amount of time women spent on their phone, there was still a considerable gender gap when it came to using the phone for availing financial services owing to the lack of technological awareness on how to use digital financial services and the fear of using such services.¹³⁴ In this Study it was observed that the uptake of digital payments and digital financial services was very low amongst the women respondents with PMJDY accounts, during the pandemic. The majority of the women respondents who had withdrawn the cash transfer, had used traditional physical banking channels such as bank branches to avail the withdrawal services (85%) and only 1 woman respondent indicated that she used net banking for availing cash transfer (See: Figure 21).

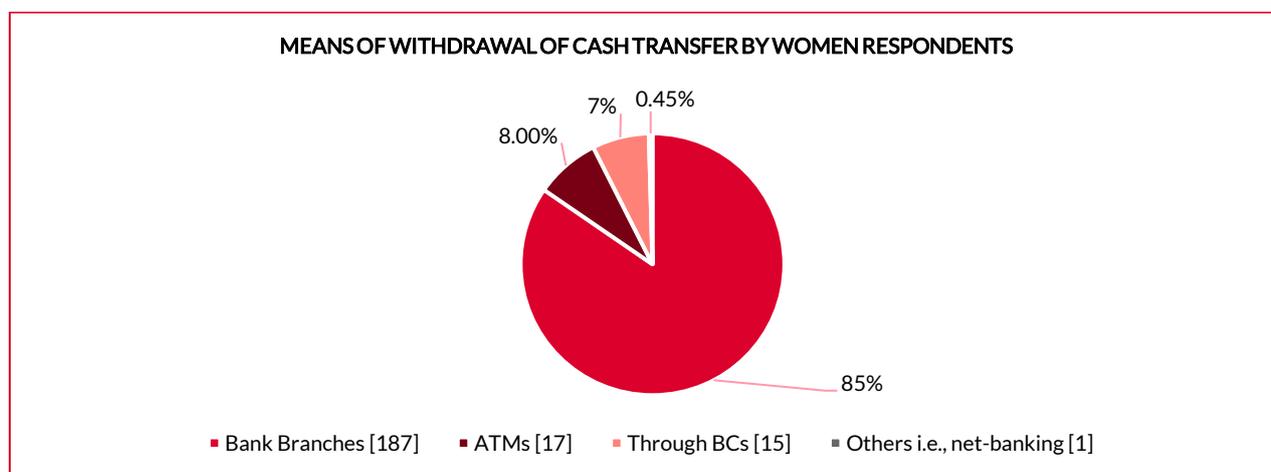


Figure 21

¹³⁴ The Need for Immediate Gender-focused Initiatives to Promote Digital Financial Services for Women amid COVID-19 Insights from India ; Kritika Shukla, Neeraja Sundar, Rahul Chatterjee, 'India's Gender-Responsive Policies During COVID-19 (*Microsave Consulting*, 2020) <www.microsave.net/wp-content/uploads/2021/10/Covid-publication-India%E2%80%99s-gender-responsive-policies-during-COVID-19.pdf> accessed 20 July 2022.

Key Takeaways

- *Majority of the women respondents with PMJDY accounts had access to a phone either individually (53%) or to one that they shared with others (10%).*
- *The financial services undertaken on phones by women respondents with PMJDY accounts and a phone were primarily basic financial activities such as checking account balance and receiving account related notifications. Very few of them undertook advanced digital financial transactions such as online payments or fund transfer. (14%)*
- *The women respondents with a PMJDY account and a phone, who did not use their phone to undertake any financial activity cited lack of awareness on how to use the phone as one of the primary reasons for their non-usage followed by not having an individual phone.*
- *In the context of PMGKY cash transfers, majority of the women respondents who withdrew the cash, did so through traditional banking channels such as visiting a bank branch (85%) and only 1 such woman respondent used net banking services.*

d. Role of BCs in financial inclusion of women

BCs further the financial inclusion agenda in all parts of the country by providing basic banking facilities to unserved or underserved customers at their doorstep.¹³⁵ They have successfully been able to communicate the benefits of financial products, facilitate transactions, and function as the bank's face for the unserved.¹³⁶ They provide a range of services both financial and non-financial. These include services relating to identifying borrowers, processing applications to banks, organising awareness campaigns, promoting and monitoring financial activities of SHGs/JLGs, disbursing small value credits, collecting small value remittances/deposits and selling micro insurance/ mutual fund products/ pension products/ other third-party products.¹³⁷ While most of the BC respondents in the present Study provided withdrawal (16), cash deposit (16) and account opening services (14), less than half of them (7) provided any kind of financial or digital literacy services.

However, the focus of the present section was to cull out the crucial role played by BCs, especially female BCs in the financial inclusion journey of women, as well as the gender-specific training and support received by the BC respondents to better serve their women customers during the lockdown. The role of female BCs has been identified to be crucial for women customers as they solve the mobility, time and hesitancy constraints a woman may face in accessing financial products and services.¹³⁸ The available literature has suggested the critical role played by them in enabling access to PMGKY cash transfers and other DBTs during the pandemic.¹³⁹

However, female BCs are highly underrepresented, forming only a meagre 10% of the total BC network.¹⁴⁰ Onerous minimum qualification criteria, mobility and safety challenges, lack of ability to invest in technical equipment and lack of life and health insurance coverage are a few of the issues, impeding the enhanced representation of female BCs. Findings from a study conducted to assess SHG-BCs, indicated technical issues such as lack of internet connectivity and server downtime as major impediments faced by SHG-BCs in their day-to-day operations.¹⁴¹

I. Role played by female BCs in promoting financial inclusion of women

¹³⁵ Nidhi Bansal, 'Financial Inclusion and Gender Equality: An Evolving Story' in NS Vishwanathan (eds), *Inclusive Finance India Report 2021* <https://www.indiaspend.com/uploads/2021/12/19/IFI_Report_2021.pdf> accessed 6 June 2022.

¹³⁶ Sriraman Jagannathan, Swati Chowdhary 'Women BCs: Agents of change in India's financial inclusion' (*The HinduBusinessLine*, 4 March 2021) <<https://www.thehindubusinessline.com/opinion/women-business-correspondents-agents-of-change-in-indias-financial-inclusion/article33988091.ece>> accessed 6 June 2022.

¹³⁷ RBI, 'Financial Inclusion by Extension of Banking Services - Use of Business Facilitators and Correspondents' RBI/2005-06/288 (2006) <<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/68417.pdf>> accessed 22 July 2022.

¹³⁸ Akhand Tiwari, Sonal Jaitly and others, 'Women's agent network—the missing link in India's financial inclusion story A supply-side perspective', MSC Policy Brief # 26 (2022) <https://www.microsave.net/wp-content/uploads/2022/02/PB-26_MSC_Female-BC-agents.pdf> accessed 6 June 2022.

¹³⁹ Digital Doorstep Banking: Female Banking Agents Lead Digital Financial Inclusion Through the Pandemic and Beyond.

¹⁴⁰ Nidhi Bansal, 'Financial Inclusion and Gender Equality: An Evolving Story' in NS Vishwanathan (eds), *Inclusive Finance India Report 2021* <https://www.indiaspend.com/uploads/2021/12/19/IFI_Report_2021.pdf> accessed 30 June 2022.

¹⁴¹ Centre for Digital Financial Inclusion, 'Assessment of SHG-BCs' <<https://www.cdfi.in/assets/images/CDFI-NRLM-SHG-Report.pdf>> accessed 22 July 2022.

Existing literature¹⁴² indicates that women customers respond better and feel more comfortable using and accessing financial services when being served by female BCs. Lower access to smartphones and a limited understanding of digital transactions makes handholding support provided by female BCs very relevant for them. Especially in rural areas, women customers have shown reluctance to visit bank branches as the male staff deals summarily with them.¹⁴³ 12 FI respondents¹⁴⁴ suggested that women customers felt more comfortable being served by female BCs. Only 3 FIs¹⁴⁵ categorically denied the positive impact female BCs may have on women customers accessing financial services. The various reasons that the FIs suggested for women customers being more comfortable with female BCs were: women felt more at ease sharing and communicating with other women, there was lesser hesitancy in approaching them, female BCs could better understand the issues faced by women customers and female BCs responded better to their questions and concerns (*See*: Figure 22). No rationale was deduced from responses of other FIs that indicated the gender of the BC had no impact on women customers.¹⁴⁶

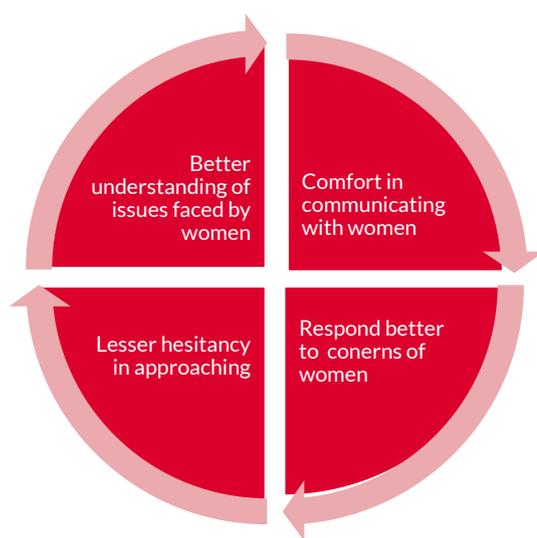


Figure 22

II. Gender-specific training and support received by BC

¹⁴² 'Women BCs: Agents of change in India's financial inclusion' (*The HinduBusinessLine*, 4 March 2021) accessed 30 June 2022; Akhand Tiwari, Sonal Jaitly and others, 'Women's agent network—the missing link in India's financial inclusion story A supply-side perspective', MSC Policy Brief # 26 (2022) <https://www.microsave.net/wp-content/uploads/2022/02/PB-26_MSC_Female-BC-agents.pdf> accessed 30 June 2022; Microsave Consulting, 'The real story of women's financial inclusion in India; (November 2019) accessed 30 June 2022; Digital Doorstep Banking: Female Banking Agents Lead Digital Financial Inclusion Through the Pandemic and Beyond.

¹⁴³ Sumita Kale and others, 'Powering Financial Inclusion by Strengthening the Agent Ecosystem' (2021) <https://www.indicus.org/admin/pdf_doc/White-Paper-BC-Network-March-2021.pdf> accessed 21 July 2022.

¹⁴⁴ This key observation is based on responses received from 4 PSBs, 5 PvSBs, 2 Payment banks and 1 SFB.

¹⁴⁵ This key observation is based on responses received from 1 PSB, and 2 PvSBs.

¹⁴⁶ 5 PSBs and 3 PvSBs indicate a "maybe" to this question however, 2 out of these 5 PSBs and 1 out of these 3 PvSBs give a rationale to be in the line of an affirmative response

Adequacy of training received by BC respondents

Training BCs is of utmost importance to ensure the provision of quality, as well as competent services, to the last mile customers. While banks are responsible for training individual BCs directly hired by them, it is the BCNM (i.e., corporate BC) who is responsible for training BCs hired by it, along with the support from the bank.¹⁴⁷

- The Study sought to understand from BCs the adequacy of training received by them generally, as well as specifically during the pandemic, to cater to the needs of their customers. Notably, all BC respondents agreed to have received training to provide financial and non-financial services to their customers, with 12 of them mentioning the periodicity of such training to be frequent. Specifically, in the context of the pandemic, the majority of them (13) agreed to have received training to serve their customers during the pandemic.

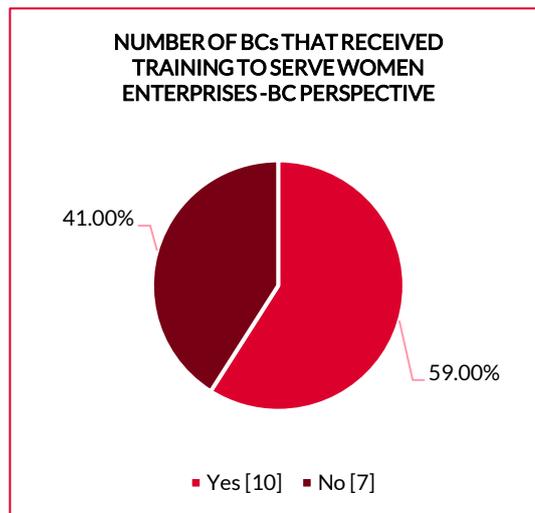


Figure 23

- Considering that more than half the BC respondents (9) indicated the percentage of women customers served by them to be in the range of 25% or more, looking at the adequacy of training being provided to them from a gendered lens, especially during the pandemic, became crucial. The findings indicated a positive response from the side of BCNMs and banks regarding gender-specific training. The majority of the BC respondents (13) received training to serve retail women customers. However, the number of BC respondents that received training specifically for women's enterprises was lower i.e., only 10 BC respondents (See: Figure 23). This is reflective of a requirement on part of the BCNMs and banks to train BCs to cater to women enterprises as well.

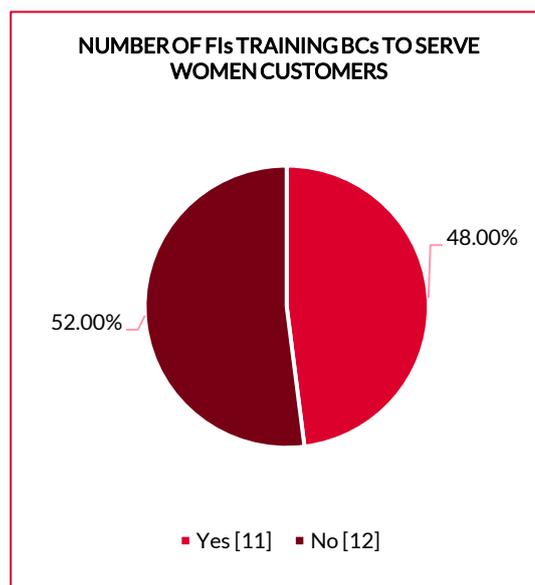


Figure 24

- The Study sought to corroborate the aforesaid BC findings and understand from FIs the kind of training provided by them during the pandemic to serve - all customers and specifically women customers. The findings reflected that less than half of the FIs provided such training to their BCs. Only 9 FIs (4

¹⁴⁷ Sumita Kale and others, 'Powering Financial Inclusion by Strengthening the Agent Ecosystem' (2021) <https://www.indicus.org/admin/pdf_doc/White-Paper-BC-Network-March-2021.pdf> accessed 21 July 2022.

PSBs, 3 PvSBs, 1 payment bank and 1 SFB) trained their BCs for providing services to customers and 11 FIs (4 PSBs, 4 PvSBs, 2 payment banks and 1 SFB) trained BCs for providing the specific help required by women customers (*See*: Figure 24). Even though a greater number of FIs provided training specifically to serve women customers, in comparison to customers generally, overall, there was a visible lack of adequate training for the BCs on the part of FIs. This reflected an inconsistency in the findings of FI respondents and BC respondents who had indicated that they had received training. However, this inconsistency may be attributed to the different sample pools of the FI and BC respondents. The BC respondents surveyed were not the BCs corresponding to the FI respondents and hence, they might have had a different training experience.

Adequacy of support received by BC respondents

Over a period, various factors have emerged on the part of FIs that create impediments in creating a conducive work environment for BCs as well as in effectively assisting them to cater to women customers. These include insufficient cash requiring multiple visits to the bank, server downtime issues, transaction failures as well insufficient commission.¹⁴⁸ Especially during the pandemic, many BC outlets were forcibly shut down, the transaction failure rates were high and the work of a BC was limited to assisting in cash transfer withdrawals thus drying up their revenue streams.¹⁴⁹ Therefore, the present Study sought to understand from the BC respondents the adequacy of support received by them from the FIs. Most of the BC respondents (16) gave an affirmative response indicating the level of support to be adequate. Only 1 respondent identified the support to be inadequate and mentioned lack of sufficient cash requiring multiple visits to the bank and lack of adequate infrastructure facilities to cater to women customers, as the challenges faced.

¹⁴⁸ *ibid.*

¹⁴⁹ Rajeev Pal, 'BCs: The neglected COVID warriors' (*The Economic Times*, 29 April 2020) <<https://economictimes.indiatimes.com/jobs/business-correspondents-the-neglected-covid-warriors/articleshow/75454569.cms?from=mdr>> accessed 22 July 2022.

Key Takeaways

- *Many of the FI respondents (12) affirmed that women customers respond better and feel more comfortable using and accessing financial services when being served by female BCs.*
- *According to the FIs, various reasons for a positive correlation between female BCs and the financial inclusion of women include – higher levels of comfort with female BCs, lesser hesitancy in approaching them, better understanding of issues and concerns raised by women customers.*
- *Gender-specific training for BCs is important to increase the uptake of more financial products and services by women customers. While the majority of the BC respondents (13) received such training in terms of serving women customers during the pandemic, the findings from the FI responses appear contradictory. Only half of the FI respondents (11) trained their BCs to serve women customers and provide specific help required by them.*
- *In terms of support to carry out their work as a BC and better serve women customers, majority of the BC respondents (16) indicated the level of support received from banks to be adequate.*

IV. Conclusion and Way Forward

As discussed above, women were disproportionately affected during the pandemic in terms of loss of economic opportunities and were the most vulnerable to the economic shocks created by the pandemic. In this context, DBTs emerged as a primary policy instrument used by the Government to facilitate the economic resilience and recovery of women. The PMGKY cash transfer was one of the sentinel initiatives by the Government in this regard, to ensure that women were able to access and remain within the fold of formal financial services. While the PMGKY cash transfer is a step in the right direction to respond to the economic impact of the pandemic, the findings of the Study indicated that more is required to be done to be better prepared to respond to similar emergencies in the future. This section highlights three areas where further policy action is warranted.

Cash transfer system

Cash transfer systems emerged as an important policy solution for many countries, including India to respond to the economic hardships caused by the pandemic. India was able to quickly leverage its existing digital payments infrastructure to extend such benefits to women account holders of PMJDY. Despite this, as per the Study, the implementation of the cash transfers under the PMGKY was not satisfactory. As per the Study, there were several women beneficiaries (42% of the women respondents with PMJDY accounts) who did not receive the cash transfers in any of the three months, raising concerns about the overall implementation of the scheme. **Therefore, it is recommended that going forward, the Government may consider different measures to confirm that all beneficiaries have received the cash for the intended period. This may be done by making phone calls through designated centers to intended recipients to monitor the implementation of such cash transfers and leveraging the BC network to undertake door-to-door services to confirm receipt and assist beneficiaries in case of any challenges. Such cash transfer systems should also have a grievance redressal mechanism to minimise the chances of beneficiaries not receiving payments. The grievance redressal mechanism should involve both online and offline modes of communication, a timeline for redressing the grievance and an escalation matrix if issues remain unresolved.**

As per the Study, most women beneficiaries who received any financial assistance under the PMGKY used it primarily to withdraw the amount. It has been argued that cash transfers have the potential to economically empower women and incentivise them to use various financial services, thereby furthering financial inclusion for women. However, it is assumed that one of the reasons why the Study found that post the cash transfer women only indulged in withdrawals and no other financial activities is because the amount transferred was inadequate to undertake any financial activity other than meeting basic needs. **Therefore, it is recommended that the Government may consider undertaking an economic impact assessment of such events on the income of vulnerable groups of citizens and consult with beneficiaries on the efficacy of the amount to determine the adequacy of the amount.**

Women-focussed training programmes and products

The Study found that during the pandemic, while BCs agreed that sufficient training for handling retail women customers was provided to them, similar training for women-owned businesses was lacking. With regards to FIs, the Study found that less than half of the surveyed FIs provided gender-specific training to their BCs. **Therefore, it is recommended that targeted efforts be made to equip BCs with appropriate skills to serve women customers, especially women-owned businesses, as they are critical in furthering the financial inclusion of women given, they provide employment opportunities and result in economic independence.**

Further, the Study found that though the FIs recognised that women have different needs and considerations in availing financial services and products, such products were not developed or offered by the majority of the FIs to lower-middle income group women customers during the lockdown. **Thus, it is recommended that FIs bridge this gap by conducting more research on the business case of women-centric products, using gender-disaggregated data to identify their needs and develop such products and services which are suitable for women.**

Leveraging technology and bolstering physical touchpoints

The pandemic resulted in the widespread adoption of technology by the Government to facilitate the disbursement of social benefits. Digitisation of the disbursement process ensured that social benefits reached the most vulnerable communities quickly and in the time of their needs. However, to realise the full potential of these benefits and to promote financial inclusion effectively, technology must also be sought to be efficiently leveraged on the other side of this credit i.e., on the debit side. In India, there has been a marked gap in the digitisation of financial services on the supply and demand side.¹⁵⁰ While the supply or the issuance of payments and financial services have been sufficiently digitised, for instance by way of crediting payments directly to bank accounts, utilising mobile devices and leveraging the Aadhaar infrastructure, there continues to be some challenges facing the demand side.¹⁵¹ Specifically, as discussed above, women have undertaken lesser digital financial services than men. The Study found that a substantial number of women respondents with PMJDY accounts and a phone, did not use their phones for conducting any financial services (39% of the women respondents with PMJDY accounts and a phone). Amongst the women respondents who did use their phones to undertake any financial services, they used them only for very nominal services such as checking account balance or receiving communication. Very few women respondents undertook digital financial transactions (14%). Most women respondents with a PMJDY account relied on bank branches to withdraw money. Therefore, a very low level of acceptance of digitisation which was observed. **Thus, it is recommended that efforts must be taken to promote the use of digital financial services on the demand side as well to ensure there is a deepening of digital payments. Any such digital financial inclusion strategy must account for the unique barriers that women face in adopting digital financial services and then devise suitable programmes for them.** For instance, there are fintech apps that have developed women-centric financial platforms which cater to only women by providing specialised services accounting for the unique needs of women. Policymakers may consider incentivising FIs and fintech companies to develop

¹⁵⁰ RBI, 'Report of the High Level Committee on Deepening of Digital Payments' (May 2019) <<https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/CDDP03062019634B0EEF3F7144C3B65360B280E420AC.PDF>> accessed 26 September 2022.

¹⁵¹ *ibid.*

such applications for women, either through public-private initiatives, financial incentives or by leveraging the regulatory sandbox mechanism. This will have to be supplemented by women-specific digital training programmes to educate women on how to use mobile phones for financial services.

However, sole focus on digital financial services would not be enough since even now there is a heavy reliance on accessing financial services through physical touchpoints or they don't have access to phones to avail digital financial services. Further, it has been pointed out by existing literature as well as this Study that many women still feel more comfortable and prefer physical touchpoints over digital. Women respondents with PMJDY accounts and a phone who did not undertake any digital financial services cited lack of awareness and low trust as reasons for their non-usage. In this context, enhancement of physical touchpoints becomes important to enable women to access financial services. **Thus, it is recommended that the presence of physical touchpoints should be bolstered. These physical touchpoints should not only facilitate women customers to undertake financial services through them, but they could also be leveraged to provide training to women customers on how to use digital services and handhold them through the process to build their confidence and promote their digital literacy.** FIs should leverage the BC network and brick-and-mortar stores like local grocery shops and equip them with the infrastructure through which they can assist customers to undertake financial services digitally. Additionally, there is a need to assess if the number of ATMs, bank branches and specifically Micro ATMs in a particular geographical area is adequate to serve the needs of women customers as the Study pointed out that during the pandemic many women had to travel long distances to avail such physical infrastructure for cash-out services.

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