

# Hardships in Accessing Payments in Odisha

Survey of last mile challenges in NREGA wage  
payments in select blocks

Foundation for Ecological Security  
and LibTech India  
May 2021



## Team members

### LibTech India Convener

Vivek Srinivasan

### LibTech India Team

Alla Kowsalya, Anuradha De, Anushka Kale, Ashok Danavath, B. D. S. Kishore, Chakradhar Buddha, J. M. Konda Babu, Kuruwa Venkateswarlu, Laavanya Tamang, Lakshmana Korra, Mayank Rungta, Naveen Gajjalgari, Palle Ajay, Pangi Krishna Rao, Parul Saboo, Rajendran Narayanan, Rajesh Golani, Randheer Malla, Sabhil Nath Paikra, Sakina Dhorajiwala, Snehal Sinha, Suguna Bheemarasetti, Upasak Das, V. Ramesbabu, Vanthala Bhaskar Rao, Venkat Krishna Kagga.

### Technology and Data Access

Ranadheer Malla, Vibhore Vardhan

### Survey Coordinators

Kartik Chandra Prusti, Dawa Sherpa, Dron Kumar, Pradip Mishra, Prativa Mahapatra

### Field Enumerators

Anjali Patra, Archana Khara, Ashok Pangi, Babita Sahoo, Bhagbati Chapadi, Binod Bihari Barik, Bunu Sahoo, Dharmendra Sahoo, Dibakar Karna, Dilip Mahanta, Ganeshwar Pradhan, Gangadhar Gemel, Hari Khillo, Jayaram Nayak, Jogeshwar Aruk, John Pelmel, Kanchan Sethi, Krutika Mohanty, Lili Choudhary, Madan D. Majhi, Manas Rajan Jena, Manorama Nayak, Nakula Khara, Niranjan Hota, Prashant Kumar Parida, Pravasha Sahoo, Premanjali Saunta, Rabi Gamango, Rabi Narayan Sahoo, Rabi Sodapeli, Ramakanta Sahoo, Ramesh Choudhury, Ramesh Patra, Ranjan Kumar Sahoo, Ranjeet Dehury, Ranjeet Kumar Pangi, Rojalin Pangi, Sambhunath Sethy, Samir Sahoo, Sangita Sahoo, Sanoj Kumar Dehury, Santosh Kumar Mahanta, Shankar Gemel, Subhash Chandra Singh, Subhash Kirsani, Sujata Dhala, Yudhisthira Barik.

### Report Design and Photographs

Anushka Kale

## Authors of the Report

Parul Saboo

[parul@igidr.ac.in](mailto:parul@igidr.ac.in)

8879505113

Anuradha De

[anuradhad@gmail.com](mailto:anuradhad@gmail.com)

717706689

Laavanya Tamang

[laavanyatamang@gmail.com](mailto:laavanyatamang@gmail.com)

9910746743

Anushka Kale

[anushkaskale@gmail.com](mailto:anushkaskale@gmail.com)

7619404770

Naveen Gajjalagari

[naveen.gajjalagari16ug@apu.edu.in](mailto:naveen.gajjalagari16ug@apu.edu.in)

9966734981

## With Special Inputs From

Rajendran Narayanan

[rajendran.narayanan@apu.edu.in](mailto:rajendran.narayanan@apu.edu.in)

9620318492

# Table of contents

<b>Data Summary</b>	<b>5</b>
Disbursement agencies accessed	5
Time and Cost to withdraw wages	5
Out-of-pocket costs and time spent	5
Work Missed and Income Lost	6
Multiple Visits	6
Lack of Accountability and Transparency	6
Information on Wage Credit	6
Tracking Transactions	6
Fraud and Misdirections	7
Grievance Redressal	7
People's Perception	7
<b>1. Introduction</b>	<b>8</b>
1.1 NREGA in Odisha	8
1.2 The Last Mile in NREGA Payments	9
1.3 Disbursement Agencies	10
1.4 Research Questions	11
1.4.1 Disbursement agencies accessed	11
1.4.2 Time and Cost related	11
1.4.3 Accountability and Transparency related	11
1.4.4 Workers perceptions	11
<b>2. Methodology</b>	<b>13</b>
<b>2.1 Limitations of the survey</b>	<b>13</b>
<b>3. Findings</b>	<b>15</b>
3.1 Demographic details	15
3.2 Disbursement agencies accessed	16
3.3 Time and Cost incurred to access wages	17
3.3.1 Total Direct Cost	17
3.3.1.1 Transport cost	18
3.3.1.2 Time taken to withdraw wages	20
3.3.1.3 Cost incurred on food	20
3.3.1.4 Cost incurred for accompanying person	21

3.3.2 Indirect costs (Work missed and income lost)	21
3.3.3 Multiple visits	23
3.4 Lack of Transparency and Accountability	24
3.4.1 Information on wage credit	25
3.4.2 Tracking Transactions	26
3.4.2.1 Regular passbook updates	26
3.4.2.2 Getting SMS/receipts on withdrawal	27
3.4.3 Fraud and misdirections	28
3.4.4 Grievance redressal	29
3.5 People's perception	30
3.5.1 Perceived challenges	30
3.5.2 Preferred disbursement agency	31
3.6 Block level variations	31
<b>4. Conclusion</b>	<b>33</b>
<b>5. Recommendations</b>	<b>35</b>
5.1 Distance, time and cost related	35
5.2 Transparency and accountability related	35
<b>6. Appendix</b>	<b>37</b>
6.1 Dimensions of challenges: Block level variations	37
6.1.1 Distance, cost and time related challenges	37
6.1.1.1 Direct costs	37
6.1.1.2 Indirect costs	38
6.1.1.3 Multiple visits	38
6.1.2 Lack of transparency and accountability	39
6.1.2.1 Source of information	39
6.1.2.2 Tracking transactions	40
6.1.2.3 Misdirections and fraud	41
6.1.2.4 Grievance redressal	41
6.1.3 Workers' perceptions	42
6.2 Formats for recommendations	43
6.2.1 Format for dissemination of information on wage credit	43
6.2.2 Know Your Rights (KYR) for bank account holders	43

# Data Summary

We present a data summary of challenges workers faced while trying to access their wages from payment disbursement agencies including banks, ATMs, Customer Service Points (CSPs) and Banking Correspondents (BCs). We conducted a rapid survey of 1066 workers in 5 blocks of Odisha from districts of Koraput, Dhenkanal, Keonjhar, and Angul.

## Disbursement Agencies Accessed

- While a large majority (74%) of the workers use bank branches as the primary disbursement agency, 21% primarily use CSPs/BCs. ATMs and post offices are used by 3% and 2% of the workers respectively.

## Time and Cost to Withdraw Wages

### Out-of-Pocket Costs and Time Spent

- Half the workers spent more than Rs. 200 (approximately equivalent to NREGA's daily wage of Rs.215) on each visit to the disbursement to withdraw their wages.
- Distance to the disbursement agency plays the biggest role in transport costs incurred. Half of the workers using bank branches to access their wages had to travel more than 10 km. 27% of the bank-goers spent more than Rs. 100 on transport.
- CSPs and BCs were more accessible - only one-fourth of the workers using them had to travel more than 10 kms to access their wages and 20% of the workers accessing CSPs or BCs spent more than Rs. 100 on transport.
- Only 10% of all the workers surveyed took less than 1 hour to withdraw wages from disbursement agencies. Time required to withdraw wages was higher in banks — only 8% bank users took less than 1 hour to withdraw their wages compared to 18% for CSP/BC users. One-third bank users and one-fifth CSP/BC users took more than 6 hours to withdraw their wages.
- Given the distance and time involved in accessing their wages, some workers have to spend a significant amount on food.
- Given age and gender, many workers need others to accompany them. This contributes to the total out-of-pocket cost as well.

## Work Missed and Income Lost

- Due to the distance to the disbursement agencies and time taken to withdraw wages, workers not only have to spend money out of their own pocket but they often also have to forgo work, losing out on income.
- Overall, 73% of the workers missed at least one day of work when they went to the disbursement agency. Only 8% of the workers did not miss any work. The situation was worse for bank users, where close to 80% workers missed at least one day of work.
- The loss of income was substantial. More than half of the workers reported losing earnings worth more than Rs. 200 for a single visit to the disbursement agency.

## Multiple Visits

- There are two reasons due to which workers have to make multiple visits to the disbursement agency. This multiplies the time and cost of withdrawing wages.
- One reason for multiple visits is because the worker may discover that wages have not been credited to their account after going to the disbursement agency. More than half of workers faced this issue at least once and one-third of the workers reported that they have faced this issue multiple times.
- The second reason is infrastructural issues like overcrowding, network issues and lack of electricity. Around one-third said that they did not face any such issues. The three main issues due to which workers had to return without withdrawing wages were overcrowding (40%), network failure (26%) and lack of electricity (12%). While overcrowding was more common at the bank branch, the other two issues were more common at CSP/BCs.
- 63% of the workers reported making multiple visits.

## Lack of Accountability and Transparency

### Information on Wage Credit

- Only half of the workers got information about wage credit through credible sources – 42% through NREGA officials and 8% through SMS from the bank. The rest of the workers depended on non-NREGA functionaries (21%), word of mouth (18%), or had to visit their disbursement agency (12%) to find out if their account had been credited.

### Tracking Transactions

- It is a customer's right to be able to track transactions — passbook updation, receipts and SMS notifications are important mechanisms to do this, but they are largely missing.
- Significant proportion, 5% workers, did not have a passbook. This was higher for CSP/BC users where 13% workers did not have a passbook.

- Of those with a passbook 17% workers reported that their passbooks were never updated. This was worse for CSP/BC users where 35% workers reported that their passbooks were never updated.
- Furthermore, amongst the workers whose passbooks were updated 20% said that the balance was written by hand on the last page instead of electronically updating the passbook. As a result, they could not keep a track of their credits and debits, but only the amount of money left in their account.
- Only 25% of the workers received an SMS or a receipt after withdrawing their wage. Given that more than half the workers did not have a mobile, receiving SMSs is not even an option for them.

## Fraud and Misdirections

- 4% workers reported experiencing fraud while another 20% said that they did not know if this had happened. Frauds occur when workers do not get the entire amount withdrawn from their account.
- 4% of workers reported experiencing misdirections, i.e their wages got credited to another worker's account due to the worker's Jobcard or Aadhaar getting linked to the other worker's account. Another 20% said that they did not know if their wages had been misdirected.

## Grievance Redressal

- 18% workers filed a complaint but only 1% did so in writing. It is difficult to hold functionaries accountable if the complaint is not submitted in written form.
- Of those who filed a complaint, 78% workers filed it for receiving long pending wages. Other issues were denial of work despite demand (20%), partial wage payments (12%) and rejected wages (11%).

## People's Perception

- 22% of the workers reported that they did not face any challenges, even though, when asked directly, they confirmed that they experienced one or more types of challenges. Perhaps people's perceptions depended largely on their expectations from banking services, functioning of NREGA and the grievance redressal mechanism, and so they did not think of the hardships faced by them in accessing wages to be challenges.
- Challenges like infrastructural issues (34%) and lack of credible information about wage credit (27%) were the most commonly cited challenges as these often force workers to make multiple visits to the disbursement agency. Other challenges reported by the workers are time (9%) and cost (5%) of withdrawing wages.
- More than half the workers said their preferred disbursement agency was the bank branch, followed by CSP/BC (1 in 3 workers). ATMs, post office and cash payments were preferred by 1 in 20 workers.

# 1. Introduction

***“If I need to get money from the bank, I go to my sister’s house in the evening. It is in the Block, this way I can spend the night at her house and get in the line at the bank early in the morning”***

—Priya Debi (name changed) a NREGA worker from Banspal block in Keonjhar district

Priya Debi is one of many NREGA workers in Odisha who have to extensively plan their every bank visit for withdrawing their wages. Unlike most, she is lucky because her sister lives in the block so she can spend the night there and line up in front of the bank early in the morning. Despite her preparation, however, she often returns empty handed - sometimes because the bank is too crowded, or because there are network and connectivity issues, or perhaps because her wages have not been credited yet. Workers across Odisha face these challenges in accessing their own wages. Disbursement agencies are few and far apart, they are understaffed, and ridden with electricity and network issues. Crucially, as rights holders under NREGA, workers are rarely notified if their wages have been credited and to which account. And as customers of banking institutions, they are routinely denied their right of tracking transactions from their own accounts. Through our study, we hope to bring to light the issues that workers face after wages have been credited to their account.

## 1.1 NREGA in Odisha

As an agriculture-reliant state with few alternative employment opportunities, Odisha has had a history of significant NREGA work, especially in the off-season. The COVID-19 pandemic and its economic impact have only increased the reliance of the state's most marginalised on NREGA.

During the first COVID-19 lockdown in financial year (FY) 2020-21, persondays worked in NREGA increased by 87% as compared to FY 2019-20 in Odisha. Nationally, this increase was only 45%. The state government also used its own funds to increase the NREGA minimum wage from Rs. 207 to Rs. 298 in 20 migration blocks in FY 20-21, recognising the importance of the scheme. This reliance continued through the second wave in FY 21-22 - in the first quarter of FY 21-22, persondays generated in Odisha were 19.6% greater than the corresponding time period in FY 20-21. Women's participation also saw an increase in the pandemic. From 43% women persondays in FY 19-20, the proportion went up to 46% in FY 21-22.

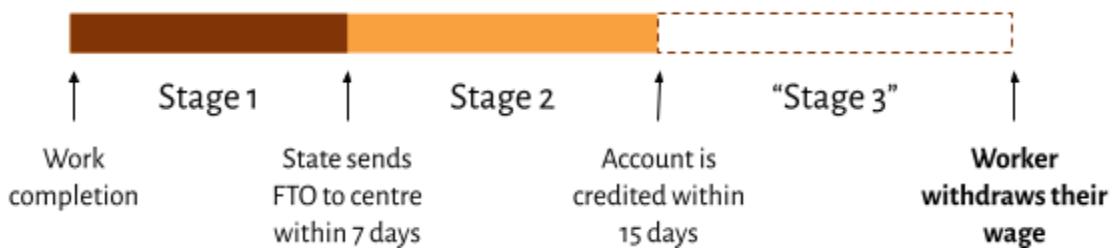
It is increasingly clear that the pandemic's impact will be long-term, with the marginalised facing continued economic distress and livelihood insecurity. NREGA has emerged as a lifeline for them, and its importance cannot be overstated. However, there are many challenges that hinder NREGA's functioning in Odisha - long delays in wage payments, significant trouble in accessing wages, and a clear lack of transparency and accountability. Unless these are addressed, workers will increasingly get discouraged from working under NREGA, and the scheme's significance will dilute.

## 1.2 The Last Mile in NREGA Payments

The NREGA mandates that workers must receive their wages within 15 days of completion of the muster roll of work [Section 1 (Chapter 2, Paragraph 3)]. This is one of the most important rights for those reliant on NREGA work; such households survive on day-to-day wages and have very little savings.

The payment process through which workers receive their wages has 2 stages. Stage 1 begins when a muster roll of work ends. The block generates the wagelist and then the Fund Transfer Order (FTO), and once this is signed, it is sent ahead to the Centre. Stage 1 is the responsibility of the state, and it must be completed within 8 days. Once the FTO is sent to the Centre, Stage 2 begins. After receiving the FTO the Centre has 7 days to process it and credit wages to the worker's account. This is Stage 2, the responsibility of the Centre, and it must be completed within 7 days.

Once the money has reached the account, the process is complete, and the government assumes its responsibility to be over. Yet, there is also a Stage 3 - the time taken for and the challenges faced in withdrawing wages from one's own account. There is sufficient anecdotal evidence, now supplemented by reports and news articles, about the challenges rural citizens face in accessing their own money. Banks are too few and too far; network connectivity remains a serious problem; disbursement agencies' officials charging 'commissions' is normal. This delay in the wage payment, the challenges faced by workers in actually accessing their own wages, is what we call the last mile. This 'Stage 3' of the process remains unacknowledged and invisible, with the government claiming its responsibility extends only till the wage-crediting stage. Since the problem itself has been so absent from discourse, estimating the extent of challenges in the last mile remains a far cry.



*While the government considers the process over once wages are credited, this rarely means the worker has immediate access to their wages. This usually involves multiple hurdles, and is incredibly costly in time and money.*

In 2020, LibTech India published a report based on a three-state survey on last mile challenges conducted in Rajasthan, Jharkhand, and Andhra Pradesh. The report details how last mile challenges are significant as workers have to face multiple hurdles in accessing their own wages. We began working in Odisha in 2020 as well, and our field experience showed that Odisha also had considerable last mile issues. Consequently, we conducted this rapid study across five blocks in Odisha in 2021. Focusing on workers' experiences in withdrawing their wages, we analyse the extent and nature of the hardships faced by them after their wages have already been credited. This report focuses on the broader picture that emerges about last mile

challenges. The emphasis has been on understanding worker experiences across disbursement agencies, and the larger trend of problems. Block-level data is available in the Appendix, and allows one to zoom in on specific trends in blocks.

## 1.3 Disbursement Agencies

NREGA wages are electronically transferred to the workers' bank or postal accounts. In an attempt to facilitate financial inclusion and improve last mile service delivery, additional disbursement agencies have been created. In our survey, we interviewed workers across the following exhaustive disbursement agencies.

**Bank Branches:** Brick and mortar branches that offer the full range of financial services.

**Customer Service Points (CSP):** CSPs are banking kiosks or service points where customers have access to limited banking services such as deposits and withdrawals up to a certain amount, and inquiry about their bank balance. These are usually small shops, operated by individuals in a public-private-partnership model located in panchayats or blocks. They require customers to authenticate transactions with Aadhaar-based biometrics. This biometric based transaction platform is provided by the National Payments Corporation of India (NPCI) in liaison with banks and is called Aadhaar enabled Payment Service (AePS).

**Business Correspondents (BCs):** Business correspondents, also known as Banking correspondents, usually travel with a point of sale (PoS) machine across villages and do small banking transactions. BCs require customers to authenticate transactions through Aadhaar-based biometrics.

**Automated Teller Machines (ATMs):** Usually situated at more accessible places so that the users can conduct some basic banking transactions

**India Post Payments Banks (IPPB):** A division of India Post which is under the Department of Post. It was started with the aim of providing financial services through post offices to make financial services easily accessible to people living in rural areas.

## 1.4 Research Questions

The survey attempts to capture the challenges faced by workers in accessing their own wages. Broadly, the survey aimed to answer the following questions:

### 1.4.1 Disbursement Agencies Accessed

- What are the different disbursement agencies used?
- How many bank accounts do workers have?

### 1.4.2 Time and Cost Related

- What are the hardships the workers face in collecting wages? This includes how far the disbursement agency is, how long it takes for workers to withdraw their wages, and what the costs involved are in withdrawing wages — both direct costs and wages forgone.
- How many visits do the workers have to make? What are the reasons because of which workers have to make multiple visits?

### 1.4.3 Accountability and Transparency Related

- How do the workers come to know if wages have been credited? Is the information credible?
- Do the workers have access to a passbook? Does the passbook get updated regularly? Are the workers denied updating the passbook? Do the workers get updates on transactions in the form of SMS/receipts when they transact at the disbursement agency?
- Are the workers charged a commission on transacting at the CSP/BC?
- Have the workers' wages been misdirected? Have they experienced fraud while transacting?
- Have the workers filed any grievances? What was the form in which grievances were filed? How did they file grievances? What were the different issues for which grievances were filed?
- What are the major challenges faced by NREGA workers, as perceived by them, while accessing wages?

### 1.4.4 Workers Perceptions

- What do workers see as the biggest challenge they face in accessing their wages?
- What are their preferred disbursement agencies?

Answers to the above listed questions have been used to estimate the costs incurred and hardships faced by workers in various blocks using different disbursement agencies to access their NREGA wages. The responses have been used to further analyse the reasons behind these issues, and suggest possible ways this can be minimised. Even though the focus of the study is on capturing experiences of NREGA workers, these issues are faced by recipients of all Direct Benefit Transfer (DBT) schemes. The challenges faced by NREGA workers are more acute as the transfers made under NREGA are more frequent and impact a larger proportion of the population compared to other DBT schemes.

## 2. Methodology

The survey was conducted in five blocks in Odisha – Athmallik, Banspal, Kankadahad, Pottangi, and Semiliguda. These blocks were selected purposely, as the study team (LibTech and Foundation for Ecological Security, FES) works closely in these five blocks on improving various aspects of NREGA implementation, and thus, it was easier to conduct the survey. In each block, 8 panchayats were randomly selected. Within each panchayat, 5 villages were randomly sampled.<sup>1</sup> From these 5 villages, a total of 25 respondents were randomly sampled from a list of workers who had worked for at least 10 days in the last financial year.<sup>2</sup> For logistical reasons, villages that were very difficult to access were removed before selecting the sample households.

Sample	Selection method	Number	Total number
<b>Blocks</b>	Purposive	5	<b>5</b>
<b>GPs</b>	Random	8 from each block	<b>40</b>
<b>Villages</b>	Random	5 from each GP	<b>180</b>
<b>Workers</b>	Random	25 from each GP (5 villages)	<b>1,066</b>

Table 1: Sample structure of the survey

Table 1 shows the number of respondents sampled from each of the surveyed blocks. Around 200 respondents were sampled from each block. However, the number sampled from Kankadahad (240) and Semiliguda (230) was higher.

Block	Athmallik	Banspal	Kankadahad	Pottangi	Semiliguda	Total
No. of respondents	192	199	240	205	230	<b>1,066</b>

Table 2: Number of respondents in each block

As described earlier, there has been a three state detailed study on these issues published in 2020. This study is a shorter one focusing only on the workers' experiences. The methodology and survey questions are borrowed from the earlier study.

<sup>1</sup> In panchayats with less than 5 villages, 25 respondents were randomly sampled from all villages in the panchayat.

<sup>2</sup> Report 3.3 (Consolidated Report of Payment to Worker) within the state reports on the NREGA MIS contains the number of days worked by each worker within each panchayat.

## 2.1 Limitations of the Survey

There are a few caveats that limit the scope of the study. First, as pointed out, the blocks were not randomly selected but are blocks where the study team has been working closely. However, the sample blocks vary greatly in terms of NREGA functioning, terrain and other factors that might influence last mile challenges, and thus, would capture a variety of experiences. Second, we did not capture the experiences of workers getting their NREGA wages through India Post Payments Banks (IPPB) as the shift to IPPB happened only a couple of months before the survey. Third, only 2% (35 respondents) reported using an ATM. Therefore, our findings about ATMs are likely not representative. Therefore we do not discuss the results pertaining to workers who primarily used ATMs for withdrawing NREGA wages. Fourth, since this was a rapid survey, the focus has been on identifying the challenges, and their extent and not an in-depth study. In addition, the survey documented experiences of workers only, and the experiences of other stakeholders were not documented.<sup>3</sup>

---

<sup>3</sup> Another limitation of the study is that there are some data quality issues that might bias the results but an attempt was made to keep the biases to a minimum.

## 3. Findings

### 3.1 Demographic Details

A total of 1,066 workers were interviewed. in the survey. Figures 1, 2 and 3 show the decomposition of the sample in terms of gender, age and education levels. Even though the gender composition of the respondents was roughly equal, the sample consisted of more males. In terms of the age composition, while 28% of the respondents were aged between 30 to 40 years and 30% were aged between 40 to 50 years, very few were aged below 20 years or above 60 years. Further, nearly two thirds of the respondents were either illiterate or literate, but had not completed primary education. The proportion was even higher among women. Three fourths of the women had an education level of below primary.

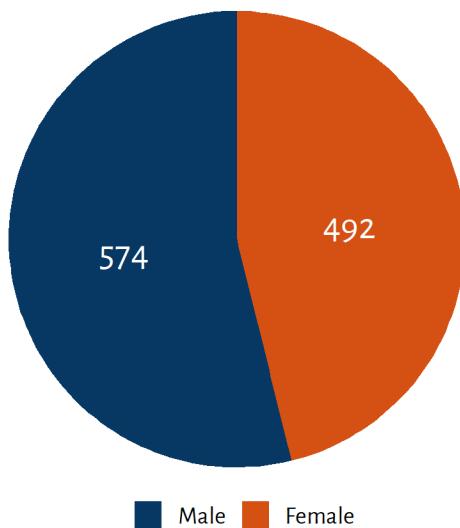


Figure 1: Gender composition of respondents

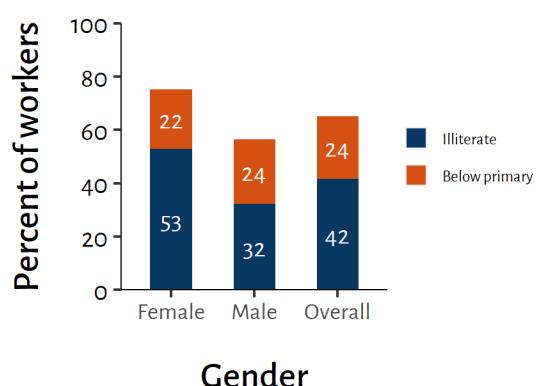


Figure 2: Distribution of respondents by age group

Receiving SMS is one of the ways for workers to get information about wages credited in their accounts and keeping track of transactions. However, Figure 4 shows that more than half the respondents do not even own a mobile phone. 30% of the workers have a basic feature phone and another 15% have a smartphone. There are wide variations across the blocks. More than 70% of the respondents in Banspal and Pottangi have a mobile phone whereas the proportions are much lower in the other blocks.

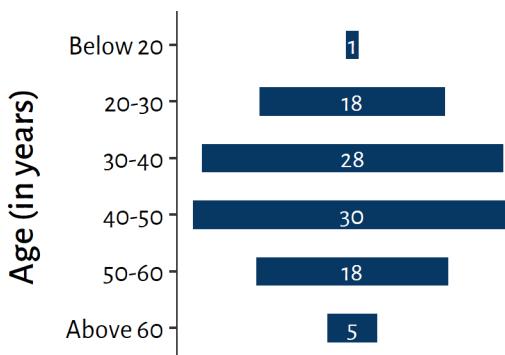


Figure 3: Distribution of respondents by education level and gender

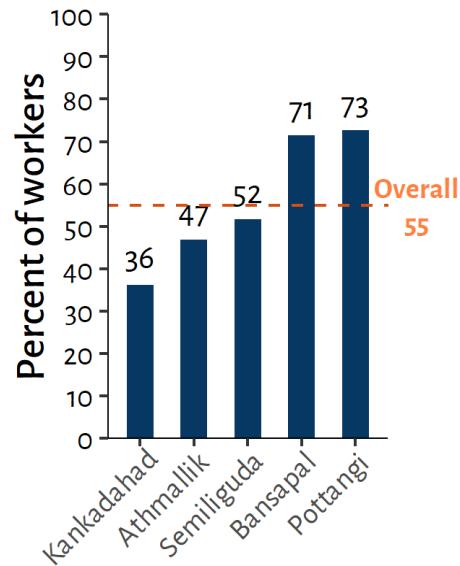


Figure 4: % of respondents who have a mobile phone

## 3.2 Disbursement Agencies Accessed

We analyse worker experiences across different disbursement agencies. Majority of the workers receive their NREGA wages in their account in State Bank of India, Odisha Gramya Bank, or Bank of India. All workers have a bank account, and nearly 80% claim that they have a single bank account. However, our field experiences reveal that sometimes workers have more than one bank account that they are not aware of. One such case was that of Harihar Pradhan (name changed) who was receiving his NREGA wages in his account in State Bank of India (SBI). A few months before our visit, the worker stopped getting his wages in his SBI account. As a result, the NREGA officials stopped enrolling his name for NREGA works. While visiting we investigated the matter and, upon checking the Fund Transfer Order (FTO)<sup>4</sup>, we found that his wages were getting credited into an account in his name in Bank of Baroda (BOB). He was not even aware that he had an account in BOB. This has happened to many workers who, as a result, drop out of NREGA and lose out on benefitting from the scheme.

Figure 5 shows that while nearly three-fourths of the workers primarily use bank branches for withdrawing NREGA wages, 21% of the workers use CSPs/BCs, and a very small proportion use ATMs or India Post Payments Bank as the primary disbursement agency. Figure 6, further, shows that the proportion of workers who primarily use bank branches is high across blocks but is above 85% for Banspal and Semiliguda, while in Athmallik and Pottangi this was below 70%.

<sup>4</sup> Report 8.1.1 (FTO status report) on the NREGA MIS provides details of the transfer of wages into the workers' account. These details include the name of the worker, status of the transfer (credited, pending or rejected) and other details including details of the bank in which the money was credited.

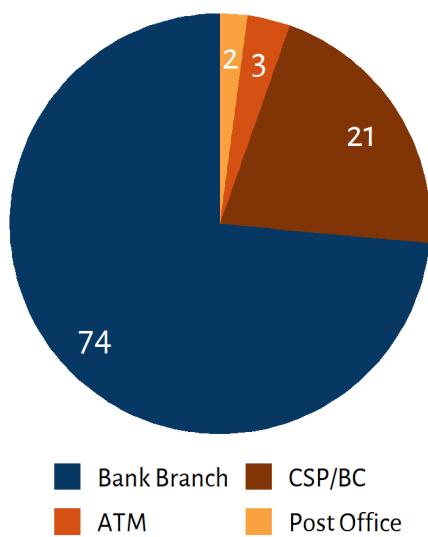


Figure 5: Distribution of workers by the primary disbursement agency accessed

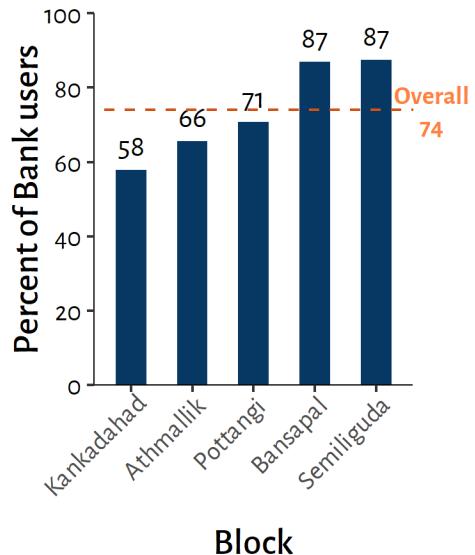


Figure 6: Proportion of workers who use bank branches as their primary agency to withdraw wages

### 3.3 Time and Cost Incurred to Access Wages

The primary questions asked to ascertain time and cost included the distance to the disbursement agency, the time it takes to withdraw wages at the disbursement agency, costs involved in making the trip (direct costs as well as wages foregone), and the number of visits made for the last withdrawal of wages and reasons for not being able to withdraw wages in a single visit.

#### 3.3.1 Total Direct Cost

Figure 7 shows that the total out-of-pocket costs or direct costs of withdrawing wages is more than Rs. 200 (approximately equivalent to one day of NREGA wage) for more than half of the workers. The costs differ across the disbursement agencies. While one third of the workers who primarily use CSPs/BCs have to spend less than Rs. 100, the same is true for only one sixth of the workers whose primary disbursement agency are bank branches.

There are also wide variations in direct costs incurred across the blocks. The costs are highest in Banspal where 68% have to spend more than Rs. 200 and lowest for Athmallik where only 19% have to do so. Direct costs are also high in Semiliguda and Pottangi where around half or more of the workers have to spend more than Rs. 200 to withdraw wages and more than one fifth have to spend even more than Rs. 400 (equivalent to two days of NREGA wages) (see appendix: table A1).

Direct costs include the following broad expense heads:

1. Transport
2. Food
3. Cost incurred on the accompanying person

We now discuss the costs incurred by the workers on each of the expense heads in detail.

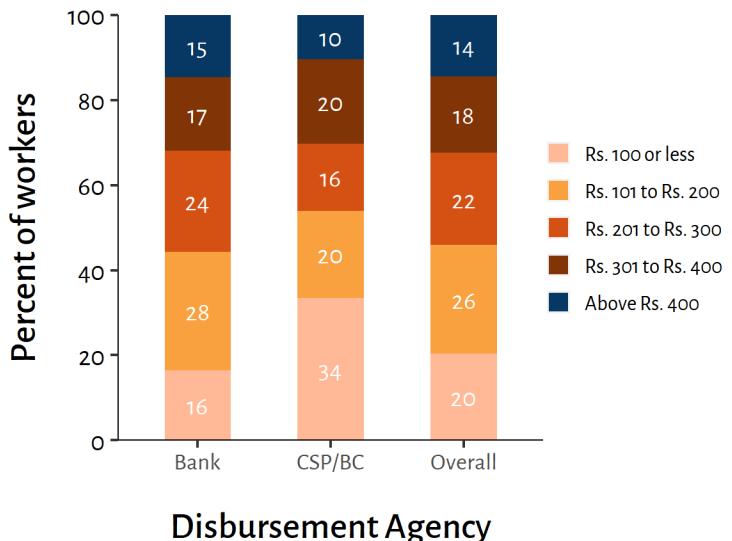
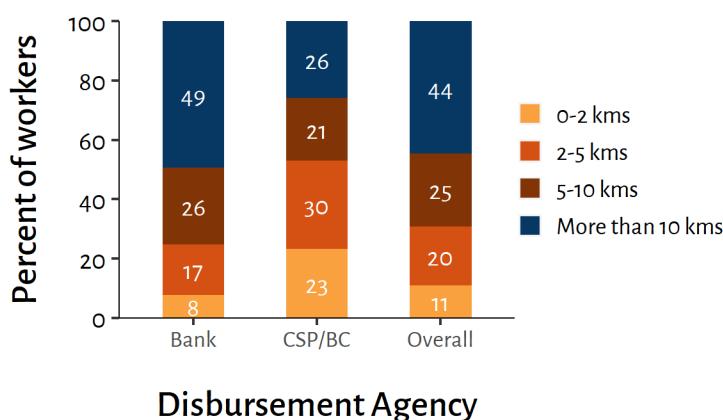


Figure 7: Total direct costs of withdrawing wages

### 3.3.1.1 Transport Cost

During our visits we found that several villages in Odisha were remote - at least 20-25 kms away from the closest bank branches, which are usually located at the block. On the other hand, CSPs/BCs are usually located at the panchayat.<sup>5</sup> This is also confirmed from the data. As Figure 8 shows, compared to the bank branches, CSPs/BCs are located much closer. Among the workers who use CSPs/BCs as the primary disbursement agency, nearly half have to travel more than 5 kms and a quarter have to travel more than 10 kms. These proportions are much higher for those who primarily use bank branches — around

three-fourths have to travel more than 5 kms, and around half have to travel more than 10 kms.



The largest expense head for the workers is the cost of transportation. The hilly terrain prevalent in some districts turns the long walk to the disbursement agency into a trek. To avoid this, workers often end up taking a shared auto that costs upto Rs. 30 for a one way trip. When they cannot find a

Figure 8: Distance to the primary disbursement agency

<sup>5</sup> Even though CSPs/BCs are located closer, many workers are not able to access them due to lack of Aadhaar linking, issues with biometric authentication, or connectivity issues.

shared auto, they sometimes have to reserve the auto at costs that go as high as Rs. 300. As Figure 9 shows the transport costs are largely influenced by the distances travelled. The costs are below Rs. 50 for half of those using CSP/BCs while only for a third of those using bank branches. On the other hand, the transport cost is more than Rs. 100 for more than one-fourth of those using banks and one-fifth of those using CSP/BCs.

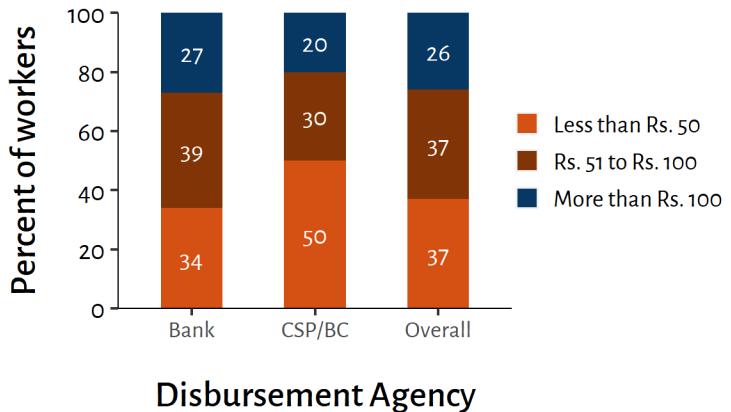


Figure 9: Transport costs incurred by workers while travelling to the disbursement agency to withdraw wages

### 3.3.1.2 Time Taken to Withdraw Wages

This is another important aspect of withdrawal of wages. Withdrawing wages is a time taking process for the majority of the workers. During our visits, the workers expressed that even after travelling long distances to reach the disbursement agency they had to wait for a long duration before they could withdraw their wages. Figure 10 shows that only one-tenth of workers reported being able to withdraw their wages within an hour. The time taken to withdraw wages varies across disbursement agencies. It is the highest when money is withdrawn directly from the bank branch. One-third of the bank users and one-fifth of the CSP/BC users take more than 6 hours to withdraw their wages.

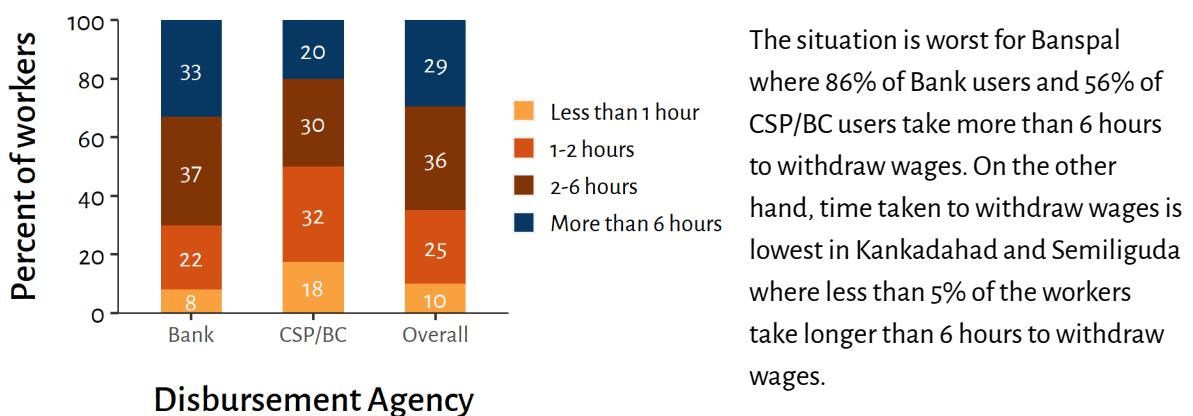


Figure 10: Time taken to withdraw wages

### 3.3.1.3 Cost Incurred on Food

Workers often have to incur additional expenses on food when they have to spend a significant amount of time travelling to the disbursement agency and/or withdrawing wages. As Figure 11 shows, for more than half of those accessing their wages from banks and 60% of those using CSPs/BCs, expenditure on food is less than Rs. 50. But for the remaining, a substantial amount is spent on food. There are significant block level variations. While 30% of the workers in Semiliguda have to spend more than Rs. 100 on food, very few have to do so in Kankadahad.

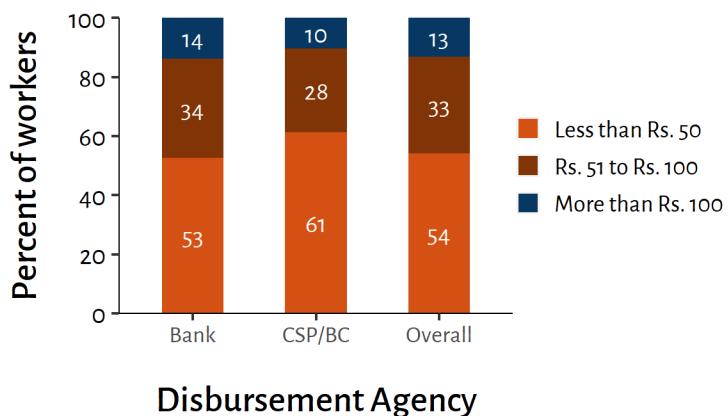


Figure 11: Cost of food incurred by workers while withdrawing wages

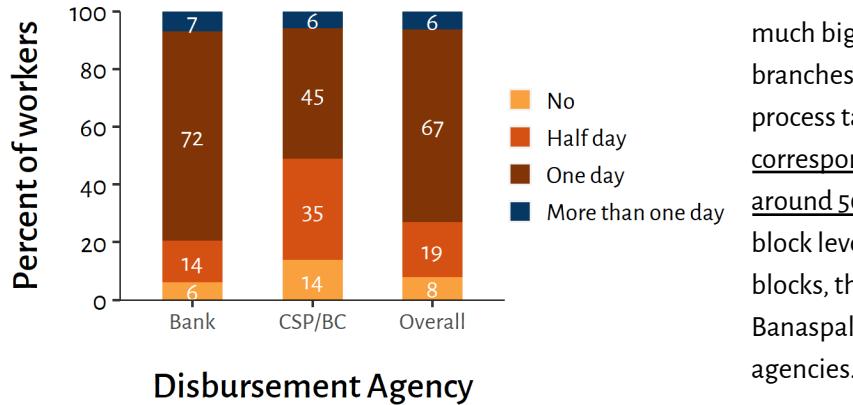
### 3.3.1.4 Cost Incurred for Accompanying Person

In many cases the worker has to be accompanied by another person — the gender and age of the worker often make that a necessity. When the disbursement agency is located far from home, these expenses can be substantial. For around one-third of the workers more than Rs. 50 was incurred on this expense head and for around one-sixth the cost was even more than Rs.100. The block level picture is similar to that for expenditure on food.

## 3.3.2 Indirect costs (Work Missed and Income Lost)

While thus far we have discussed out-of-pocket or direct costs, there are significant indirect costs to be considered. Given the fact that for a large proportion of the workers, the disbursement agency is more than 10 km away (Figure 8) and withdrawal of wages takes more than 6 hours (Figure 10), workers often have to forgo wages on days they go to withdraw wages. Further, during our field visits, workers who withdraw wages primarily from bank branches told us that even though banks open at 10 am they often have to get in the queue at 7 am. Workers who live 20-25 kms away, and can stay at a relative's place, usually travel the previous day so that they can get in the queue early in the morning. Thus, they end up missing more than one day of work. Figure 12 shows that 73% of the workers miss at least one day of work while withdrawing

wages. The situation for workers who primarily use bank branches is particularly grim – around 80% of the workers miss at least one day of work. This is probably the case because bank branches are usually located



much farther and overcrowding is a much bigger issue with bank branches, and thus, the withdrawal process takes longer. The corresponding figure for CSPs/BCs is around 50%. There are significant block level variations. Amongst the blocks, the situation is the worst for Banspal across all disbursement agencies.

Figure 12: Proportion of workers who missed work while withdrawing wages

As Figure 13 depicts, the loss of income as a result of missing work is substantial. 56% of the workers lose earnings worth more than Rs. 200 for a single visit to the disbursement agency. This loss is less for workers who primarily use CSPs/BCs as workers miss less work while travelling to CSPs/BDs to withdraw wages. On an average, income lost is highest in Pottangi and lowest in Athmallik.

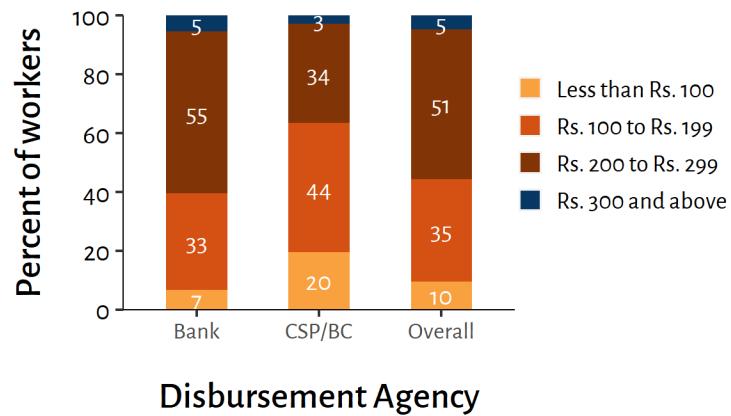


Figure 13: Income lost (in Rs.) while withdrawing wages

### 3.3.3 Multiple Visits

There are two main reasons due to which workers have to make multiple visits to the disbursement agency:

1. If a worker goes to the disbursement agency and finds out wages have not been credited.
2. If a worker had to return without withdrawing wages due to infrastructural issues like overcrowding, network failure or lack of electricity

Table 3 shows the percentage of workers who could not withdraw wages as wages had not been credited. More than half of the workers experienced it at least once, while one-third reported that this has happened multiple times. Banspal appears to be the worst off, more than 80% said that they had experienced it at least once.

Could not withdraw wages as wages were not credited	% of workers
No, never	42.3
Yes, only once	24.5
Yes, multiple times	33.2

Table 3: Workers who could not withdraw wages as wages were not credited



*Workers need to get in line early to be able to access their wages. Overcrowding is commonplace given the low coverage of banks.*

Further, Figure 14 shows the proportion of workers who could not withdraw wages due to infrastructural issues.<sup>6</sup> While, around one-third of them did not face any issues, the remaining faced one or more issues. Overcrowding (40%) was the most commonly cited reason for workers not being able to withdraw their wages. This reason was more rampant in banks (42%) than CSPs/BCs (35%). Network issues (26%) and lack of electricity (12%) were other major reasons due to which workers were asked to return. There are variations across the blocks in infrastructural issues faced by the workers. On the one hand, the proportion of workers who did not face any issues was below 20% in Banspal and Kankadahad, the corresponding proportion was above 40% in the other blocks.

The two issues discussed above often result in workers having to make multiple visits to withdraw their wages. The data shows that around two-thirds of the workers had to visit their disbursement agency at least twice to withdraw their wages. There was no significant difference between Banks and CSPs/BCs. Amongst the blocks, the proportion of workers who had to make multiple visits was above 50% across all blocks.

---

<sup>6</sup> The figure shows the top three infrastructure issues.

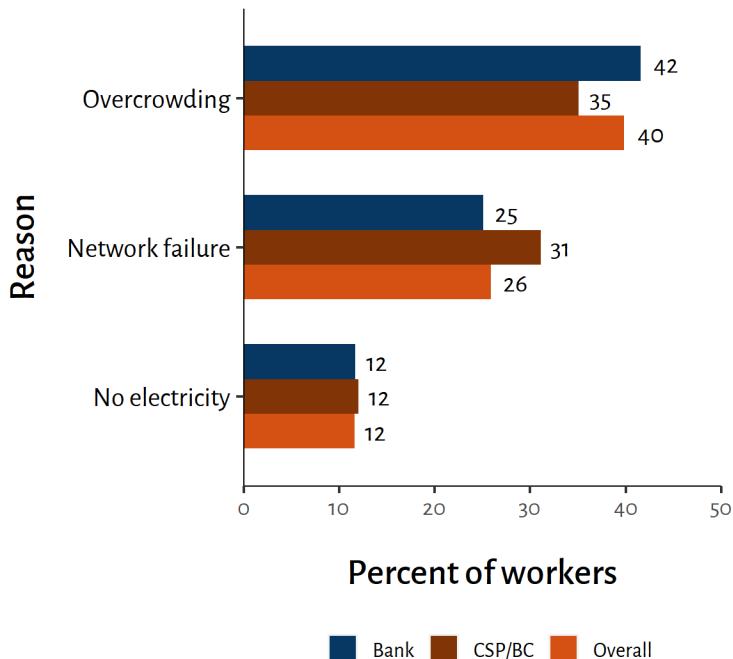


Figure 14: Percentage of workers who had to make multiple visits due to overcrowding, network failure or lack of electricity

## 3.4 Lack of Transparency and Accountability

Through our survey we wanted to understand more precisely the issues with transparency (access to information) and accountability (ability to redress their grievances). We asked respondents how they knew of wage credit, whether this was from NREGA functionaries or through SMS sent by the bank. We asked if they were able to track their transactions through passbook updation, receipts or SMS from the disbursement agency. Finally, we asked whether they had experienced frauds or payment issues, and, if they had filed any grievances, the manner in which they filed them, and issues for which the complaints were filed.

As rights holders under NREGA, workers are entitled to be informed when their NREGA wages get credited and to which account. And as customers to banking institutions, they have the right to know about the status of their account and its transactions. However, these rights are rarely upheld on the ground. This results in workers being more vulnerable to fraud, and misdirections. The lack of transparency makes it harder for workers to identify, let alone seek, resolutions to their problems. The last mile hence has got longer and costlier for NREGA workers.

### 3.4.1 Information on Wage Credit

NREGA charges the state with the responsibility of disseminating basic information for workers, including workers being informed about wage credit<sup>7</sup>. It is vital for workers to get information about wages credit as without such information, workers are left with no choice but to visit the disbursement agency repeatedly to be able to withdraw their wages. However, during field visits, we found that workers were often not aware about when and to which account their wages got credited and how much money got credited. They would

<sup>7</sup> MGNREGA Act, Part II, Section III (ii) 25(a)

ask us questions like “Did I receive my NREGA wages?”, “How much was credited and when?” and “Which bank account did it get credited to?”

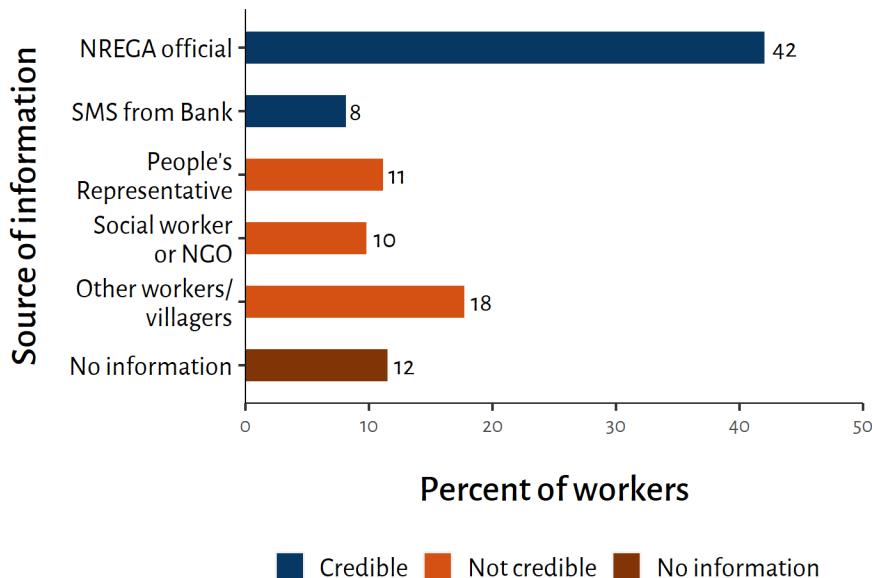


Figure 15: Method of finding out about payment being credited

Figure 15 reveals that only half of the workers are notified about wage credit through credible sources — 42% get information through programme officials such as mate, GRS, field assistant etc and another 8% get it through SMSs from the bank. The rest of the workers depend on non-NREGA functionaries (21%), word of mouth (18%), or have to visit the disbursement agency (12%) to find out if their wages have been credited. Banspal fares the worst amongst the blocks. While more than half the workers in Banspal have no source of information about wage credit, the corresponding proportion for other blocks is below 5%. Further, while less than 20% of the workers get the information through credible sources, more than 40% do so in all other blocks.

### 3.4.2 Tracking Transactions

#### 3.4.2.1 Regular Passbook Updates

One of the ways in which workers can keep track of their transactions is by getting their passbooks updated regularly. However, Table 4 shows that a significant proportion (5%) of the workers do not even have a passbook<sup>8</sup>. The proportion is higher for workers who primarily use CSP/BC (13%). However, simply owning a passbook is not enough — the passbook should be updated regularly. Less than one-fourth of the workers who have a passbook are always able to get their passbooks updated. Around 60% of the workers are able

<sup>8</sup> This includes cases where the worker has a passbook but the pages are full and cases where the worker's passbook is with a program official or other such person as those workers cannot use their passbooks to keep track of transactions.

to get their passbooks updated sometimes, while more than one sixth of the workers are never able to get their passbooks updated. The situation is worse for CSP/BC users, among whom nearly one-third workers are never able to get their passbooks updated as issues like lack of machines for updating passbooks and unstable network and connectivity are more common at CSPs/BCs.

There are significant variations across the blocks, in terms of the proportion of workers who have a passbook as well as the proportion whose passbooks are updated regularly. Even though almost all workers in Banspal and Kankadahad have a passbook, very few are able to get the passbooks updated regularly. On the other hand, one-tenth of the workers in Athmallik and Pottangi do not even have a passbook.

<b>Disbursement agency</b>	<b>% of respondents who had a passbook</b>	<b>% of workers who had a passbook and it was updated</b>		
		<b>No, never</b>	<b>Yes, sometimes</b>	<b>Yes, always</b>
<b>Bank</b>	97.3	13.5	61.1	25.4
<b>CSP/BC</b>	87.1	34.7	52.6	12.8
<b>Overall</b>	<b>95.1</b>	<b>17.4</b>	<b>59.4</b>	<b>23.2</b>

Table 4: % of respondents who had a passbook and whether it was updated

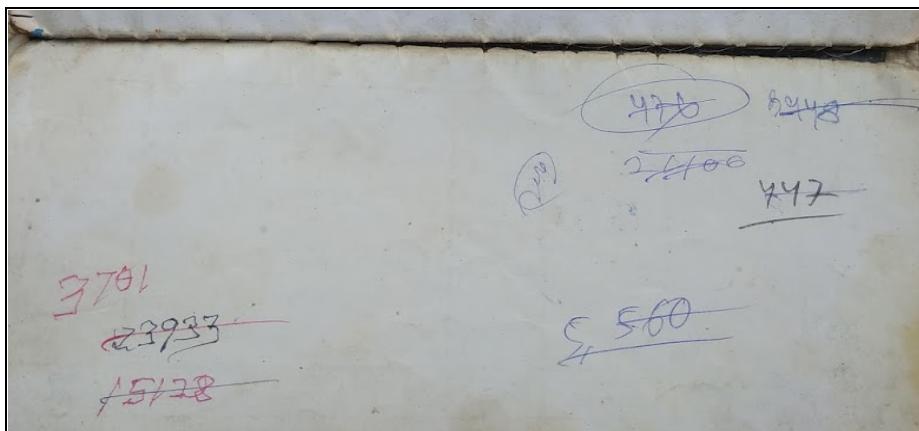
Even amongst the passbooks that are updated, more than one-fifth are updated manually.<sup>9</sup> The proportion of workers whose passbooks are updated manually is extremely high in Banspal where 70% of the passbooks are updated manually. As a result, the worker is not able to track individual transactions, making it impossible to know precisely if and when NREGA wages or any other deposits are credited and what money is withdrawn from the workers' account. The lack of information on each transaction may also make the worker more vulnerable to fraud and would make it difficult to track misdirections. During our visits, we rarely came across passbooks that were up-to-date. The entries were usually from 2019. Even though refusing to update passbooks was prevalent before the pandemic as well, disbursement agencies have been refusing to update passbooks citing COVID-19 restrictions.

---

<sup>9</sup> When the disbursement agency functionary writes the total account balance on the final page it is referred to as manual updation of passbook.

12				
13	01-05-2019	T PMSBY Prem	12.00	311.00Cr DR0463
14	01-05-2019	T ReversalPM	12.00	323.00Cr FIN06B
15	01-05-2019	T ReversalPM	12.00	335.00Cr FIN06B
16	01-05-2019	T ReversalPM	12.00	347.00Cr FIN06B
17	13-05-2019	T PMSBY Prem	12.00	335.00Cr FIN06B
18	01-07-2019	T Int:01-04-	3.00	338.00Cr FIN06B
19	01-10-2019	T Int:02-07-	3.00	341.00Cr FIN06B
20	21-12-2019	T TRTR/93551	10000.00	10341.00Cr C0C1
21				
22				
23				
24				

Passbook of a NRECA worker in August 2021 which had been last updated by machine in December 2019.



The last page of a passbook showing the account balance written by hand

### 3.4.2.2 Getting SMS/Receipts on Withdrawal

Another important way of keeping track of transactions is to get SMSs or receipts while withdrawing money at the disbursement agency. This allows workers to ensure that the disbursement agency official is handing over the exact amount that has been withdrawn from their account. Table 5 shows that almost three-fourths of the respondents do not receive an SMS or a receipt on withdrawal of wages. Receiving SMS is not even an option for more than half of the workers as they do not own a mobile phone (Figure 4). There are significant variations across the blocks. While Kankadahad (42%) has the highest proportion of workers who receive SMS/receipt on withdrawal, Banspal (10%) and Pottangi (11%) have the lowest.

% of workers who received SMS/receipt on withdrawal	Bank	CSP/BC	Overall
No	79.2	68.8	<b>74.5</b>
Yes, receipt	3.1	2	<b>2.9</b>
Yes, SMS	17.7	29.2	<b>22.6</b>

Table 5: Respondents who received SMS/receipts on withdrawal

### 3.4.3 Fraud and Misdirections

When workers are unable to keep track of transactions they become vulnerable to fraud. During social audits in Ganjam district we came across workers whose passbooks were taken away by the contractors. The contractors told the workers that they will get a certain amount of money for the NREGA work done by them. Once the wages got credited, the contractor accompanied the worker to the disbursement agency. The contractor took the money withdrawn and gave the worker the agreed upon amount, pocketing the rest. At times some officials at the disbursement agency, either colluding with the contractor or by themselves, siphons off some money from the worker's account at the time of withdrawal.

Table 6 shows the percent of workers who reported experiencing fraud while transacting at the disbursement agency. While 4% of the workers said they experienced fraud, 20% didn't know if they had done so. Among the disbursement agencies, CSP/BC users have a higher proportion of workers who reported experiencing fraud and who didn't know if they had done so. This is probably as a result of them not having access to a passbook that is updated regularly.

% of workers who experienced fraud	Yes	No	Don't know
<b>Bank</b>	2.9	82	15.1
<b>CSP/BC</b>	6.7	55.6	37.8
<b>Overall</b>	<b>3.9</b>	<b>76.3</b>	<b>19.8</b>

Table 6: Cases of fraud across disbursement agencies

Misdirected payments occur when a worker's NREGA wages get credited to another worker's account.<sup>10</sup> These happen differently for Account based payments and Aadhaar based payments. In case of Account based payments, wages are credited to the account linked to the Job Card, and thus, misdirections occur when the worker's Job Card is wrongly linked to another's worker's account. On the other hand, in case of Aadhaar based payments, wages are credited to the account linked to the worker's Aadhaar. Therefore, misdirections in case of Aadhaar based payments happen when a worker's Aadhaar gets wrongly linked to another worker's account.

During visits to the field, we came across a few workers who had suddenly stopped receiving their wages. One such case was that of Arun Pangi (name changed) who had stopped receiving his NREGA wages in his bank account. He had no clue about why this was happening. On asking the GRS, he would simply be told that the wages had been credited. It took us a series of complex steps to navigate through the NREGA MIS and locate the FTO corresponding to the muster roll on which Arun Pangi worked. The FTO revealed that Arun's wages had been credited to another Arun with a different surname. It is practically impossible for

---

<sup>10</sup> As discussed in Section 3.2, at times workers have more than one bank account that they are not aware of and if their NREGA wages get deposited into one of these accounts, they might think that their wages have been misdirected.

NREGA workers to navigate through the NREGA MIS and figure out if their wages have been misdirected, and even after figuring it out there is no procedure in place for the workers to retrieve those wages.

Table 7 shows that while 3.5% of the workers said they experienced misdirections, 20% didn't know if they had experienced misdirections. Among the disbursement agencies, a higher proportion of CSP/BC users said that they were not aware if their wages had been misdirected. This could be because a lower proportion of CSP/BC users are able to regularly update their passbooks. Identifying misdirections is difficult without updating the worker's passbook as it is difficult to verify if wages have been credited.

% of workers who experienced misdirections	Yes	No	Don't know
<b>Bank</b>	3.3	77.6	19.1
<b>CSP/BC</b>	2.2	74.7	23.1
<b>Overall</b>	<b>3.5</b>	<b>76.7</b>	<b>19.8</b>

Table 7: Cases of misdirections across disbursement agencies

### 3.4.4 Grievance Redressal

Grievance redressal is a crucial tool for the proper implementation of schemes. As this was a rapid survey, we asked only a limited number of questions regarding workers' experiences in registering complaints. However, even though 18% of the workers reported having filed a complaint, only 1% did so in writing. Verbal complaints cannot be used to hold officials accountable, and thus, are as good as not filing a complaint on the ground. Workers mostly filed the complaints on their own or with other family members or workers. A couple of workers filed complaints through an NGO. Pending wages was the most common issue for which complaints were filed. Other issues included denial of work when demanded, rejected payments and part payment of wages.

Filed a complaint	% of workers
<b>No</b>	82
<b>Yes, verbally</b>	16.6
<b>Yes, in writing</b>	1.3

Table 8: Respondents who filed a complaint

Issue	% of workers
Pending wages	77.9
Work denied on demand	19.7
Partial wage payments	11.5
Rejected wages	10.7

Table 9: Issues for which complaint filed

## 3.5 People's Perception

So far, we have covered specific challenges in the last mile that we recognised. In this section we focus on people's perceptions of the biggest hurdles in accessing wages and their preferred disbursement agency.

### 3.5.1 Perceived Challenges

We had asked the workers what is the biggest challenge they face while trying to access their wages. Table 10 shows that issues like not being able to make transactions due to infrastructural issues (34%) and not knowing when wages get credited (27%) are the most commonly cited challenges. These challenges increase the time taken to withdraw wages, and often prevent workers from being able to make withdrawals in a single visit, thus multiplying the time and costs of withdrawal and are major challenges. Other challenges expressed by workers are time (9%) and cost (5%) of withdrawal. More than 20% of the workers expressed that they did not face any challenges, even though a majority of these workers said that they experienced one or more challenges when asked directly. It seems that for some workers hardships of accessing wages have been normalised.

Challenge	% of workers
No challenge	21.8
Making transactions due to link failure, no electricity, biometrics not working	33.5
Knowing when my account gets credited or debited, knowing how much money my account has	27.4
Time involved of going to disbursement agencies and getting money	9.4
Cost involved of going to disbursement agencies and getting money	5.3

<b>Knowing what banking rules are at the agency</b>	2.2
<b>Lack of Grievance Redressal Mechanisms</b>	0.4

Table 10: Challenges faced by NREGA workers in withdrawing wages

### 3.5.2 Preferred Disbursement Agency

The respondents were also asked about their preferred disbursement agency. Table 11 shows that overall, banks (55%) are the most preferred disbursement agency, followed by CSP/BC (35%). ATM, post office, and cash payments are preferred by less than 5% of the respondents. During visits to the field, some workers expressed that they do not wish to use CSPs/BCs as they get charged a commission at the CSP/BC. One worker even said that he would much rather travel a longer distance to reach the bank branch, even if it meant spending more money, than pay the commission at the CSP/BC.

For each disbursement agency, 65-70% prefer the disbursement agency that they use for the majority of their transactions. This shows that around two-thirds of the respondents do not wish to switch to another disbursement agency.

<b>Primary disbursement agency</b>	<b>Preferred disbursement agency</b>				
	<b>Bank Branch</b>	<b>CSP/BC</b>	<b>ATM</b>	<b>Postoffice</b>	<b>Cash</b>
<b>Bank Branch</b>	65.5	27.7	1.2	2	3.7
<b>CSP/BC</b>	23.4	66.1	2.8	7.8	0
<b>ATM</b>	20.6	8.8	67.7	2.9	0
<b>Overall</b>	<b>55</b>	<b>35.3</b>	<b>3.7</b>	<b>3.3</b>	<b>2.8</b>

Table 11: Distribution of people who prefer different disbursement agencies

### 3.6 Block Level Variations

The extent of challenges faced by the workers varied across the blocks. Table 12 depicts the variations in challenges experienced across the five surveyed blocks. Overall, the extent of hardships seems to be the highest in Banspal. Distance, time and cost related issues are more common in Banspal, Pottangi and Semiliguda. Of these blocks, the hilly terrain in Pottangi and Semiliguda added to the challenges faced by the workers as the workers often had to trek over multiple hills to get to the disbursement agency. The lack of a credible source of information for workers in Banspal adds to the woes of the workers who often had to make multiple visits for a single withdrawal. Issues related to transparency in transactions are also quite rampant in Banspal as a large proportion of the workers are not able to get their passbooks updated. Even

amongst the ones that are updated, a large majority are updated only manually, thereby preventing the workers from being able to keep track of individual transactions. Further, ensuring accountability is a major issue across all blocks as the proportion of workers who filed a written complaint was below 5%.

Challenge	Block name				
	Athmallik	Banspal	Kankadahad	Pottangi	Semiliguda
<b>% of workers who had to travel more than 10 kms to withdraw wages</b>	22.5	66.2	11.0	60.8	61.6
<b>% of workers reported taking more than 6 hours to withdraw wages</b>	21.5	82.3	3.7	41.8	3.5
<b>% of workers who had to spend more than Rs. 200 on withdrawing wages</b>	18.9	68.2	46.4	65.9	78.3
<b>% of workers who had to forgo at least one day of work while withdrawing wages</b>	41.1	91.9	72.3	69.8	87.3
<b>% of workers who had to forgo more than Rs. 200 to withdraw wages</b>	29.7	54.6	68.2	61.0	61.1
<b>% of workers who went to disbursement agency and found that wages had not been credited</b>	48.2	80.7	63.0	38.2	58.3
<b>% of workers who had to make multiple visits to the disbursement agency</b>	54.6	64.4	55.2	72.6	64.7
<b>% of workers who did not have any source of information about wage credit</b>	0.5	52.0	1.4	1.5	4.4
<b>% of workers who did not have a passbook</b>	9.9	0	0.9	11.7	2.6
<b>% of workers whose passbook was never updated</b>	32.4	38.4	6.0	9.4	4.9
<b>% of workers whose passbook gets updated manually</b>	24.8	69.7	1.0	12.8	18.9
<b>% of workers who do not receive an SMS or a receipt on withdrawal</b>	64.5	90.0	54.9	88.8	77.1
<b>% of workers who reported experiencing misdirections</b>	14.3	1.2	0.6	0.7	4.5

<b>% of workers who reported experiencing fraud</b>	6.0	10.9	1.7	0	4.3
<b>% of workers who filed a grievance in writing</b>	0	0.5	2.7	3.4	0

Table 12: Variations in challenges experienced across surveyed blocks

## 4. Conclusion

NREGA workers face multiple challenges in accessing their wages even after the wages have been credited into their account. These challenges include issues like having to travel long distances to access wages, spending long hours in withdrawing wages, having to make multiple visits to the disbursement agencies, not being able to keep track of transactions and the lack of a well-functioning grievance redressal mechanism. This report is an attempt to understand the extent of such challenges in the context of Odisha. We use data collected through a rapid survey conducted in five blocks of Odisha – Athmallik, Banspal, Kankadahad, Pottangi and Semiliguda – for the analysis.

Workers often have to travel long distances and spend several hours in order to withdraw wages. This results in significant costs – both out-of-pocket costs and income forgone. We found that more than half of the workers ended up spending more than one day's wage for a single visit to the disbursement agency. These costs are significantly higher for workers who primarily use bank branches. Transport cost is the largest expense head amongst the expense heads that comprise out-of-pocket costs. Further, in addition to the out-of-pocket costs, workers forgo income as a result of missing work when travelling long distances and/or spending long hours to withdraw wages. 73% of the workers miss at least one full day of work. Here too, the proportion is higher for workers who primarily use bank branches. As a result, workers lose out on a substantial amount of income. Majority of the workers lose more than Rs. 200 on days they travel to withdraw wages. As a result, a significant proportion of the workers lose equivalent to at least one day's wage in terms of out-of-pocket costs as well as wages forgone, making the total amount lost even higher. Therefore, there is a need to make disbursement agencies more accessible to workers and take necessary steps aimed at reducing time taken by workers to withdraw wages.

The costs of withdrawing wages multiply when workers have to make multiple visits. The reasons for multiple visits can be broadly classified into two categories – lack of information on wage credit and infrastructural issues. More than half the workers had to make multiple visits as a result of not knowing when their wages got credited. Further, infrastructural issues like overcrowding, network failure and lack of electricity often led to multiple visits. Overcrowding is a bigger issue at bank branches since bank branches are fewer in number and a larger proportion of workers access them. Network issues are a major issue at CSPs/BCs since these are located in the panchayat where network connectivity is weak. These findings indicate that there is a need for disseminating information about wage credit through channels that are accessible to the workers. Further, the government needs to invest in providing proper infrastructure such as internet connection, electricity etc.

In addition to incurring significant costs of withdrawing wages, workers also face challenges due to lack of transparency and accountability. As discussed above, workers often do not get information about wage credit through credible sources. Only half the workers reported getting information about wage credit through credible sources like programme officials and SMS. Other workers either got information through non-credible sources (38%) or had to visit the disbursement agency to find out if wages had been credited (12%). These findings further indicate the need for disbursal of information through proper channels.

It is important for workers to be able to track transactions. Workers are vulnerable to fraud when they cannot keep track of transactions. Further, it is difficult to know for certain if wages have been misdirected without keeping track of transactions. Our findings suggest that a significant proportion of the workers were not able to track transactions, either through regular update of passbooks or SMSs/receipts. 5% of the workers did not have a passbook. Even amongst the ones who had a passbook, only around one-fourth always got their passbooks updated. Further, amongst the passbooks that were updated, more than one-fifth were updated manually. Additionally, only around one-fourth of the workers received an SMS or a receipt on withdrawal. Even though all workers in these blocks had a passbook, very few managed to get them updated. These findings highlight the need for ensuring that all workers have access to passbooks that are regularly updated electronically. Workers must also be made aware of their right to demand receipts and request SMS services that alert them of every transaction. The lack of transparency has made workers vulnerable to misdirections and fraud. While less than 5% of the workers said their wages were misdirected and an equivalent proportion reported experiencing fraud, 20% said that they didn't know if their wages had been misdirected or if they had been subjected to fraud. This further highlights the need for ensuring transparency in transactions through disbursal of information on wage credit through credible channels, regular passbook update and SMS/receipts on withdrawal.

The various challenges discussed above highlight the need for an accessible and well-functioning grievance redressal mechanism. Even so, we found that less than 20% of the workers had made complaints and less than 2% had done so in writing. Oral complaints cannot be tracked, and thus, it is not possible to follow-up on such complaints. Further, more than 75% of the workers had complained regarding pending wages which is a major issue due to the huge delays in wage credit. Such delays coupled with the lack of credible information on wage credit results in the workers making multiple visits to the disbursement agency. Thus, there is a need to strengthen the grievance redressal mechanism by placing kiosks in accessible distance of the workers and making them aware of where and how they can file complaints.

The survey findings point out the extent of the various challenges faced by the workers in accessing their wages even after these have been credited to their account. These findings highlight the need for swift and prudent action by the government as well as the banking institutions.

# 5. Recommendations

## 5.1 Distance, Time and Cost Related

- Disbursement agencies should be more accessible to the workers by placing more bank branches, CSPs/BCs and ATMs closer to the workers. The recommendations of the Nachiket Mor Committee Report on Financial Inclusion should be implemented: “The number and distribution of electronic payment access points would be such that every single resident would be within a fifteen minute walking distance from such a point anywhere in the country.”
- Aadhaar linking of workers’ accounts have to be completed so that they can use CSP/BC services as these are located much closer to the workers.
- The government must ensure that the required infrastructure such as electricity and internet connectivity and offline capabilities are available for CSPs/BCs to function smoothly.

## 5.2 Transparency and Accountability Related

- Information about wage credit must be regularly disseminated through mechanisms that have been arrived at through proper consultation with workers. The information about wage credit should include the name of the worker, work name, muster roll number, amount credited, Bank and branch name in which their wages have been credited and other information that the workers require. A tentative format for disbursal of information about wage credit can be found in the Appendix.
- Passbooks must be made available to everyone irrespective of the disbursement agency used by them. Passbooks should be updated free of cost at all disbursement agencies whenever the worker demands it. Updating passbooks is a right of every individual and should be enforced through a proper mechanism. All disbursement agencies must be equipped with facilities required for updating passbooks. There should be an accessible and swift grievance redressal system in case the disbursement agency refuses to update the passbook.
- A list of Know Your Rights (KYR) in local languages should be pasted in all public places such as schools, Anganwadis, panchayat bhavans and all disbursement agencies. The KYR should include all necessary information needed by workers to withdraw wages and keep track of transactions such as right to demand receipts on withdrawal, right to have a passbook, right to get their passbooks updated. A suggested list of KYR can be found in the Appendix.
- The grievance redressal mechanism has to be strengthened by placing kiosks for lodging written complaints within accessible distance of the workers. The workers should be made aware about where to go and file complaints and the procedure for filing complaints. These can be added to the KYR discussed above. The workers should also get receipts on filing complaints which can then be entered into the MIS so that complaints can be tracked properly.
- A Grievance Redressal Committee (GRC) can be set up for NREGA to ensure speedy resolution of complaints. Block level toll-free numbers can be set up with communication in local languages to

lodge complaints in a manner convenient to the workers. Each complaint made through the toll-free number can be assigned a unique identification number for follow-up.

# 6. Appendix

## 6.1 Dimensions of Challenges: Block Level Variations

### 6.1.1 Distance, Cost, and Time Related Challenges

#### 6.1.1.1 Direct Costs

Table A1: Proportion of workers in different blocks who had to travel more than 10 kms to withdraw their wages

Block name	% of workers who had to travel more than 10 kms to the disbursement agency		
	Bank	CSP/BC	ATM
Athmallik	23.2	18.4	50
Banspal	70.5	36	NA
Kankadahad	15.1	2.7	20
Pottangi	65.3	45.6	64.3
Semiliguda	59.7	83.3	60

Table A2: Proportion of workers who took more than 6 hours to withdraw wages across disbursement agency and blocks

Block name	% of workers who reported taking more than 6 hours to withdraw wages		
	Bank	CSP/BC	ATM
Athmallik	24.0	18.3	0.0
Banspal	86.1	56.0	NA
Kankadahad	4.4	2.7	0.0
Pottangi	45.5	36.4	21.4
Semiliguda	4.0	0.0	0.0

Table A3: Proportion of workers who had incurred more than Rs. 100 across different expense heads when withdrawing wages across disbursement agency and blocks

<b>Block name</b>	<b>% of workers who had incurred more than Rs. 100 on different heads, when withdrawing wages</b>		
	<b>Transport</b>	<b>Food</b>	<b>Additional person</b>
<b>Athmallik</b>	9.9	7.3	10.4
<b>Banspal</b>	37.3	15.6	15.1
<b>Kankadahad</b>	9.1	1	2.3
<b>Pottangi</b>	35.1	11.2	16.1
<b>Semiliguda</b>	36.2	29.7	27.1

### 6.1.1.2 Indirect Costs

Table A4: Workers who had to forgo at least one day of work to withdraw wages

<b>Block name</b>	<b>% of workers who had to forgo at least one day of work to withdraw wages</b>		
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>
<b>Athmallik</b>	46.8	30.0	33.3
<b>Banspal</b>	96.5	60.0	NA
<b>Kankadahad</b>	82.0	55.3	60.0
<b>Pottangi</b>	75.2	50.0	78.6
<b>Semiliguda</b>	86.1	94.4	100.0

Table A5: Workers who had to forgo more than Rs. 200 or more of income while withdrawing wages

<b>Block name</b>	<b>% of workers who had to forgo more than Rs. 200 of income to withdraw wages</b>		
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>
<b>Athmallik</b>	44.4	6.7	40.0
<b>Banspal</b>	60.5	16.7	NA
<b>Kankadahad</b>	76.6	53.9	80.0

<b>Pottangi</b>	83.3	58.1	100.0
<b>Semiliguda</b>	59.7	88.9	70.0

### 6.1.1.3 Multiple Visits

Table A6: Proportion of workers who go to disbursement agency and find out wages are not credited

<b>Workers who went to disbursement agency and found wages were not credit</b>	<b>Athmallik</b>	<b>Banspal</b>	<b>Kankadahad</b>	<b>Pottangi</b>	<b>Semiliguda</b>
<b>No, never</b>	51.8	19.3	37.0	61.8	41.7
<b>Yes, only once</b>	22.0	25.4	40.7	9.8	23.7
<b>Yes, multiple times</b>	26.2	55.3	22.2	28.4	34.7

Table A7: Proportion of workers who had to make multiple visits to withdraw wages across blocks and disbursement agency

<b>Block name</b>	<b>% of workers who had to make multiple visits to withdraw wages</b>		
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>
<b>Athmallik</b>	54.8	73.3	66.7
<b>Banspal</b>	68.2	64	NA
<b>Kankadahad</b>	55.4	60.5	60
<b>Pottangi</b>	74.5	65.2	78.6
<b>Semiliguda</b>	67.2	83.3	80

### 6.1.2 Lack of Transparency and Accountability

#### 6.1.2.1 Sources of Information

Table A8: Source of information about wage credit across block

<b>Source of information</b>	<b>% of workers who get information about wage credit through different sources</b>

	Athmallik	Banspal	Kankadahad	Pottangi	Semiliguda
<b>A villager / co-worker / other beneficiary</b>	3.1	16.2	25.5	40.5	3.5
<b>Didn't know, Went to bank/disbursement agency to find out</b>	0.5	52.0	1.4	1.5	4.4
<b>NGO/ Social worker</b>	6.3	3.0	3.6	0.0	0.0
<b>People's Representative (Mukhiya/ Sarpanch / Ward Member/ PRI Member)</b>	10.9	12.1	24.6	3.4	4.4
<b>Programme official (Mate / GRS/ Field Assistant / admin)</b>	51.6	11.1	36.4	48.8	59.4
<b>SMS</b>	13.0	5.6	7.7	5.9	8.3
<b>Village Volunteer</b>	14.6	0.0	0.9	0.0	20.1

### 6.1.2.2 Tracking Transactions

Table A9: Workers who did not have a passbook across blocks and disbursement agency

Block name	% of workers who did not have a passbook			
	Bank	CSP/BC	ATM	Overall
<b>Athmallik</b>	9.5	10.0	16.7	9.9
<b>Banspal</b>	0.0	0.0	NA	0.0
<b>Kankadahad</b>	0.0	2.6	0.0	0.9
<b>Pottangi</b>	2.8	43.5	0.0	11.7
<b>Semiliguda</b>	2.5	5.6	0.0	2.6

Table A10: Workers whose passbook always gets updated across blocks and disbursement agency

Block name	% of workers whose passbook always gets updated			
	Bank	CSP/BC	ATM	Overall
<b>Athmallik</b>	28.9	22.2	40.0	28.9
<b>Banspal</b>	5.6	12.0	NA	5.6
<b>Kankadahad</b>	13.8	10.8	0.0	13.8

<b>Pottangi</b>	23.2	3.9	50.0	23.2
<b>Semiliguda</b>	43.5	5.9	20.0	43.5

Table A11: Workers whose passbook gets updated manually across blocks and disbursement agency

<b>Block name</b>	<b>% of workers whose passbook gets updated manually</b>			
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>	<b>Overall</b>
<b>Athmallik</b>	24.4	25.0	33.3	24.8
<b>Banspal</b>	67.3	91.7	NA	69.7
<b>Kankadahad</b>	0.7	1.6	0.0	1.0
<b>Pottangi</b>	11.9	18.8	14.3	12.8
<b>Semiliguda</b>	12.0	76.9	44.4	18.9

Table A12: Workers who get receipt/SMS on withdrawal of wages across blocks and disbursement agency

<b>Block name</b>	<b>% of workers who get receipt/SMS on withdrawal of wages</b>			
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>	<b>Overall</b>
<b>Athmallik</b>	33.9	35.1	80.0	35.5
<b>Banspal</b>	8.9	18.2	NA	10.0
<b>Kankadahad</b>	42.3	47.9	80.0	45.1
<b>Pottangi</b>	5.8	0.0	85.7	11.2
<b>Semiliguda</b>	17.5	31.3	100.0	22.9

### 6.1.2.3 Misdirections and Fraud

Table A13: Workers who reported wages getting misdirected across blocks and disbursement agency

<b>Block name</b>	<b>% of workers who reported wages getting misdirected</b>			
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>	<b>Overall</b>
<b>Athmallik</b>	14.3	6.7	33.3	12.5
<b>Banspal</b>	1.2	0.0	NA	1.2
<b>Kankadahad</b>	0.0	1.3	0.0	0.5
<b>Pottangi</b>	0.7	0.0	0.0	0.5

<b>Semiliguda</b>	2.5	0.0	30.0	3.5
-------------------	-----	-----	------	-----

Table A14: Workers who experienced fraud while transacting across blocks and disbursement agency

<b>Block name</b>	<b>% of workers who reported experiencing fraud while transacting</b>			
	<b>Bank</b>	<b>CSP/BC</b>	<b>ATM</b>	<b>Overall</b>
<b>Athmallik</b>	4.8	5.0	16.7	5.2
<b>Banspal</b>	6.9	32.0	NA	10.1
<b>Kankadahad</b>	0.0	4.0	0.0	1.4
<b>Pottangi</b>	0.0	0.0	0.0	0.0
<b>Semiliguda</b>	2.5	5.6	20.0	3.4

#### 6.1.2.4 Grievance Redressal

Table A15: Workers who filed a complaint orally or in writing

<b>Block name</b>	<b>Mode of complaint</b>		
	<b>Verbally</b>	<b>In writing</b>	<b>Total complaints</b>
<b>Athmallik</b>	0	0	0
<b>Banspal</b>	30.3	0.5	30.8
<b>Kankadahad</b>	32.9	2.7	35.6
<b>Pottangi</b>	7.8	3.4	11.2
<b>Semiliguda</b>	11.0	0.0	11.0

Table A16: Issues for which complaint was registered across blocks

<b>Block name</b>	<b>% of workers who filed a complaint for different issues</b>			
	<b>Pending wages</b>	<b>Rejected payments</b>	<b>Part payment of wages</b>	<b>Work denied</b>
<b>Athmallik</b>	0.0	0.0	0.0	0.0
<b>Banspal</b>	93.2	18.6	0.0	10.2
<b>Kankadahad</b>	63.9	5.6	0.0	36.1
<b>Pottangi</b>	0.0	0.0	0.0	100.0

<b>Semiliguda</b>	68.0	0.0	56.0	12.0
-------------------	------	-----	------	------

### 6.1.3 Workers' Perceptions

Table A17: Workers perceptions about issues

Issue	Athmallik	Banspal	Kankadahad	Pottangi	Semiliguda
<b>No issue</b>	50.5	2.5	28.6	13.2	15.7
<b>Making transactions due to link failure, no electricity, biometrics not working</b>	21.4	36.9	36.4	34.2	37.6
<b>Knowing when my account gets credited or debited, knowing how much money my account has</b>	22.9	39.9	12.7	35.6	27.1
<b>Time involved of going to disbursement agencies and getting money</b>	3.1	11.6	15.0	9.8	7.0
<b>Cost involved of going to disbursement agencies and getting money</b>	0.0	9.1	4.1	2.4	10.0
<b>Knowing what banking rules are at the agency</b>	0.5	0.0	3.2	4.4	2.6
<b>Lack of Grievance Redressal Mechanisms</b>	1.6	0.0	0.0	0.5	0.0

## 6.2 Formats for Recommendations

## **6.2.1 Format for Dissemination of Information on Wage Credit**

## **6.2.2 Know Your Rights (KYR) for Bank Account Holders**

- When you open a bank account the bank must give you a passbook.
  - You can get your passbook updated at any time free of cost.
  - You can choose to request the bank for SMS services so that you get SMSs for every transaction from your bank account. However, the SMS service is chargeable.
  - You should get clear written communication about the following when you open a bank account or your account type is changed
    - Type of bank account (ex: zero balance account, basic savings account etc)
    - Requirements and charges associated with such an account (ex: minimum balance, limits on withdrawal amounts, maximum deposit amount, if any)..:
  - A bank branch cannot refuse to let you withdraw money even if there are CSPs/BCs in the area.
  - There should be no limit to the number of transactions allowed within a month at the bank branch.

- 7.** A bank cannot close or freeze your account without communicating to you in writing. The procedure to reopen or unfreeze the account should also be specified in the written communication regarding the closing or freezing of the account.
- 8.** Your bank account type cannot be changed without your written consent.
- 9.** Your bank account can be linked to your Aadhaar only with your written consent in the local language.
- 10.** The bank cannot draw on your general account balance to clear any debts that you may owe to the bank.
- 11.** No one has the right to demand your bank account details over the phone.
- 12.** Do not share the OTP received on your phone with anyone, even if they are bank officials.
- 13.** If you face any difficulties during bank transactions, the bank official must assist you.