



Women's World Banking

Making Jan Dhan Work for Rural Women



A Practitioner's Guide to Expanding Financial Inclusion
for Women in Rural India

Making Jan Dhan Work for Rural Women

A Practitioner's Guide to Expanding Financial Inclusion for Women in Rural India

Women's World Banking designs and invests in financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities. With a Global Network reach of 61 financial services providers in 34 countries serving more than 136 million women clients, Women's World Banking drives impact through its scalable, market-driven solutions; gender lens private equity fund; and leadership and diversity programs.

womensworldbanking.org

Cover Picture:

Bank of Baroda BC Sakhi from Shahjahanpur, Uttar Pradesh depositing cash in customer's account. (Bank of Baroda and Women's World Banking Jan Dhan Plus Project, 2021-22)



Foreword

Shri Sanjiv Chadha
Managing Director & CEO
Bank of Baroda

I extend my heartiest congratulations to the team behind the ground-breaking report *Making Jan Dhan Work for Rural Women: A Practitioner's Guide to Expanding Financial Inclusion for Women in Rural India*.

In 2019, the Prime Minister of India, Narendra Modi, set an ambitious goal to make the country a USD 5 trillion economy by 2024-25. This goal is only achievable with the active participation and inclusion of women in the Indian economy. Women make up almost half of the Indian population but lag far behind in terms of their earning power, labor force participation, and engagement with the financial sector.

To turn India into an economic powerhouse, women's empowerment, especially economic empowerment, is a crucial deciding factor. Fortunately, we are closing the gender gap in financial services in India every year. With the launch of the government-sponsored Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014, the country has taken impressive strides toward linking an ever-growing number of women to the world of banking. Currently, over 50% of PMJDY's 456 million beneficiaries are women, and the number is increasing daily.

At Bank of Baroda, we are proud to state that against our overall 6% market share, the bank has a market share of 15% in PMJDY accounts and 17% in PMJDY deposits among public sector banks. Despite expanding women's participation in the banking sector, the fact remains that a good percentage of women, especially those belonging to low-income groups, don't leverage their bank accounts to their full potential. For many women, a bank account remains merely a channel to receive and withdraw cash. This is exactly what Women's World Banking and Bank of Baroda have set out to change. Our joint endeavor, The Jan Dhan Plus Program, aims to unleash the untapped potential of the 254 million women Jan Dhan account holders.

Over the last two years, we conducted two pilots of the Jan Dhan Plus solution. We first piloted Jan Dhan Plus in the urban cities of Mumbai, Delhi, and Chennai to encourage women PMJDY customers to activate, use, and save in their accounts. We did this by investing in communication, counseling, and troubleshooting to make bank savings more relatable and rewarding. Based on the needs and aspirations of this target group, we introduced simple services and engagement strategies to help women overcome specific barriers in the financial landscape. We also strengthened the BC network so that they had the opportunity to transform into champions of financial inclusion at the last mile. One way we were able to do this was by inducting more women BCs into the network and supporting them with training, rewards, recognition, supervision, and motivation.

When we observed the potential of this model to connect women account holders to the broader economic and social security ecosystem, we were determined to scale up the intervention. Subsequently, to understand how this model will work in a rural setting, we extended our partnership for another pilot in rural areas of Uttar Pradesh.

I am pleased to share that our initial success in urban geographies has also reflected in the rural and peri-urban areas of India, which has resulted in moving from a pilot to a rollout and scale-up of the program in specific geographies.

We found that extending Jan Dhan Plus to rural areas has been instrumental in giving millions of women the agency to handle their finances, experience its benefits, aspire to advance their personal ambitions, invest in their family's futures, and encourage other women to take up banking, too. This report lays out further learnings we observed when we took Jan Dhan Plus to rural areas. These will enhance the efficiency of the PMJDY infrastructure and over time lead to true economic empowerment of low-income women in the country.

Thank you.



Executive Summary



A sure way of strengthening economies is by investing in women's economic empowerment through financial inclusion

India has made a huge amount of progress in the last-mile delivery of banking services to underserved communities. The opening of Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts has provided millions of Indians with access to at least a basic account. Since its launch in 2014, the number of PMJDY accounts opened has tripled from 147.2 million in March 2015 to 462 million by June 2022¹. 56% of these accounts, more than 260 million (roughly the entire population of Indonesia, the world's fourth largest country), are owned by women. Meanwhile, 67% of all account holders live in rural and semi-urban areas, making rural women a significant

customer segment. While many of these women are actively using their PMJDY accounts, they are doing so only to access the benefit transfers they receive from government initiatives, which means that they are simply cashing out their benefits. They are not using their PMJDY accounts to deepen their financial engagement, such as to save, build account and credit histories, or to access other financial products such as microinsurance, pensions, or micro-loans.

There are many reasons for this. First, rural women have few sources of income that they can call their own. Even when they participate in

¹ Press Information Bureau Press release. Ministry of Finance, Government of India, on the eighth Anniversary of PMJDY in Aug 2022.

their family's agricultural activities, they do not identify it as contributing to their family income. Second, women do not participate in household financial decision-making and do not have a say in the utilization of direct benefit transfers (DBTs)^[2] in their PMJDY accounts, thus, do not see value in banking services. Third, despite being able to save some, many women believe that their savings are not worth depositing in a formal account. Finally, while banks have invested in developing a network of business correspondents (BCs) to provide last-mile banking services, not all BCs have the skills to engage with women PMJDY account holders beyond providing them access to government benefit transfer.

These low-income rural women could become a significant new commercial segment for banks if they can develop a level of trust and relevance with them. Research shows that women save their money informally, and our work alongside the Bank of Baroda (one of India's largest public sector banks) demonstrates that they will adopt a range of financial products and services and become long-term customers if the right environment is created.



Is the business case there for banks? The answer is...

Yes. Women's World Banking estimates that 100 million low-income women initiating a habit of small-scale savings can potentially unlock an estimated USD 3.2 billion in deposits while disbursing approximately USD 1.25 billion in overdrafts (OD) to 20 million beneficiaries^[3].

² Direct Benefit Transfers in India include cash transfers made by the central and the state governments for agriculture, health, education, etc. and those allocated in times of emergencies or calamities such as floods, crop-failure, COVID, etc. There are over 300 different DBTs that are available to people at different life stages and are from different ministries. <https://dbtbharat.gov.in/>

³ Of the 56% women PMJDY accounts, assuming 100 million women start saving about INR 2,500 (US\$ 31), banks can realize an INR 20K crore (US\$ 3.2 billion) in savings and of these if 20% women become eligible for an overdraft of INR 5000 (US\$ 63), this will be an INR 10K crores (US\$ 1.25 billion).

To test this, Women’s World Banking and the Bank of Baroda rolled out Jan Dhan Plus, a solution that encourages low-income women to save regularly in their PMJDY accounts. The Jan Dhan Plus solution was first piloted in BoB branches in urban cities including Chennai, Mumbai, and Delhi in 2019. Based on this pilot, we extended the solution to BoB’s rural

and peri-urban branches in the Shahjahanpur region of Uttar Pradesh with some modifications in 2021. By March of 2022, it was evident to the bank that there was potential to scale this solution, so the program was rolled out to the entire state of Uttarakhand and western Uttar Pradesh.



The Jan Dhan Plus Model

This report provides insights into the behaviors and attitudes of women PMJDY account holders and identifies ways to help them engage with their accounts. It also discusses the barriers that agents, both BCs and community-level women agents, under the National Rural Livelihoods Mission known as BC Sakhis⁴, face in increasing their customer base, getting women to engage with their accounts, and cross-selling other banking

products and services to grow their business. The report outlines different ways in which all agents can be made more relationship-oriented and productive.

The outcomes from the Jan Dhan Plus solution that we piloted are proof that taking a gender-intentional approach is critical in accelerating efforts toward comprehensive financial inclusion.

⁴ BC Sakhis are community-based banking agents under the government's National Rural Livelihoods Mission (NRLM). Under this national program, states are encouraged to identify one woman per village, from existing self-help-groups to become a BC Sakhi. India is expected to have 159,000 BC Sakhis to provide banking services, especially to the unserved women and community members. BC Sakhis receive a startup fund to get them active and the commission she earns through banking services becomes her source of livelihood.

Acknowledgement

Women's World Banking is deeply grateful to its funding partners, the Bill & Melinda Gates Foundation, Visa Foundation, and Walmart Foundation, for their investment in our work to advance women's financial inclusion in India. We are also grateful for support from the Michael & Susan Dell Foundation for its early investment in our work centered on urban areas.

The views expressed in this publication are those of Women's World Banking, and do not necessarily represent the views of the Bill & Melinda Gates Foundation, Michael & Susan Dell Foundation, Visa Foundation, and Walmart Foundation.





Gyanwati, a Bank of Baroda BC Sakhi, providing financial solutions to rural women in Uttar Pradesh

Contents

11 Leveraging the Jan Dhan Infrastructure

- 11 Linking Indian Women to Formal Banking for a Strong Economy
- 12 Jan Dhan Plus : Urban
- 13 Taking Jan Dhan Plus to Rural and Peri-Urban India
 - 14 Understanding the Rural and Peri-Urban Context
 - 16 Overcoming Barriers to Banking
 - 18 Jan Dhan Plus Solution - Enhanced for Rural Customers

21 Jan Dhan Plus Solution Works: Learnings from the Jan Dhan Plus Rural Experience

- 25 Differentiated Support and Supervision Improves Agent Productivity
- 26 Quality Conversations Deepen Customer Engagement
- 28 BC-led Camps are Commercially Viable to Reach and Engage Women
- 29 BC Sakhis are a Strong Alternative Channel to Reach Women

32 Abbreviations

34 Annexure 1 : Quantitative Study of Rural Women Jan Dhan Account Holders

37 Annexure 2 : Jan Dhan Plus Pilot at Shahjahanpur Region, Uttar Pradesh

Leveraging the Jan Dhan Infrastructure



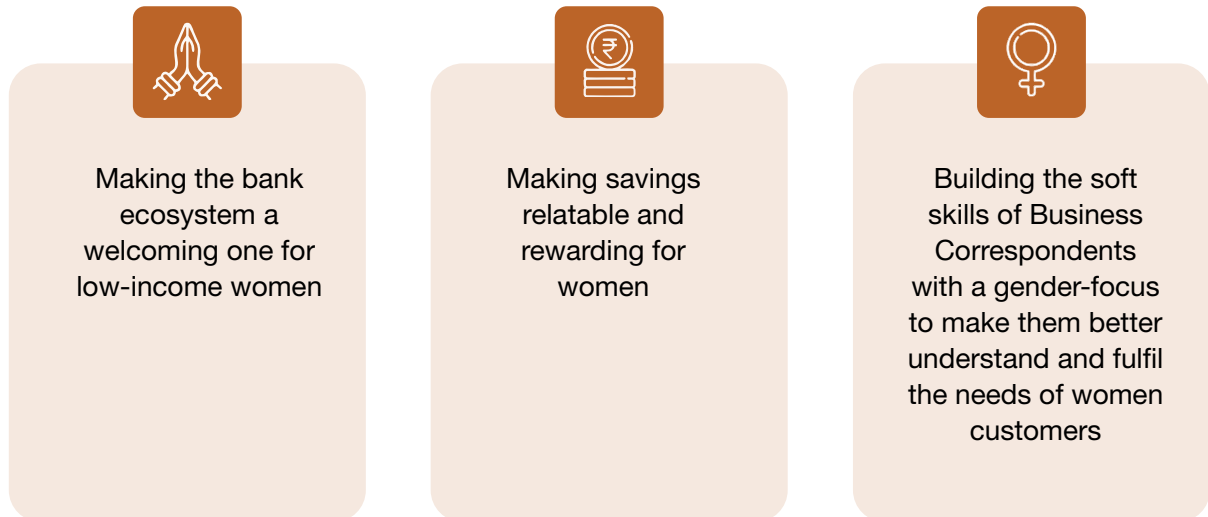
Linking Indian Women to Formal Banking for a Strong Economy

Jan Dhan Plus is a savings solution from Women’s World Banking and Bank of Baroda (BoB), built on the existing PMJDY infrastructure.

Jan Dhan Plus encourages account holders to save small amounts of INR 500 (USD 6) regularly for five months in return for rewards like an overdraft facility. Jan Dhan Plus also encourages and engages women to use their existing PMJDY account to access credit, insurance, and other financial products and services through BCs, who are the frontline agents of the bank, and through the community-level BC Sakhis (women selected from community-based self-help groups, work through the State Rural Livelihoods Missions). The Jan Dhan Plus solution was first

piloted in BoB branches in three metropolitan areas in 2019. The lessons from this urban pilot were customized and applied to BoB’s rural and peri-urban branches in the Shahjahanpur region of Uttar Pradesh in 2021. By March 2022, it was evident to the Bank that there was potential to scale this solution and so the program was rolled out to the entire state of Uttarakhand and western Uttar Pradesh.

The Jan Dhan Plus model rests on 3 core pillars:



Jan Dhan Plus: Urban

Jan Dhan Plus was first piloted with 101 BoB branches in 2019, across Mumbai, Delhi, and Chennai and it engaged over 300 BCs. During this period, nearly 50,000 new customers enrolled for Jan Dhan Plus, of whom 52% were women.

The pilot results suggested that women were an important, yet underutilized, consumer segment for banks. 70% of women account holders already saved, just informally and not in their PMJDY accounts. Our theory of change was that women needed a small savings solution that welcomed them to the bank, encouraged them to save small amounts and rewarded them for doing so. Jan Dhan Plus was designed using these insights.

The BCs were best positioned to communicate this solution as they were trusted by women. 32% of women who engaged with BCs considered saving with the bank. 18% of these women then maintained the savings behavior. However, most BCs were focused on providing only cash-in and cash-out (CICO) services and very few actively encouraged women to invest in other products such as the Jan Suraksha pension and insurance products.

We found that women BCs, however, were better relationship managers, as they had a

larger customer base and were better able to cross-sell more products. In our pilot, they were able to enroll 1.5 times more customers to the savings scheme compared to the average BC in the portfolio. As a result, in the long run, investing in strong women BCs can be beneficial for banks.

When both women and men are active savers^[5], a woman customer's lifetime revenue is at least 12% higher than that of a male customer's lifetime revenue, as women hold higher balances in their accounts. One reason could be that women have fewer banking relationships and the other is that women save their money in their accounts for longer. Once customers save actively with the bank, they can be encouraged to take up assets and third party products as well (like overdraft accounts, loans, and microinsurance). Women are indeed an attractive target segment, not only for savings products but also for credit, insurance, and other long-term investments.

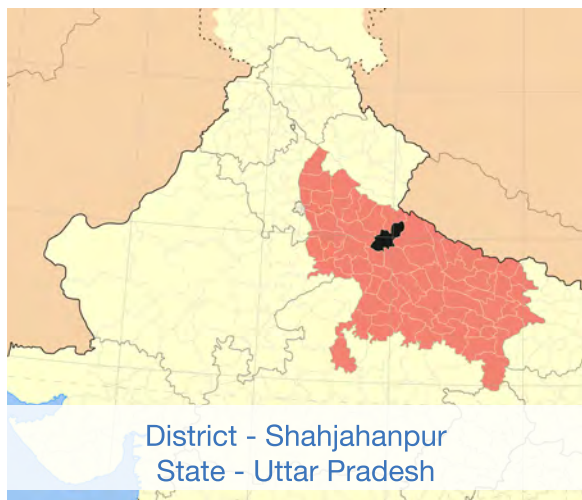
You can access the urban report here:

[*The Power of Jan Dhan: Making Finance Work for Women in India*](#)

⁵ Active Savers conduct at least 4 customer-initiated deposits a year in their accounts.

Taking Jan Dhan Plus to Rural and Peri-Urban India

Using insights from the urban pilot, a second phase was designed to test how Jan Dhan Plus would fare in rural and peri-urban India.



69 Bank of Baroda branches



326 Business Correspondents



~0.9 million PMJDY account holders



~0.4 million women PMJDY account holders

Jan Dhan Plus Pilot 2

From September 2021 to January 2022, Women's World Banking and BoB piloted the solution across 69 BoB branches with 326 BCs covering 0.9 million PMJDY account holders, of which 0.4 million were women. Based on the lessons from the urban pilot and considering the special circumstances of women and BCs in rural geographies, we had to consider enhancing the Jan Dhan Plus Solution to be more effective in addressing the needs of the target group.

Some of the strategic imperatives were:

- **Reaching rural women via non-traditional methods:** Women face multiple geographical and socio-economic challenges. Most women face mobility issues and go out in public independently. Mobile phone ownership is low and there are few opportunities for marketing communication from a bank to reach them.

- **Galvanizing the widespread business correspondent network:** To reach women and encourage them to open accounts, save regularly and adopt Jan Suraksha⁶ insurance and pension schemes, the project also had to make business sense for the correspondent.
- **Bringing about a lasting behavioral change in BCs** by developing their capabilities to set them up for success and perform as a 'mini-banks'.

⁶ Encouraged by the success of the Pradhan Mantri Jan Dhan Yojana, the Government of India in 2015 launched the universal social security system, [Jan Suraksha](#). This included the Pradhan Mantri Suraksha Bima Yojna (PMSBY, accident insurance), Atal Pension Yojana (APY, pension) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY, life insurance).

Understanding the Rural and Peri-Urban Context

While the Jan Dhan Plus solution was designed for low-income women, we needed to ensure that it addressed any differences between urban and rural populations. Using in-depth interviews and bank's branch data, Women's World Banking conducted a study of 1,150 women PMJDY account holders across rural areas in Shahjahanpur in Uttar Pradesh, and Muzaffarpur and Gaya in Bihar. We also profiled the entire base of 326 business correspondents to understand them more effectively. Specific details from the data collection exercise are listed in [Annexure 1](#).



Our key takeaways always were



Women in rural India rely on spouses for income, and their contributions to the household are often under reported.

Most of the women identify their husband's earnings as the main source of household income, with only 27% of women saying they contribute too. While women often engage in income-generating activities, such as agriculture, they are conservative in articulating their contribution to these activities.



Most women PMJDY account holders find it difficult to save.

55% of women surveyed had not saved in the last 12 months. Despite receiving government benefits, rural women are unable to save, given that they do not receive any income to call their own and have limited financial decision-making power. These restrict women from saving regularly.



They use their PMJDY accounts primarily for receiving government benefits

Accessing or receiving direct benefit transfers from the government was reported as one of the primary reasons for opening and using their PMJDY accounts. Over 90% of women receive some form of government benefits in their accounts.



When they can, women save for children's education and to increase family resilience.

Only 27% of women save every month. When they do save, women primarily look to invest in their children's future and build resilience against sudden shocks like health, death, or climate change-related events.



Health and Injury of family members is a key concern; and rural families are looking to protect themselves.

47% of households have been affected by some illness or injury of a family member in the last 12 months. Of the women surveyed ~40% stated that someone in the household is availing some form of insurance.



Most women are unaware of the PMJDY overdraft.

97% of the women did not know about the overdraft facility, and out of the 3% who knew about it, only 18% used it.



BCs are the preferred engagement channel for women for savings, overdraft and micro-insurance.

84% of women surveyed prefer using the BCs to transact with their PMJDY account. While 15% also use branches, only 1% use the ATM. Reaching women is challenging in rural India. Mobility issues (due to social norms, lack of regular transportation, and distance to the bank) limit women's frequency of engaging with the BCs, even when they have access to local agents. Therefore, agents who can reach women through camps, door-to-door, or are located near their residence are likely to have a larger base of women customers.



A variety of bank agent models can be leveraged to reach more rural women.

Shahjahanpur had 326 mainstream BCs who operated from fixed points. Most mainstream BCs were experienced business people who operated at least six days a week. They were visible and accessible to women in public spaces near bank branches, at key cross-roads and marketplaces. However, only 11 (3%) of these were women. The region had also onboarded ~300 BC Sakhis in partnership with Uttar Pradesh State Rural Livelihoods Mission (UPSRLM), a new channel of community level women agents recruited from Self Help Groups. These women were educated, first time entrepreneurs mostly operating from their homes using hand-held devices, but were present in every village or *gram panchayat* (local self-government).



For mainstream BCs being an agent is serious business.

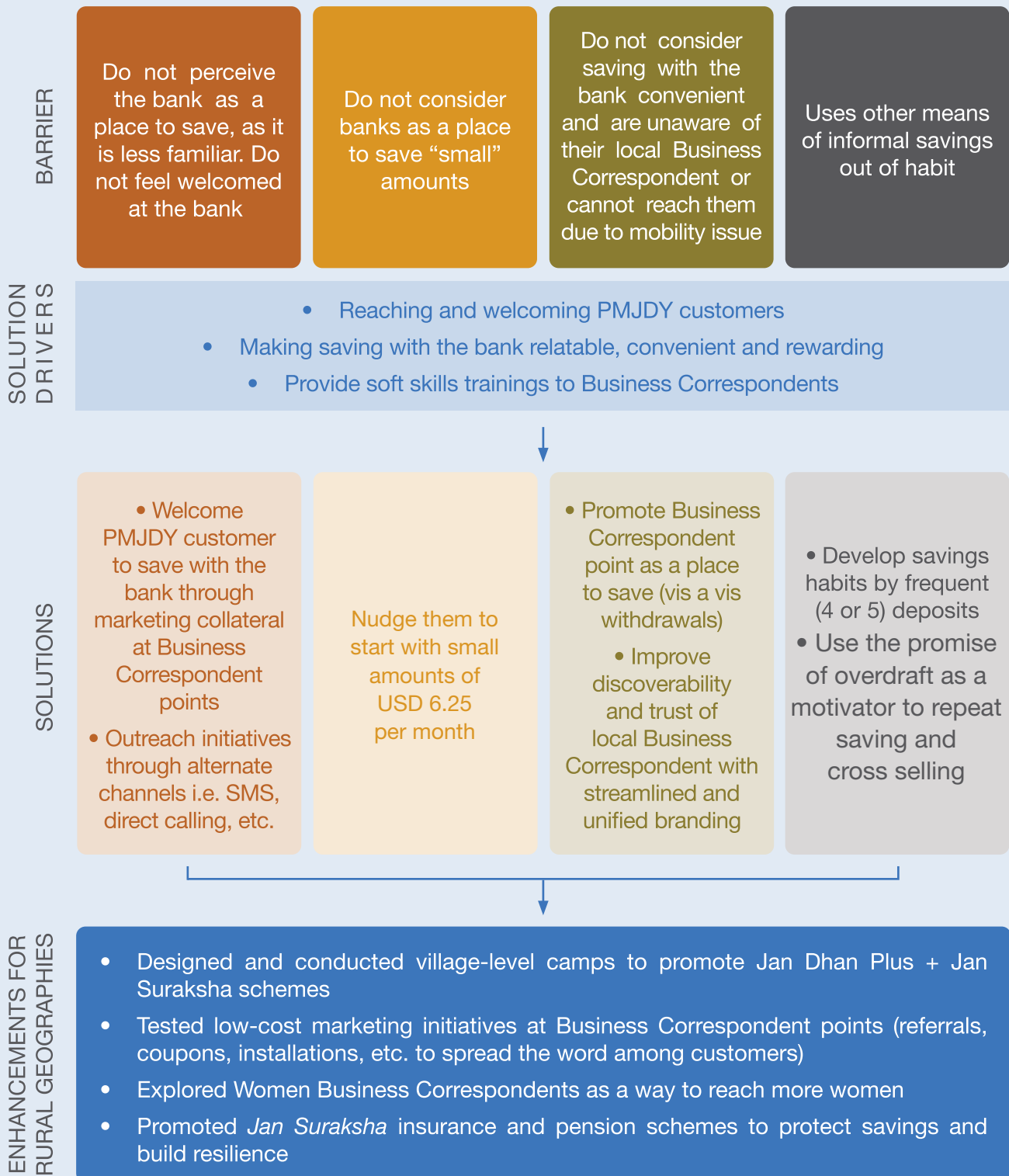
A large majority of rural BCs we profiled were committed to being agents of the bank, given this provided them with some form of livelihood. Many rural BCs have limited employment opportunities (beyond agriculture) and thus were engaged and open to feedback to help them in their business.

Overcoming Barriers to Banking

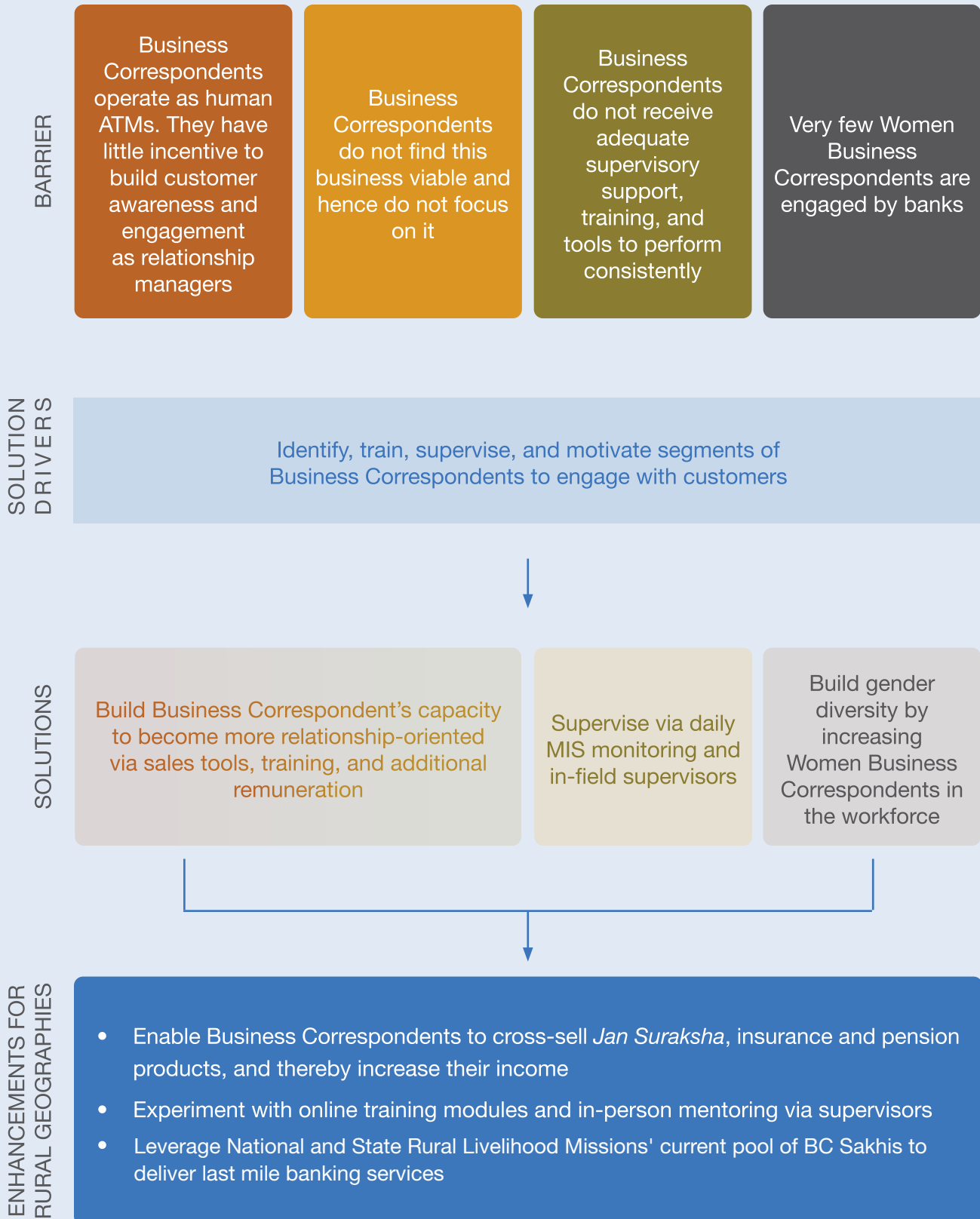
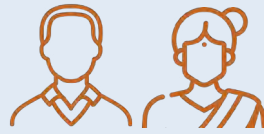
We realised that there were specific barriers that low-income women customers and BCs face in rural India and there were select solution drivers that could help overcome these barriers. However, enhancements were required to these solutions to work, in the rural context.



Overcoming Barriers to Banking for Low-Income Women in India



Overcoming Barriers to Banking for Business Correspondents in India



Jan Dhan Plus Solution - Enhanced for Rural Customers

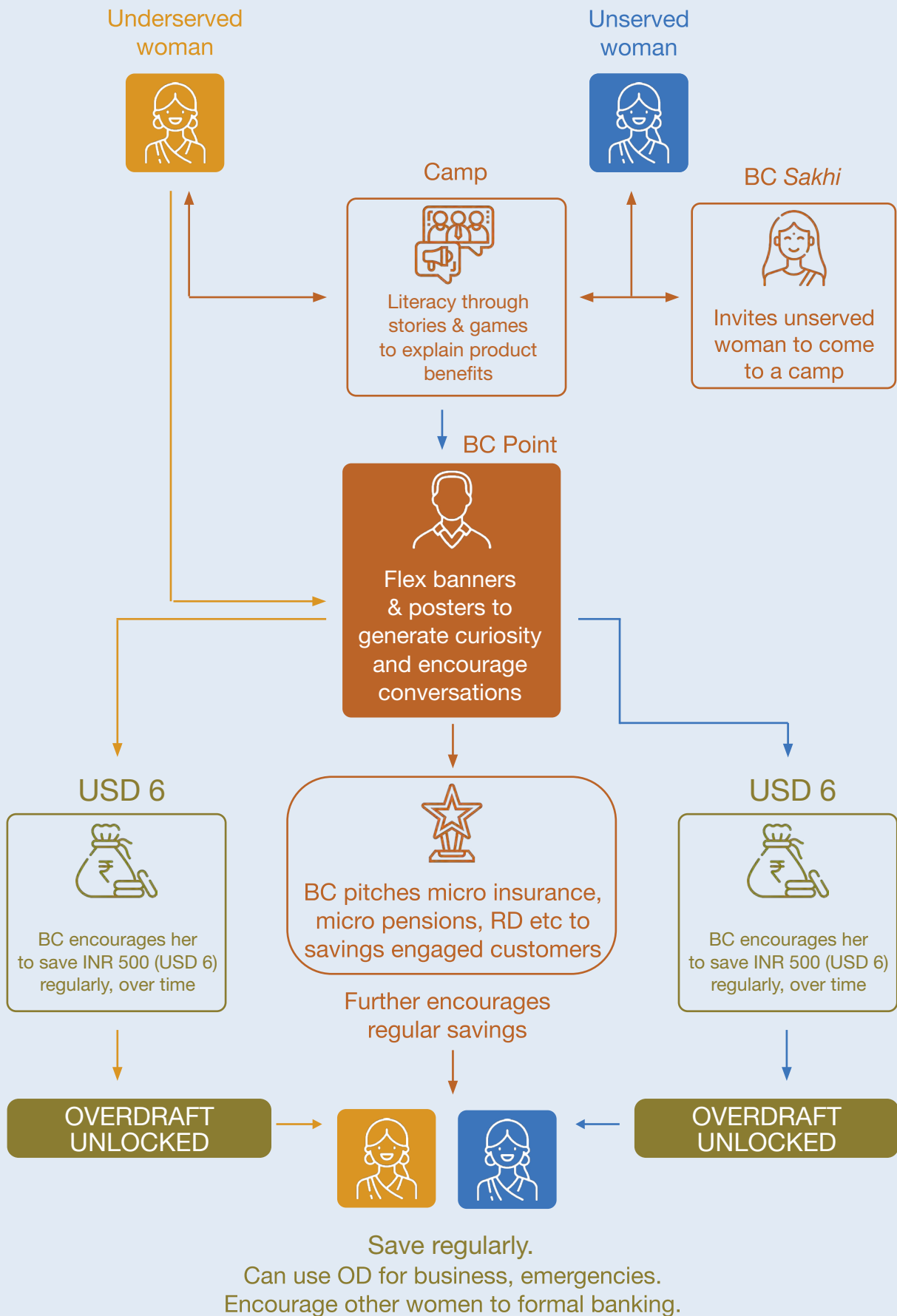
Building on our Jan Dhan Plus urban pilot learnings, we enhanced the Jan Dhan Plus solution to successfully engage the unserved and underserved PMJDY account holders in rural geographies.

First, we extended our scope of work from savings engagement to engaging women customers across all bank-linked products including savings, micro insurance, overdrafts and pensions. Second, in order to reach inactive and underserved women in rural

geographies we developed community camps as a tool to build awareness. Third, we examined the efficacy of BC Sakhis as an alternative customer channel for hard-to-reach women customers. Finally, for underserved women who visited the BCs for DBT withdrawals we worked to build the BC's capacity to communicate effectively, provided them with marketing tools and provided regular mentoring support.

| The Core Solution - Baroda Jan Dhan Plus (Urban) | | Enhancements for Rural Geographies |
|--|--|---|
| Reach and Welcome Jan Dhan Customers. | Targeted communications to welcome women, customers, via branded collaterals at BC points and bank branches outreach efforts through out-bound calling and SMS inform and peak interest to share this with others. | Designed and conducted village-level camps and tested low-cost marketing initiatives at BC points (referrals, coupons, installations, etc. to spread word of mouth among customers). |
| Make saving with the bank relatable and rewarding. | A small saving scheme called Jan Dhan Plus, which nudges women to deposit INR 500, five times and helps them become active savers. The promise of an overdraft facility to active savers engaged in the solution. | Additional to the regular savings and overdraft facility, we promoted an entire suite of Jan Suraksha micro insurance and pension schemes to engaged customers. |
| Supervise and motivate BCs to engage with customers. | <p>Optimization of the BC channel to help agents become more relationship oriented through:</p> <ul style="list-style-type: none"> • Use of branding for improved discoverability • Build BC's capacity to engage with customers improved remuneration to boost customer engagement • Use daily MIS to supervise performance and link this to rewards and recognition efforts. <p>Building gender diversity by increasing women BCs in the channel.</p> | <p>Targeted supervision based on rigorous profiling and segmentation of BCs. Regular in-person mentoring support provided by field supervisors (WWB, Bank and CBC).</p> <p>Developed and executed online training modules. Partnered with BC Sakhis to explore potential and opportunity, given women BCs were very few in Uttar Pradesh.</p> |

Mapping the Jan Dhan Plus Journey of Two Rural Women







Jan Dhan Solution Works: Learnings from the Rural Experience

During the five-month pilot of the solution in Shahjahanpur, we saw the following impact on key business metrics

- BCs enrolled more than 47,000 customers in the small saving scheme, and these **customers grew their average balances by +50%** to INR 8,000 (USD 100) in five months.
- There was a twofold increase in the number of business correspondents who started cross-selling products. As a result, the sales of micro-insurance and pension schemes **doubled in five months**.

1

75% of bank agents can be made productive through differentiated support and supervision

BCs are a primary channel for women PMJDY customers, and making them active, motivated and a productive channel partner is imperative for both banks and women's financial inclusion. The good news is that at any point up to 75% of the bank's mainstream agents can become productive by implementing a segmented approach to supervising and supporting them.



We followed a 3-step process for implementing a segmented approach:

Step 1: In order to better understand BCs, we developed a profiling tool that evaluated his/her past performance using data^[7] and his/her future potential using qualitative markers^[8].

Step 2: We clustered the agents into 4 different behaviour segments (based on performance and potential).

Step 3: We developed relevant initiatives to push performance for each segment and supervisors tracked progress in field separately.

The following are the 4 dominant segments - and our learnings on the successful initiatives for mainstream BCs that can bring about lasting behaviour change and enhance their business productivity.



Figure 8 : Business Correspondent Segmentation revealed Four Categories

7 The performance index was based on withdrawals, deposits, account opening, and cross selling of linked products based on 6 months of transaction data.

8 Potential was also captured on qualitative factors such as willingness to conduct Business Correspondent business, ability to influence customers, and location propensity to customer footfalls.

1. Disengaged



- BC point operates for limited days and hours
- Being a BC is not their priority business
- Responds well to field supervision
- Receptive to branch manager reviews



"I observed that people used their PMJDY accounts only to withdraw the Direct Benefit Transfers. Some do save and make transactions, but most families have difficulties saving in bank accounts. Regular mentoring and supportive supervision visits by the Women's World Banking team has helped me improve my skills and knowledge."

Vinay Kumar, Business Correspondent
Shahjahanpur, Uttar Pradesh

2. Aspirant

Benefits from additional support from sales promoters at BC points



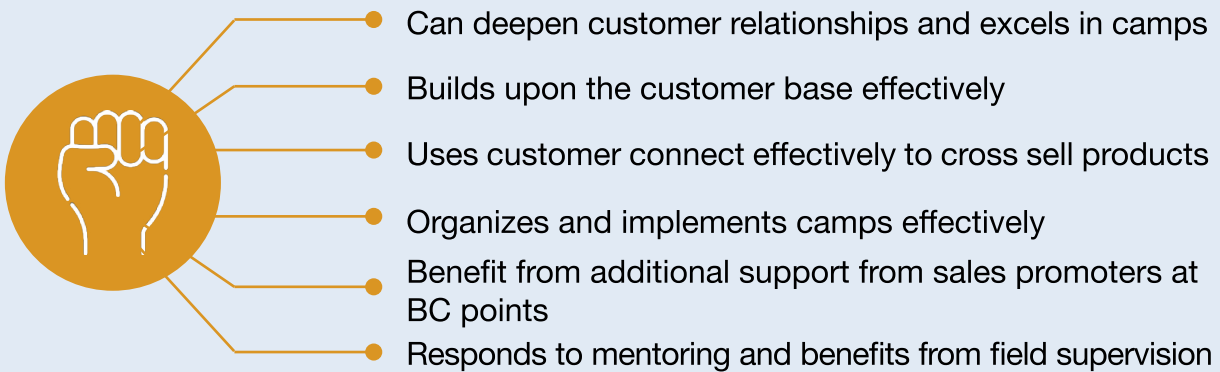
- Intent on improving their BC business
- Less developed client base
- Responds well to field supervision
- Need support for community camps
- Benefits from additional support from sales promoters at BC Points



"I run a Jan Sewa Kendra (common service centre) and I am a Business Correspondent as well since 2013. Increase in income and gaining good reputation are the two motivating factors that keep me going. After Jan Dhan Plus, I have increased my knowledge about the various schemes and products and am able to encourage customers to save, benefit from schemes, and access overdraft."

Mohammad, Business Correspondent
Shahjahanpur, Uttar Pradesh

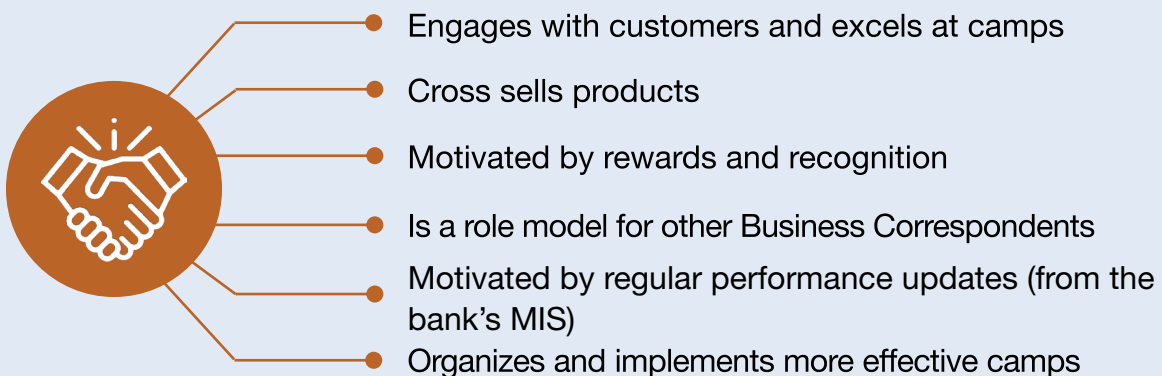
3. Motivated



"There isn't a bank here and many people need to withdraw cash to pay for the medical facility nearby. After Jan Dhan Plus, people are more aware of what they can do with their account. They have started depositing money regularly and insurance has increased as well. The training by Women's World Banking increased my knowledge of various schemes and equipped me with the skills to market them effectively."

Anurag, Business Correspondent
Shahjahanpur, Uttar Pradesh

4. Relationship-Oriented



"Customers now realise the dual benefit of the scheme: safety of their hard-earned money and access to overdraft facilities. The unlocking of overdraft through regular savings has been attractive to low-income customers and they now have access to loans. I hope the amount of overdraft that they can unlock can be increased. I have raised awareness and mobilised customers, and my earnings have increased from INR 10,000 to INR 25,000 a month."

Talib, Business Correspondent
Shahjahanpur, Uttar Pradesh

Differentiated Support and Supervision Improves Agent Productivity



Field Supervision is important for all BCs; but is specifically important for agents who are Disengaged and Aspirants. A fixed route-plan to touch base with key BCs at least twice a month while capturing inputs through an online tool helps ensure effective supervision.



Fixing and reviewing BCs' segment-wise targets with bank/Corporate BC supervisors helps achieve better performance and participation from more BCs. Simple tools like daily dashboards and weekly leaderboards enabled to track performance accurately.



Field supervision based on a mentoring relationship (versus an auditing relationship) is welcomed by BCs as a means to learn and sharpen existing and newly acquired skills. A **“Learning by Doing” approach, from bank/Corporate BC** supervisors help BCs' performance. For example, when supervisors co-facilitate village-level camps with the BC it builds capacity and confidence.



Regular Sales Campaigns that encourage BCs to pitch savings are required initially. Rewards and recognition efforts can encourage widespread participation and maintain sales energy, especially for successful and motivated BCs.

2

Quality Conversations Deepen Customer Engagement

Reaching women in rural India is a challenge, given their lack of access to technology, traditional media, public events, or formal networks.

The BC channel, therefore, plays an important role not only in the delivery of financial services but also communication and financial education. Our research indicates that 84% of PMJDY women prefer visiting BCs versus using branches or digital financial services in rural India⁹.

Trust, embodied by gender sensitivity and effective relationship management, is at the heart of all effective women's financial inclusion efforts. Our fieldwork indicated that just 10-15% of BCs are what we would consider relationship-oriented, as measured by indicative criteria such as how much time they invest in understanding customer needs, whether they help customers understand the various products available to them, how effectively they explain the benefits of these products, and how much they assist in onboarding new customers. An important outcome of relationship-oriented BCs is not just in customer acquisition, but also in their ability to cross-sell multiple products to their customer base.

We implemented the following initiatives to support BCs:

1. Provided soft-skill training and reinforcements on gender sensitization and how to cross-sell products
2. Provided a good mix of branding and low-cost marketing collaterals to generate interest from customers and pitch product benefits

The most significant takeaway from the pilot conducted in the rural sites was that when rural women feel welcome and are aware of the benefits of savings, they are motivated to build a habit of saving in their PMJDY accounts. With the help of the local BC, they can sustain this saving habit, enroll in micro-insurance schemes, and become eligible for overdraft facilities.

⁹ Refer to Annexure 1

Agent-led Camps Build Community Awareness

With appropriate training, marketing tools, and support, BCs can evolve from being a “transaction point” to a “mini-branch” that deploys marketing materials, holds training and events; and becomes a meeting point that builds customer engagement.



Training in building customer relationships need to be practical where participants learn ways to become customer centric, identify what interests them and pitch accordingly, handling questions effectively, speaking to larger groups such as at camps, to name a few.



A one-time **45 Miutes online training was effective** (BC logged in from BC location, or branches or regional offices close by). In addition, learning reinforcements in form of bite-sized content delivered as Whatsapp messages



Provide BCs (esp. Motivated BCs) **product marketing collateral** (installations, tent cards, etc.) that garner interest, drive questions from customers and encourage conversations and interactions. Refer to [Annexure 2](#) for examples.



Explore customer referral schemes (offline or digitised) to attract new customers at a low cost. Women in particular respond to referrals.

3

BC-led Camps are Commercially Viable to Reach and Engage Women

In addition to engaging women at the BC point, it is critical for banks to reach out and welcome women “where they are” across small villages, in groups, and within the community. From September 2021 to January 2022, we ran over 700 village-level camps along with local BCs and developed a customer engagement format that was women-centric and made business

We implemented the following elements across successful village-level camps:

1. BCs planned the camps. We trained correspondents on how to run a camp and supported them with facilitators (external promotional support) but we found that when the initiatives and the content came from the BC, it was more effective as they had ownership of the outcome. BCs who have good communication skills and are local influencers are more successful at conducting village-level camps, and therefore profiling and selecting BCs at the outset is helpful.
2. These camps were designed to be 45 minute-long, which brought high engagement and interaction. Messages around savings, overdrafts, and insurance were delivered using analogies and games. They were very effective in building awareness and increasing the understanding of product features with 52% of attendees recalling the scheme after a month (sample survey).
3. Low-cost, mobile, and re-usable props, aimed at financial capability building were developed (~INR 750 or less than USD 10) to make it easy and cost-effective to execute at scale.

The focus on village-level camps cannot be limited to financial awareness and literacy, instead, the BCs should use this time to enroll more women to open PMJDY accounts, and cross-sell. Camps that build awareness and interest in all Jan Dhan and *Jan Suraksha* products (savings, micro insurance, micro pension, micro-credit) and result in an uptake of enrollments are motivating and sustainable for both, the BC, and the Bank.



"After Jan Dhan Plus I have more customers. Training in relationship management and communication has improved my overall performance and I can convince more customers. There is usually a crowd now. The campaigns and camps have helped in creating awareness among communities about savings in small instalments, about schemes, and about us, the Business Correspondents. We are the bank that reaches them, so they don't need to go to the bank."

Arvind, Business Correspondent
Shahjahanpur, Uttar Pradesh

4

BC Sakhis (mobile women agents) can be nurtured to become a strong alternative channel for banks to reach women (esp. unserved women) in rural communities

According to an Indian Banks Association, State Bank of India study^[10], women BC constitute less than 10% of the total BC workforce in India. In contrast, the share of women PMJDY account holders is almost 55% of the total accounts opened so far. Therefore, it is imperative to have more women banking agents to work with these women customers.

One key national strategy to address this issue was launched in 2019 by the National Rural Livelihoods Mission (NRLM) to identify one woman per village, from existing Self-Help Groups to become a BC Sakhi. BC Sakhis are community-based women banking agents. India is expected to have 159,000 BC Sakhis to provide banking services, especially to unserved women and community members. BC Sakhis receive a startup fund to get them active and the commission earned through banking services becomes a source of livelihood.

In Uttar Pradesh, there were very few women BCs, so BoB partnered with the Uttar Pradesh State Rural Livelihood Mission (UPSRLM) to onboard and operationalize BC Sakhis in the region. As a result, we interacted with more than a hundred BC Sakhis from UPSRLM who were trained and had been provided a point-of-sale equipment by the bank. A critical takeaway from our fieldwork was that Women BCs could be nurtured and made successful conduits of women's financial inclusion.

However, they need additional support to overcome systemic barriers and needed to be managed as an alternate channel (separate from the mainstream BCs).

Under the project, we supported BC Sakhis in the following manner:

1. We trained over 200 BC Sakhis in product knowledge and communication skills, to help build their customer base.
2. We co-facilitated village-level camps with 20 of these BC Sakhis. However, not all were able to open accounts due to issues with the handheld device. This limited their ability to grow their customer base, collect deposits under the Jan Dhan Plus scheme, and cross-sell products.
3. Therefore, we provided them with a “BC Buddy” who helped them open savings accounts. We turned this into an account opening referral scheme to encourage a ripple effect of more women opening their savings accounts.

¹⁰ <https://smefutures.com/india-needs-more-women-business-correspondents-bcs-and-heres-why/>

Key Barriers

Almost all BC Sakhis were 1st-time entrepreneurs and were dependent on husbands/ family members for support.

Many BC Sakhis faced mobility issues restricting their ability to go out of the house alone or unaccompanied.

Limited mobility also impacts liquidity in their business. BC Sakhis frequently run out of cash since a large percentage of transactions are DBT withdrawals.

BC Sakhis mostly operate from homes, in their villages and therefore have smaller customer bases (than mainstream BCs) and therefore lower.

Key Enablers

BC Sakhis are part of Self-Help Groups and have access to women customers and given that they are community based and have a hand-held device, they are able to increase the reach of banking services.

BC Sakhis face similar systemic and social challenges as the customers they serve; and therefore, are able to cross-sell relevant products in ways that are easy to understand.

Context of BC Sakhis - Barriers and Enablers

Key Insights to Nurture BC Sakhis as an Alternative Channel



Education, family support, communication skills, and confidence are critical enablers for a BC Sakhi, and must be checked for at the time of recruiting. BC Sakhis should be numerically literate and skilled in using devices. BC Sakhis who have strong family support in the form of brothers/ husbands who helped manage travel to the bank and other external engagements perform better. Some entrepreneurial BC Sakhis tried marketing tools such as setting up a “BC counter” in their communities or distributing pamphlets to let people know about the services they offer.



In addition to mainstream BC training modules, BC Sakhis need **special training on basic business skills** e.g., how to manage their businesses, how to strengthen their entrepreneurial attitude, and establish professional habits. Access to group meetings and role models can be especially motivating and should be enabled at the branch cluster level or via bank supervisors monthly. Mentors can role model behaviors, establish habits, and solve local problems in collaboration with mentees.



Initial marketing push and access to 'hot spots': Conducting “*baithaks*” (small informal gatherings) and providing marketing material to motivate BC Sakhis in the first few months to grow their customer base beyond immediate villages can help them maintain monthly incomes of over INR 2,000. BC Sakhi can be placed at hot spots such as Farmer Producer Organization (FPO) outlets or public schools to generate awareness and conversions.



Recognition is very motivating: Special awards and recognition for top BC Sakhis such as spot bonus of INR 2,000 (USD 25) in a state or zone, based on their performance can encourage them and act as a motivation to overcome barriers. Bank recognition such as a closed-door meeting with senior bank officials is something that many successful BCs are motivated by.



"I started work as a BC Sakhi six months ago and mostly work out of home. My main work is to get women to understand savings, get them into the habit of saving with the bank. The overdraft is interesting to most women. While the commissions and my income have increased since Jan Dhan Plus, I do end up incurring travel expenses, especially to service those people who can't come to the centre. I depend on my brother for travel."

Urmila, BC Sakhi
Shahjahanpur, Uttar Pradesh

Basis the findings from the Jan Dhan Plus programs across urban, peri-urban, and rural areas, we have significant proof that FSPs can accelerate their efforts toward comprehensive financial inclusion by taking a gender-intentional approach. In December 2022, India will take the helm of the G20 from Indonesia, and advancing women's economic empowerment and entrepreneurship is a priority area. The country's experience in mainstreaming financial inclusion, through savings, micro-insurance, micro-pension, and micro-credit, can be a replicable model for other developing countries participating in the G20.

Abbreviations

| | |
|--------|--|
| AMFI | The Association of Mutual Funds in India |
| APY | Atal Pension Yojana |
| AV | Audio/Video |
| CBC | Corporate Business Correspondent |
| CICO | Cash in Cash Out |
| DBT | Direct Benefit Transfer |
| DCCBs | District Central Cooperative Banks |
| DFS | Department of Financial Services |
| FSP | Financial Service Provider |
| IIBF | Indian Institute of Banking & Finance |
| IRDAI | The Insurance Regulatory and Development Authority of India |
| IVR | Interactive Voice Response |
| JAM | Jan Dhan-Aadhar-Mobile |
| KYC | Know Your Customer |
| LIC | The Life Insurance Company |
| MHI | Monthly Household Income |
| MIS | Management Information Systems |
| MUDRA | Micro Units Development & Refinance Agency Bank |
| MoRD | Ministry of Rural Development |
| NABARD | National Bank for Agriculture and Rural Development |
| NPAs | Non-Performing Assets |
| NULM | National Urban Livelihoods Mission (NULM) is renamed as Deen Dayal Antyodaya Yojana-(DAY-NULM) |
| NRLM | National Rural Livelihoods Mission |
| NSDC | National Skill Development Corporation |
| OD | Overdraft |

Annexure 1

Quantitative Study of Rural Women Jan Dhan Account Holders

To better understand these needs and the distinct range of financial services used, Women's World Banking conducted data collection from 1,150 women PMJDY account holders across rural areas in Shahjahanpur in Uttar Pradesh and Muzaffarpur and Gaya in Bihar. It was keeping

this holistic profile of the social and economic realities and challenges of women and BCs in rural India, that Women's World Banking and Bank of Baroda contextualised the Jan Dhan Plus solution for rural and peri-urban women customers.

1. Women in rural India rely on spouses for income; and their own contributions to the household are often under reported

- Eight out of ten women were married and lived with their spouses.
- Their average family size was seven.
- The combined monthly household income was about INR 9,834 (\$124 USD).

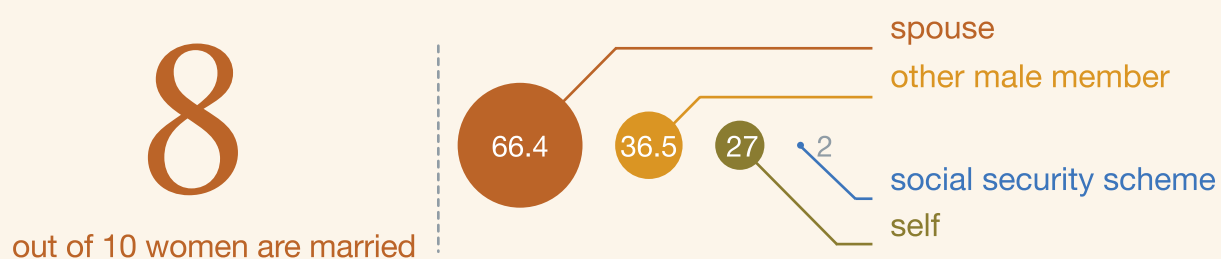


Figure A : Percentage contribution by individuals to the household income

2. Most women PMJDY account holders find it difficult to save

55% of women surveyed did not save in the last 12 months. Lack of their own income and limited decision-making power in the household restrict women's savings habit.



Figure B : Saving behaviour in the last 12 months

3. They use their PMJDY accounts primarily for receiving government benefits.

Accessing or receiving direct benefit transfers from the government was reported as one of the primary reasons for opening and using their PMJDY accounts. Over 90% of women receive some.

When they can, women save for children's education and family resilience.

Only 27% of women save every month. When they do save, women primarily look to invest in their children's future and to build resilience against sudden shocks like health, death, or climate change-related events.

Around 55% women expressed their children's future as a key reason to save. Other expressed saving for:

- Emergencies (32%)
- Medical Treatment (25%)
- For a Rainy Day (22%)

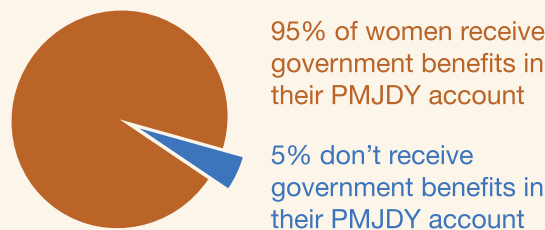
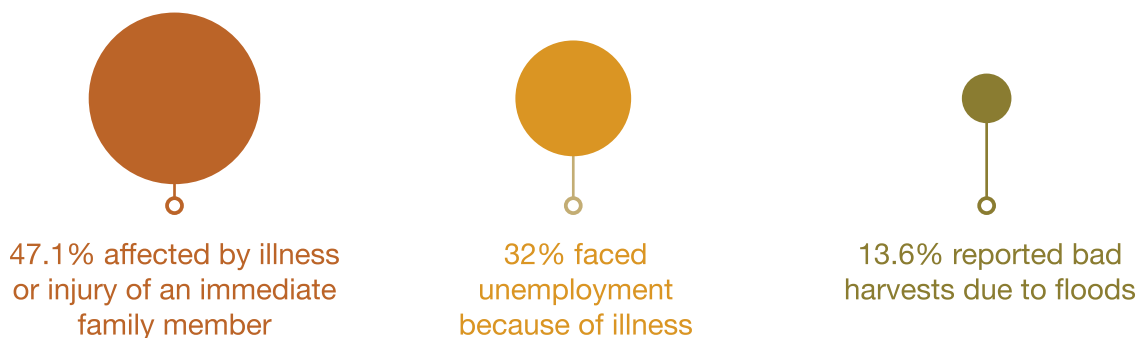


Figure C : Govt. benefits and PMJDY a/c

4. Health and injury of family members is a key concern; and rural families are looking to protect themselves.

47% of households have been affected by some illness or injury of family member in the last 12 months. Of the women surveyed ~40% stated that someone in the household is availing some form of insurance.



5. Most women are unaware of the PMJDY overdraft

97% of the women did not know about the overdraft facility, and out of the 3% who knew about it, only 18% used it.

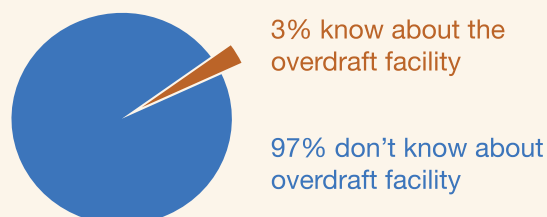


Figure D : Awareness of overdraft facility

6. BCs are the preferred channel for women

84% women surveyed prefer using the BC to transact with their PMJDY account. While 15% also use branches, only 1% use the ATM. The BC is the primary channel to engage these women for savings, overdrafts and micro-insurance.



84% women use a BC mostly to transact with their PMJDY account

Figure E : How women transact with their PMJDY account

7. Reaching women is challenging in rural India

Mobility issues (due to social norms, lack of regular transportation, and distance to the bank) limit women's frequency in engaging with the BCs, even when they have access to local agents. Therefore, agents who can reach women through camps, door-to-door, or are located near their residence are likely to have a larger base of women customers.

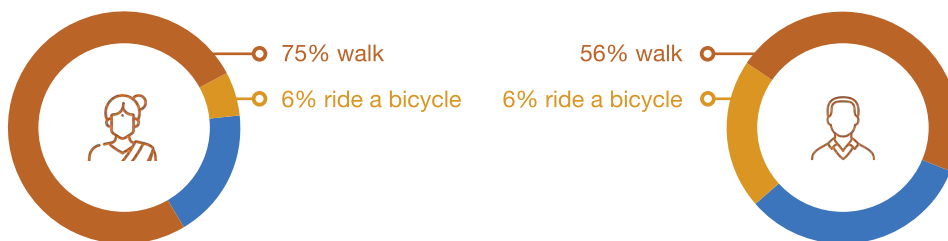


Figure F : It takes a woman 23 minutes on average to reach a Business Correspondent point. In contrast, it takes a man only 17 minutes

8. A variety of bank agent models can be leveraged to reach more rural women



Shahjahanpur had 326 mainstream BCs who operated from fixed points. Most mainstream BCs were experienced business persons (vintage of 7-8 years) and operate at least six days a week. They were visible and accessible to women in public spaces near bank branches, at key cross-roads and marketplaces. However only 11 (3%) of these were women. The region had also onboarded ~300 BC Sakhis in partnership with Uttar Pradesh State Rural Livelihoods Mission (UPSRLM), a new channel of community level women agents recruited from Self Help Groups. These women were educated, first time entrepreneurs mostly operating from their homes using hand-held devices, but were present in every village or gram panchayat (local self-government).

9. For Mainstream BCs being an agent is serious business

A large majority of rural BCs we profiled were committed to being agents of the bank, given this provided them with some form of livelihood. Many rural BCs have limited employment opportunities (beyond agriculture) and thus were more engaged and amenable to inputs we provided to help them in their business.

Annexure 2: Jan Dhan Plus Pilot at Shahjahanpur Region, Uttar Pradesh

Jan Dhan Plus was implemented in the Shahjahanpur region, Uttar Pradesh, at Bank of Baroda with 69 branches and 328 BCs from September 2021 to January 2022. We have provided this solution to nearly 0.9 million PMJDY customers in the Shahjahanpur region through all BC points. Below are the key outcomes of the Jan Dhan Plus Rural and Peri-Urban Pilot:

Customers engaged through the solution grew their balances at a higher rate than the overall portfolio

Through our work with BCs in the region, the overall customer engagement increased in the five months of the project period. During this period, 47,567 women and men PMJDY customers enrolled for Jan Dhan Plus to start saving with the bank. These customers enrolled by depositing at least INR 500 (USD 6) and then continued to save with the bank during the project tenure. Effective savings pitch and engagement by the BCs have increased customer savings adoption. The average monthly balance of Jan Dhan Plus enrolled customers has increased from ~Rs.5,300 (USD 66) to ~Rs.8,000 (USD 100) in five months. These engaged women and men customers sustained their behaviour and grew balances at a higher rate than the overall portfolio.

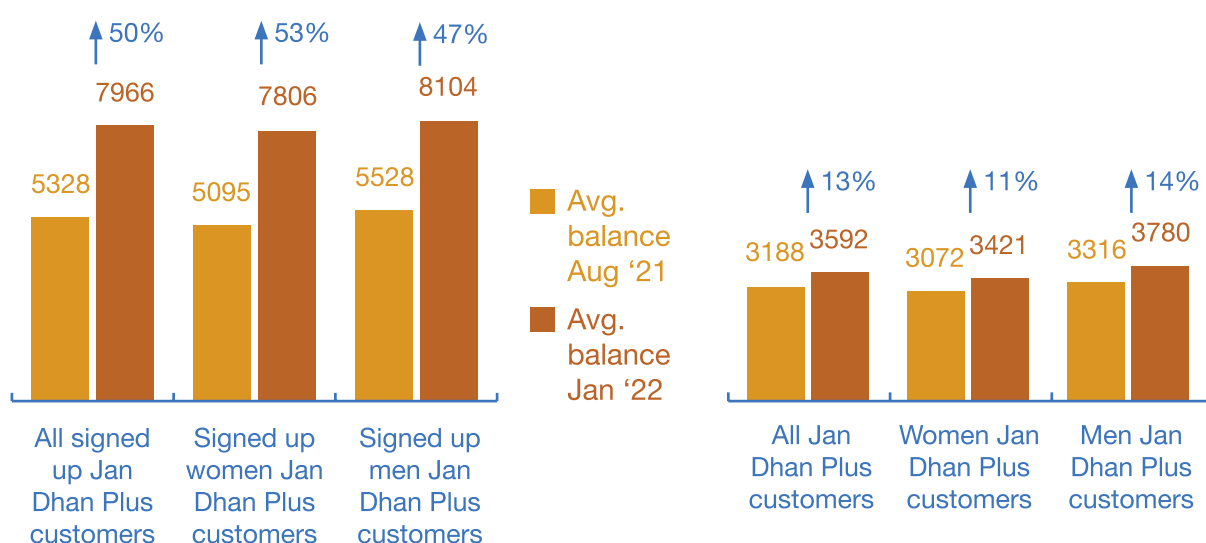


Figure G : Balance growth of signed up Jan Dhan Plus customers and balance growth of all PMJDY customers

Penetration of all linked products increased by improved cross-selling by BCs

During the pilot period the number of BCs meeting the minimum threshold performance increased across all products - especially for insurance (PMJJBY), accident insurance (PMSBY), pension (APY) and overdraft - where it more than doubled.

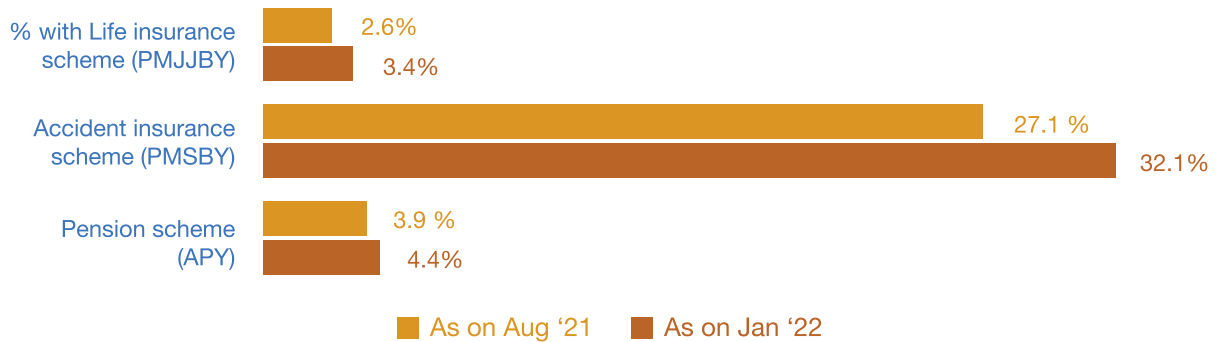


Figure H : Penetration of micro-insurance & micro-pension.

Wider participation on cross-selling by BCs led to higher overall enrollments

This led to an increase in overall enrolment. Apart from the overall increase in numbers at the BCs channel level, the number of BCs meeting a minimum benchmark across these parameters has shown significant improvement in just 5 months.

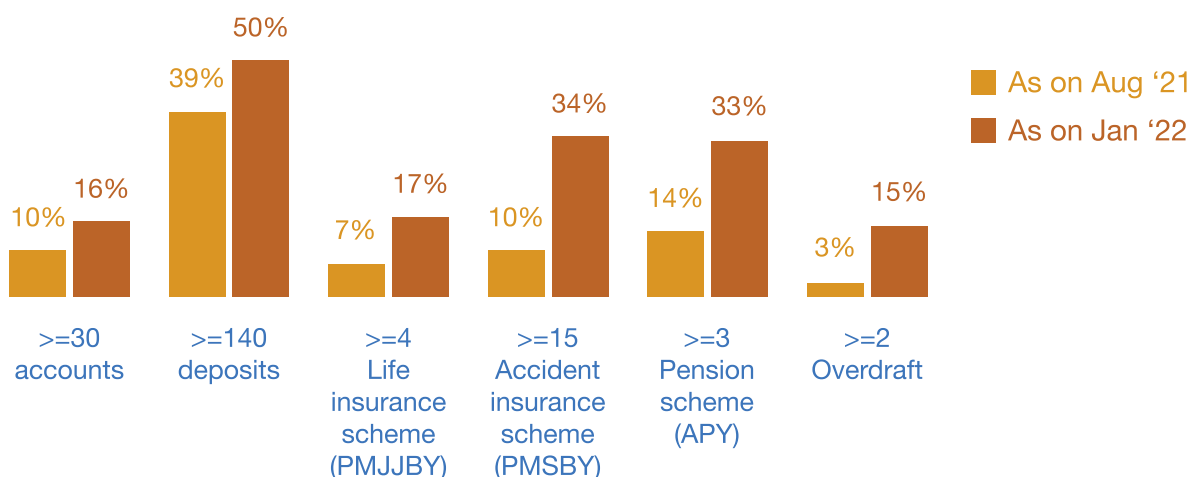


Figure I : Increase in % of productive Business Correspondents (average productivity per month)

The threshold of productive BCs has been taken from the top 20% achievement as per the past performance of BCs in each category. This led to a significant increase in the accounts opened and in overall enrolments of all linked products.

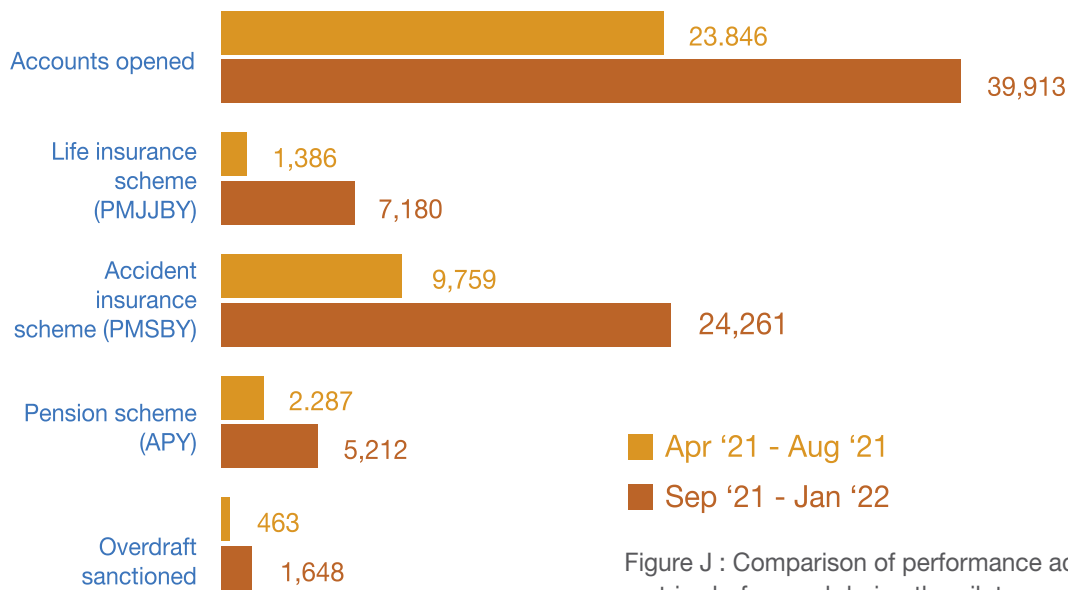


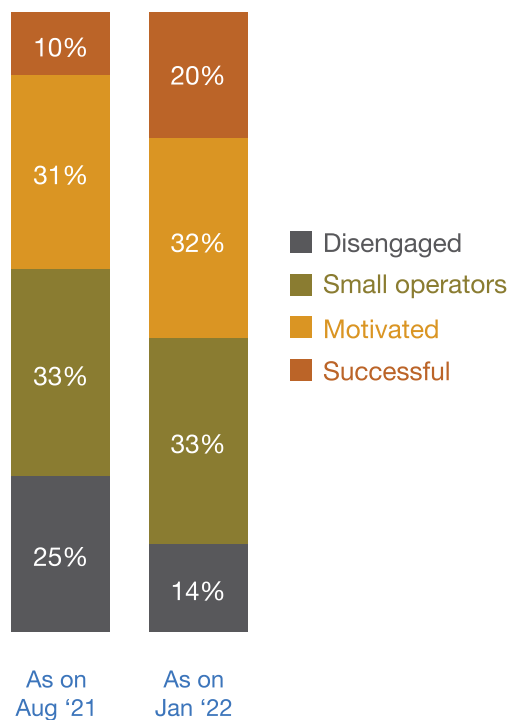
Figure J : Comparison of performance across metrics before and during the pilot

The growth in life insurance scheme (PMJJBY) and accident insurance scheme (PMSBY) enrolment numbers in the period September 2021 to January 2022 compared to April 2021 to August 2021 is more than 400% and 150%, respectively.

Increase in relationship oriented BCs in portfolio

Successful and motivated BCs are the top-performing segments. This segment has a high ability to cross-sell, hold deep engagements with customers, or are relationship managers. The combined percentage of these two segments has increased from 41% to 53%. The composition of Disengaged BCs, i.e., the lowest-performing segment, has come down from 25% to 14% during the project period.

Timely BC supervision using the MIS, mentoring and rewarding has been instrumental in driving this change. This shift indicates behaviour change in the BCs that can go a long way in making a higher percentage of the BCs motivated and successful in the future.



Reduction in account dormancy rates

An interesting positive effect of the increase in customer outreach through camps and engagement at BC points is the decrease in account dormancy rates. Though the project has not actively focused on reducing account dormancy, conducting camps in the project locations has helped create awareness about PMJDY account benefits and access to the same through BC points.

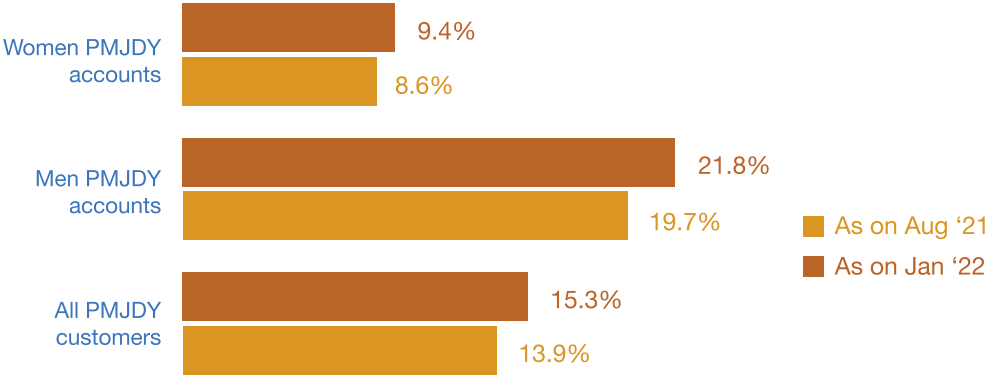


Figure L : Change in account dormancy before and after the project



Phoolbano, Jan Dhan Plus customer, Uttar Pradesh

www.womensworldbanking.org

 [womensworldbnkg](https://twitter.com/womensworldbnkg)

For further information, please contact:
Kalpana Ajayan, Regional Head, South Asia, Women's World Banking
ka@womensworldbanking.org