

Enhancing Livelihoods of Communities Dependent on Labour & Migration Annual Report 2019-20

Shram Sarathi has been working in order to enhance the livelihoods of labour and migration dependent communities through financial literacy and livelihood interventions. This report summarizes the progress of various activities undertaken in the financial year 2019-20.

The following programs were implemented in during the reporting period:

Community based financial literacy programs & digital literacy

1) Village meetings and workshops

A total of 331 village level community meetings were conducted during the reporting quarter through which we reached a total of 7471 beneficiaries. These meetings focused on three major topics: (i) The importance of uniform information on KYC documents; (ii) Protection from fraudulent investment schemes and telephonic financial frauds; (iii) Importance of old age pensions.

Further, 15 input sessions with youth undergoing skilling programs were undertaken and 11 meetings with community volunteers such as *ujala mitras*, their panchayat level federations and workers' collectives. In

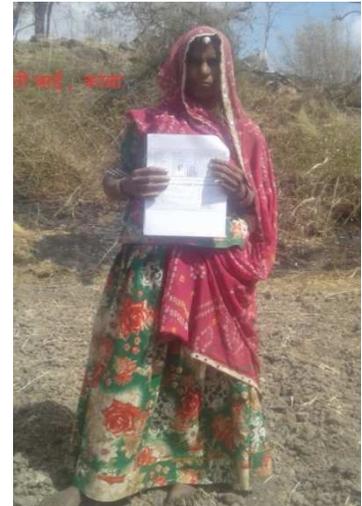


the month of March, the team also run a large campaign to create awareness about the National Pension System (NPS) accounts. Several of these accounts have been inactive and campaigns were focused on communicating the need to reactivate these and regularly contribute towards one's pension corpus. As a result of this, 35 accounts were activated with contributions of 35,000 rupees towards their pension corpus. In addition to this, we also started actively contacting pension account holders who have crossed the age of 60 years in order to assist them with the process of claiming their accumulated pension under NPS.

In the Salumbar region in particular, a new kind of financial fraud emerged during this period, wherein, workers received phone calls informing them of a 5 lakh rupees lottery prize provided they deposited two tranches of 20,000 rupees each into an account. 40,000 rupees is a large amount, however the promise of 5 lakh

rupees against that prompted several families to make poor financial choices. For instance, Dinesh Meena, a young worker from the village, even mortgaged his wife's silver jewellery in order to make these deposits. When he found out that he was duped of his money, Dinesh and three others from his village reached out to our team to make sure that no one else made the same mistake.

Jumli bai from Kachaba village in Gogunda had been working in NREGS for several months, however hadn't received wages yet. She reached out to Shram Sarathi during one of our meetings. Her details in all documents were fine, however her payments were still stuck due to incorrect bank details in the panchayat database. We helped her register a complaint on the Jan Soochna portal and within 1.5 months, her bank details were updated and she received pending payments of 6000 rupees in her bank account



Ganga bai hadn't been receiving her 'widow pensions' for nearly 2 years. We found out that her bank details had been incorrectly registered with the Panchayat Samiti. Our team helped her in making this correction and her pending pension payment of 12,000 rupees was released.

Nathi bai had worked in NREGS for over three muster rolls but hadn't received any payments. Her name in her bank documents and NREGS card differed and hence her wage payments were stuck. We've helped her rectify her documents and she will receive her wages of 3000 rupees soon

New Financial Literacy Tools

Three new financial literacy tools were developed during this period:

- **Minimum wages:** We created a simple pocket sized card which specifies the minimum wages in the major destination states so that workers may refer to it when negotiating their wage rate. Further, specifications that minimum wages are determined for 8 hours of work and the calculations for overtime payments also were included in this tool. This has been widely distributed and discussed during community meetings.

राज्य	राजस्थान (रुपयों में)	गुजरात (रुपयों में)	महाराष्ट्र (रुपयों में)
अकुशल	225	316	420
अर्द्ध कुशल	237	324	454
कुशल	249	332	485

लेबरलाईन फोन नं. - 1800 1800 999

गुजरात व महाराष्ट्र राज्य में न्यूनतम मजदूरी ज़ोन के हिसाब से दी जाती है।
इस विषय में अधिक जानकारी के लिये निःशुल्क लेबर हेल्पलाइन नम्बर 1800 1800 999 पर सम्पर्क करें।

8 घण्टे कार्य करने पर न्यूनतम मजदूरी की तय रेट में भूगतान मिलेगा।

2 गुनी रेट से ओवर टाईम मिलेगा यदि आठ घण्टे से ज्यादा काम किया है।

हेड ऑफिस : 39, कृष्णा कॉलोनी, कासा ट्रेनिंग सेन्टर के पीछे, बेदला रोड़, उदयपुर 313 004

- **Uniform signatures:** A key challenge that prevents workers and their families from optimally using digital banking services is the lack of a uniform signature. Very often, workers would forget how they had signed their name while opening a bank account. We therefore created a simple tool to help workers remember their signatures. In cases where women had opened accounts with thumb impressions, but eventually learned to sign their names, we also encouraged them to change these details after a visit at the bank. We had just piloted this in March when the lockdown was announced and it needs a little more field testing before it is finalized.

- Debt counselling: A new debt counselling tool was tested from January onwards. More details are in the section below

2) Individual debt counselling

In the last few months, we had identified several households who were severely over-indebted, primarily due to the proliferation of several private lending companies in the region. Aggressive lending practices with an absence of consumer education by these companies created a rising trend in over-indebtedness among families in our region. We therefore wanted to address this problem by providing customized individual counselling to each indebted household to help them understand the full extent of their liabilities and how they could bring their household finances back on track. We decided to use the individual reports generated on Highmark – a credit bureau which contains consolidated data on borrowings from all sources. On the basis of this report, we began individual conversations with such households. A striking observation was that most households did not know the total number of loans they had taken or the total amount of EMIs that they were paying each month. Providing this information alone was a significant shift in their own understanding of the debt they owed. In fact, in one particular case, the total amount of EMIs was a whopping 95% of their total monthly income! We have piloted this with over 100 families in total. In this way we can use online credit data to bring about behavioural change in families and create awareness on ethical and responsible finance. Through the counselling, we helped families plan for the remaining months of the loan, while also encouraging them to not borrow any additional amounts. While the counselling had its merits, we felt that counselling alone would not resolve the situation. Instead a one-time financial support to these households to help retire expensive unsustainable debt, combined with counselling might be more effective. We shall be designing a small pilot along these lines in the next phase of our work.

3) Destination campaigns

In the first quarter of the year, Shram Sarathi conducted two destination campaigns – one in Ahmedabad and one in Surat. In Ahmedabad, meetings were conducted in the Vaizalpur and Jivraj areas of the city. These areas primarily have migrant workers from the states of Madhya Pradesh, Gujarat and Uttar Pradesh who are engaged in the construction sector. The two meetings focused on issues of online fraud prevention and formal remittances respectively. Over 100 workers participated in these meetings. Our team also identified five migrant workers who expressed interest in being trained to



extend digital financial services to workers from their communities. Our team had several learnings from the Ahmedabad campaign. For instance, we learnt that not many migrants knew how to use Cash Deposit Machines (CDMs) due to which they relied heavily on private money transfer agents. Some workers narrated errors wherein their cash deposits were unsuccessful and it took them several months to recover the money from the banks. In some cases, they even had to forgo a few days of work in order to follow up on the matter. As a result, many felt discouraged to use CDMs and instead pay high premiums to use private money transfer services.



During the second quarter of the year, we conducted one destination campaign in Surat. Several meetings were conducted with Odiya migrants in the Anjani area of Surat. Topics included banking literacy, use of ATMs, mobile based remittances, KYC updation and protection from online financial frauds. A total of 135 workers participated in these meetings.

In the month of March, Shram Sarathi conducted one destination campaign in Surat with Odiya migrants engaged in the power loom sector. A total of 86 workers participated in these series of meetings. A key challenge that emerged during discussions in these meetings were the inability to access banking services due to a 12-hour work day and the lack of trust in the banking system. Many migrants spoke of severe indebtedness among their families back home. They were also wary of using digital financial apps such as Phone Pe or Paytm because they received wages in cash only and usually relied on BC services to remit this back home. They also acknowledged that they would be able to save upto 2000 rupees per month if the right financial instrument were available to them. They were counselled on current savings options available to them and encouraged to save more regularly.



Improving digital & banking literacy

In addition to the delivery of financial literacy messages in the above formats, Shram Sarathi also identifies, trains and enrolls a network of rural entrepreneurs who provide digital financial services in remote rural locations. Shram Sarathi had registered a total of 36 retailers, of which 23 were actively providing these services. Average transactions of 20 lakh rupees per month were facilitated through this network. 5 training sessions were conducted to train potential retailers. During the training sessions for potential retailers, Shram Sarathi has laid strong emphasis on ethical provision of banking services so that enrolled retailers do not defraud rural communities.

In December, we also conducted an exposure visit for our team on the India Post Payments Bank (IPPB) to understand various services that rural families can avail through such decentralized banking. The IPPB network is yet to be activated in remote rural areas and based on the exposure visit, our team is in touch with block level officers to help in activation of these banks in remote locations.

In order to complement the various literacy initiatives above, we have offered access to corresponding services. These include opening of bank accounts, encouraging usage of bank accounts, KYC corrections and account validation services. In the reporting quarter, we assisted 264 beneficiaries in making corrections in their KYC documents. As a result, several of them have reported that their pending subsidy payments such as government scholarships for children were released, dormant bank accounts were reactivated and withdrawals became possible again.

Next Steps

In the subsequent years, our team shall focus on expanding the digital banking services work as well as creating audio-visual content on the issue of over-indebtedness. We shall also design two new interventions that complement our financial literacy work. These include financial support for rehabilitation of highly vulnerable families and training and providing start-up support to rural micro-entrepreneurs offering digital banking services in remote locations.

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