

Study to assess the role and impact of women self-help groups as Banking Agents in Bihar

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Disclaimer

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Executive Summary

WHO are they



- Bank Sakhi model is a gender-focused variant of India's Business Correspondence (BC) model.
- This study focuses on Bank Sakhis in Bihar.
- Bank Sakhis work within an extensive ecosystem of the SRLM (State Rural Livelihood Mission), Banks, CBOs (Community Based Organizations), and their families to deliver basic banking needs to customers.
- They have overcome several gender and social norms to provide the services they do today.

WHAT they do



- Provide basic banking services to rural customers.
- Serve customers with little to no banking awareness and handhold them through the process.
- Provide doorstep services to vulnerable customers and ensure extensive reach, which banks otherwise were unable to achieve through traditional BCs.

BENEFIT to them and the community



FINANCIAL INCLUSION OF THEMSELVES and THE COMMUNITY

The Bank Sakhi program is improving financial inclusion of Bank Sakhis and their customers

IS THE BANK SAKHI MODEL VIABLE?

The financial viability of the model is a long-term play. On average, Bank Sakhis achieve business viability after **41 months**.

Social and familial circumstances require them to work as a social unit to remain viable. Only **2.5%** Bank Sakhis work independently.

They are stuck in a debt cycle to fulfill cash flow requirements and investing in devices to keep their CSP (Customer Service Point) running. **88.5%** reported expanding business as a challenge due to low funds, which is a common problem faced by all BCs. Focused on the now - The multitude of responsibilities that they juggle on the home front leaves little time for long term business planning.

SOCIAL IMPACT OF BANK SAKHIS ON THE COMMUNITY

They choose to spend their earnings improving the quality of life for their children and immediate family.

Being a Bank Sakhi improves their self-esteem, which in turn earns them respect from their family and inspires those around them.

CUSTOMER EXPERIENCE DELIVERED BY BANK SAKHIS

62% customers prefer Bank Sakhis over other BC for availing Banking Services

83% customers choose PROXIMITY as a key reason for preference.

EXTENT OF CBO TRANSACTIONS WITH BANK SAKHIS

There are no clear incentives for Banks and CBOs to work with a Bank Sakhi

What do they do DIFFERENTLY?



HOW DO BANK SAKHIS COMPARE WITH OTHER BCs?

Bank Sakhis prioritize serving their community (as a result, improving financial inclusion to vulnerable sections of society) ahead of their own business viability

Average number of transactions/Day

41 Bank Sakhi **83** Other BCs

% BCs providing Doorstep Services

83% Bank Sakhi **33%** Other BCs

CHALLENGES faced by Bank Sakhis



WHAT ARE THE CHALLENGES FACED BY BANK SAKHIS?

In an environment riddled with operational and technical challenges, the absence of transaction evidence breeds mistrust between the digitally unaware customer and the Bank Sakhis, who typically enjoy the trust of customers.

Bank Sakhis function in a male dominated ecosystem that is hard to navigate on their own, while they are learning to use their voice.

88% of Bank Sakhis find server down as a challenge

42% Bank Sakhis need support with liquidity to provide better service.

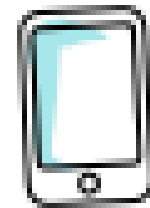
Executive Summary

RECOMMENDATIONS



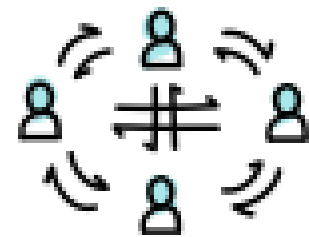
One stop grievance redressal

Bank Sakhis interact with several stakeholders in their ecosystem regarding their business operations. However, the ecosystem does not comprise of a systemized grievance redressal channel for their concerns.



Digital transaction records on the app

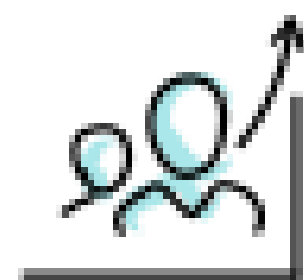
Bank Sakhis don't have a formal digital transaction record. Where available, it was only visible for a week. A dashboard that provides insight into their completed transactions and commissions earned will improve their ability to reconcile transactions and provide evidence of transactions to customers when transactions fail.



Foster formal cash flow channels

The most significant need for CSPs is to balance cash rotation for daily transactions. Fostering formal cash flow channels through partnerships with local businesses, Micro Finance Institutions (MFIs), etc. could help ease cash shortages.

Given the volume of transactions that SHGs (Self-Help Groups), carry out within the group, there is an immense opportunity to enable them to leverage the Bank Sakhi channel. In turn, increasing their earning potential and eases cash shortages, thus leading to fewer trips to the bank and better CICO (Cash-in cash-out) balance.



Improve viability

Data indicates that services like account opening and passbook printing improve footfall, such Bank Sakhis also earned higher commissions as a result.

The Bank Sakhi Program



Program Objectives

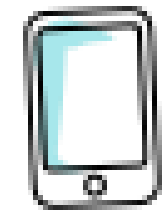
To achieve financial inclusion of the community, JEEViKA launched the Digital Financial Services Program by encouraging female community members to work as bank agents, called as Bank Sakhis (Bank female friends).



Expand the network of **Business Correspondents in all villages** for **doorstep delivery** of financial services to women SHG and their members.



Skilling and Livelihood opportunity for SHG members to work as Business Correspondent.



Equip women SHGs, their higher-level federations, members, and their **families to make financial transactions on digital platforms.**



Enable Social Security products available to SHG members and their family members, including other villagers in rural areas.



Create financial transaction history of SHGs and their members to enable them to access more formal banking products.
Enable **digital transactions within SHG ecosystems.**

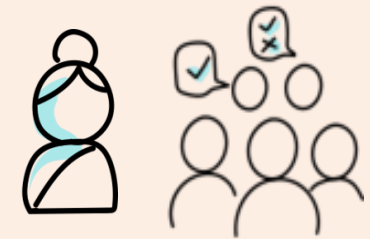
A pilot initiative supported under NRLP (National Rural Livelihood Program), since June 2017, over 4000 SHG members have started their entrepreneurial journeys as BC agents of partner banks in Bihar. SHG BCs are also present in 13 other states, like, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Chattisgarh and Uttar Pradesh.

Services provided and impact on banks

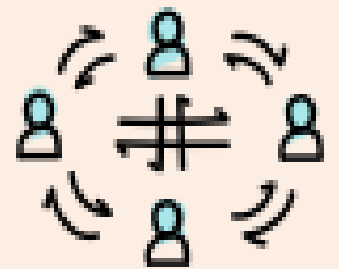
SERVICES



Offers all Banking services to customers



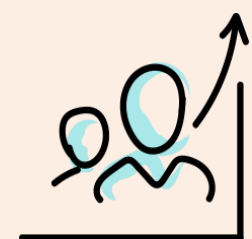
Visit SHGs and Village Organizations (VOs) to educate members about alternate channels of banking.



Facilitate SHG transactions such as deposit, withdrawal, fund transfer from SHG accounts.



Financial Literacy to CBO's and their Community



Motivate all SHG members to open bank account

IMPACT ON BANK



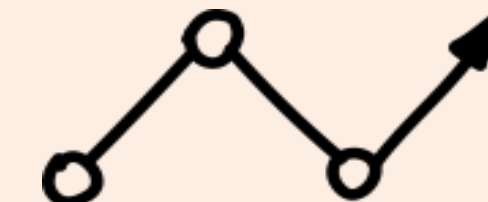
Increase in bank account usage



Improved loan repayment rates due to access to banks

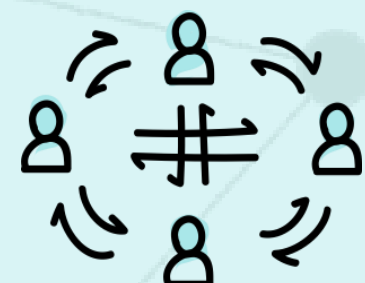


Migrates low value transactions to low-cost channel

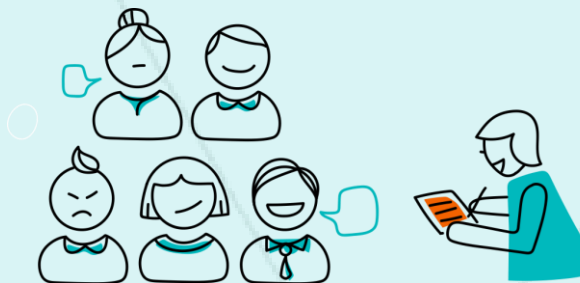


Reduced attrition among BC agents

Positioning women SHG members as BC agents **have** demonstrated that women BC agents are apt to provide this last-mile banking service.



Ability in connecting with people

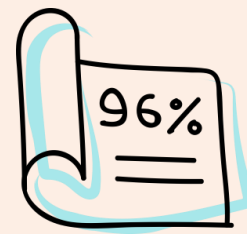


Providing services with dignity

Bank Sakhi Program

The Bank Sakhis are supported in capacity-building, training, and back-end; the SRLMs provide these in partnership with local banks, their corporate agent network managers, and other financial institutions. Additional resources and hardware devices are also offered.

Eligibility Criteria



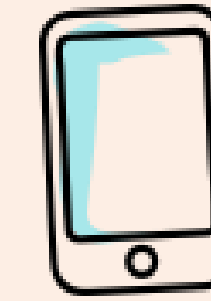
At least 10th standard
Pass



Should have an Aadhaar
card



Should not be a defaulter
with SHG or bank



Should be conversant with
the use of smartphone

Capacity Building

- ✓ Initial Training to BS
- ✓ Continuous hand-holding and monitoring of BS
- ✓ Building Capacity of community-based organizations to handle BS

Financial Support

- ✓ Support in the form of grants and loans
- ✓ Income deficit support for the first six months

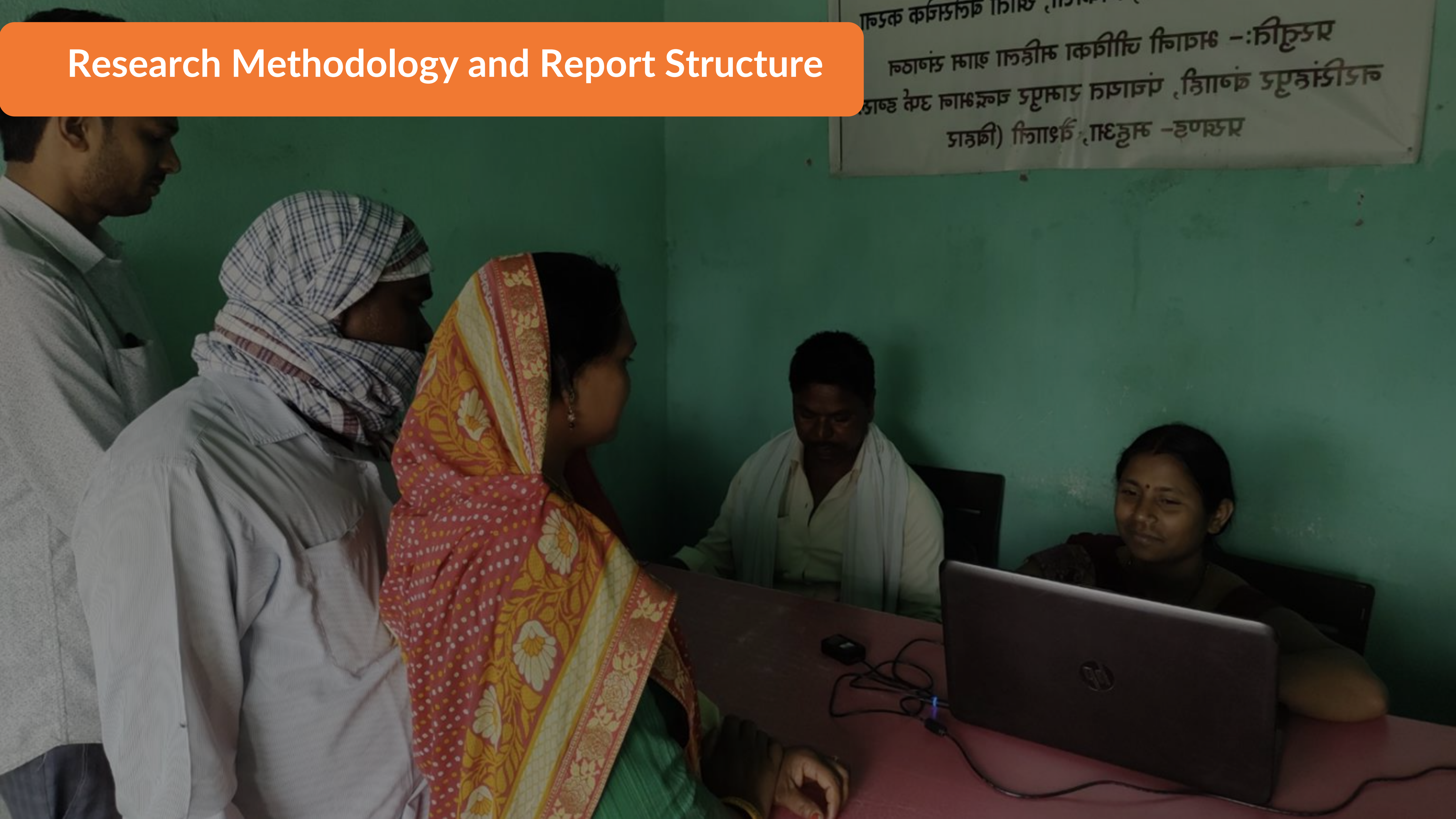
Training

- ✓ Regular inputs on banking structure, service and products
- ✓ Various schemes for financial inclusion
- ✓ Role of BC agents
- ✓ Resource material in vernacular language
- ✓ Hands on training on computer operations

Post Training

- Until the time banks engage them as their regular BCs, all trained and certified BSs work as Digipay points
- ✓ Start earning commissions by providing basic banking services using AEPS etc.
 - ✓ This helps them maintain their skills until a bank recruits them as a BC.

Research Methodology and Report Structure



Research Methodology and Report Structure

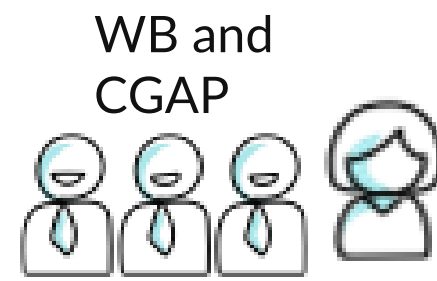
A Demand-Side Qualitative and Quantitative Study to assess the role and impact of Self-Help-Group women as BC agents. Data is self-reported by Bank Sakhis and Customers. Transaction data was corroborated by reviewing the records of Bank Sakhis during the Qualitative Study.

RESEARCH METHODOLOGY



DESK RESEARCH

- Past reports
- MIS Data



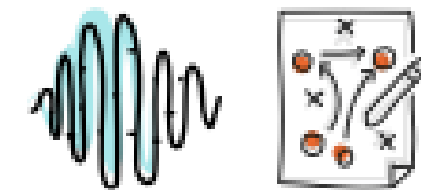
STAKEHOLDER CONVERSATIONS

- Landscape, past work and expectations
- Review existing research
- Socioecological framework for CICO



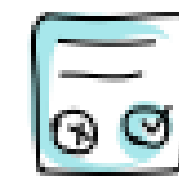
QUALITATIVE RESEARCH

- Districts: Arwal, Samastipur, Vaishali, Muzaffarpur, Darbhanga, Patna
- 69 1:1 interviews with Bank Sakhis, Male BCs, and Banks to understand Bank Sakhi:
- Their daily lives and Ecosystem
- CSP operations and Customer Experience (CX)
- Challenges
- Impact of being a Bank Sakhi



RESEARCH ANALYSIS

- Insights
- Pain points and Challenges
- Customer behaviors
- Operational workarounds



QUALITATIVE RESEARCH

- 427 respondents
- Districts: Aurangabad, Muzaffarpur, Nalanda, Nawada and Patna
- Self-reported data by Bank Sakhis, other BCs and customers



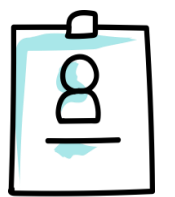
TRIANGULATION OF DATA

- Analysis across qualitative research and the surveys conducted with different respondents

REPORT STRUCTURE

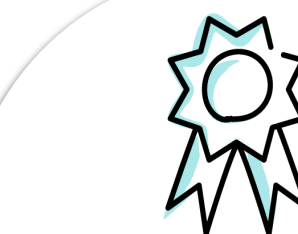


WHO
they are



WHAT
they do

RECOMMENDATIONS
for improvement



What do they do
DIFFERENT?



BENEFIT
to them and
community

Research Results and Recommendations





WHO
they are

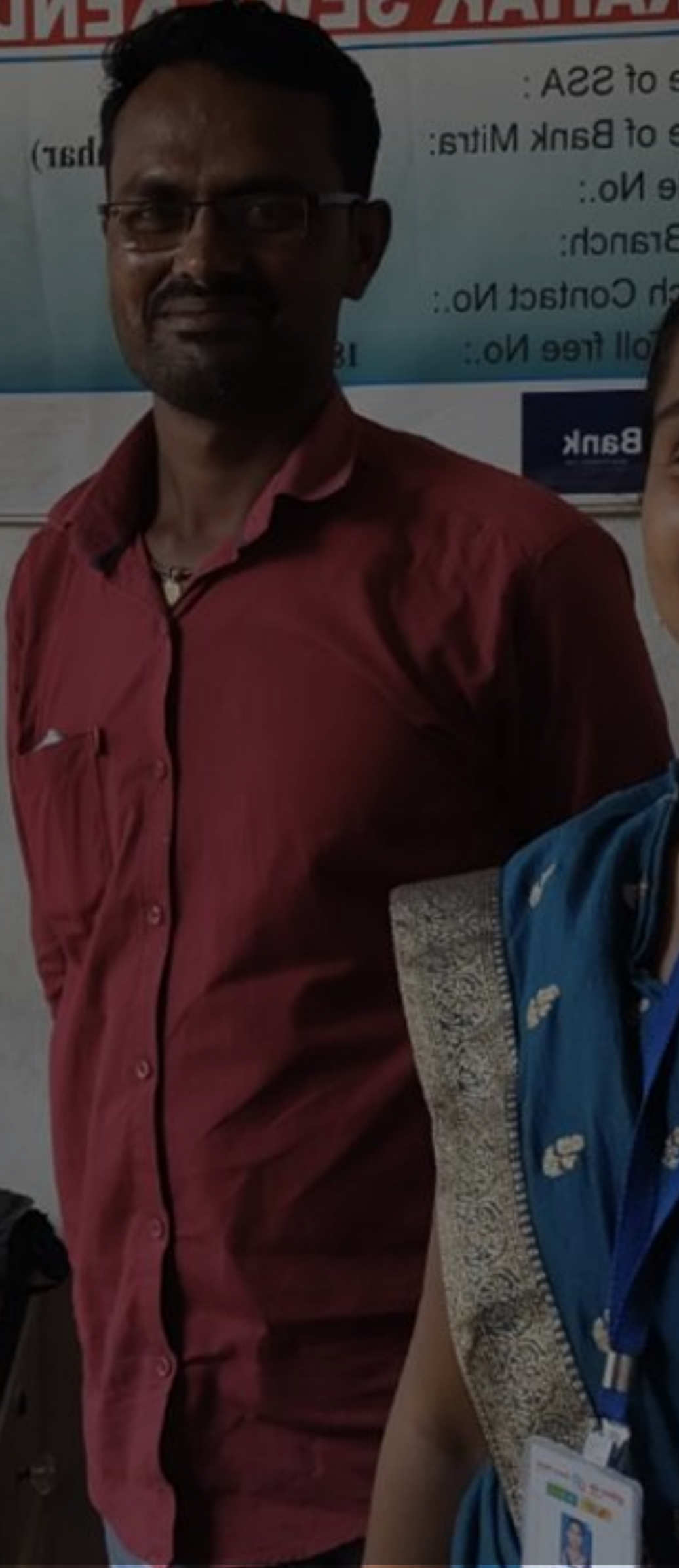
GRAHAK SEWA KENDRA

Union Bank of India
कै जनीक
कै जनीक

Government of India Underwriting
कॉर्पोरेशन
Corporation

आंध्र
Andhra

Name of SSA :
Name of Bank Mitra :
Mobile No. :
Bank Branch :
Bank Contact No. :
Toll free No. :



A) Bank Mitra Details:

1) Bank Mitra	Sangita Kumari
2) Bank Mitra Contact No	8809821062
3) Address of Bank Mitra	Dhanbar, Warangal, Samastipur
4) Sub Service Area (SSA)	Bankapur (Dhanbar)
5) Linked Branch Name	Warangal
6) Linked Branch Contact No	1800228244
7) Time of operation	

B) Services offered:

1) Cash Deposit:	a) upto Rs 49,000/- Union Bank customer's b) upto Rs 10,000/- Other Bank customer's
2) Cash Withdrawal (Address & Card)	a) upto Rs 12,000/- Union Bank customer's b) upto Rs 10,000/- Other Bank customer's
3) Fund Transfer:	a) upto Rs 12,000/- Union Bank customer's b) upto Rs 12,000/- Other Bank customer's
4) Balance Enquiry of Savings Account	
5) Fixed Deposit / Cumulative account	
6) Insurance (PM Sukanya Bima Yojana)	
7) Pension Product - Atal Pension Yojana	

Meet the Women



Name: Sudha Kumari
Age: 36 Years
Location: Mahua, Vaishali
Activation Year: 2017

About her: She runs the CSP with her husband. She oozes confidence and is a very self-assured woman. She is proud of her work and knows that she provides for her family.



Motivations: Being the **sole income earner**, she acknowledges that **life is hard**. Her **son dreams** of becoming a **cricketer** and wants to go to a cricket academy. While she is saving towards supporting her son's dreams, her **husband would now need to secure a job** to get sufficient funds to educate her son.



Overcoming hurdles: Despite several hurdles, like getting married young and being restricted from doing her higher education by her in-laws, she worked as a teacher at her son's school, saved money and went on to graduate.



Challenges experienced: Even after being so confident, she **feels safer with her husband** around as there are **risks attached to operating large amounts of cash**. She quotes an instance of a male, BC, who was shot and robbed when he was on his way back from the bank with cash on him.



Name: Nikita
Age: 23 Years
Location: Warisnagar, Samastipur
Activation Year: 2020

About her: Nikita is very **enterprising**. She continuously **promotes additional services** to her customers. She previously used to earn a satisfactory **commission of INR 8,000-9,000/month** (USD ~110/mth).

She is also one of the few Bank Sakhis who **visit the bank themselves** instead of relying on a male member in the family.



Motivations: She is very **proud of the identity** the role has given her and wears her badge with great pride. Her **in-laws are very supportive** of her job as she balances her duties at home without any trouble.

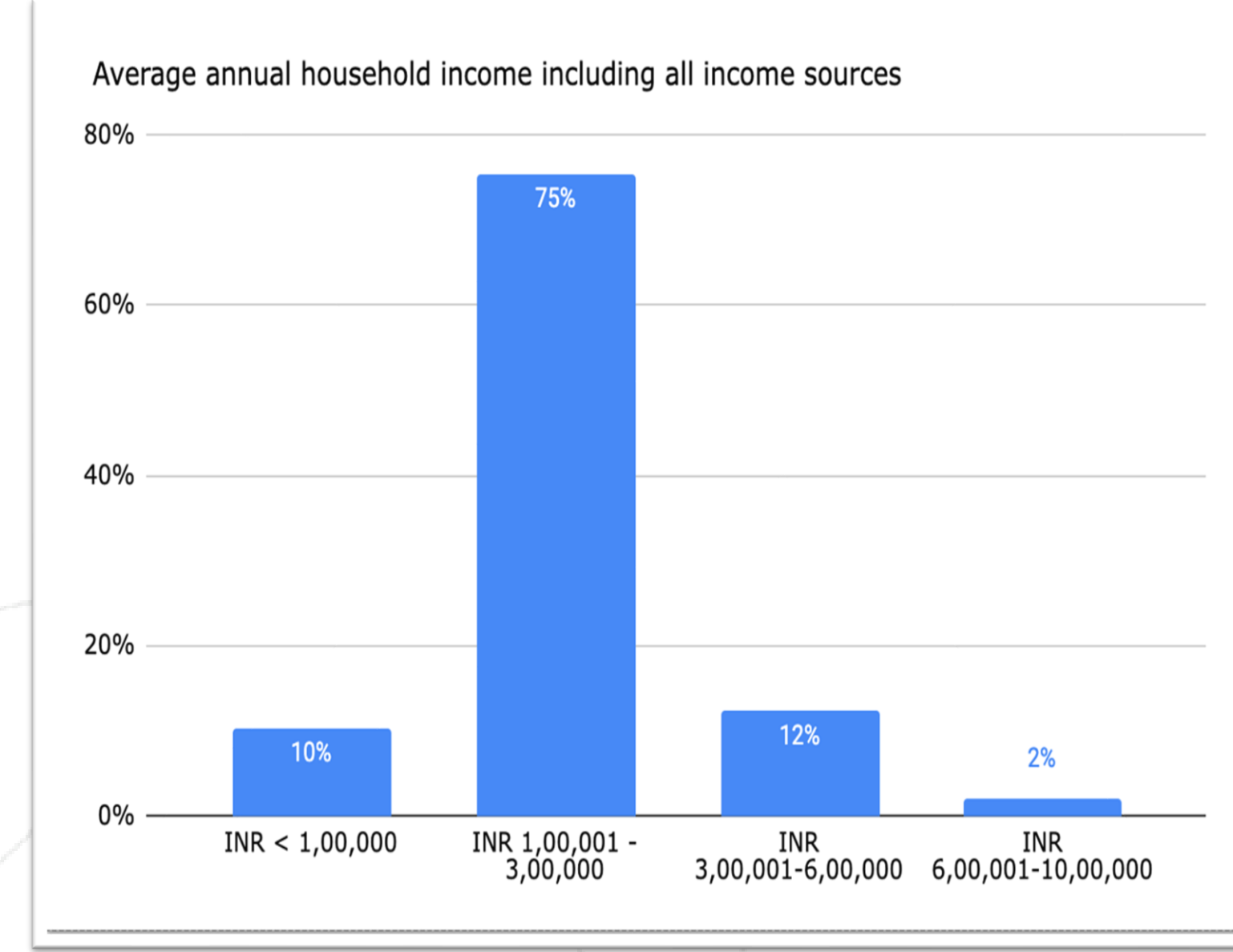
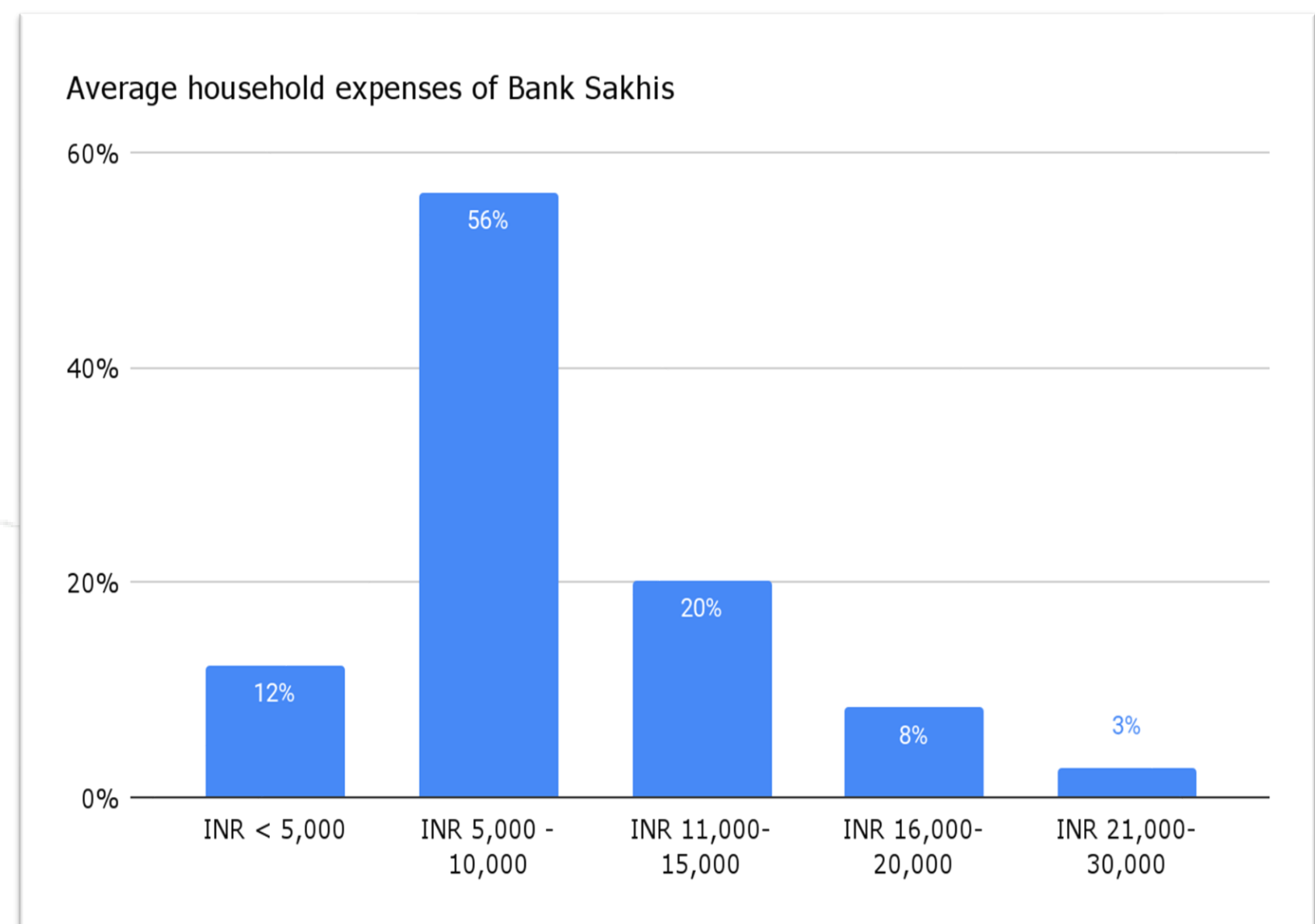
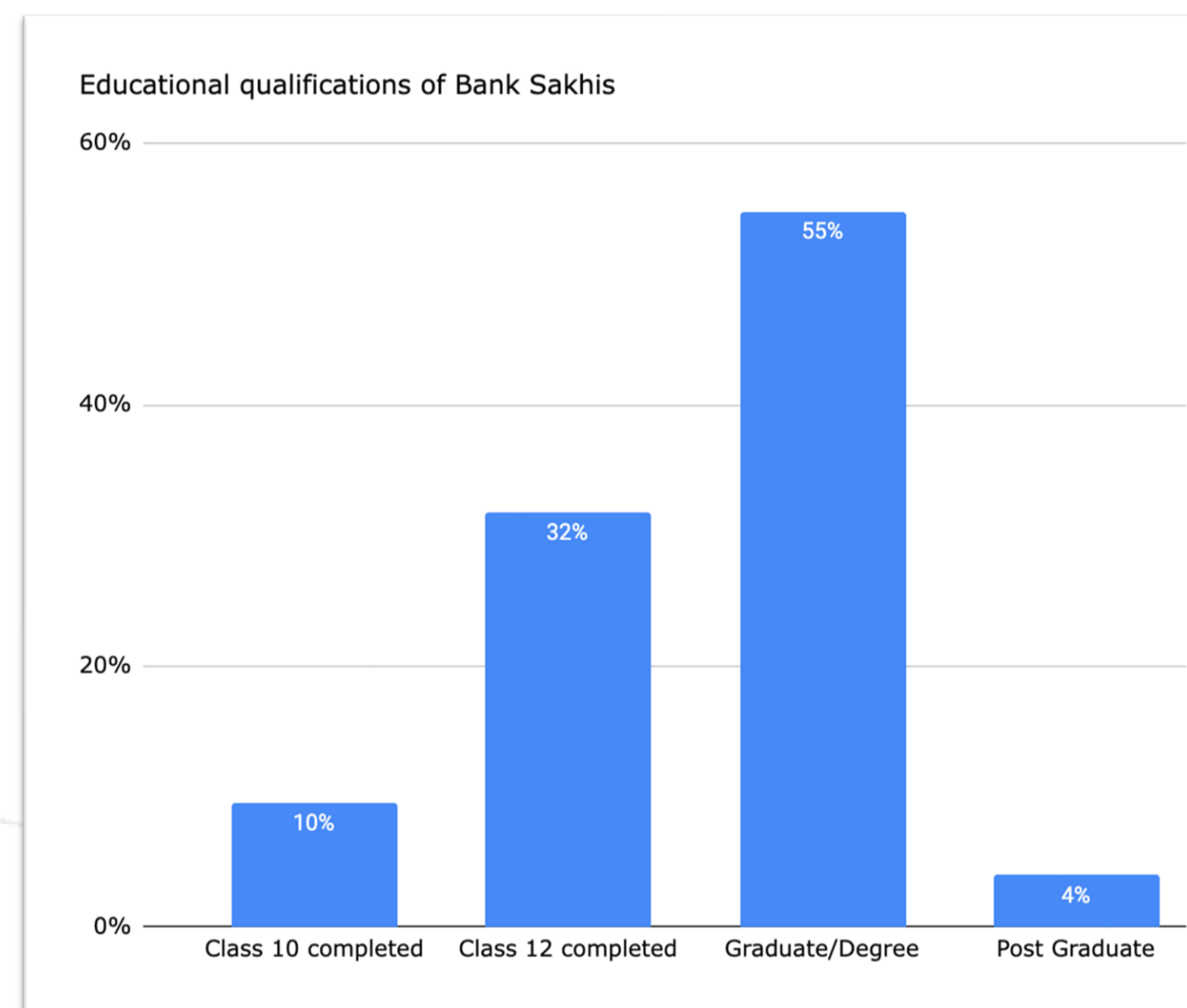
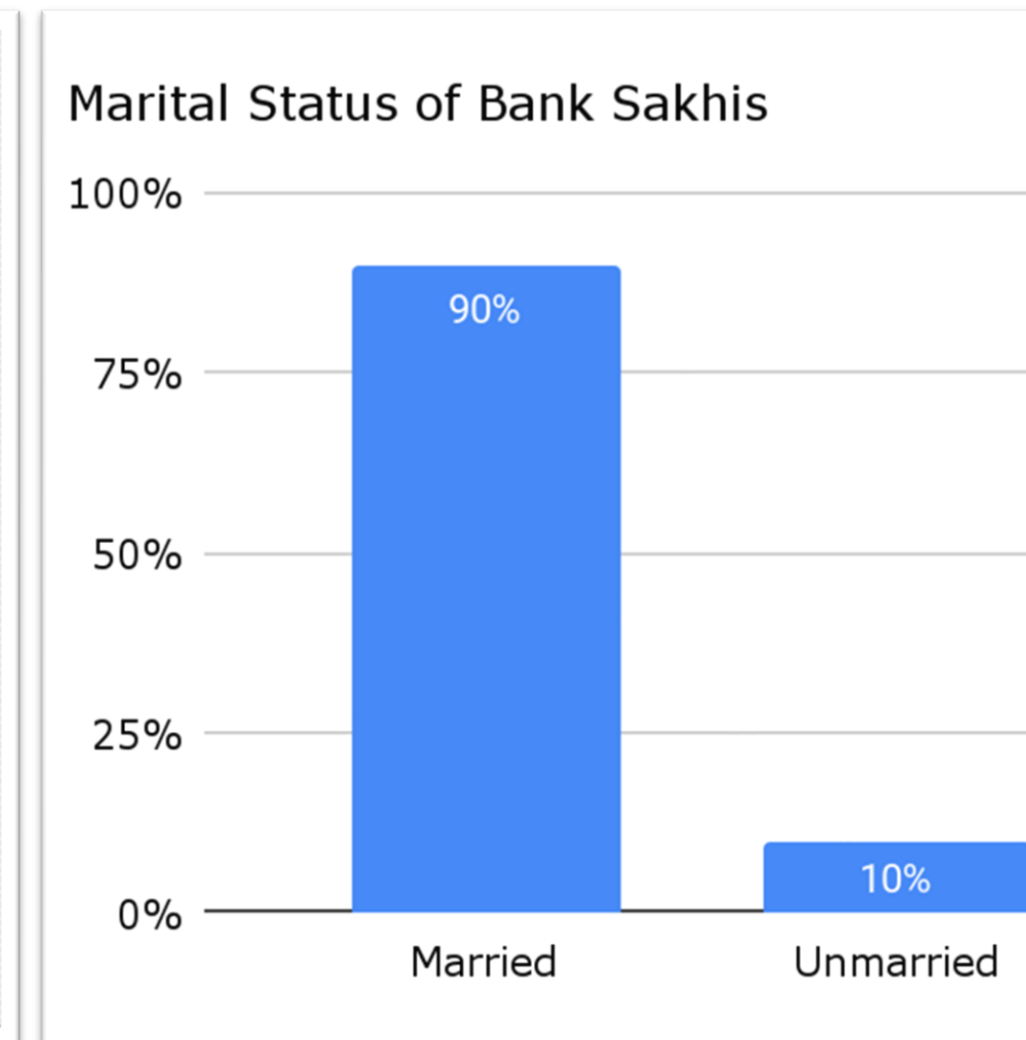
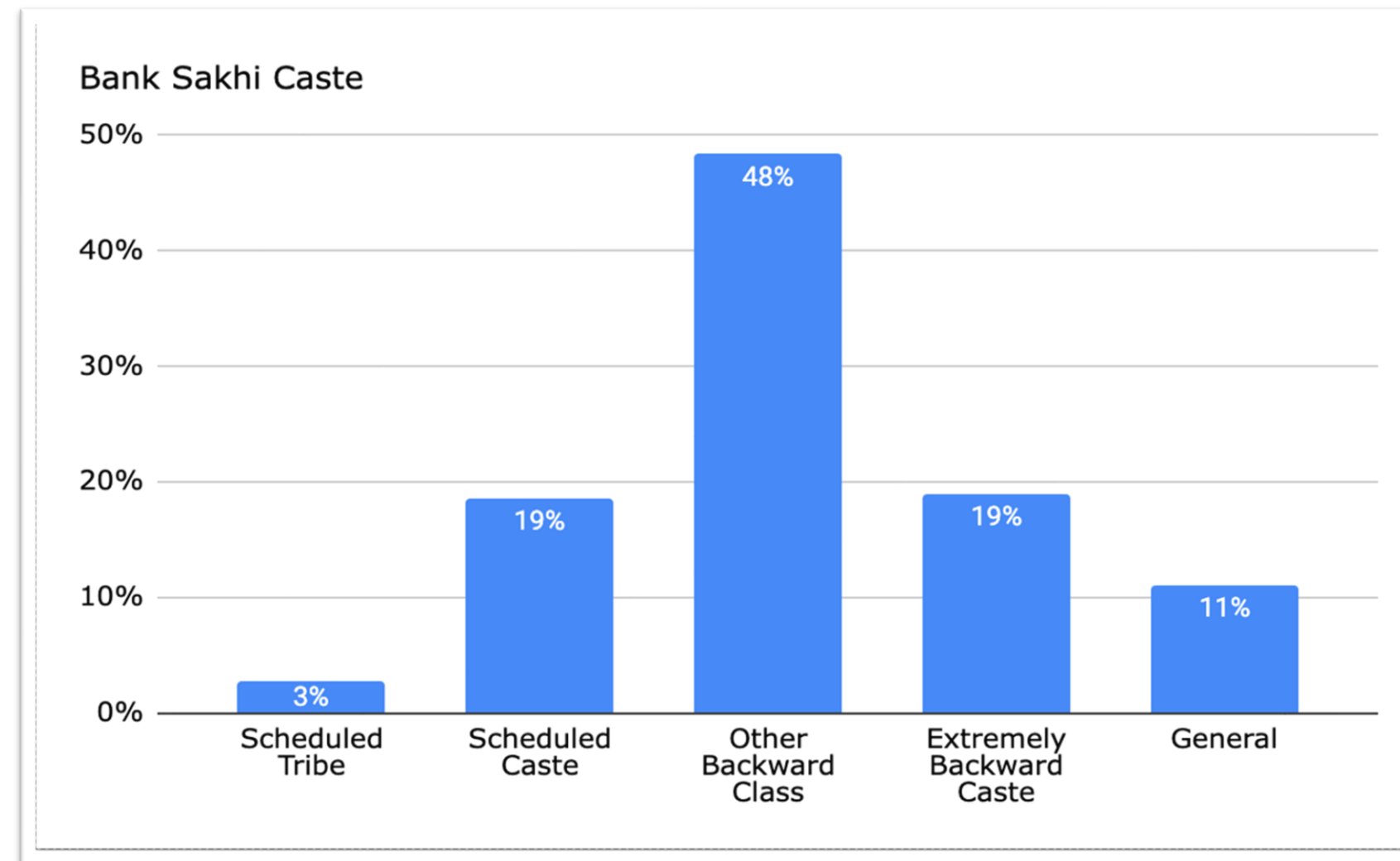
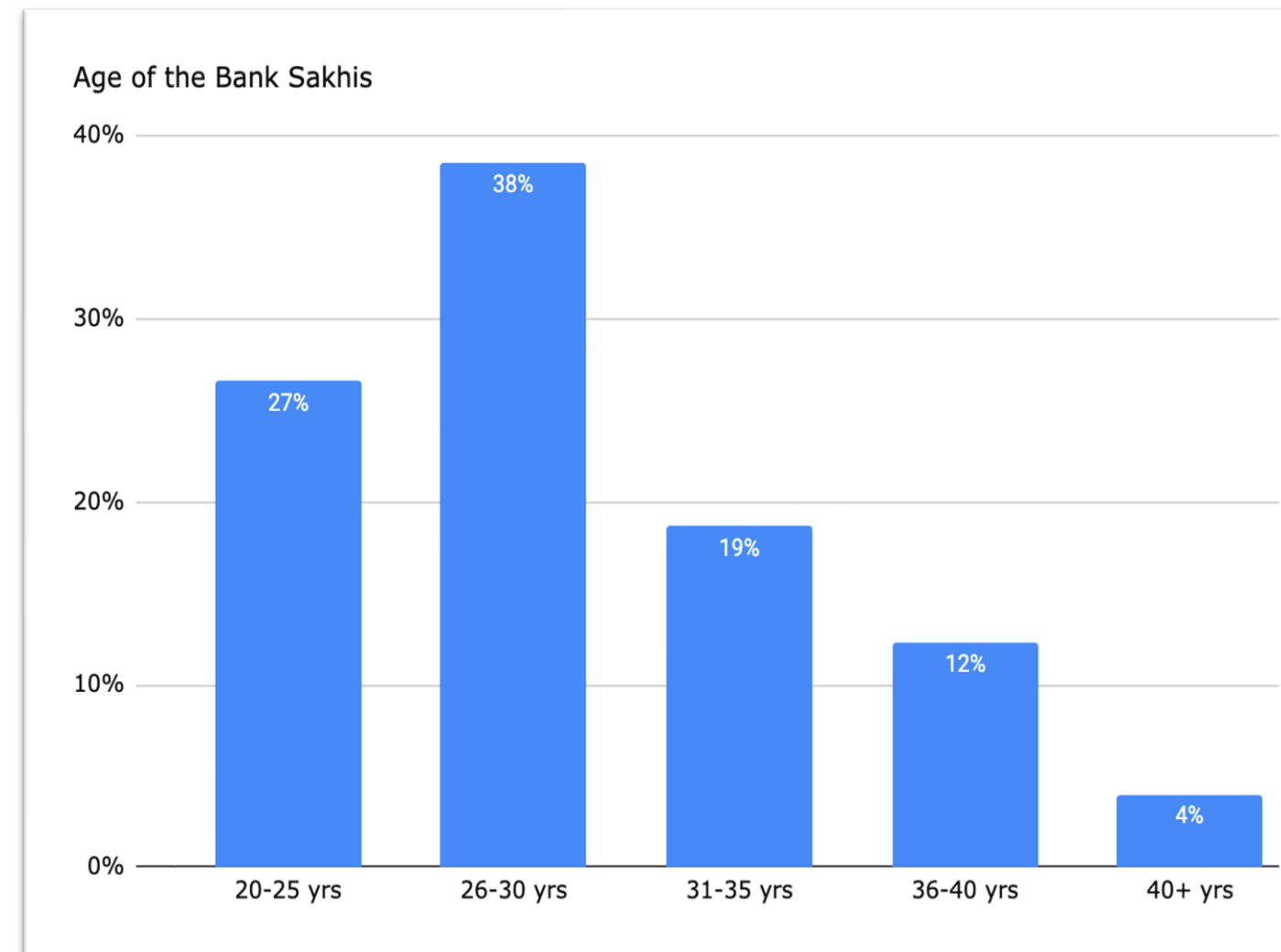


Overcoming hurdles: When she runs into challenges related to **performing a transaction** or wants to understand it better, she **watches Youtube tutorials** to educate herself.



Challenges experienced: The **recent change in her corporate BC** has thrown up **several challenges**. It has resulted in **services** like **a/c opening, insurance** being discontinued, and **increased technical issues** resulting in a loss of income. With **the increasing popularity of the CSP model**, **men** in her locality have opened CSPs close to hers, leading to decreased customer footfall.

Demographic Characteristics of Bank Sakhis



A Day in the life of a Bank Sakhi

- Specific to Bank Sakhis
- Specific to Male BCs

5:00 AM



- Wakes up
- Cleans the house

7:00 AM



- Cooks for the household
- Feeds kids and gets them ready for school
- Attends to customers at home

8:00 AM



- Attends to customers at home

9:00 AM



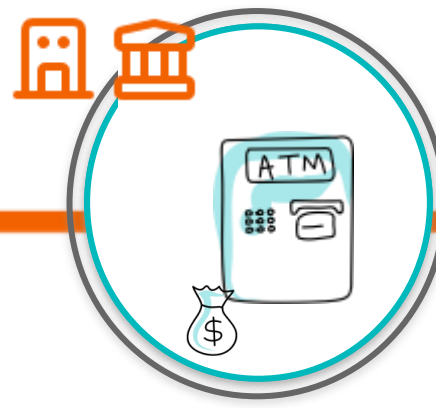
- Starts CSP operations

17:30 PM



- Tally transactions and cash in hand at the end of the day

13:30 PM



- Travels to the bank for cash withdrawal
- Visits Fuel Stations or Local businesses for cash deposits

12:00 PM



- Monthly: Attends SHG, VO meetings
- Markets her services to visiting customers and encourages them to do more than save

10:00 AM



- Starts CSP operations

18:00 PM



- Go home before it gets too dark. Typically husband would pick them up or they hail an auto or walk home.
- Tally transactions and cash in hand at the end of the day

19:00 PM



- Personal and household activities
- Provide CICO services to customers close to her home. CO options in emergency situations very late at night
- Wraps up CSP Operation and

22:00 PM



- Sleep

LEGEND



PERSONAL



CSP



BANK



WHAT
they do

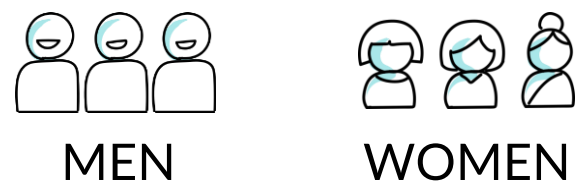


Bank Sakhi Ecosystem



CUSTOMERS

Service at Bank Sakhi CSP



Doorstep service



FINANCIAL SERVICE PROVIDERS

Basic services

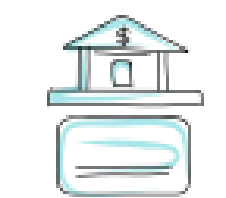
- CICO transactions
- Roll out of DBTs and other govt. initiatives



BANK

Complicated processes and discontinuation of services

- Account Opening
- Insurance
- Bill payments
- Cash for disbursement
- Passbook updates
- Interactions and CX



CORP BC

Frequent technical challenges

- Software
- Equipment -Tablet, POS, MicroATM, Fingerprint scanner and receipt

Delayed redressal

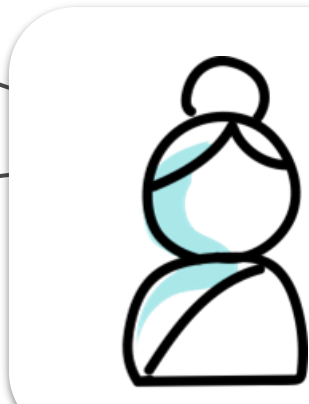
- Grievance redressal - via Whatsapp



PETROL BUNKS
LOCAL SHOPS
MFIs

Easy access to cash

- Weekly/Daily Deposits
- Cash for disbursement
- MFIs who deposit at CSP



Other BCs
(MALE and FEMALE)

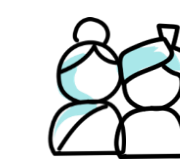


FAMILY and
COMMUNITY



HUSBAND

- Moral support
- Technical support
- CSP Operations
- Bank interactions
- Minimum involvement in household work



IN-LAWS

- Moral support but with the expectation of the housework not being compromised



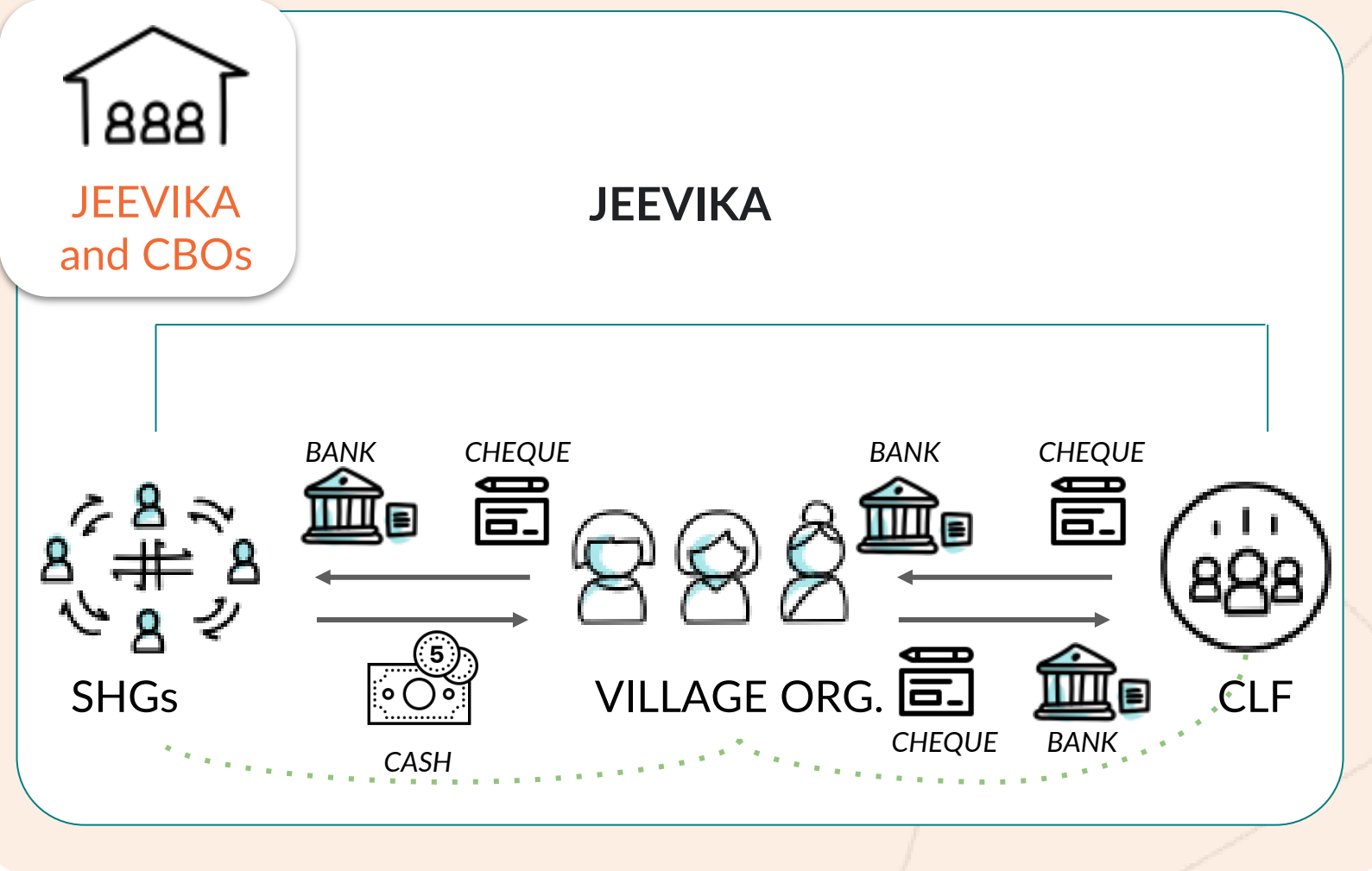
CHILDREN

- Participated in CSP operations
- Proud of their mothers



COMMUNITY

- Bank Sakhis save money, time and effort for them
- Receive addl. financial advice



LEGEND



Bank Sakhis achieve business viability, on average, after 41 months of being in business.



Profitability - Growth while maintaining service levels

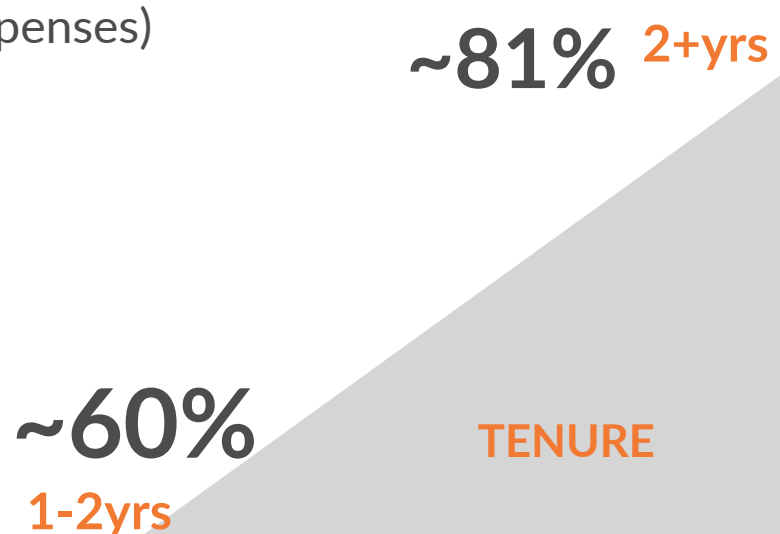
Income versus Expense (OPEX and CAPEX) - meet Debt commitments

OPEX and Commission comparison - generate sufficient income to meet operating payments

Average daily transactions of Bank Sakhis are **41**, for those who have achieved break-even is **73**.

Average monthly commission earned by Bank Sakhis is **INR 3,962**

70% Bank Sakhis are earning enough commission to cover their OPEX (Operational Expenses)



of Bank Sakhis who earn enough monthly commission to cover monthly OPEX

Bank Sakhis offering services like account opening and passbook printing have higher transactions (maybe higher footfall and recurring customers) and therefore earn higher commissions.

92% Bank Sakhis who provide passbook printing and a/c opening have earned more Income (commission till date + grants) than their Expenses (CAPEX+OPEX) (Capital Expenses + Operational Expenses)

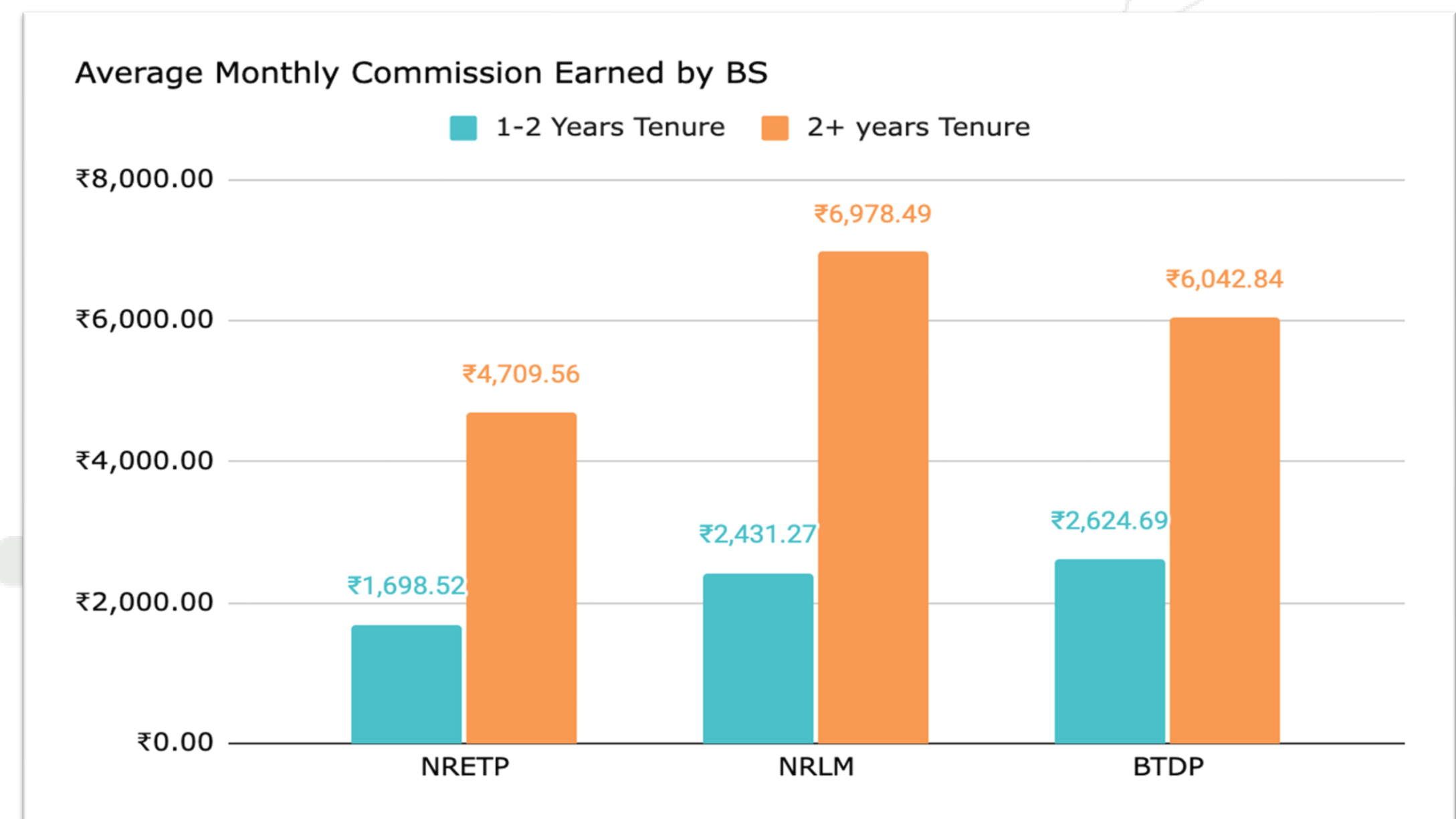
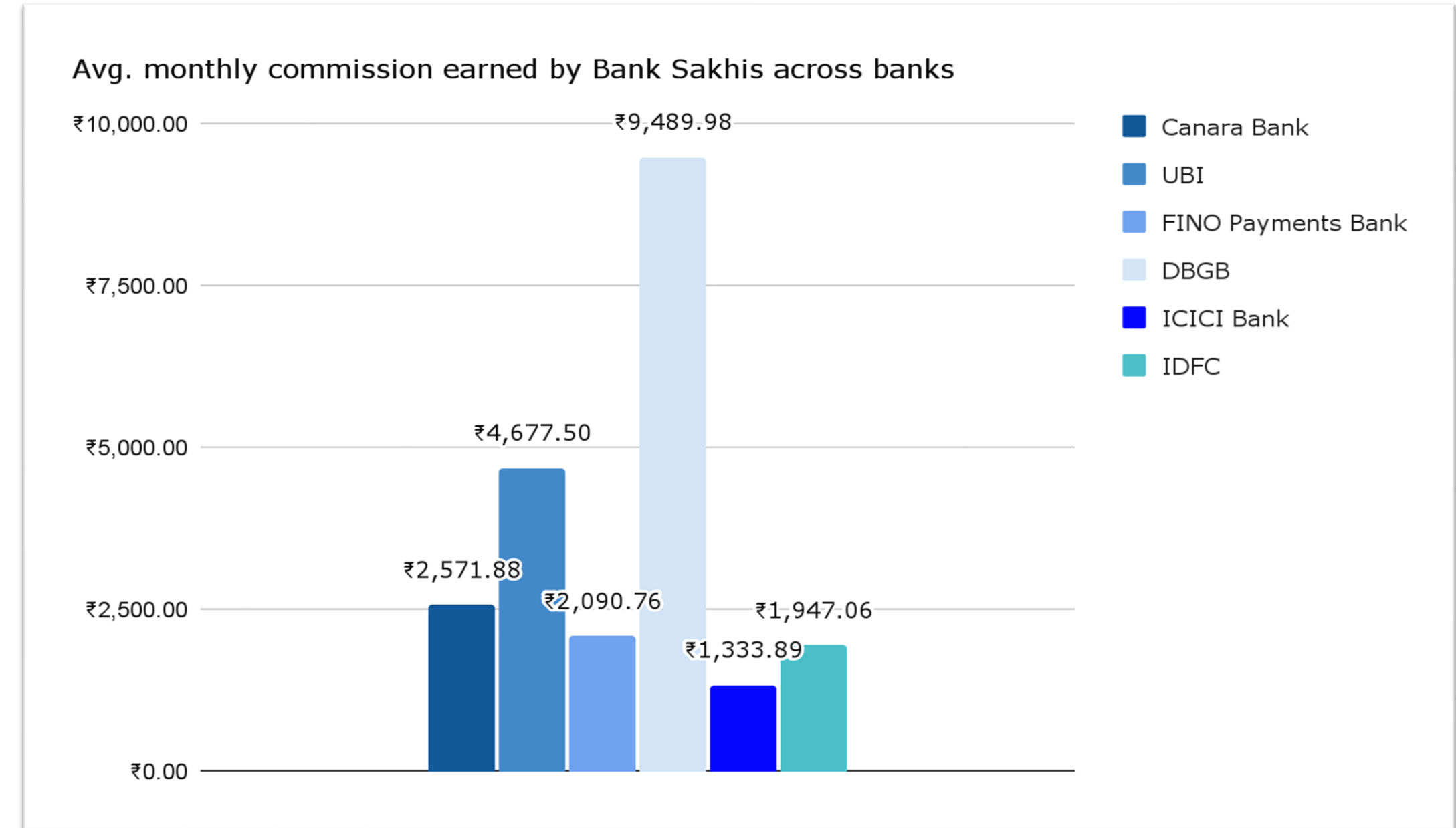
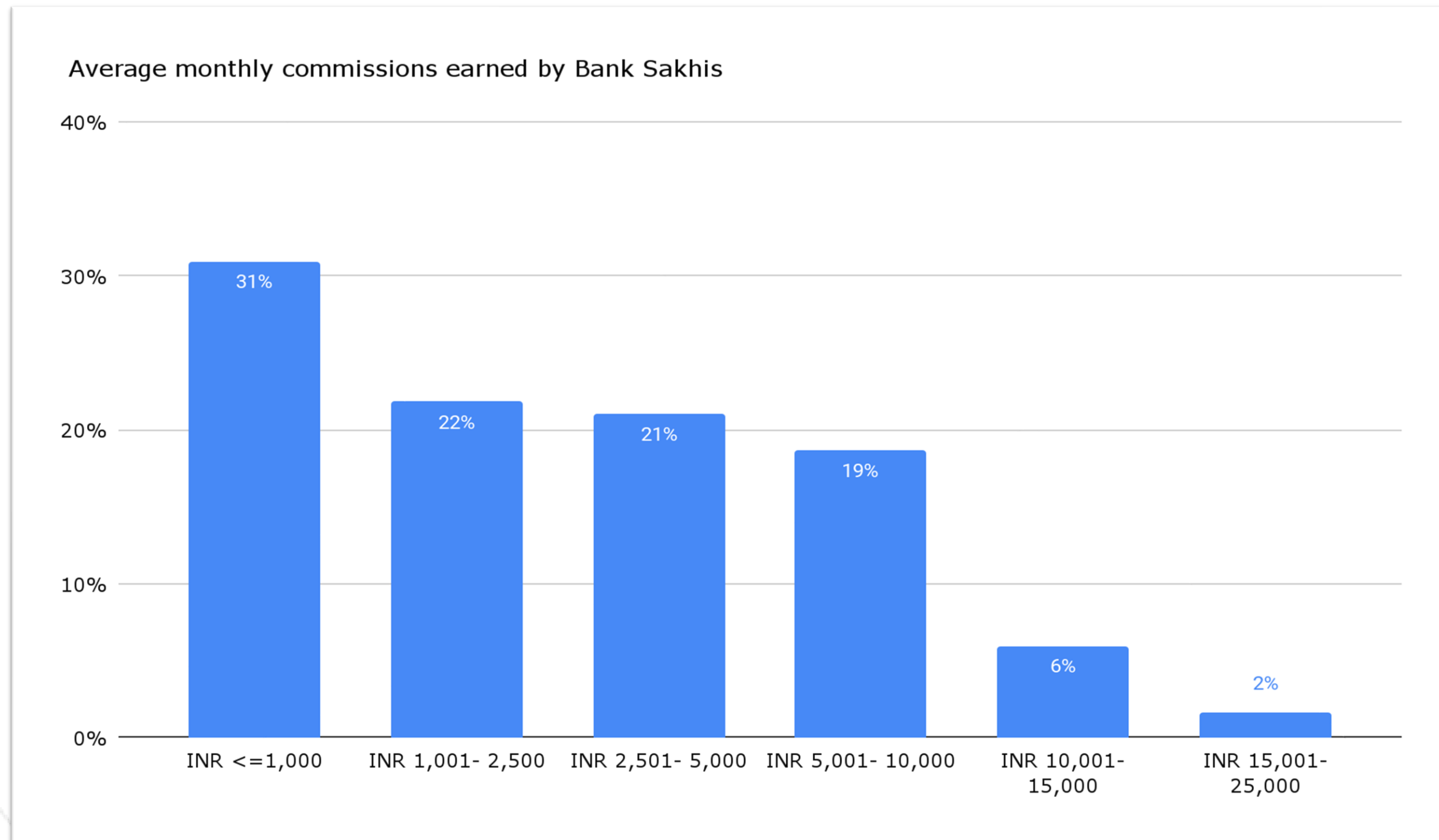
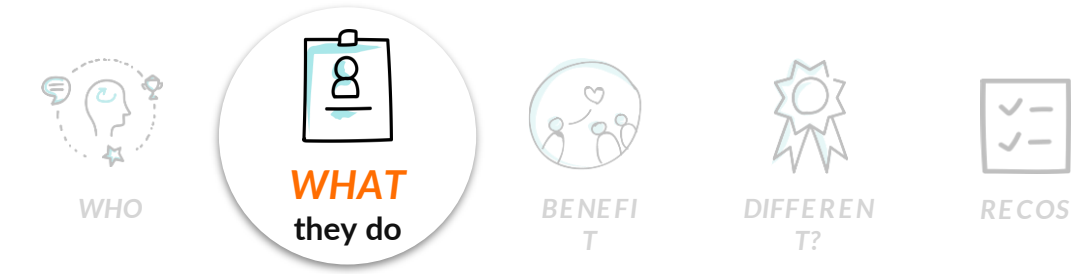
88% of Bank Sakhis who provide passbook printing earned more Income (commission till date + grants) than their Expenses (CAPEX+OPEX). Only ~15% of Bank Sakhis provide this service currently

46% Bank Sakhis who provide account opening have earned more Income (commission till date + grants) than their Expenses (CAPEX+OPEX) and provide account opening 57% of the Bank Sakhis provide this service currently

60% of other Female BCs surveyed are linked to Public Sector Banks. Data shows that BCs linked with Public Sector Banks earn higher commissions than BCs working for Private Sector Banks.

11% Bank Sakhis have completely paid off their Jeevika loan (an interest-free Rs 50,000 repayable in 50 installments). The rest, on average, have paid off ~32% of Jeevika's loan amount.

Performance of Bank Sakhis by Bank and Tenure



Comparison- Bank Sakhis Vs Male BCs

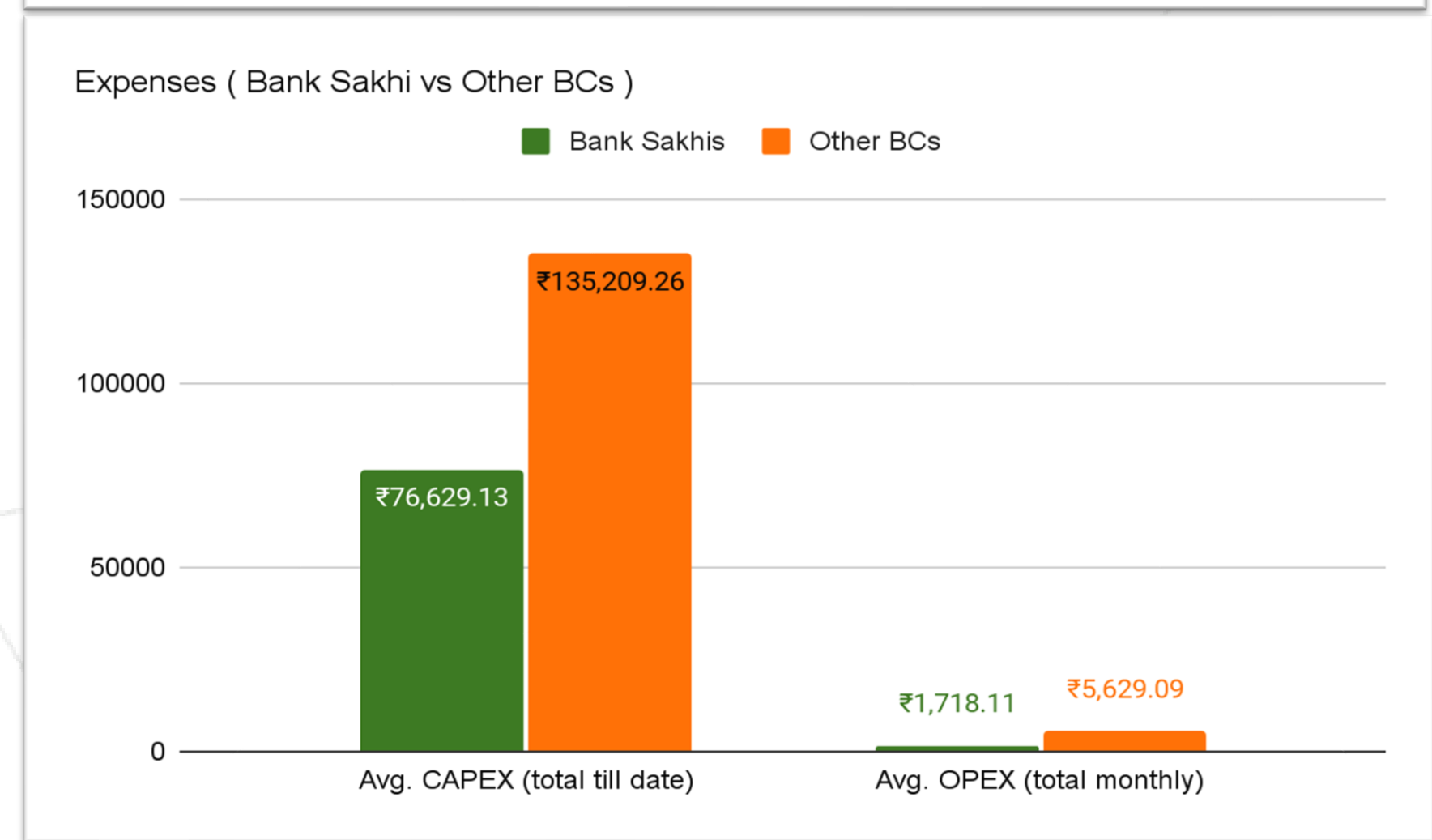
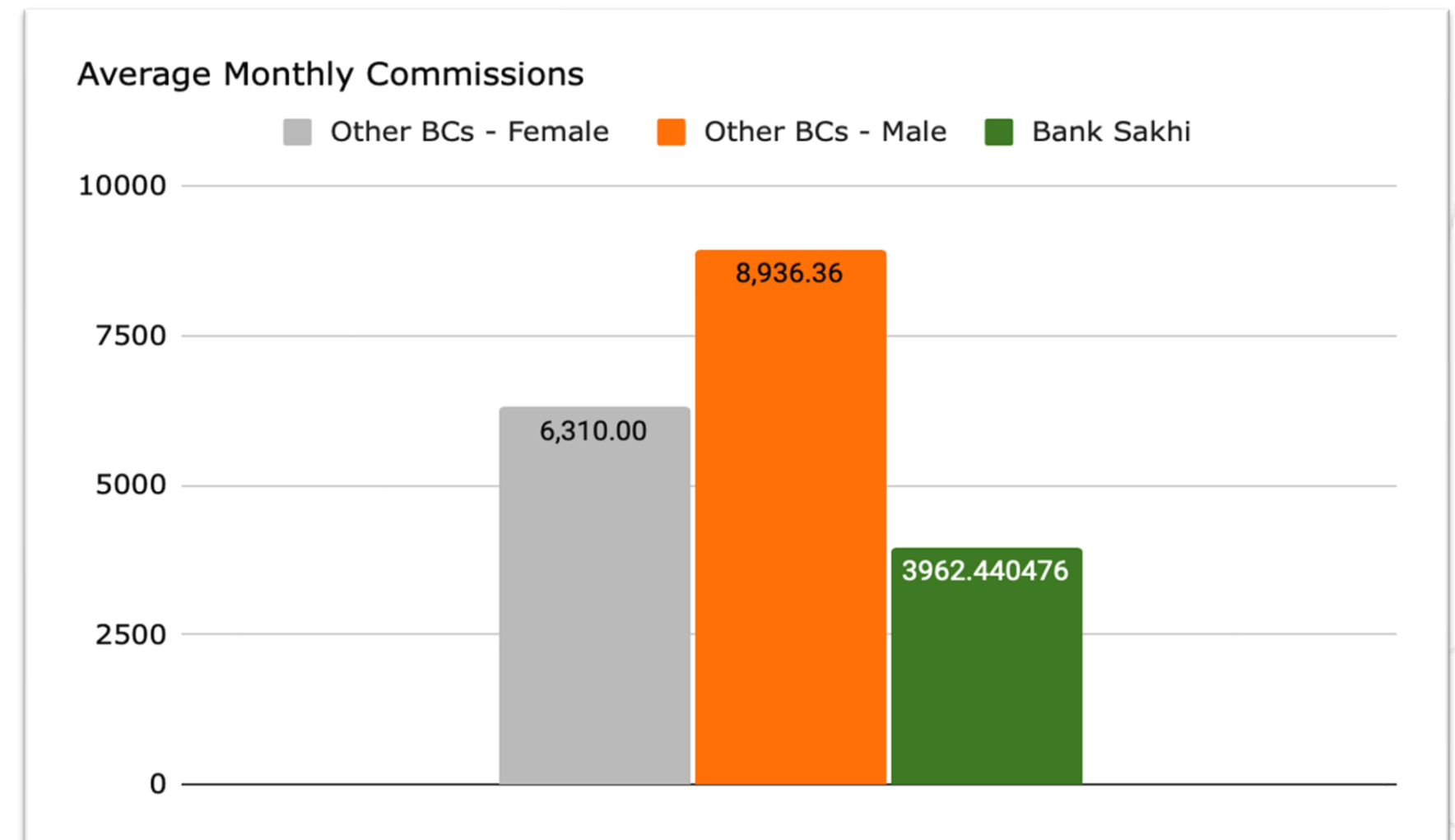
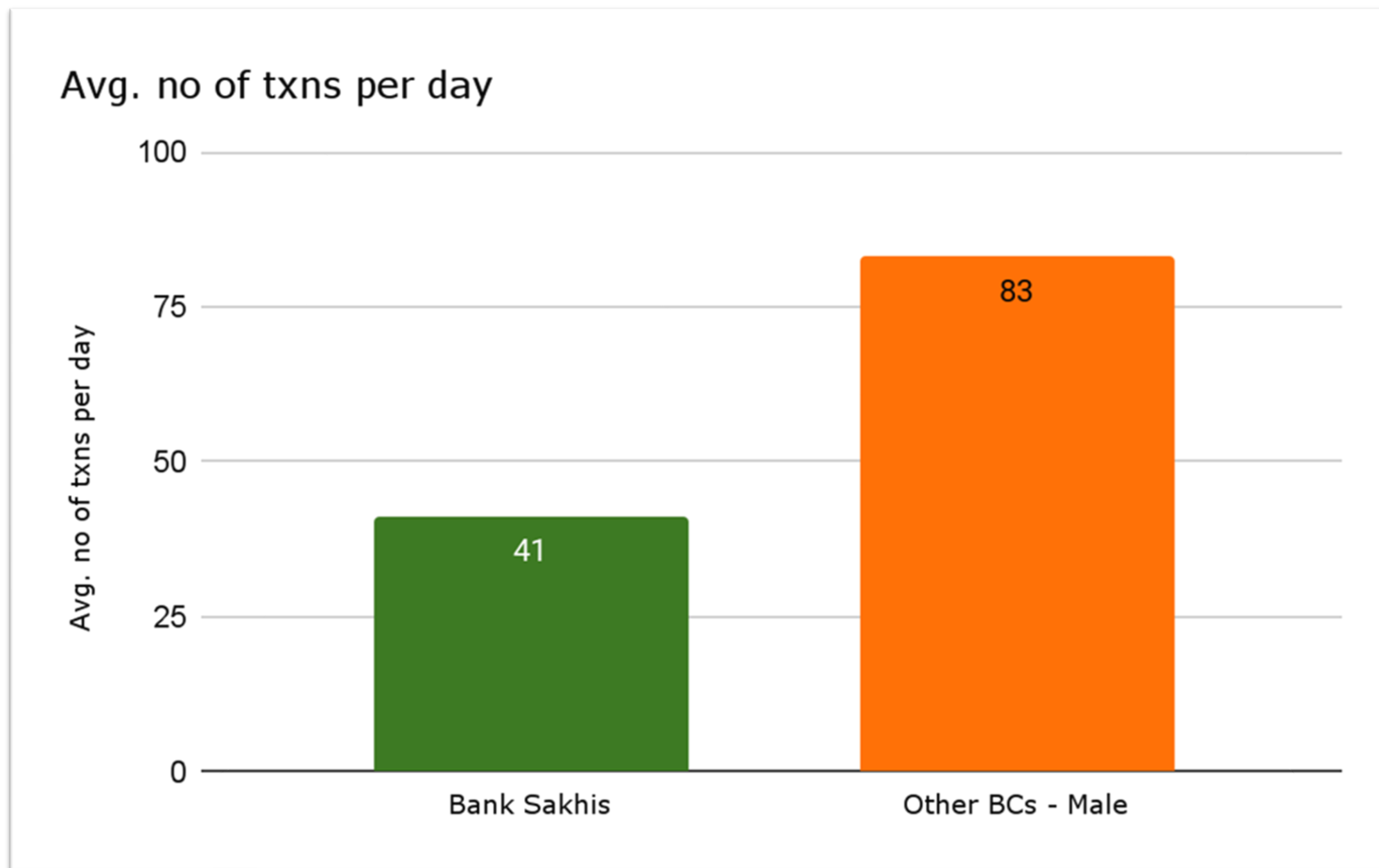


Male BCs make more than double the number of transactions compared to Bank Sakhis while they put in similar work hours. This could be a consequence of several reasons:

- Their location - prime locations with heavy customer footfall
- They are not juggling home and work responsibilities simultaneously
- Have more services available, becoming a one-stop shop for customers
- Provide more doorstep services, which take longer

Male BCs earn 4x the amount and Female BCs 2x that of Bank Sakhis. Possible reasons could be:

- Bank Sakhis are expected to balance their household responsibilities alongside running their CSPs, taking away from the actual time spent on transactions.
- BCs provide passbook printing and account opening, which earn higher commissions.



Average no of hours worked per day

Bank Sakhi: 9.08 hours	Male BC: 9.33 hours

Social and familial circumstances require BC Sakhi to work as a social unit. They happily rely on their family!



My husband helps me when there are many customers at the CSP. He also helps me with bringing in the cash from the bank since he can ride a bike - Sharmila Kumari- 26, Canara Bank, FINO, Vaishali

My children know how to operate the machine, I send them to do transactions outside the CSP if a customer demands - Malti Kumari, 32, FINO, Vaishali



Women juggle between housework and their CSPs

Despite the newfound agency the BC Sakhi role has brought about, women still believe it is their duty to balance housework and CSP
- *Bank Sakhis across all the districts visited*



Men help with key jobs.

Transporting cash between the CSP and bank/other locations is performed by men for safety reasons (to avoid the use of public transportation)



Ecosystem Conflicts:

- Training and support provided today is for one person vs. for a social unit
- *Observations from the field research*
- While JEEViKA promotes the involvement of family members to run the CSP, several banks have regulations on the involvement of unregistered support staff
- *Sanjivani Vikas Foundation, CBC, Patna*
- Bank perception - Bank Sakhis require more hand-holding than Male BCs

Only 4%

Bank Sakhis see work-life balance as a challenge to run their CSP

Only 2.5%

Work independently without any support from their households

24.21%

reported 'cash carrying risk' as a challenge towards CSP operations for which they must take help from their husbands or other family members

17.46%

Believe that they lack proper training to run their business. **Demonstrates the confidence** Bank Sakhis have in being able to run their CSPs



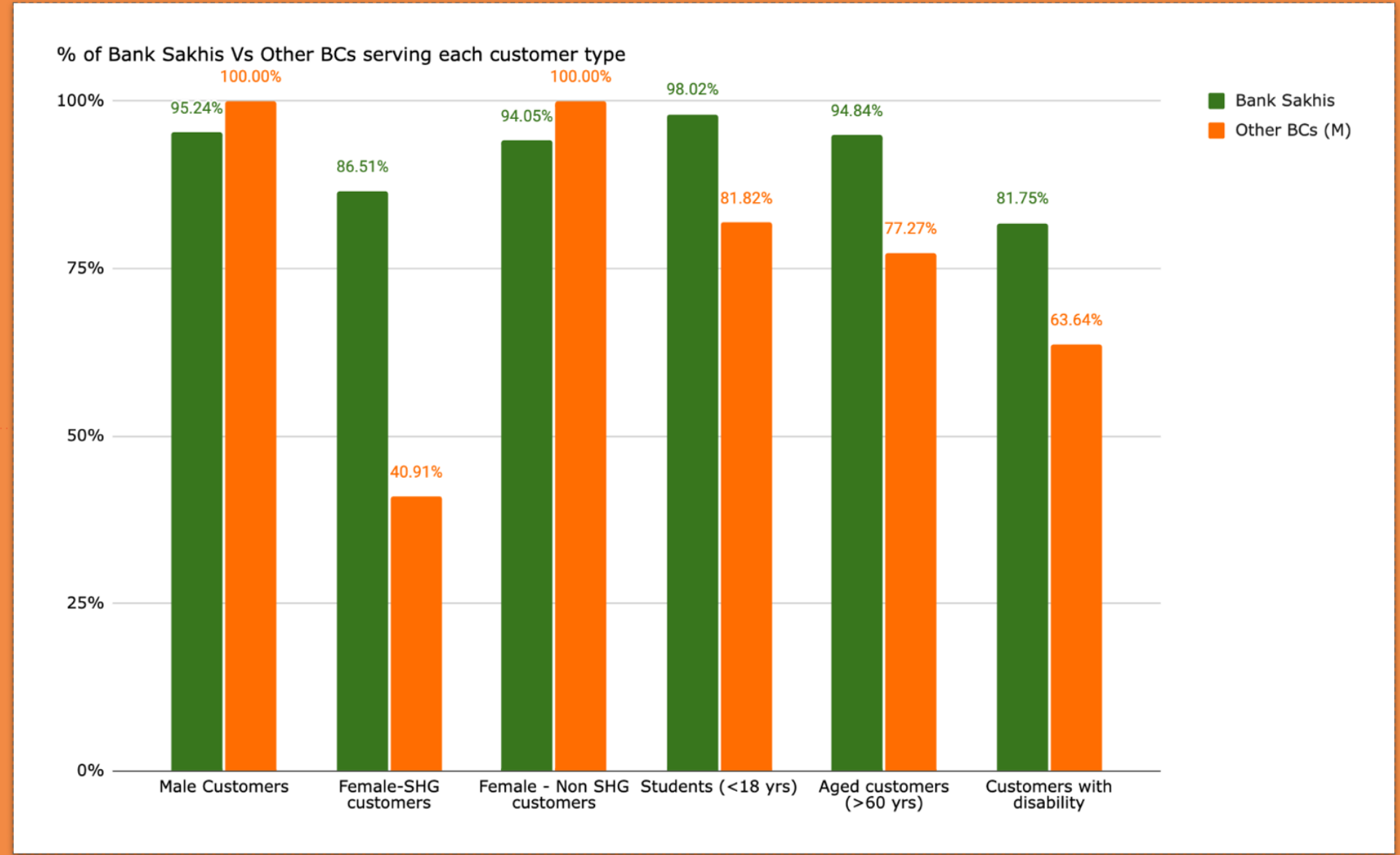
BENEFIT
to them and
community





The Bank Sakhi program is improving the financial inclusion of Bank Sakhis and their customers.

Bank Sakhis are serving more students, aged, and customers with disabilities, the most demanding segments to reach from a financial inclusion perspective



Bank Sakhis providing Doorstep services to customers

83%

of POS (Point of Sale) machine possessing Bank Sakhis provide doorstep services to customers – compared to 33% of traditional BCs

100%

of POS machine possessing Bank Sakhis provide doorstep services to customers with disabilities – compared to 67% of traditional BCs.

Average distance from customers to Financial Service Providers (All BCs and Banks)

~0.4 kms

Average distance to Bank Sakhi CSP, for a customer

~ 0.6 kms

Average distance to Other BC CSP, for a customer

~7 kms

Average distance to a Bank, for a customer

Impact on customer financial behavior after access to all CSPs (Bank Sakhi + other BCs)

67%

of customers availed banking services for the first time at a CSP

24%

of customers started saving in their bank a/c after access to a CSP

Bank Sakhis are better prepared for unexpected emergencies through insurance, pension and use loans to manage risk and expand business

Taken INSURANCE ONLY AFTER becoming a Bank Sakhi	48.81%
Taken LOAN ONLY AFTER becoming a Bank Sakhi	41.67%
Taken PENSION ONLY AFTER becoming a Bank Sakhi	31.75%

AWARE OF	BEFORE	% INCREASE AFTER
Fund Transfer/IMPS	25%	43%
Insurance Products	23%	23%
Pension Products	15%	13%

Majority of Bank Sakhis were **aware of** basic banking services (account opening, deposits and withdrawals) **prior to becoming Bank Sakhis, less than 30% were aware of other services.**

Products Offered and Customer Benefits



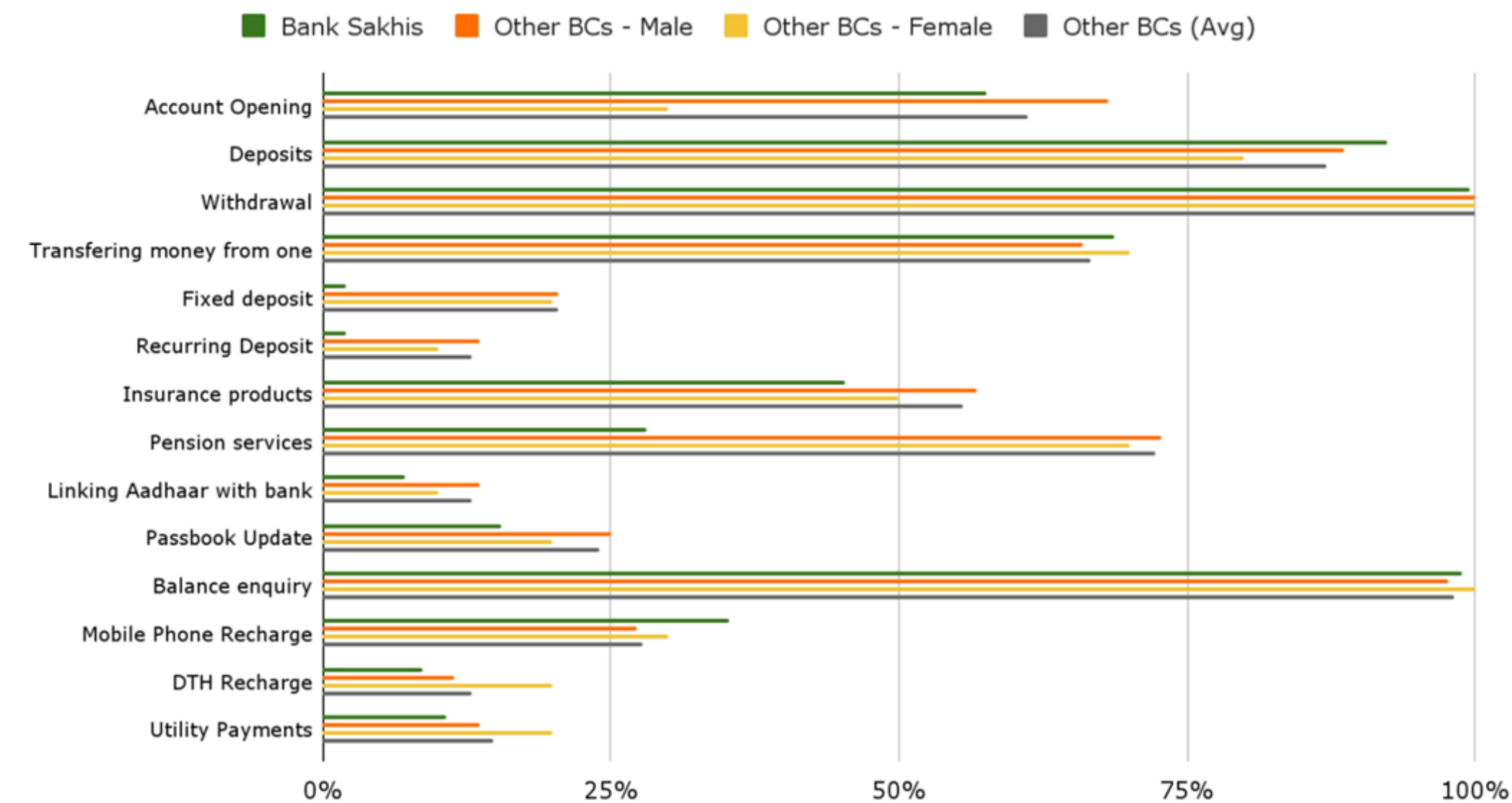
Bank Sakhis have been instrumental in bringing basic banking services to people in rural areas:

- ✓ Opened bank accounts
- ✓ Brought in good financial behavior of money safekeeping (deposits and withdrawals)
- ✓ Started keeping track of balances (passbook update, balance inquiry)
- ✓ Customers who make utility payments first availed of the service at a CSP

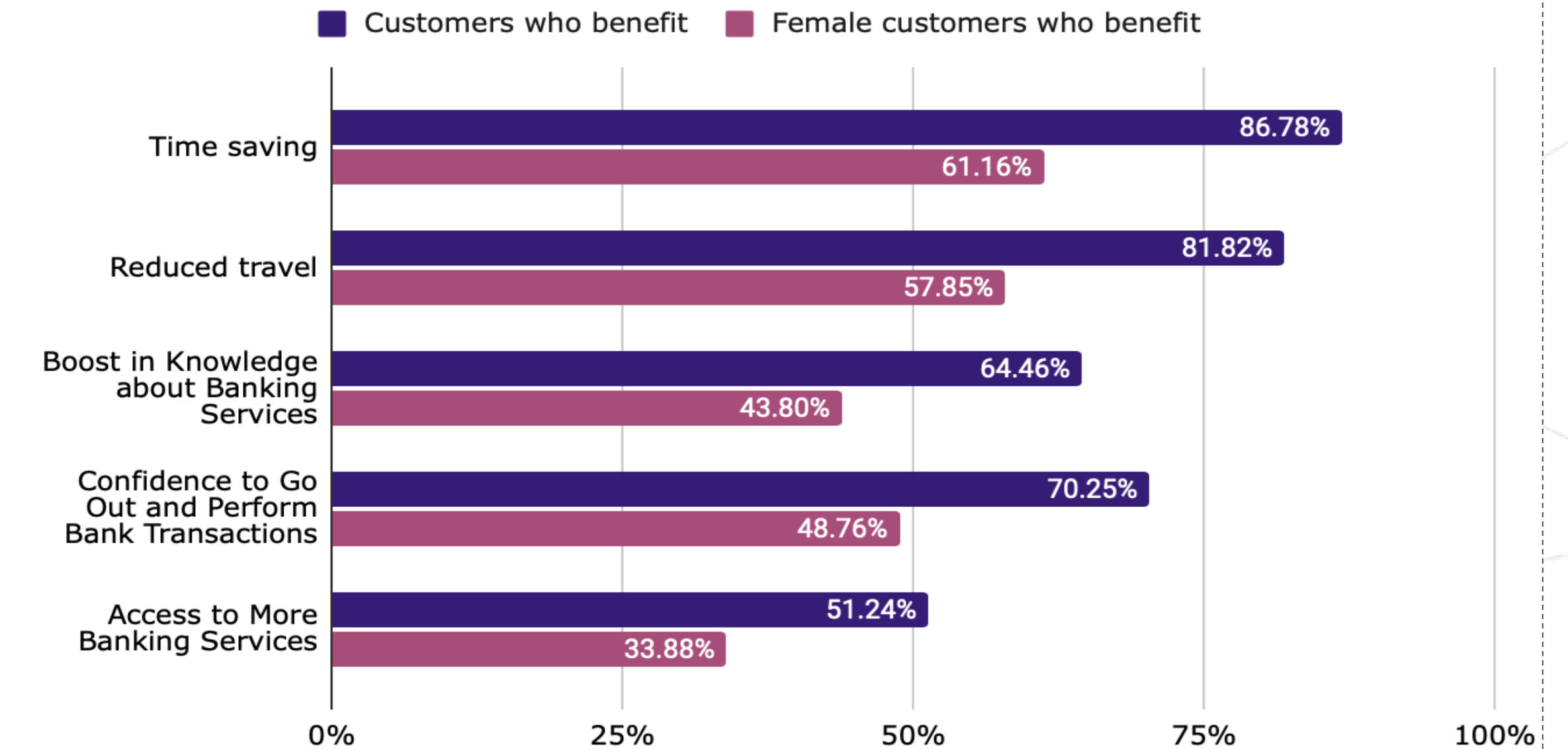
Bank Sakhis have provided more convenience and confidence to customers:

- ✓ Time-saving was the most reported benefit of CSPs by customers, followed by reduced travel
- ✓ Customers recognize and appreciate the benefits the CSPs have brought about in boosting their banking knowledge and giving them the confidence to step out and perform banking transactions

% of BCs providing financial services at their CSP

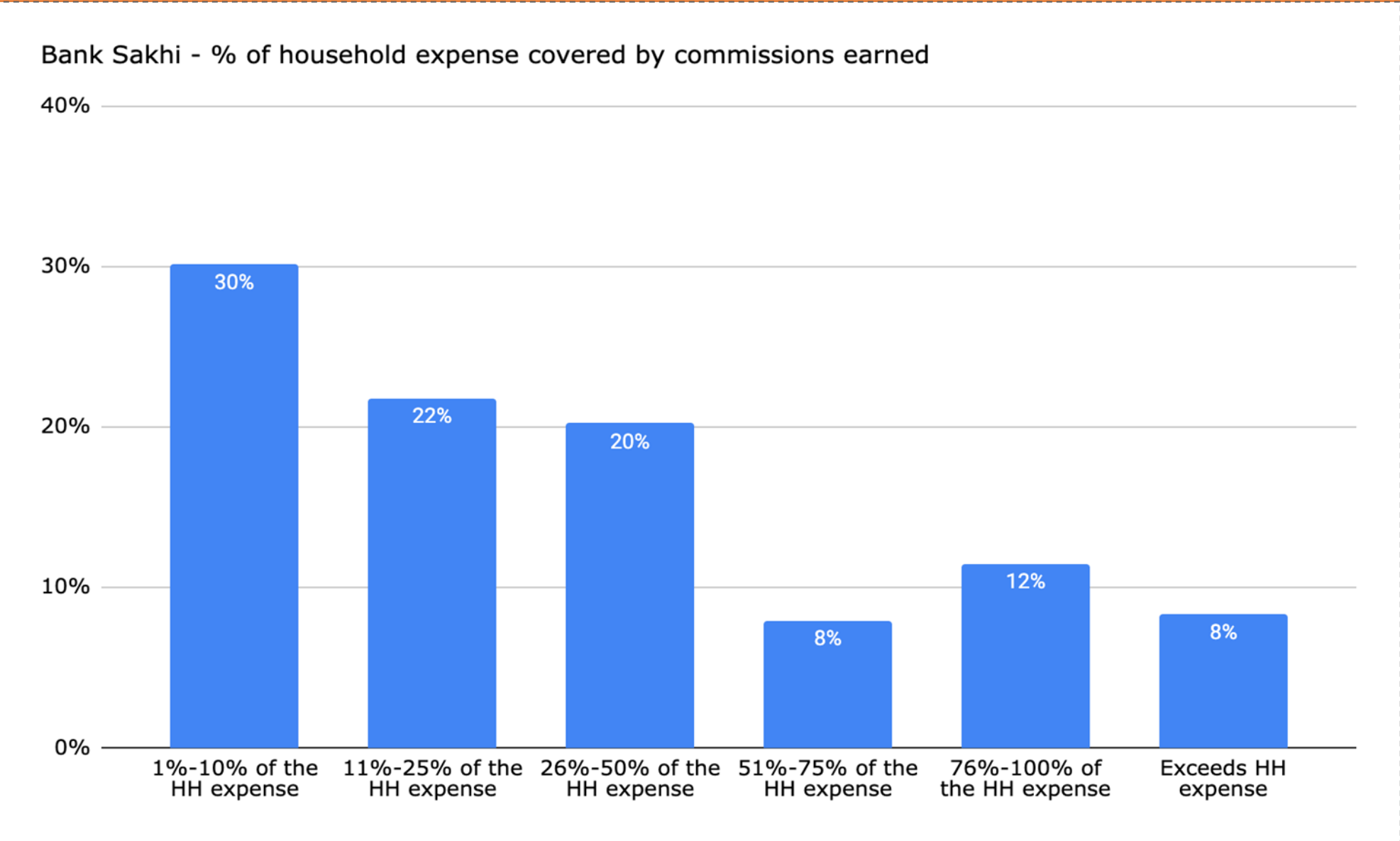


Benefits of CSP on the community





Bank Sakhis choose to spend their earnings improving their children's and immediate family's quality of life.



Improvement in overall lives of women after becoming a Bank Sakhi

67%

Reported an improvement in **VARIETY and QUALITY OF FOOD CONSUMED**

63%

Reported an improvement in **ACCESS TO MEDICAL FACILITIES**

70%

Reported an improvement in **EDUCATION FACILITIES FOR CHILDREN**

52%

Reported an improvement in **ABILITY TO INVEST (asset, jewellery etc.)**

94%

Reported an improvement in **COMMUNITY INTERACTIONS (in addition to CBO members)**

Top Goals Bank Sakhis want to achieve in the next 3 years



Provide quality Education for Children



Grow/Better their CSP



Buy/Build a House

At the end of the day all this hard work is for my kids and the family. The little savings I make from this job I utilise it to fulfill my children's needs. That way I am doing my bit of contributing to the household.

Sharmila Kumari, 28, Canara Bank, FINO

My goal is to earn enough to educate my daughters, help them get good jobs and finally get them married

- Sangeeta Kumari, 31, UBI, FINO, Samastipur

Being a Bank Sakhi improves their self-esteem and interactions with their communities. Their high self-esteem earns them respect from their family and inspires those around them.

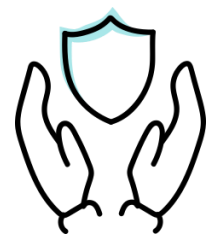


What Bank Sakhis have to say

I am aware that I am not able to earn enough from this job, but I don't have another source to turn to. At least I am earning some money than sitting at home - Sindhu Kumari, 26, Bank IDFC, CBC: FINO

I get so much of respect for doing what I do, people recognize me by my name. It makes me feel good about myself and I want to keep doing it- Neelam Devi, 42, UBI, FINO

With the money I earn, I am finally able to pay for tiny expenses at home and also pay for my children's tuition - Guddi Kumari, 28, ICICI, FINO



Even with the deteriorating will to work due to low commissions, Bank Sakhis are **holding onto their roles because of the social impact it creates.**



Tying **their income to tangible achievements** like children's education, rent, and groceries boosts their confidence.



Ecosystem Conflict

While Bank Sakhis are enjoying this newfound confidence and boost in self-worth, it is essential to note that navigating a male-dominated environment of CBCs and Banks provides frequent setbacks to making progress in their business.

The social and technical skills linked to being a Bank Sakhi have given themselves and their household members greater confidence in their ability to function independently, undertake day-to-day responsibilities, and succeed at them.

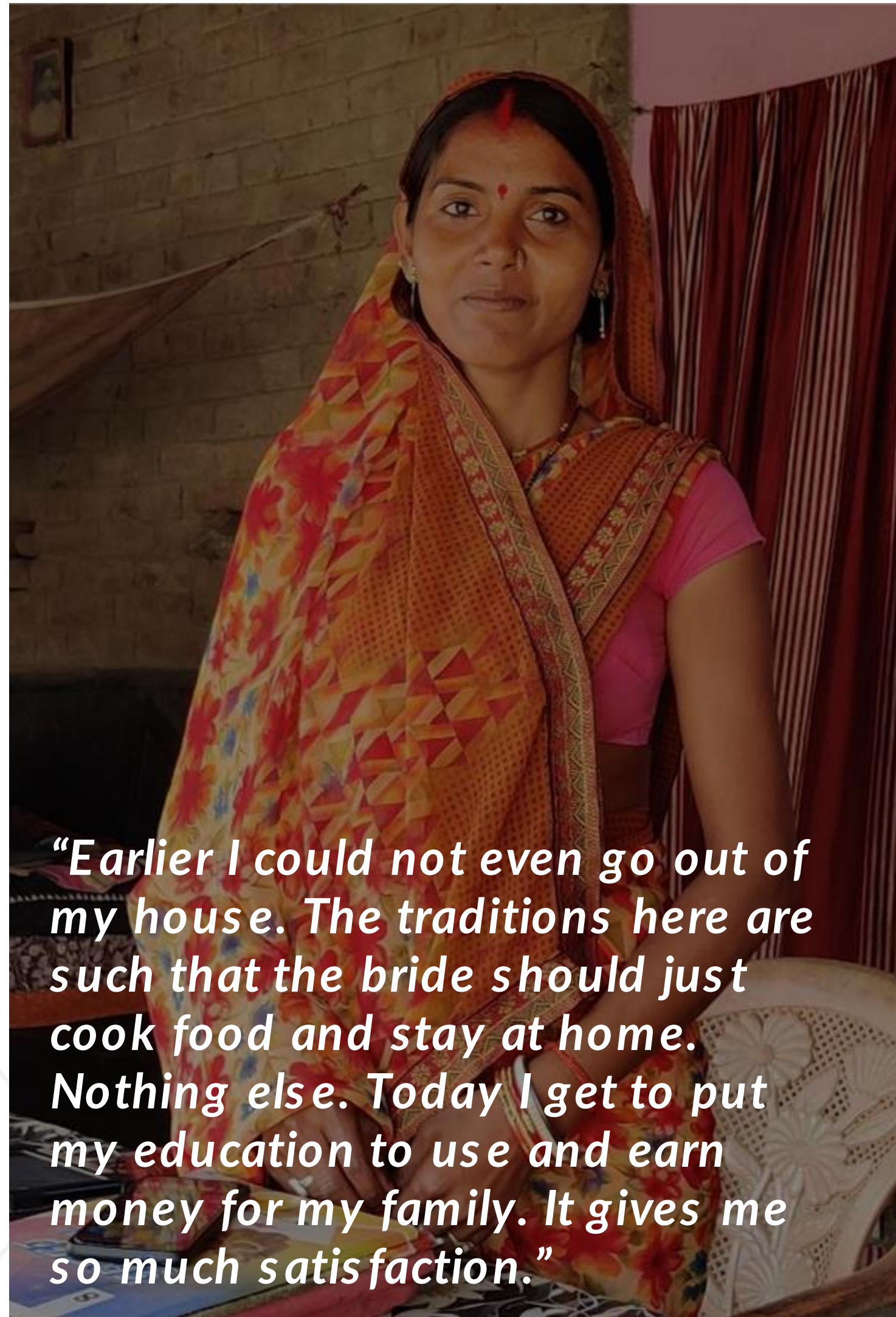
This, in turn, has a **cascading effect** in that it **encourages their neighbors and society to provide more freedom to the women** of the household.

The Bank Sakhi program has significantly improved women's ability to move more freely, without permission

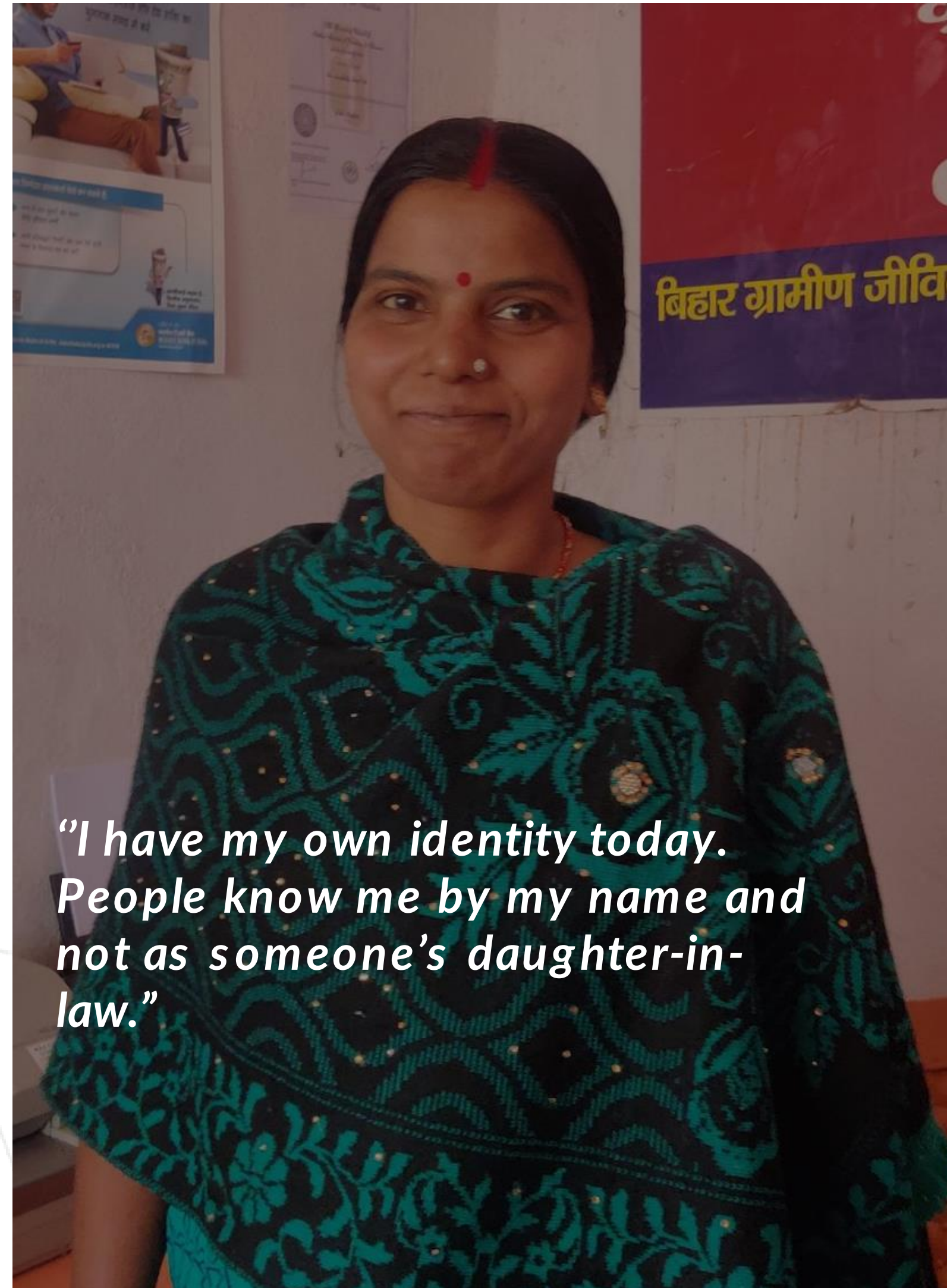
22%

increase in their ability to make spending decisions on the money earned by them

Individual Impact



“Earlier I could not even go out of my house. The traditions here are such that the bride should just cook food and stay at home. Nothing else. Today I get to put my education to use and earn money for my family. It gives me so much satisfaction.”



“I have my own identity today. People know me by my name and not as someone’s daughter-in-law.”



“I don’t have to ask anybody or my husband for money when I need it. Today I have my own money and the freedom to use it when I need it. I don’t have to depend on anyone else.”

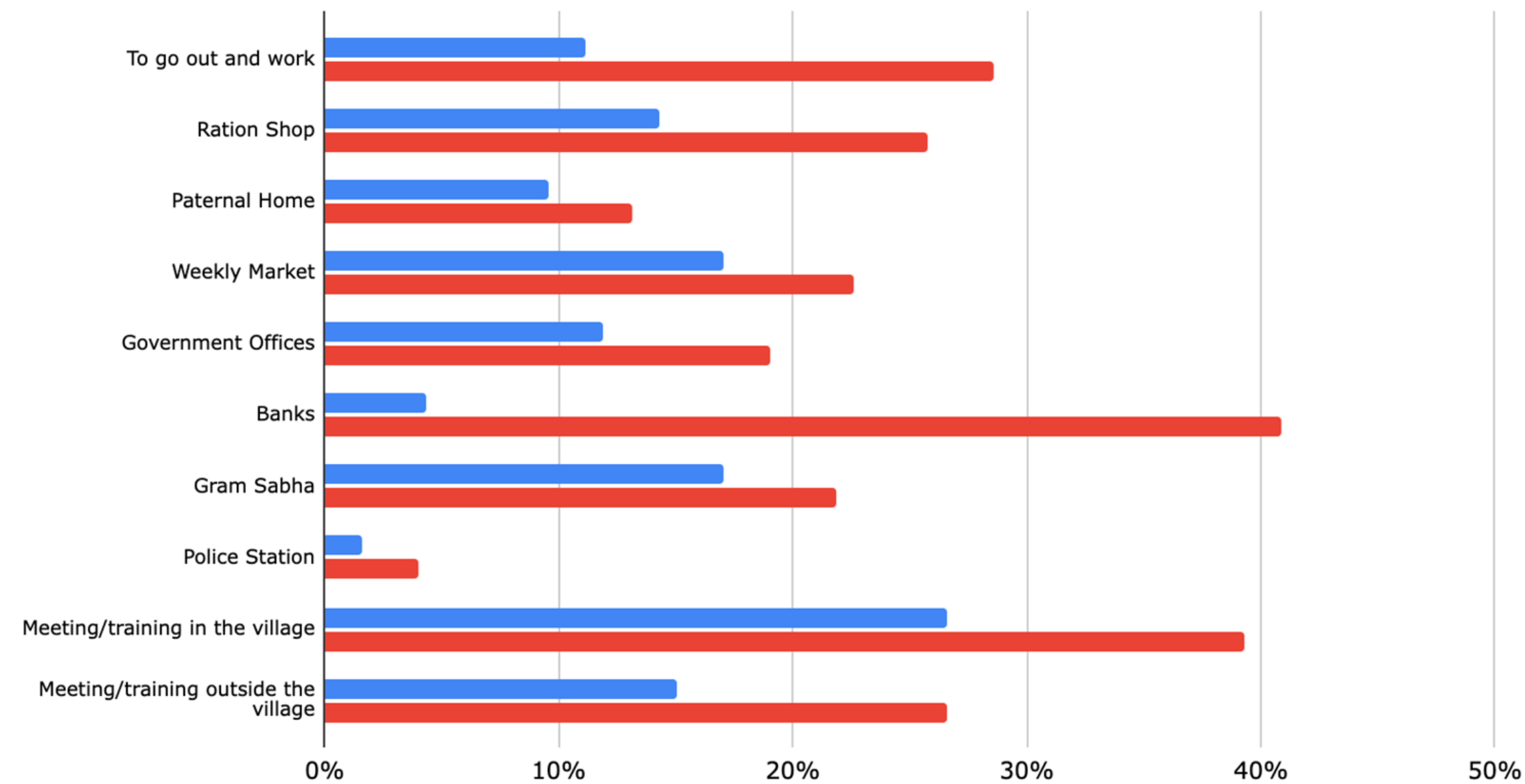
Impact on Self in relation to the Household

The Bank Sakhi program has significantly improved women's ability to move more freely, without permission

Being a Bank Sakhi has improved their involvement in their family decisions. Most notably, 22%+ increase in their ability to make spending decisions on the money earned by them.

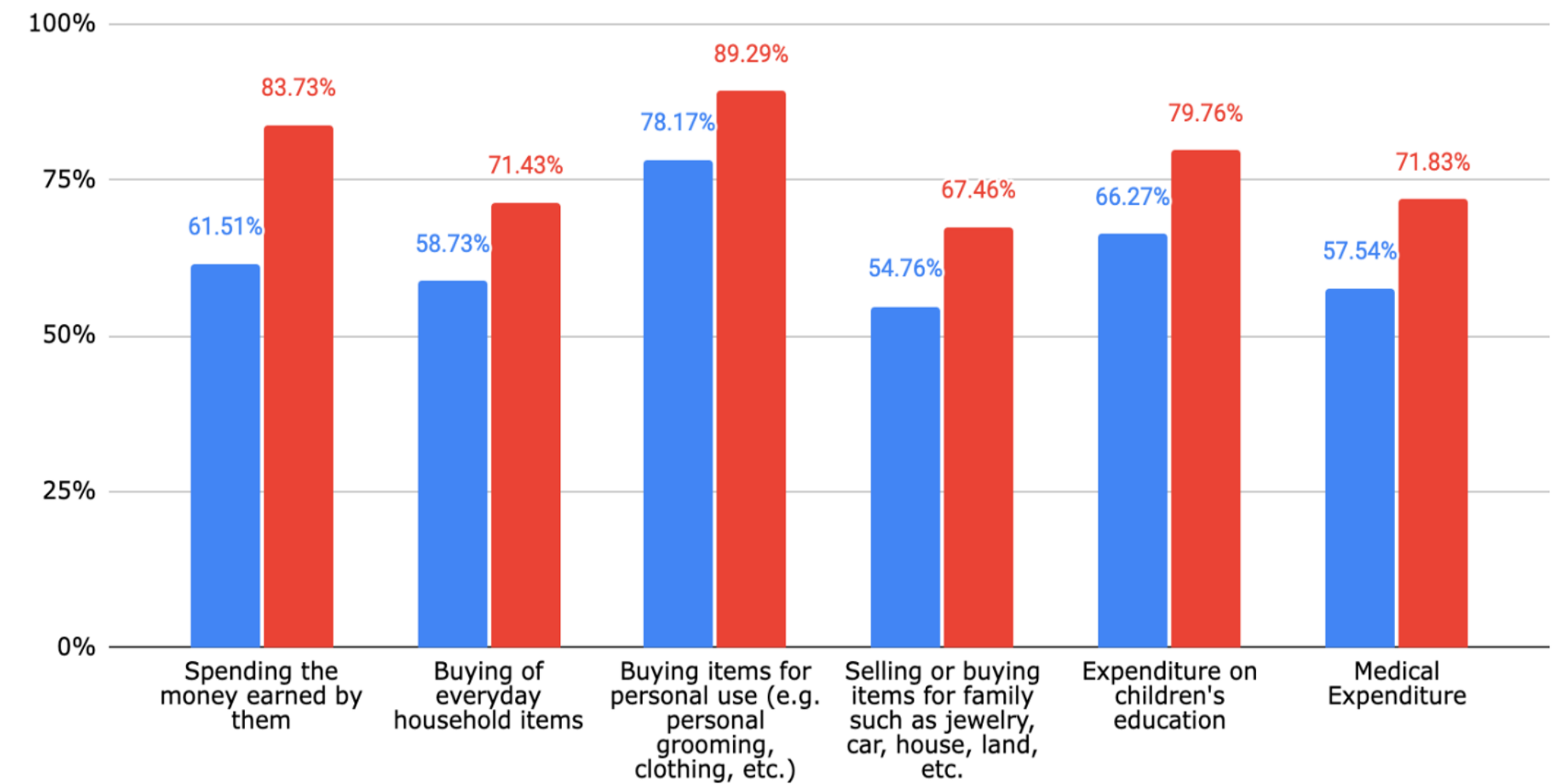
Agency - Need for permission BEFORE & AFTER

■ Didn't need permission BEFORE becoming a Bank Sakhi ■ Didn't need permission AFTER becoming a Bank Sakhi



Change in involvement in HH decision-making

■ Before ■ After



Impact on Self in relation to the Community



The social and technical skills linked to being a Bank Sakhi have given themselves and members of their household greater confidence in their ability to function independently, undertake day-to-day responsibilities, and succeed at them.

This, in turn, has a **cascading effect** in that it **encourages their neighbors and society to provide more freedom to the women** of the household.

Social Skills

The most significant improvement was in their interactions with the community.

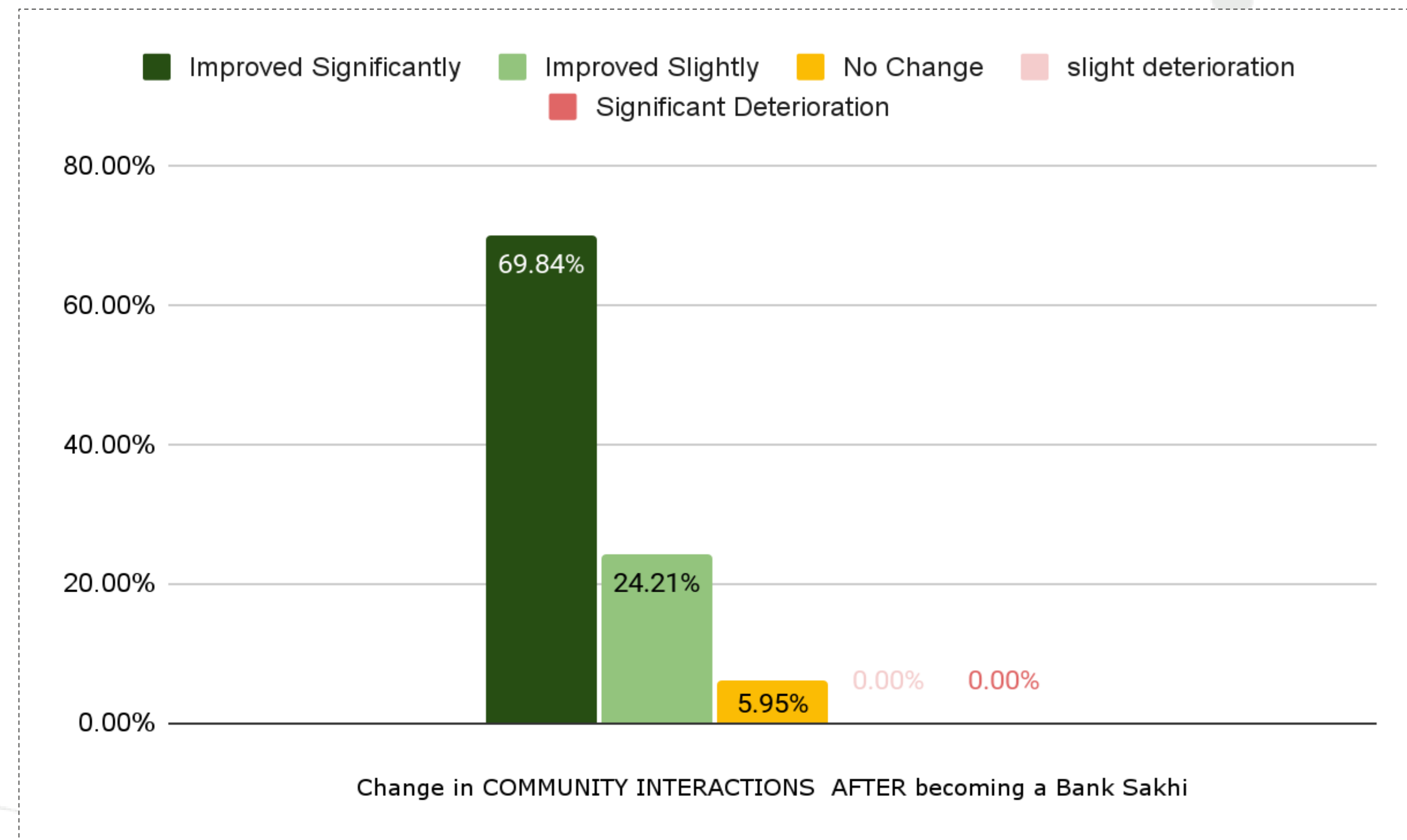
This improved interaction reflects their newly gained confidence from the skills they have adopted and in knowing to support and facilitate transactions and is also reflected in how society at large treats them.

Technical Skills

Basic banking knowledge, maintaining records, and basic computer skills were the top three skills developed after becoming Bank Sakhis.

Their role as Bank Sakhis has also equipped them with the know-how to operate devices they are very proud of.

Most believed this could open doors for them to work at a bank or in government service.



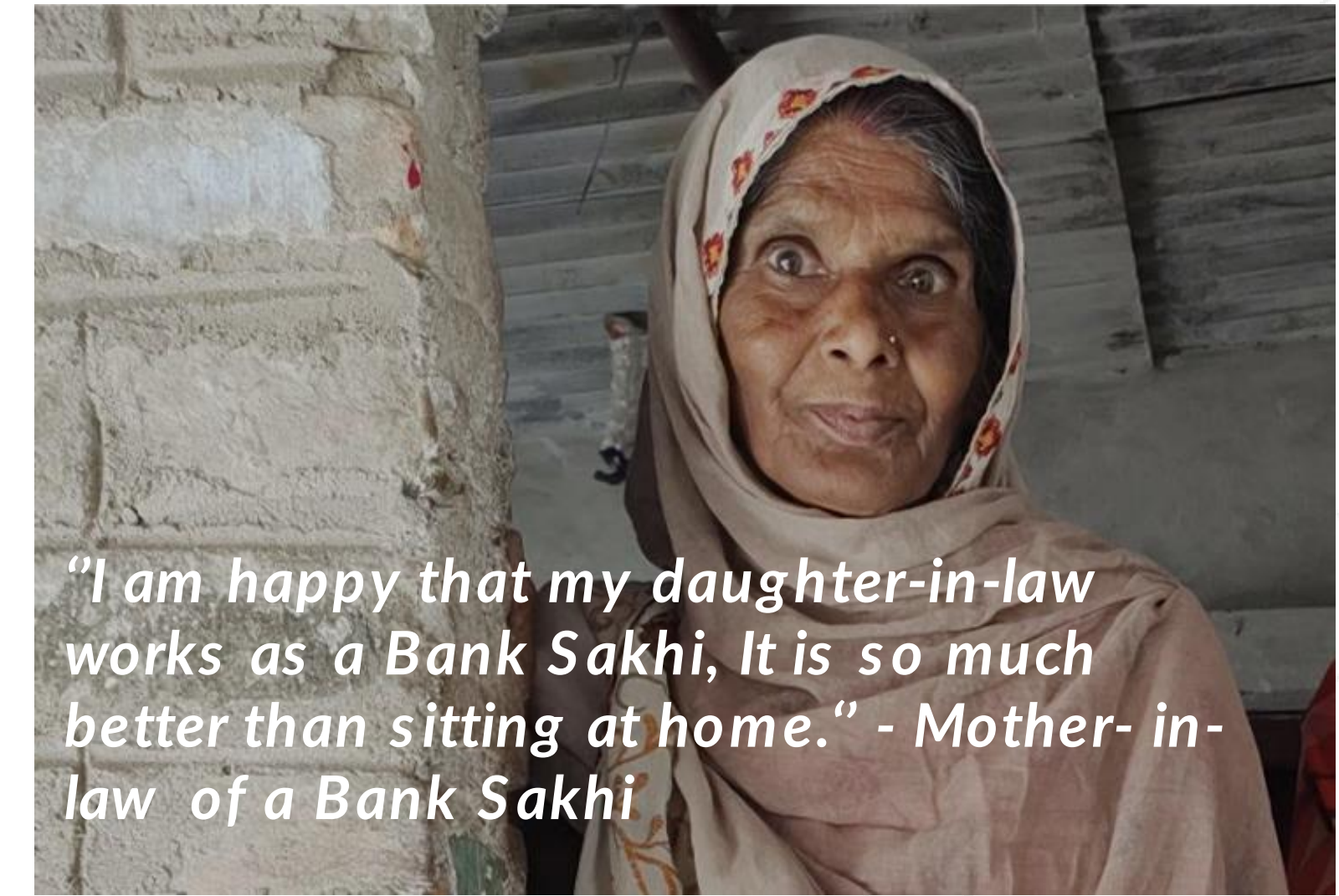
Impact on the Community



"Many people in my village are unaware about managing the money or doing transactions . As a Bank Sakhi I help them, especially women "



"I make it a point to talk about the services we have and how it can benefit my customers. Since I know their background I can even recommend what would be good for them "



"I am happy that my daughter-in-law works as a Bank Sakhi, It is so much better than sitting at home." - Mother-in-law of a Bank Sakhi

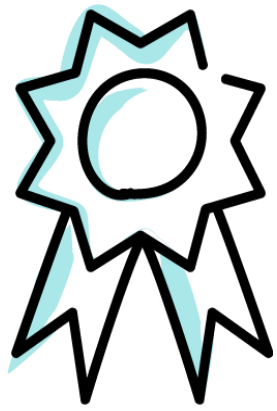


"Two of my neighbours have started working since I started working as a Bank Sakhi "



"We ask her for her opinion on household decisions because she is more capable today. She knows so much more because of the exposure she has." - Father of a Bank Sakhi





What do they
do
DIFFERENT?

1) Pension Product - Atal Pension Yojana

2) Insurance (PM Suksha Bima Yojana & PM Jivan Jyoti Bima Yojana)

3) Fixed Deposit / Cumulative accounts

4) Balance Enquiry of Savings Accounts

5) Fund Transfer:

a) upto Rs 22,000/- Union Bank customers

b) upto Rs 10,000/- Other Bank customers

6) Other Bank Transfer:

a) upto Rs 22,000/- Union Bank customers

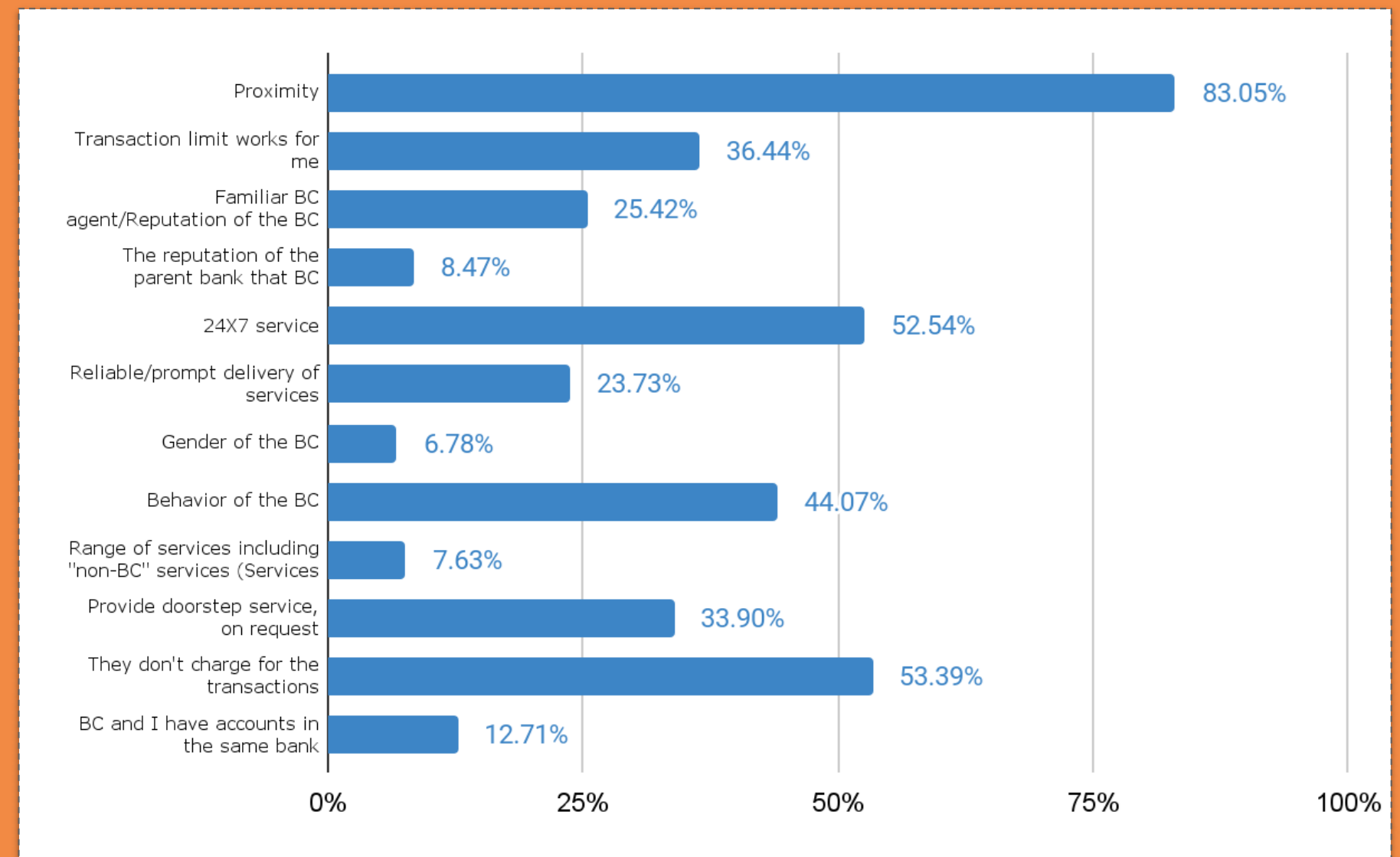
b) upto Rs 10,000/- Other Bank customers



Bank Sakhis provide an unparalleled experience to customers. However, there is no cost, effort, or time saving for CBCs and CBOs to work with Bank Sakhi over other Financial Service Providers (FSPs).



Key Reasons for Preference of Bank Sakhis



Customer Preferences to Avail Banking Services

62%

Of customers prefer to bank with Bank Sakhis

Compared to:

- 17% Male BC or CSP
- 14% Female BC or CSP
- 6% Any CSP Nearby
- 1% Bank

100%

Customers think working with a Bank Sakhi is easy or very easy

66%

Customers preferred Female BCs [incl. Bank Sakhis and Non SHG female BCs] over Male BCs

67%

Customers visiting a Bank Sakhi are female

Customer benefits across Financial Service providers

Each financial service provider (Bank Sakhi, Other BC (Male) and Banks) provides a different level of experience across different types of customers.



CUSTOMERS

	BANK SAKHI	MALE BC	BANK
Proximity	Yes	Yes	No
Not Being Overcharged	Yes	No	
Positive Experience Approachable, relatable, short wait time, find workarounds to meet customer needs	Yes		No
Do It With Me	Yes	No	No
Convenience Doorstep service and 24/7 service	Yes	No	No



CBCs

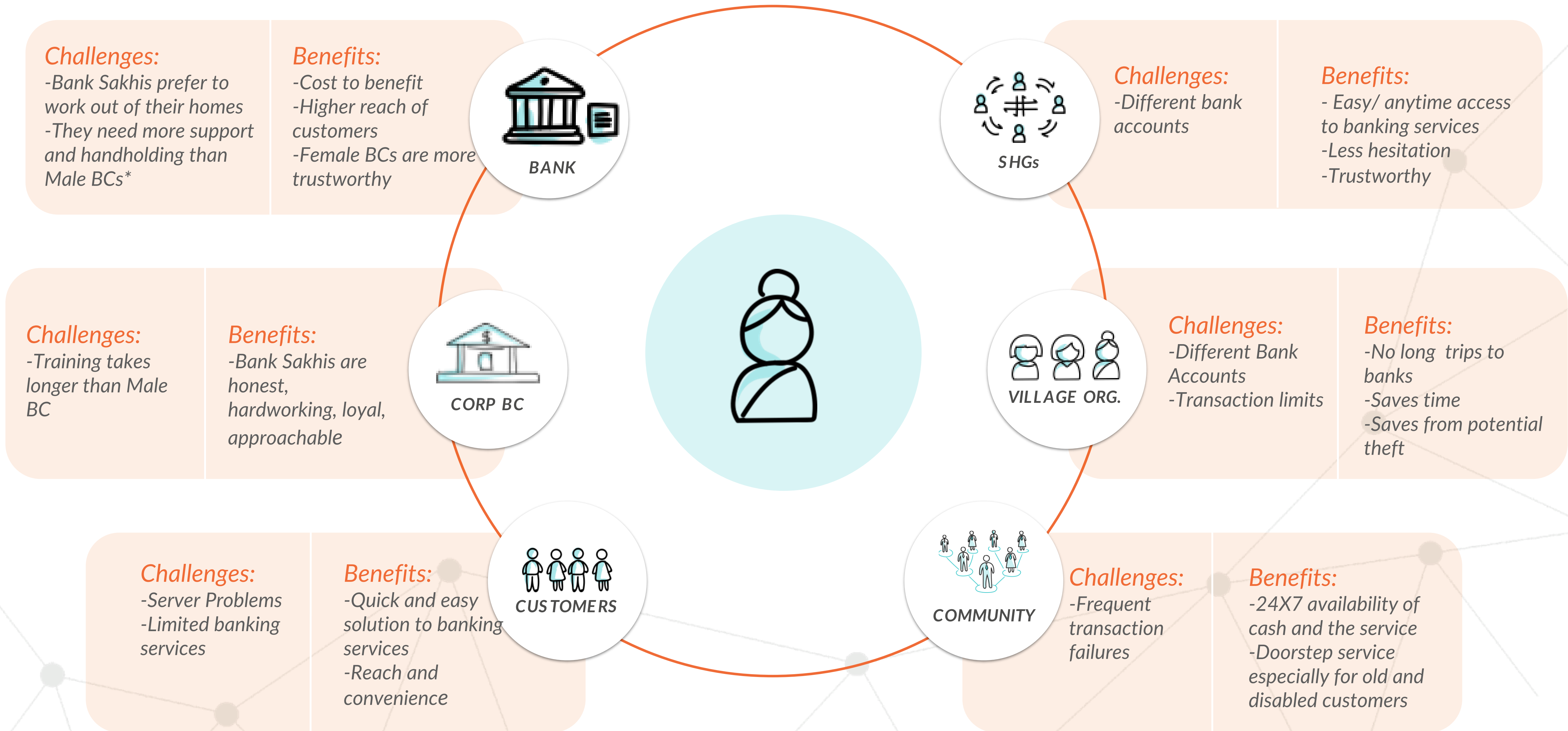
	BANK SAKHI	MALE BC	BANK
Low Cost of operation	Yes	Yes	NA
Higher Reach	Yes	Yes	NA
Positive Experience Work ethics, honesty, Loyalty	Yes	No	NA
Low Risk	No	Yes	NA



CBOs

	BANK SAKHI	MALE BC	BANK
Proximity	Yes	Yes	No
Not Being Overcharged	No	No	Yes
Positive Experience Approachable, short wait time	Yes		No
Convenience doorstep service and 24/7 service	Yes	No	No

Perspectives on working with a Bank Sakhi- by Stakeholder



*There is no direct challenge that banks face with the Bank Sakhis as the CBCs act as a mediator

Benefits They Deliver



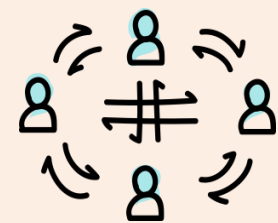
Bank Sakhis are the preferred channel. Top 3 benefits:

- Proximity
- 24x7 service - They are available at all hours of the day and have catered to customers in innumerable emergency situations
- They don't levy charges for the transactions which several male BCs do



Customer Empathy

Bank Sakhis have deep empathy for customers like them and can extend the patience and kindness to guide them through transactions. Bank Sakhis ease customers into the process and guide them without making customers feel ashamed about not having the knowledge or not knowing the process.



Suggest better financial behavior

Bank Sakhis generate awareness in their community about the different banking services and encourage customers to adopt good financial behavior.



Make it simple for the community

Enrolling clients to open accounts. Create awareness about the service, benefits and also fill up forms.



Accountability and transparency

Provide accountability and transparency with their registers and verbal/visual cues in the form of receipts. They pay customers out of their pockets while retaining their Aadhaar card in the event of failed (stuck) transactions.

Of all the customers surveyed none had instances of previous disputes with Bank Sakhis or had been given reasons to have an external party intervene to solve an issue at the Banks Sakhi CSP

Bank Sakhis prioritize serving their community ahead of their business viability and, as a result, improving financial inclusion to especially vulnerable sections of society.

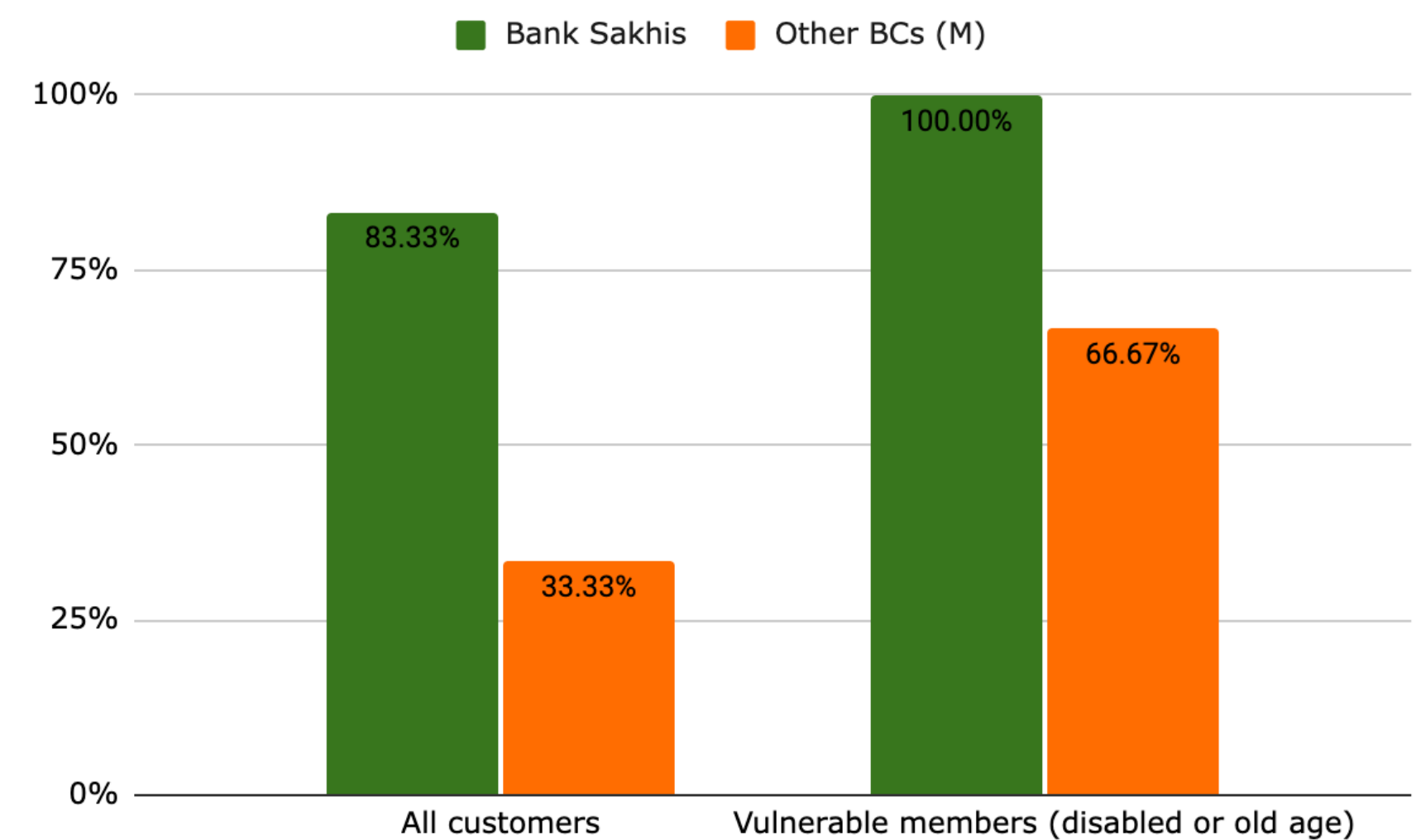


I get to serve my community, becoming a bank sakhi has enabled me to help people who are helpless, old or extremely poor. This is the part of the job that makes me feel proud about myself! - Nikita Kumari, UBI, FINO

- ✓ Bank Sakhis cater to 20% more female customers than Male BCs serve the same proportion of female customers as their overall customers.
- ✓ As compared to Male BCs, Bank Sakhis serve 33% more students, the aged, and customers with disabilities, improving the financial inclusion of the vulnerable sections of society.
- ✓ 80+% Bank Sakhis provide doorstep services, while 33% of Male BCs offer it to vulnerable customers.

This indicates how Bank Sakhis prioritizes the service they are doing to the community over the viability alone.

% of BCs providing Doorstep services





Challenges and
RECOMMENDATIONS
for improvement



ग्राहक सेवा केन्द्र Customer Service Point



ग्राहक का नाम : रंजु कुमारी
Bank Sakh : Rinju Kumari
: गोही टाँरा (माधोपुर)
: Gohi Tara (Madhopur)
: 9708191772
: 7371016906

बैंक सखी एजेंट कोड : 21047825
Bank Sakhi Agent Code : 21047825
हेल्पलाइन नं० : 1800222244
Helpline Number : 1800222244

ATM कार्ड द्वारा जमा, निकासी

हमारी विशेषताएँ :-

- * बचत खाता खोलना *
- * आवर्ती जमा (RD) *
- * सावधि जमा (FD) *
- * जमा *
- * निकासी *
- * आईएमपीएस *
- * आधार से लेन देन आदि

आस्था जिविका ग्राम संगठन द्वारा प्रायोजित
Sponsored by Aastha jeevika Village Organization





Bank Sakhis take a significant amount of time to break even due to limited services and puts in much effort to accelerate the break-even point with non-banking services.

I utilise all my earnings to run the CSP, there is hardly anything that I am saving for myself- Rinju Kumari, 30, UBI, FINO, Samastipur

The device that I was given, keeps crashing. I lose out on customers quite often. Its been a long time since I have registered a complaint but there is no response from the other side, so I am saving to buy a new device now
- Kavita Kumari, 32, IDFC, FINO, Darbhanga

I want to expand my business by providing other services, but the bank won't lend me money on my CSP earnings
- Rita Kumari, 45, CBI, Synapse, Muzaffarpur

I love everything about the job, I would love to make it a sole source of income as well but earning 3-4k a month is not enough- Rani Kumari, 29, CBI, FINO

Lack of capital and liquidity challenges results in them having to avail loans to grow their business

Poor device quality resulting in frequent expenses and the need to buy new equipment

Bank Sakhis stated that they needed help from the bank with liquidity and passbook printing

Bank Sakhis stated that they needed help from CBCs with issue resolution and quicker fixing of device

24% Perceive threat while carrying cash themselves, out of which **~6%** of them have **personally** faced one.

107 need help with liquidity to improve service quality

79 said they need help with issue resolution to improve service quality

15 customers suggested improving the service quality by providing passbook printing. Other than this customers are happy with the quality of service by Bank Sakhis.

56 said they need help with getting their devices fixed faster to improve service quality

58% reported low liquidity for everyday transactions

79% reported that their fingerprint scanner doesn't work with the elderly

88.5% reported 'lack of access to finance to expand their business' a major business challenge.

32% reported 'mounting expenses due to frequent replacement of faulty devices' as a challenge for running CSP operations

70% earn enough commission to cover their monthly CSP operational expenses

31% could earn enough till date to cover their Capex and Opex.

41 MONTHS Average tenure to achieve break-even point ((COMMISSION + GRANT) > (CAPEX + OPEX)) for the Jeevika model to prove viable to the Bank Sakhis.

For **62%** of their monthly CSP earning (~3900) goes towards paying loan installments (~1000)

To bridge this gap they provide addnl services

35.6% Mobile recharge	8.8% DTH recharge	10.8% Utility Payments
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Challenges faced by Bank Sakhis



WHO they are



WHAT they do



BENEFIT to them and community

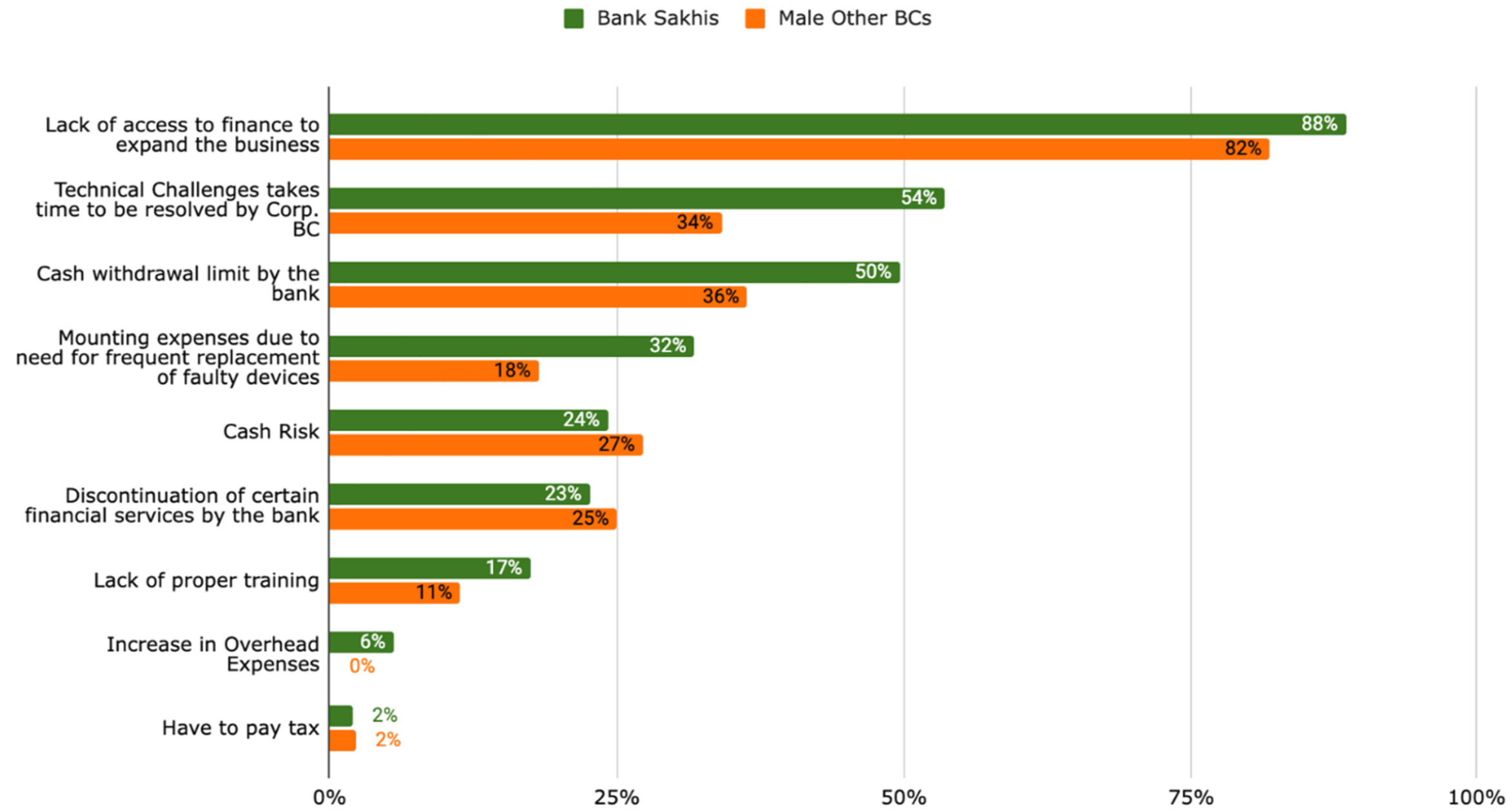


What they do DIFFERENT?

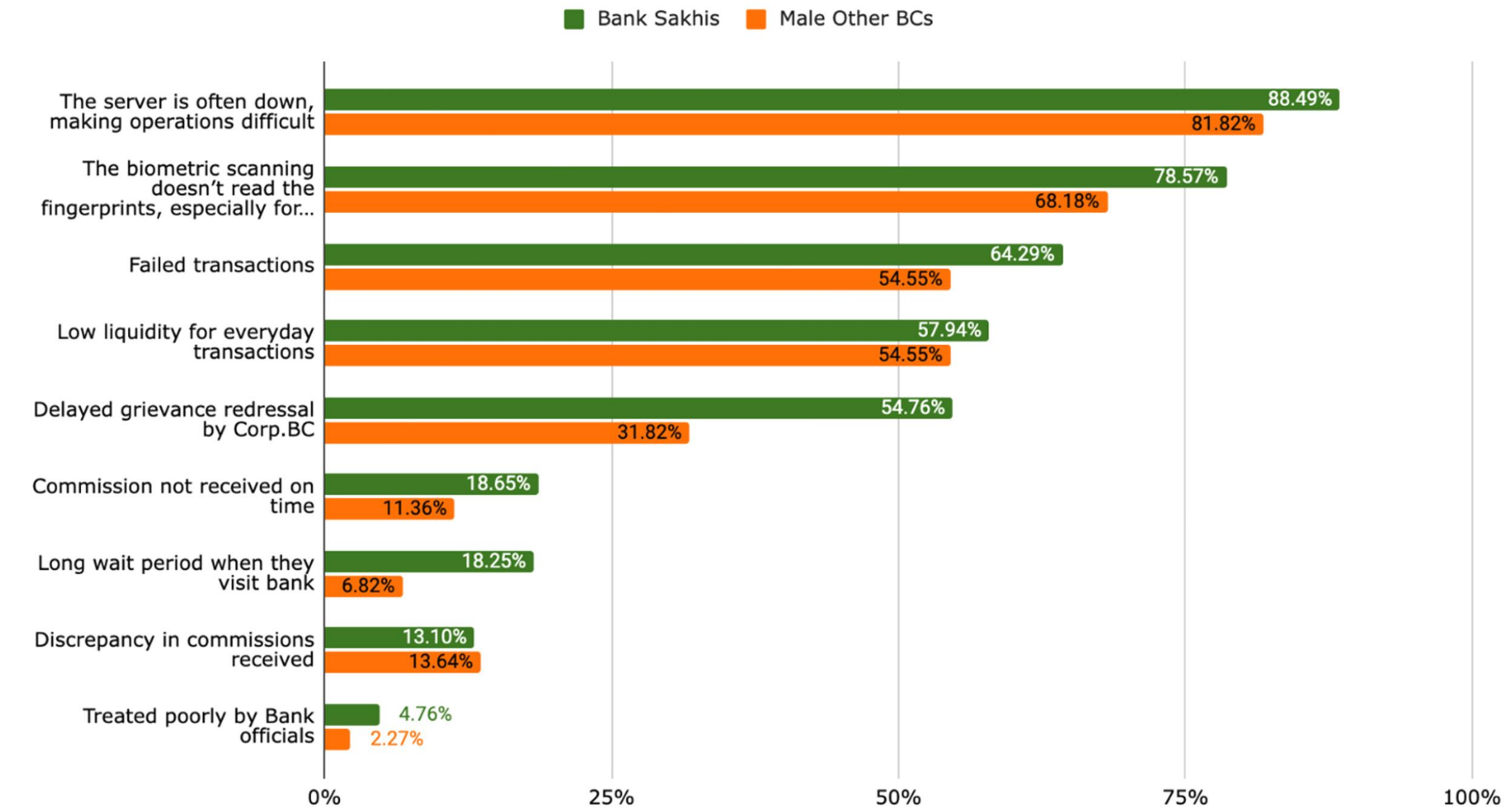


RECOMMENDATIONS for improvement

Business challenges



Operational Challenges



Bank Sakhis don't see networking as an asset to their business but as a liability. They perceive work hours spent outside their CSP as non-productive.



I do not get invited to the VO meetings so why should I go?-

Who will look after the CSP? If I go to those meetings I will lose out on customers.

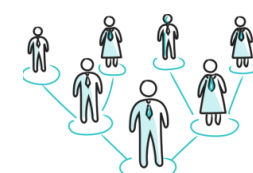
The women don't want to come to my CSPs because they have to pay an extra fee for the fund transfer.

I try to spread the word about my business through my customers. There is nothing more I can do.



Bank Sakhis do not fully leverage their connections at the CBO meetings to grow their business

- Bank Interviews (DBGB) and observations from the field



Bank Sakhis are dependent on the support provided by JEEViKA but don't fully tap into the network (SHG groups and CBOs) offered by the organization to expand their business

"Non JEEViKA BCs do better because they don't rely on JEEViKA" - DBGB Bank

- Bank Perception based on conversations in the field



While SHG and CBO meetings are critical for social and economic support they tend to take up a significant chunk of the Bank Sakhi's work hours as CBO meetings cover a range of topics and activities and are not confined to Bank Sakhi roles alone

- Bank Sakhis across all the districts visited

Reasons for transacting at a Bank over Bank Sakhi CSP:

SELF HELP GROUPS

"The CSP is not nearby."

"I don't get charged a fee for deposits and withdrawals. It's easier to do it at the bank and the Bank Sakhi CSP needs all 3 office bearers fingerprint for withdrawal."

"There's no Bank Sakhi CSP here and the CSP here has a different bank account than the SHG account."

VILLAGE ORGANISATIONS

"No Bank Sakhi CSP nearby."

"No withdrawal service at the CSP Bank accounts are different."

"CSP and Bank is in the same area so the head tells us to go to the Bank, don't trust the Other CSP."

CLUSTER LEVEL FEDERATIONS

"There is no Jeevika CSP here."

"Dual Authentication facility is not available at the CSP."

"CSP is 4 kms away and our banks are different."

"CSP charges a high fee for the transaction."

No challenges were recorded as the CBOS surveyed do not transact at the Bank Sakhi CSP.

In an environment riddled with operational and technical challenges, the presence of transaction evidence breeds trust between the digitally unaware customer and Bank Sakhi, who typically enjoy the trust of customers.

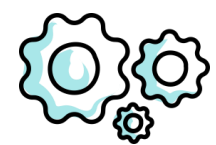


I experience transaction failures all the time. I have to pay off of my pocket to avoid handling difficult customers - Sindhu Kumari, 26, IDFC, FINO, Vaishali

Many CBO members have stopped coming to my CSP because they think I steal from them if a transaction failure happens - Sindhu Kumari, 26, IDFC, FINO, Vaishali

Due to several transaction failures, we decided to put out a warning board that says the bank is responsible for the failure and the customer must wait 48hrs to receive their money. This has helped us avoid many difficult situations - Divya Kumari, FINO payments Bank, Samastipur

My customers demand for a transaction slip. For them it's a proof of their transaction, it builds trust, so I make sure I am keeping printing rolls handy - Sangita Kumari, 31, UBI, FINO, Samastipur



Bank Sakhis have found their workaround for potential mistrust by providing receipts and printing passbooks for the customers
- *Bank Sakhis across all the districts visited*



Bank Sakhis can be at risk of reputation loss

Due to low digital awareness of the people in areas where bank sakhis operate, it is difficult for a customer to understand the concept of their money being stuck
- *Bank sakhis and observations from the field*



Bank Sakhis lose customers from being out of service: If issues last longer than 2 weeks they start to lose customers to banks or other CSPs. Other FSPs seem more reliable than them and this could be a potential threat to their business
- *Bank Sakhis across the districts visited*



Female BCs enjoy the trust of their customers over Male BCs but **increasing link and transaction failures could put them at risk of being perceived as untrustworthy**

26%

provide Passbook update service to their customers in order to preserve their customers' faith on them.

88%

of them find 'server down' as a challenge. Challenges that crop is can erode customers' trust upon the BC agents.

64%

reported 'failed transactions' as a challenge

54%

reported that technical issues take time to get resolved by the CBCs.

Bank Sakhis function in a male-dominated ecosystem that is hard to navigate on their own while they are learning to use their voice.



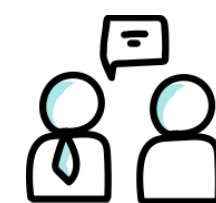
My husband has good relations at the bank so he visits the bank more often than I do - Rinju Kumari, 30, UBI, FINO

A lot of hand holding goes into managing a Bank Sakhis since they don't have prior understanding of the field. It is easier with the men, they don't need constant supervision - Ast Branch Manager, UBI, Samastipur

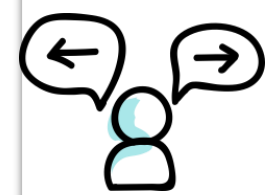
The bank representative have spoken rudely to me several times in the past, so I manage the cash from petrol bunks near me- Pushpalata, 36, IDFC, FINO, Samastipur



Bank Sakhis are at a disadvantage while trying to navigate financial and technical issues as FSPs are dismissive of them due to their diminished awareness
- Bank Sakhis across all the districts visited



It is easier for male BC agents to build an informal rapport with the bank officials and CBCs which makes it more likely to get support and responses from them
- Our perception based on the interactions with Male BCs



Bank Sakhis find it difficult to establish a good rapport with the FSPs by virtue of them being male and hence depend more on their husbands to interact with them
- Observation from the field research



Ecosystem conflict: Bank Sakhis are expected to have technical and financial know-how after their initial training. The reality is that they are dependent on others
- Observation from the field research

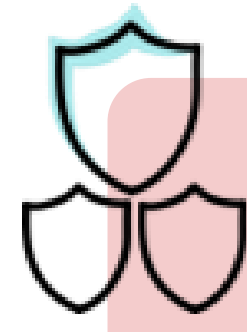
~55%

Believe delayed grievance by the CBC as an operational challenge to their CSP operations

54%

reported that CBCs take a long time to resolve technical issues which affects their business.

Bank Sakhi Pain Points



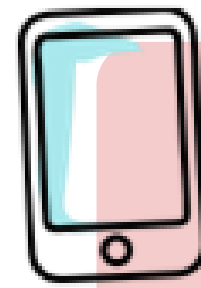
Parent banks are dismissive of their needs



Lack of capital and liquidity challenges results in them having to avail loans to grow their business



Recurring technical and network issues that result in failed transactions and leads to customer mistrust



Poor device quality resulting in frequent replacements or the need to buy new equipment



Limited products and services to offer to customers. Discontinued services by banks leading to loss of income



Safety of the Bank correspondent during the transit between the bank branch and CSP



Bank OD limit is insufficient to fulfil transaction demands. Especially during festivals and when pension and education schemes are to be disbursed



Inability to take a day off due to high dependency on Bank Sakhis for the CSP to function



Marketing is limited to word of mouth and the promotion of services at the CSP

PAIN

LOW

MEDIUM

HIGH

Workarounds to overcome challenges in the service

BCs need to think on their feet and find workarounds for challenges that crop up during work. To ensure they don't hit any roadblocks that might delay them in servicing their customers they have developed smart hacks to ensure business continuity.

1



Petroleum jelly for calloused and hardened fingertips

BCs keep petroleum jelly handy to enable better fingerprint reading of calloused and hardened fingertips of customers doing manual labor.

2



Provide cash advances during emergencies

Bank Sakhis provide cash advances to customers they know well when the server is down and when there are delays in transaction due to network issues.

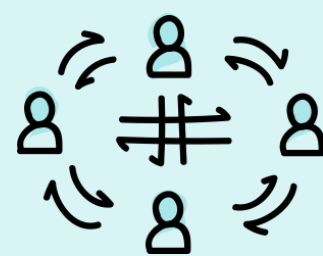
3



Coordinates bank visits with customers

As Bank Sakhis are more knowledgeable than the average customer, Bank Sakhis coordinate bank visits with customers who want the support and help at banks. Eg: account opening, form filling, money transfers, etc. They get their work done while also enabling their customer interactions with the bank.

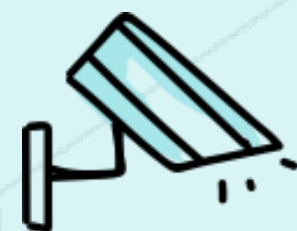
4



Liquidity network for everyday cash needs

To minimize travel time and the risks associated with travelling with cash to and from banks, BCs have created their own liquidity network with petrol pumps and shop owners. They seek out partners with high value cash deposits in their vicinity to fulfil everyday cash needs.

5



Security cameras to the rescue!

Since BCs deal with customers with low levels of financial and technical awareness they are more prone to misunderstandings arising when faced with technical issues in the middle of transactions. To prevent discrepancies that may arise during transactions a few BCs have installed security cameras which have proven to be useful when customers raise issues..

Recommendations - Operational



WHO



WHAT



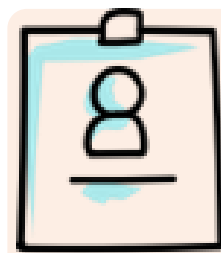
BENEFIT



DIFFERENT



RECOMMENDATIONS
for improvement



Templatized Record Keeping

Bank Sakhis using templated records maintained better books than those that did not. However, these templated records were expensive so many preferred regular notebooks instead. Scope to improve better record maintenance by **providing a standard template for all Bank Sakhis to adhere to.**



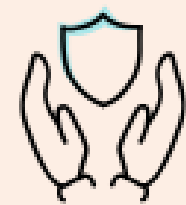
Inclusive Biometric System

Majority of customers in rural Bihar are manual workers and farmers so fingerprint scanning is a challenge due to their calloused fingertips. Few BCs have Iris scanners to overcome this problem, but this being an expensive add on, it isn't commonly used. **Alternate biometric scanning systems** to be provided to overcome the fingerprint scanning challenges.



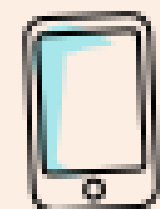
Proof of transaction and provide reassurance to customers

Customers are skeptical of digital transactions, however receipts and passbooks are a way of validating deposits and withdrawals. Providing Bank Sakhis a **proxy for the passbook** would minimize the time they need to spend at the bank updating them and also address customer disputes that might arise from failed or stuck transactions.



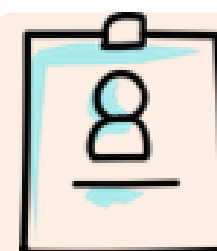
One stop grievance redressal

Bank Sakhis interact with several stakeholders in their ecosystem regarding their business operations. However the ecosystem does not comprise of a **systematic one stop grievance redressal channel** for their concerns that provides issue resolution dates, escalation contacts, etc.



Digital transaction records on the app

Bank Sakhis don't have a formal, digital transaction record through which they can track the commissions earned. Where available it was only visible for a week. A **dashboard** that provides insight into their transactions completed and commissions earned will improve their ability to reconcile transactions and also provide evidence of transactions to customers during transaction failures.



Sub-operators for Bank Sakhis

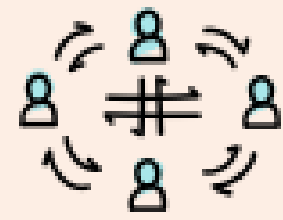
Since Bank Sakhis do not operate in isolation and enlist the support of their family members to carry out transactions, they would benefit from having a formally nominated sub-operator. Sub-operators could step in on days that Bank Sakhis would otherwise not be available. Ensures no lost working days and commissions. Sub-operators could undergo training for specialized services depending on their capability.



Kiosk Vs EPOS devices

Bank Sakhis who are Kiosk users earn much higher commissions and have the propensity to pay off their loans much earlier because of increased transactions and higher commissions. Scope to understand this further with research and data.

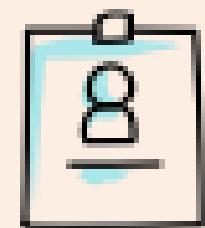
Recommendations - Business Growth



Foster formal cash flow channels

The biggest need for CSPs is to balance cash rotation for daily transactions. Fostering formal cash flow channels through partnerships with local businesses, MFIs, etc. could help ease cash shortages.

Given the volume of transactions that SHGs, Vos, and CLFs (Cluster Level Federation) carry out there is an immense opportunity to enable CBOs to leverage the Bank Sakhi channel. In turn, increasing their earning potential and easing cash flow shortages.



IIBF Certification to be more than a frame on the wall

Bank Sakhis are aspirational and seek to grow. There is potential to leverage the IIBF certification to encourage continuous learning and growth and add on skills to their existing 'resume.' The certification advances could encourage Banks to extend their service offerings with qualified Bank Sakhis.



Continuous training

While one of their objectives as a Bank Sakhi is to create awareness about banking services, there isn't enough training provided to equip them with the practical skills to perform all financial transactions.

To expand their business and the range of services they offer it is critical to empower them with the right skills through more regular training programs.



Improve viability

Data indicates that services like account opening and passbook printing improve footfall and such Bank Sakhis also earned higher commissions as a result.

Schemes/savings mechanisms introduced formally through JEEViKA that are geared towards Bank Sakhi needs like children's education, business growth will allow for a portion of the commissions being redirected towards improving their lives.



Reduce tension between Bank Sakhis and CBOs

There is a mismatch of expectations between Bank Sakhis and CBOs regarding transactions. CBOs expect Bank Sakhis to visit the meeting location to enable transactions, when possible and Bank Sakhis state that they cannot close their CSPs to attend CBO meetings and enable transactions.

Observation: CBO meetings have procedural norms that are important but time consuming.

Recommendation: Bank Sakhis can be assigned a 30 min-1 hr window within the meeting agenda to support transactions. Saves time for Bank Sakhis and improves volume of transaction, saves time, money and effort for CBOs.

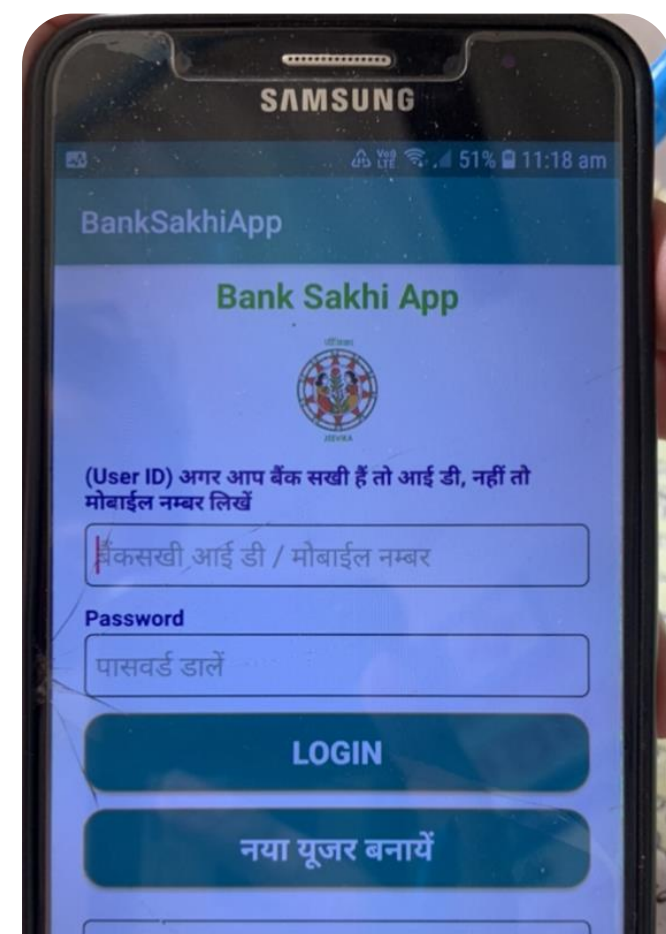


Proximity to Bank Sakhi CSPs along with cost efficiency

The primary reason for CBOs to visit a transaction point is proximity. However, proximity without cost efficiency would only result in them choosing the Bank over the Bank Sakhi. CBOs and Bank Sakhis have different bank accounts which result in high fees during inter-bank transfers.

Subsidising the fees levied on high volume/interbank CBO transactions would encourage CBOs to transact at close by Bank Sakhi CSPs thereby unlocking liquidity issues that Bank Sakhi's frequently face. Promoting more Bank Sakhis, especially in the vicinity of CBOs will solve for the need for proximity.

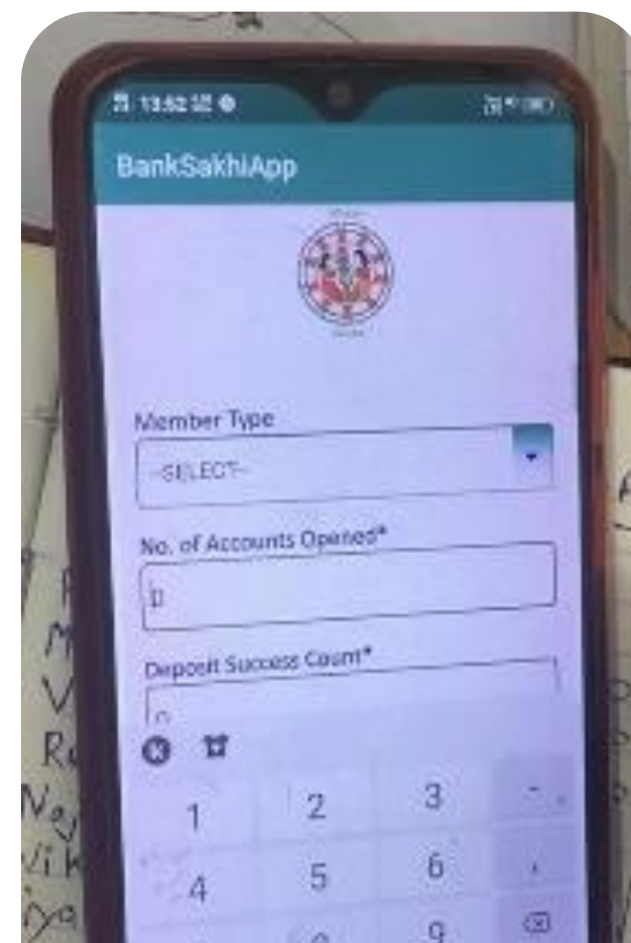
Bank Sakhi App - Capturing the process



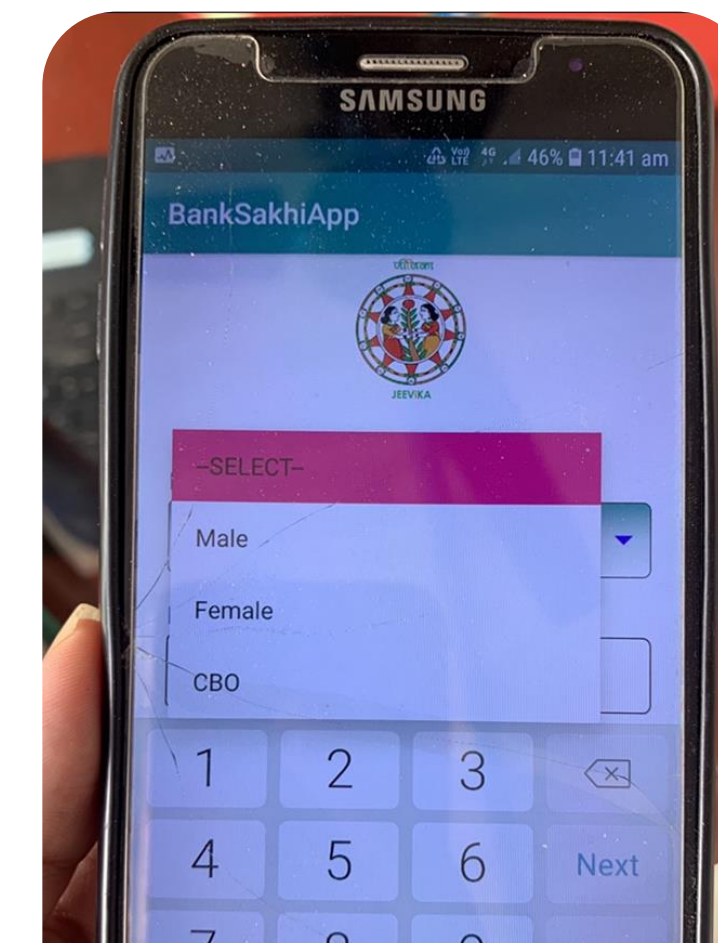
Login



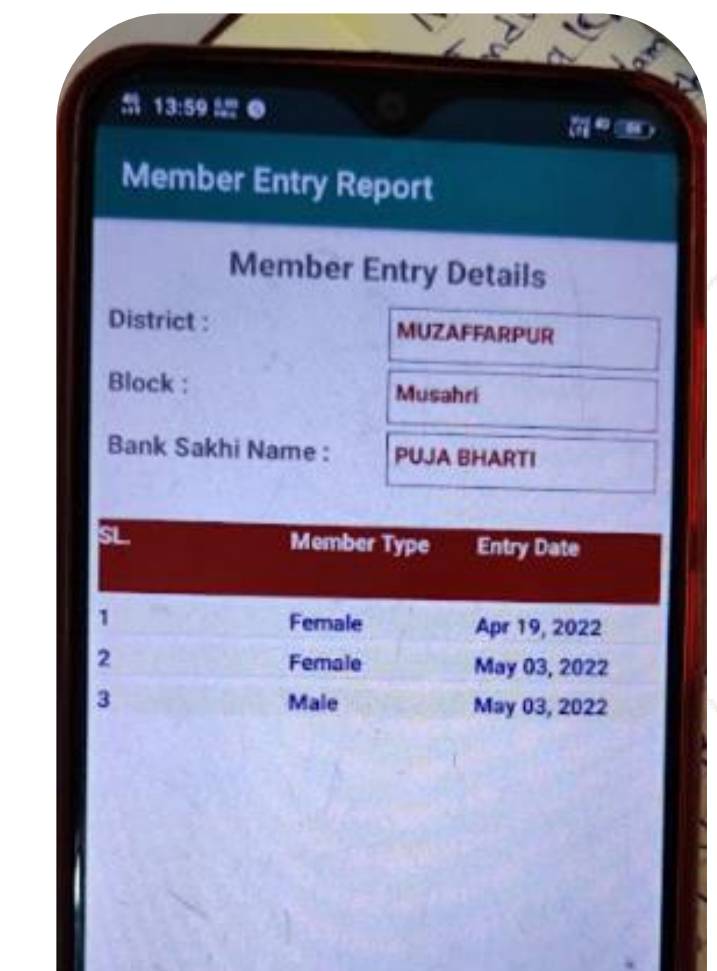
Customer information screen



Data Entry



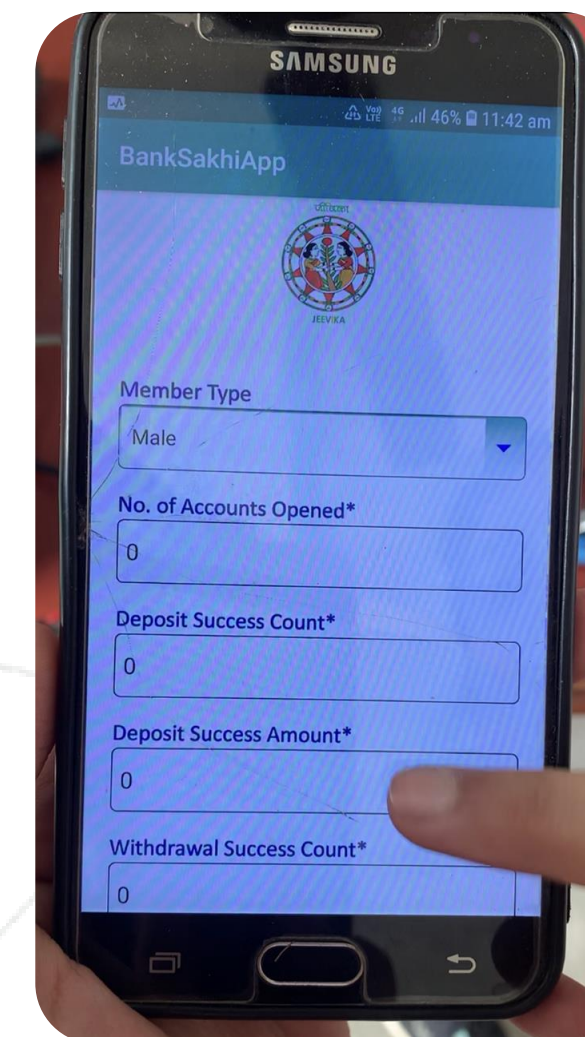
Gender-wise data entry



Gender - wise entry report

Gender disaggregated data entry for -

- No. of Accounts Opened
- Deposit Success Count
- Deposit Success Amount
- Withdrawal Success Count
- Withdrawal Success Amount
- IMPS Success Count
- IMPS Success Amount
- Funds Transfer Success Count
- Funds Transfer Success Amount
- RD Success Count
- RD Success Amount
- FD Success Count
- FD Success Amount
- PMJBY Number
- PMSBY Number
- APY Number



GLOSSARY

BUSINESS CORRESPONDENTS

BCs	Business Correspondents are agents engaged by banks [Private and Public sector banks] for providing banking services at locations other than a bank branch/ATM.
Bank Sakhi	Also known as SHG BCs are SHG members who run a customer service point as Business Correspondent
Other BCs also, <ul style="list-style-type: none">● Female BCs● Male BCs	Non SHG Male and Female Business Correspondent
CSP	Customer service point is a banking outlet run by Business Correspondents to provide banking services to the people

STAKEHOLDERS

CBC	Corporate BC
SHG	Self Help Group
VO	Village Organization
CLF	Cluster Level Federation
CBOs	Community Based Organization
Non SHG female Customers	Female customers who are not part of Self help Groups
Non customer	Customers who don't avail services at the bank
SHG women	Women who are part of Self Help Groups
MFI	Micro-Finance institutions
FSP	Financial Service Providers - Umbrella term for Banks, Bank Sakhis, Other BCs

BANKS

DBGB	Dakshin Bihar Grahmin Bank
UBI	Union Bank of India
IDFC	Infrastructure Development Finance Company

PROJECTS

NRETP	National Rural Economic Transformation Project
NRLMP	National Rural Livelihood Program
BTDTP	Bihar Transformation Development Project

OTHERS

CICO	Cash In Cash Out
CX	Customer Experience
FI	Financial Inclusion
MIS	JEEViKA Management Information System
SRLM	State Rural Livelihood Mission