

FINANCIAL AND DIGITAL OUTREACH EFFORTS: ANNUAL REPORT



INTRODUCTION

Over the course of a year, we have been able to take our efforts surrounding financial and digital outreach for tribal communities in south Rajasthan to bigger and better places. In the process we've also built capacity and knowledge on how to make such efforts have the impact we want them to. We've also gained perspective through how far we've come on how much further we can go. While what follows is a summary of the efforts we made and the impact we saw, the relief supplied to someone who is entirely vulnerable and helpless until we get to them is very hard to capture in words.



The houses of the predominantly tribal community we serve are often made of mud

FINANCIAL AND DIGITAL LITERACY CLINICS: SUPPLYING EXPERTISE WHERE IT IS MOST NEEDED



A beneficiary being counseled during a financial and digital literacy clinic

Enmeshed in the web of informal financial services (such as enormous interest rates from local moneylenders, ponzi schemes), the tribal communities we serve in rural Rajasthan find themselves unable to meaningfully access alternatives. To facilitate their inclusion in the formal financial services ecosystem, we introduced digital and financial literacy clinics in early 2022. **In the past year, we conducted 52 financial and digital literacy clinics, counseled 3800 beneficiaries and facilitated 1335 KYC corrections in the process.** The need for such correction is significant, when a mis-spelled name is all it takes to render families incapable of finding work or accessing entitlements that they need for the most basic sustenance. Additionally, situations where grievance redressal is needed more broadly, such as instances of financial fraud or instances where insurance claims go ignored need attention not only for the pursuit of grievance redressal, but also for the inculcation of an environment where such problems aren't treated as simply the way things are and always will be.

“...situations where grievance redressal is needed more broadly, such as instances of financial fraud or instances where insurance claims go ignored need attention not only for the pursuit of grievance redressal, but also for the inculcation of an environment where such problems aren't treated as simply the way things are and always will be.”

When Prakash Lal Bhil's first wife left him, he married Shanta Gameti. In order to be able to find work under NREGA in the panchayat she now belonged to, her name needed to be on the job card for the family. For this transition his PAN card needed updating, because his date of birth was in the wrong format on it. Meanwhile his Aadhar card spelled his name incorrectly, and her Aadhar card now needed to record his name in place of her father's name. Both Aadhar cards needed to be updated as well. Prakash was having to stop work for days together in order to try and have the matter resolved himself. After he was helped, he could go back to work. Both husband and wife were made to pay a cost for records being inconsistent: he lost work and she couldn't get work. They would also have continued to pay it until the records could be corrected.



Prakash and his wife

Heema Ram works as a daily wage worker, and even though his wife had started receiving her NREGA wages in a bank account, he had always received his wages in cash. When he received government assistance for the completion of his house, he was very new to receiving a payment in cash. When he then went to the local e-mitra to withdraw the 6,000 rupees he had received, he was told that the server was down, and that if any amount had been deducted he would get it back in his account in 2 days. Even after a week, the money had not returned. He then attended one of our digital and financial literacy clinics, and it was explained to him that the money not being reversed was cause for concern, that financial fraud was a common occurrence, and that it was going to be no use waiting for any more time. He was made sure about how justified his suspicions were. Persistent follow up visits followed, and he was given his money back in cash.



Heema Ram in his village

When Chhatri Bai was defrauded of 10,000 rupees, she had used her fingerprint at three different SBI bank BCs trying to withdraw money her husband had sent to her. Each bank BC then maintained they hadn't taken anything they shouldn't have, but her money had been withdrawn and she hadn't received it. When she approached us at one of our financial and digital literacy clinics, we first asked her to wait. Unlike cases where services were only accessed at a single bank BC, each BC's entirely predictable response of denying all wrongdoing could not be met with the same persistence that can be mounted against a single source. When no money was reversed, we sent complaints to her bank, but these complaints went unanswered. Multiple follow up emails later, we went on to file a complaint

with the banking lokpal, which led to a response only ten months after the incident. For Chhatri Bai, redressal was a long battle. She was able to access us at various stages of her fight, and our presence as a constant resource for help was crucial in keeping up her willingness to fight. Along the course of her battle, we also noticed her grow more and more sure of herself. While the first time she came she would only want to be seen with her *ghunghat* over her face, by the time the ten months were over she would speak without her *ghunghat* far more freely.



महिला के खाते से गायब हुए थे 10 हजार, 10 माह बाद लोकपाल के हस्तक्षेप के बाद बीसी ने लौटाए

सामाजिक संस्था ने कहा - बैंकों की जवाबदेही तय हो

भास्कर न्यूज़ | गोगुंदा

थाना क्षेत्र के जिराई गांव की छतरी बाई गमेती के बैंक खाते से 10 माह पूर्व गायब हुए 10 हजार रुपए गुरुवार को एसबीआई कियोस्क संचालिका निशा गहलोत ने छतरी बाई के खाते में ट्रांसफर किए। जानकारी के अनुसार छतरी बाई का पति किरान लाल गमेती गुजरात में काम करता है। फरवरी-22 में उसने छतरी बाई के बैंक ऑफ बड़ौदा के खाते में 20 हजार रुपए जमा कराए। 11 फरवरी को छतरी बाई रुपए निकालने के लिए गोगुंदा आईं। यहां 3 बैंक बीसी के यहां गईं। तीनों बैंक बीसी ने मशीन पर उसका अंगूठा लगवाया और सर्वर डाउन होने की बात कह कर रुपए विडोल करने से मना कर दिया, जबकि थोड़ी देर बाद उसके पास 10 हजार रुपए विडोल होने का मैसेज आ गया। उसके बाद उसने विडोल के बारे में कियोस्क पर जाकर मूछताछ की, लेकिन कोई संतुष्टिपूर्ण जवाब नहीं मिला। उसके बाद उसने उदयपुर जाकर बैंक ऑफ बड़ौदा (बीओबी) ब्रांच में अपने खाते की पासबुक प्रिंट करवाई तो पता चला कि 11 फरवरी को उसके खाते से 10 हजार रुपए विडोल हुए। लेकिन यह पता नहीं चल पाया कि किस कियोस्क से उसके रुपए विडोल हुए।

बैंकिंग लोकपाल से शिकायत

छतरी बाई।

करने पर हुई कार्यवाही, जांच में आया बीसी के यहां हुई निकासी : छतरी बाई ने क्षेत्र में वित्तीय साक्षरता का कार्य रहे राजस्थान श्रम सारथी एसोसिएशन के कार्यकर्ताओं को अपनी पीड़ा बताई। उनके सहयोग से अप्रैल 22 से दिसम्बर-22 तक कई जगहों पर शिकायतें की। अंत में बैंकिंग लोकपाल को की शिकायत का असर हुआ और कियोस्क ने उसके 10 हजार रुपए लौटाए।

मुझे जब शिकायत मिली तो मैंने सभी कियोस्क व छतरी बाई को बुलाकर सुनवाई की, लेकिन किसी भी कियोस्क के यहां से 11 फरवरी को 10 हजार का ट्रांजेक्शन नहीं दिखा। यह गंभीर समस्या है कि कियोस्क के यहां से होने वाले ट्रांजेक्शन की रिसिप्ट में खाता नंबर नहीं आता। इस मामले में भी पेमेंट केवल इस आधार पर किया गया है कि बैंक पासबुक और ट्रांजेक्शन रिसिप्ट में लेन-देन का समय एक ही है।

-पंकज कुमार गोयल, ब्रांच मैनेजर, एसबीआई-गोगुंदा

Newspaper coverage of Chhatri Bai's victory

In a village called Ukhdi, Suresh's eldest son is 27 and looks after their family of four. Suresh had everyone in the family enrolled in the Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), and then his 21 year old sister died of an illness. Knowing the family was entitled to an insurance claim he went to the bank, but a formal filing of his claim wasn't even initiated. Instead he was told to have the panchayat certify the death and to bring an FIR. Feeling overwhelmed, he took the sarpanch to the bank with him. The result, however, was the same. One and a half

month after the death, the sarpanch was able to bring the matter to a financial and digital literacy clinic that we held. We decided to accompany them to the bank. Being armed with knowledge of what documents were and weren't needed helped the situation, and over two visits we were able to have the insurance claim filed. Multiple follow up visits later, the money was finally received four months after the death took place. When asked what use the family would like to put the money to, Suresh told us seeking medical treatment to try and save his daughter had already led the family to borrow 40,000 rupees at 5 percent interest per month from a moneylender, and 30,000 rupees from their relatives. Suresh wanted to use the insurance money to repay the debt, and then use what was left over for his youngest son's education and for his old age. The family's experience reveals exactly where the burden of failed service delivery lies: the family must now pay a moneylender interest they need not have paid if what was already their due had been delivered in a timely way. Simultaneously, the family's experience reveals the power knowledge can have. Knowing what a process is composed of can be adequate armor against a system set up to fail you.



(R-L) Suresh's son with staff from the bank and Shram Sarathi

“The family's experience reveals exactly where the burden of failed service delivery lies: the family must now pay a moneylender interest they need not have paid if what was already their due had been delivered in a timely way.”

FINANCIAL AND DIGITAL LITERACY CLINICS (FDLC)

- Access to formal financial services and reduced dependence on informal financial systems.
- Improved financial decision making and empowerment, stability, reduced poverty.
- Contribution to local economic development.

- Introduced financial and digital literacy clinics beginning in early 2022, aimed at helping the community participate in formal financial services.
- Intensive local level engagement, providing services relating to banking, insurance, and financial literacy.



SERVICES

- Banking - cash withdrawal & deposit
- UPI training
- Linking mobile number with bank account
- Passbook printing
- KYC update & correction
- Resuming dormant bank accounts
- Insurance - PMSBY, PMJJBY, Chiranjeevi
- Financial fraud mediation
- Literacy and awareness

TARGET AUDIENCE



Migrant workers and their families located in Southern Rajasthan, majority of them coming from tribal families. We have branches in Gogunda, Bhabrana and Kherwara districts in Udaipur to assist these families

IMPACT

900+ KYC corrections
450+ Insurance beneficiaries

300+ digital literacy training
30+ micro entrepreneurs trained and monitored

150+ financial literacy meetings
25+ financial fraud cases mediated

50+ FDLCs
2000+ Beneficiaries,
100+ Beneficiaries of micro-investments

Transactions worth INR 3,70,00,000+ facilitated by micro-entrepreneurs

A flyer capturing the scope of services offered at financial and digital literacy clinics



A financial and digital literacy clinic at work

FINANCIAL LITERACY MEETINGS: LETTING CONVERSATION LEAD THE WAY



Proceedings during a financial literacy meeting

Financial and digital literacy clinics rely heavily on literacy meetings, and for good reason. It remains important to create both awareness and comfort around the subjects we wish to address. Only when people can talk more freely about subjects where either awareness is very scarce or a helplessness has set in, can they begin to imagine ways out. **In the past year, we conducted 248 financial literacy meetings and came across many instances of collective thinking that became both forceful and positive.** During one literacy meeting, we chose to introduce the problem of formal over lending by first asking people what their demand for credit was, which led them to list a wide range of wants. We asked about associated expenses next.

We then had people compare these wants with their incomes, and with what would be 40 percent of that income. What made matters complex, however, was that credit was often made available without someone requesting it. What then ensues is overconsumption, overconsumption that feeds on a severe scarcity mindset that exists in the communities we serve. We found resounding agreement on the felt need to acquire as much money as possible when it is available, whether or not use for the money has been identified. Some or the other use will appear, they believe, because some or the other crisis is always around the corner. What is uniquely powerful about the tendency being brought up during a literacy meeting, however, is that it can be challenged at the group level like it sometimes cannot be at the individual level. Even those who might not want to admit their position on the matter out loud but agree with what is being expressed can silently find direction and counsel, and even those who believe they have found safe balance can discover the precarity of their position.



Proceedings during a financial literacy meeting held at night, when people are not bound by the obligations of their day

During another financial literacy meeting, we discussed the entitlement one had to complain about a loan officer, and relatedly the ability to assign wrongdoing to a debt collector one owes money to. The very idea of being in a position to assign blame was met with collective disbelief and shock: it was entirely valid to be at the receiving end of foul language when one had failed to meet a payment obligation. We kept asking, however, about how much bad behavior was acceptable when the person receiving it had failed to pay. We made progress when we asked if it was okay to hold someone's child hostage until they paid up, many in the group were not able to accept it. However, we ended up receiving disbelief and shock as well: a woman slowly admitted that she had indeed seen a loan officer pick up someone's child when trying to make a recovery. It had been a child from the wrong house, however, and the situation went no further. In the group setting, then, we were able to create a collective reaction to what was wrong, strengthening every individual voice in the process.

“The very idea of being in a position to assign blame was met with collective disbelief and shock: it was entirely valid to be at the receiving end of foul language when one had failed to meet a payment obligation...when we (subsequently) asked if it was okay to hold someone's child hostage until they paid up, many in the group were not able to accept it...however we ended up receiving disbelief and shock as well: a woman slowly admitted that she had indeed seen a loan officer pick up someone's child”

DIGITAL MICRO-ENTREPRENEURS: GIVING WOMEN THE POWER

The position of women in the rural communities we serve is not, and cannot, be separable from the patriarchal norms that surround them. Only men receive the societal encouragement and initial investment necessary to become bank BCs. Women then enter interactions with them from a position where they encounter the relative informality of being removed from traditional banks, manage financial matters on their own given the men in their household must migrate for work, lack financial literacy because they lack both quality education and exposure to the world outside their local settings, and find themselves severely disadvantaged by prevailing gender norms in addition. Local gender norms dictate that interactions with the opposite sex be meticulously minimized. A woman shouldn't ask a male more questions than absolutely necessary, which becomes none outside what he asks. When asked for multiple thumb impressions, she doesn't ask why. When he pockets what is withdrawn from her account, she doesn't find out. When she does, she doesn't want a confrontation. As a result, not only are women made more susceptible to financial fraud, they are also held back from receiving the service provision they could have received. Digital micro-entrepreneurs who are women help flip this script. Not only do they become examples of women who know just as much as men who become bank BCs do, they also make it possible for women customers to have entirely different experiences in receiving financial services. **We trained and monitored 48 micro-entrepreneurs in the past year, who went on to facilitate transactions worth 540 lakh rupees, and along with 4487 balance enquiries.**

“Digital micro-entrepreneurs who are women help flip this script (of gender oppression). Not only do they become examples of women who know just as much as men who become bank BCs do, they also make it possible for women customers to have entirely different experiences in receiving financial services.”



Mintu at work as a digital micro-entrepreneur

Mintu, who works as such an entrepreneur, says many women come to her anxious about their account balance, very often to find out if their NREGA wages have arrived. They also have questions about pension schemes, about what to do to have a PAN card made, about why their bank account is shut. They also sometimes want money transferred to a friend or a relative, and ask her to send it to their bank account. Indeed, such requests require the presence of a certain comfort, and when treated as a teaching moment and handled with care, can help introduce digital transactions to an someone who would gain such exposure with great difficulty. Exchanges with financial service providers can become sites where conversations around a wider and wider range of topics can take place. Mintu also works from home, and that contributes to the comfort she can create for a woman who comes to her. She also takes her equipment wherever she goes, and will takes it to someone's house on their request as well. With continuous training, digital micro-entrepreneurs can also be helped in keeping up with the changing nature of financial services, and can supply quality financial advice.

SAVINGS: EXPANDING THE HORIZON OF POSSIBILITY

Enabling transitions from more traditional forms of savings like the *gullak*, that can be understood and received with greater ease than digital forms of savings can, has been both challenging and encouraging. **We were able to link 405 families to micro-investments (through NPS and our investment partner).** When Shanta Bai's husband Manoharlal migrates to nearby Gujarat to work as a cooking helper and sends back remittances in irregular fashion, she stores whatever she can in an earthen pot. Each time she makes a purchase at the local shop, she puts in what is left over into the *gullak*. Once it gets filled up or whenever she needs the money, she shatters the *gullak* and either deposits it in the bank or uses up the accumulated savings. We wanted to see the prudence she was showing translate to savings via modern instruments as well. In addition to facilitating deposits towards NPS, we



Shanta Bai with her gullak

also offered a savings product via a collaboration with an investment partner. We introduced the flexibility to withdraw whenever needed even though we recommended that investments be set aside for at least 5 years. While we saw receptiveness, we also want to give such an offering more time with the community.

35 years old, Dola Ram was hesitant about saving through NPS. He wanted to save, but also wanted to be able to access money sooner than when he would be 60 years old. Particularly because he runs a grocery store and receives all his income in cash, he felt money lying around would often get spent on things he would later on regret spending on. When he learnt about the savings product we were offering, he trusted that any help he needed in making online payments he didn't know how to make would be made available, and by a source he could trust. He decided to make 1,000 rupee contributions instead of the minimum of 500 rupee contributions. What remains crucial, however, is that Dola Ram feels no anxiety around making payments through a medium that is new to him. Repeated training across a time period that does not create shock is needed to make someone like him gradually more and more able to take on the task entirely on his own. Suni Das, who is 40 and also runs a grocery store, worries about marrying his four girls. He is also made uncomfortable by how easily the cash he earns is spent on something or the other. He decided to make 500 rupee contributions, but needs assistance in making payments like Dola Ram does.

Khemraj, who is 22, realizes that both his parents are able to earn lesser than they used to. His mother goes to work under NREGA, but only finds work for 2-3 months in a year. His father, though in his forties, is also unable to find as much work as he once did. Indeed, this is a common predicament that the migrant families we work with encounter: beginning physically demanding work from as young as 14 years old also means one's body loses the ability to keep going much before notions of a 'retirement age' can apply. This had left Khemraj worrying about both expenses around his own upcoming wedding and the need to support his parents. He has been taking 500 rupees out of his earning from his shop to save, and is also asking about making 1,000 rupee contributions.

Indeed, this is a common predicament that the migrant families we work with encounter: beginning physically demanding work from as young as 14 years old also means one's body loses the ability to keep going much before notions of a 'retirement age' can apply. This had left Khemraj worrying about both expenses around his own upcoming wedding and the need to support his parents.

CREATING AND DISSEMINATING KNOWLEDGE TOOLS ON RESPONSIBLE FINANCE: MAKING LEARNING CONTINUAL

We wanted to find out how well industry standards on responsible finance were being followed, and engaged 1000 families through a survey questionnaire and focused group discussions to assess the state of affairs. When we asked respondents about the extent to which they were worried about the financial situation of their household, 66% said this was true either sometimes or all the time. When we asked about the extent to which the financial situation in their homes caused arguments between family members, 19% said this was true either sometimes or all the time. 32% said that on at least one occasion in the past year, they had postponed other expenses to meet formal debt obligations. Overall, we found that circumstances around responsible finance were worrying, and took our findings back to the community via meetings with community leaders. Through our discussions, some findings emerged as most significant:

- When we asked respondents how their household was able to access financial information, we found a very large reliance on banking correspondents and banks. Even where families reported using multiple means for everyday transactions, 876 families reported relying on banking correspondents and 783 families reported relying on the bank. In contrast, only 128 families reported using UPI payments. Relatedly, the means for accessing information about their bank account was also the printing of diary entries for 774 families. **It was then concerning to also find that only 163 families reported having had a diary entry printed for any member of the family in the past month. It also became concerning to learn that only 529 respondents reported having more than 2 kilometers to access such a service. When we took this information to the community, a demand for a greater number of banking correspondents was expressed.**

- The average amount of money lost to financial fraud was 23,410 rupees, along with an average of 1,526 rupees lost to efforts at redressal. Within this, as many as 152 cases of associations with those offering fraudulent savings products were found. Indeed, this was where the highest amounts of money were lost. Members of the community had all heard of such instances in their immediate neighborhoods as well, and acknowledged that such experiences were creating a lack of trust in savings products. **Members of the community agreed that the active identification of trustworthy and untrustworthy providers of savings products has become an urgent need, and that they would need to act on it.** Additionally, as many as 48 cases of fraudulent withdrawals by banking correspondents were reported. Members of the community agreed that such instances very often go undetected, and that the real incidence of such financial fraud would be higher. **A consensus emerged on banking correspondents being more accountable to the local community if they serve an area where people know each other.**
- We also found that debt was being taken on from a range of sources, and that informal sources place a significant burden on families. Even after separating the burden from informal debt, however, we found that 28 percent of families had more monthly formal debt obligations than 40 percent of their incomes. The burden from informal debt is set up to add to the burden from formal debt for these families, and is also set up to bring more families above the 40 percent debt to income mark. For those who were already above the mark with formal debt, however, we were also able to look at the impact on their credit histories. For families above the 40 percent mark, we found that income on average was lesser than income for those below the mark, and that debt burden from both formal and informal sources was greater. Further, we found that those above the mark were on average thrice as likely to be labeled delinquents and were thrice as likely to have had loans written off. **When we brought up debt to income ratios with the community and used them as indicators, we were able to create stress on the status of one's credit history. Such stress is needed, since the implications of having one's credit history spoiled are very often not paid attention to. We saw members from the community take the connection between greater debt and worse credit histories more seriously, and we were able to give more strength to a preventive approach to such risks throughout discussions.**

- In the case of formal loans, where the helpline number for a loan company is to be expected, in 52% instances did not have a helpline number and in 33% instances did not have a phone number even for the loan officer. Further, we asked respondents if they believed certain kinds of behavior, all in contradiction with industry standards on responsible lending, were worthy of formal complaints. We received strikingly low levels of agreement with the complaint worthiness of such behavior. Ideally, each measure should have generated 100% agreement. We took this message to the community, and conveyed to them that when one doesn't even have a helpline number through which they can reach above the level of the loan officer who visits them, the officer is made more confident about getting away with such behavior. If he knew they had the information to complain to the loan company, he would be less confident about resorting to such behavior. **When we heard them say that the reason for not having such information was that such information isn't given by officers, it was made apparent that even in instances where we were told that they people had a phone number, it was received passively. Instead, an active insistence on wanting such information and asking for it would make the reasons for having and indeed the opportunities for using it more actionable.**

Willingness to complain about misconduct

Metric of non compliance with industry standards on responsible lending	Percent respondents who said such behavior was complaint worthy
Recovery despite knowledge of illness, death or social occasion	24%
Threat of physical violence	19%
Forcibly taking material possessions from someone's home	18%
Forcibly taking documents from someone's home	15%
Use of abusive language	15%
Three or more than three persons coming to someone's home for recovery	14%
Recovery during the night	14%
Use of derogatory language towards women	13%
Physical violence	12%
Being forced to sell material possessions by a loan officer or by group members	11%

PROGRESS IN NUMBERS

Key measurables for our digital and financial outreach efforts in the past year

Number of financial and digital literacy clinics	52
Number of beneficiaries counseled	3800
Number of KYC corrections facilitated	1335
Number of financial literacy meetings	248
Number of micro-entrepreneurs trained and monitored	48
Value of transactions facilitated by micro-entrepreneurs (in INR lakh)	540
Number of balance enquiries facilitated	4487
Number of beneficiaries linked to micro investments (NPS & investment partner)	405
Number of households engaged for the knowledge tool on responsible finance	1000
Number of community leader trainings to disseminate findings of the report	6

CONCLUSION

While we're proud of the work we've done so far, we want to do much more. Introducing tougher and tougher concepts around finance in literacy meetings and tailoring delivery for easy absorption, training digital micro-entrepreneurs to build more sophisticated counseling capacities in them, conducting financial and digital literacy clinics in more and more remote locations are just some of the things we want to do next. What is most exciting, ultimately, is that this is our way to achieve the subversion of disadvantages imposed by gender, caste, geography and educational attainment in small but meaningful steps. So much more has to be done.



Beneficiaries after attending a financial and digital literacy clinic



Special thanks to the team that makes it all happen!

© SHRAM SARATHI

39, Krishna colony, Bedla Road,
Udaipur, 313001

Ph: 0294-245-0682

www.shramsarathi.org

info@shramsarathi.org

[Twitter](#)

[LinkedIn](#)