

Length of The Last Mile

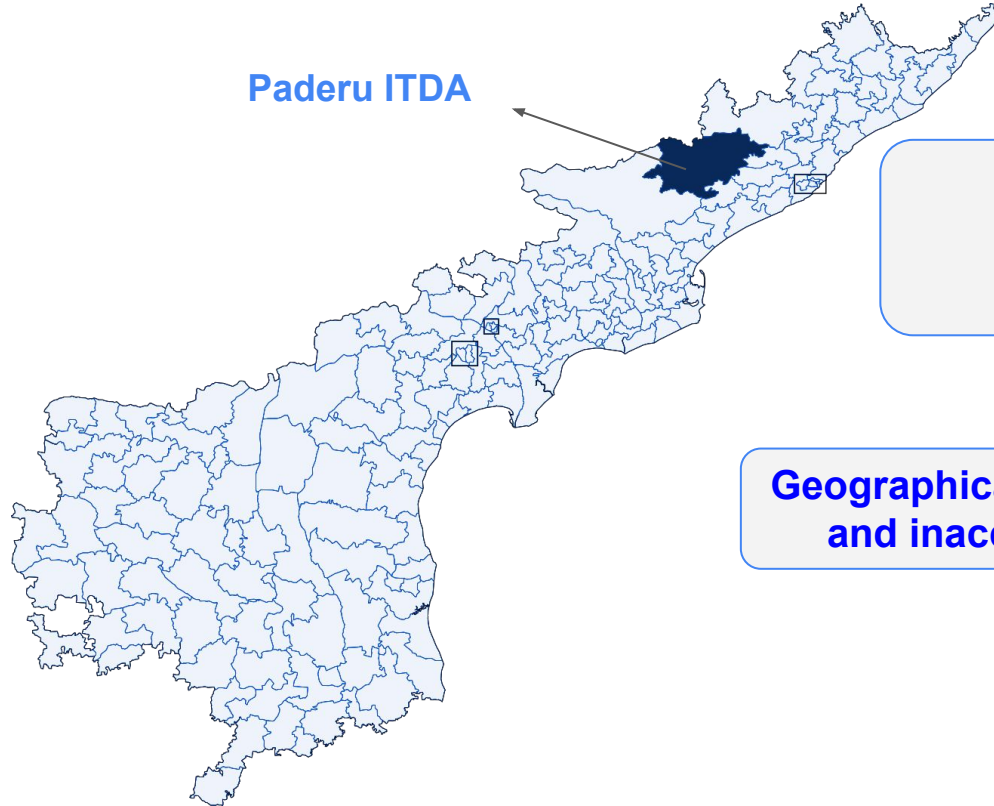
Hardships in Accessing Payments in the Tribal Areas of
Andhra Pradesh

Agenda

1. Background
2. Length of the Last Mile
3. Study Focus
4. Methodology
5. Key Findings
6. Recommendations
7. Q & A



Background



Paderu ITDA

**28 Lakh Adivasi Households
DBTs → Rs 4289 Crores
October 19 to June 2021**

**Geographically remote
and inaccessible**

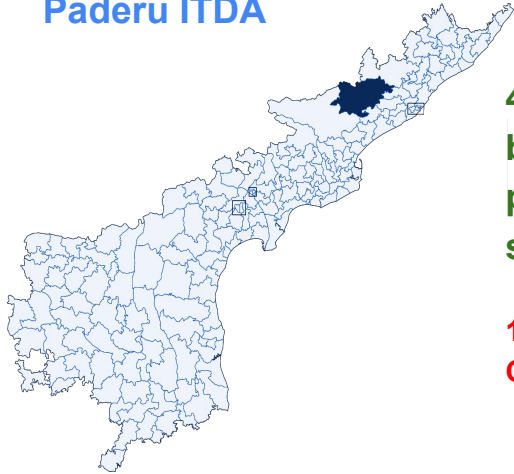
**Pervasive Network &
Infrastructure Issues**

Financial Inclusion - Bank Demographic Penetration

Paderu Area

34,000 adult population

Paderu ITDA



**4 bank
branches
per 1000
square KMs**

**154 Business
Correspondent**



India

7,692* adult population

**46 bank
branches
per 1000
square KMs**

**15 Lakh +
Business
Correspondent**



*NABARD - Trend Report on Financial Inclusion 2022-23 for all the data points related to the Country, considering demographic penetration of banks
26 banks are there in ITDA Paderu region (5904 Square KMs), source LDM of ASR district

Length of the Last Mile

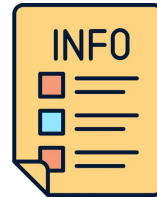
Workers in rural India face several hurdles and challenges to access their own hard earned money from banks and other disbursement agencies. These challenges are referred to as 'last mile challenges'.



No Road Connectivity
1/3rd of the Villages



No Telecom Signals
104* Grama Panchayats



Lack of Information
Payments Credit Data

*As per the data received from Department of Telecommunications RTI response

Study Focus

Experience in collecting NREGA Wages

Narrowed Approach to obtain more precise insights into the challenges that individuals face when collecting their wages

However, it is reasonable to assume that people's experiences in collecting cash from any scheme may be similar



Methodology

- Random Sample 11 out of the 44 shandies (Weekly Markets) in Paderu ITDA.
- Interviewed at least 75 respondents from each of the sampled shandies
- A total of 877 interviews.

- Similar terrain
- Infrastructure
- Governance systems
- and Access to Disbursement Agencies (DAs) across ITDAs
- Common issues across DBT schemes

Recommendations can be helpful in addressing last mile challenges across all DBTs in all ITDAs

Limitations

- Shandy (weekly markets) based Study
- Responses from 156 GPs were captured out of 244
- When workers travel to access payments, they may use the same trip for other reasons as well. In this study we have not taken into account these factors.



Key Findings

Disbursement Agencies Accessed



Time & Cost Related Challenges

- Direct Costs
- Indirect Costs
- Multiple Visits



Transparency and Accountability

- Access to Information
- Tracking Transactions
- Grievance Redressal



Disbursement Agencies Accessed - Primary



Bank Branch



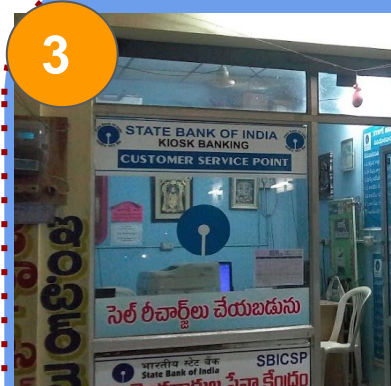
12.5%



ATM



2.5%



Customer Service Point



85%



Business Correspondent



Time & Cost Related Challenges

- Distance to the Disbursement Agency
- Time It takes to access
- Miss Work → Loss of Wage

Direct Costs

- Travel Cost
- Food, if it takes longer
- Accompanying Fees for
 - Elderly
 - Single Women
 - Differently Abled

Indirect Costs

- Indirect costs occur when workers have to forgo wages on days spent in withdrawing wages.

Note

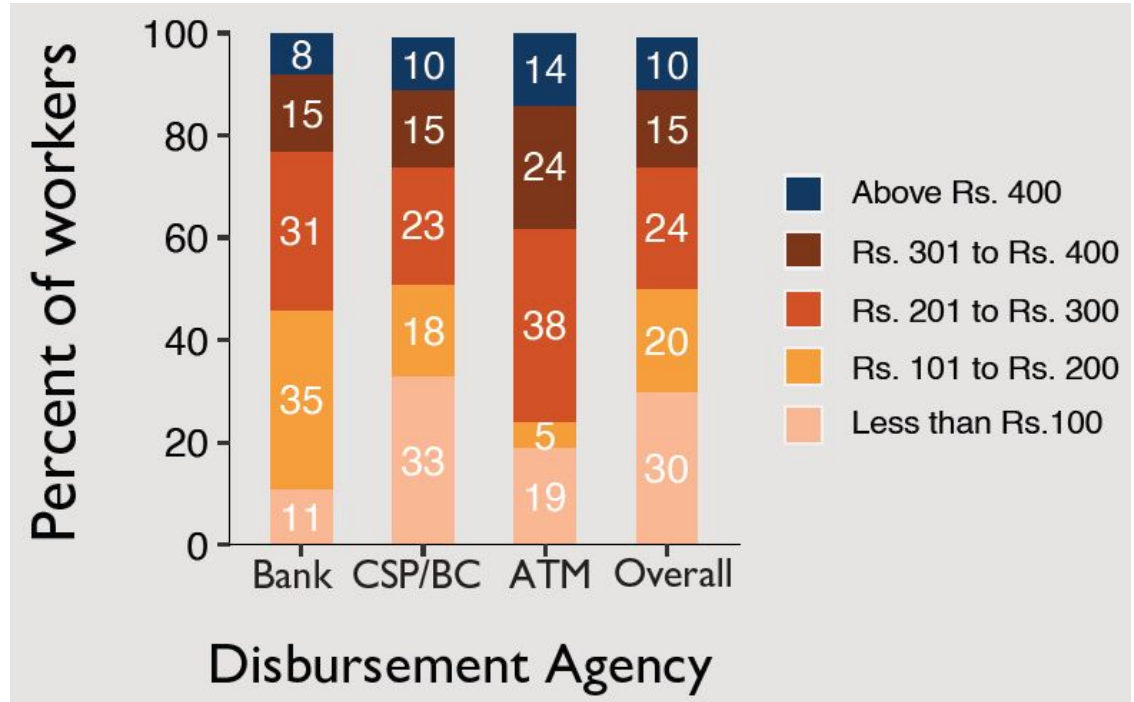
When workers travel to access payments, they may use the same trip for other reasons as well. In this study we have not taken into account these factors.

Direct Cost - Money Spent

Half the workers spend
above Rs. 200

one-tenth spend above
Rs. 400 on travel to
withdraw wages

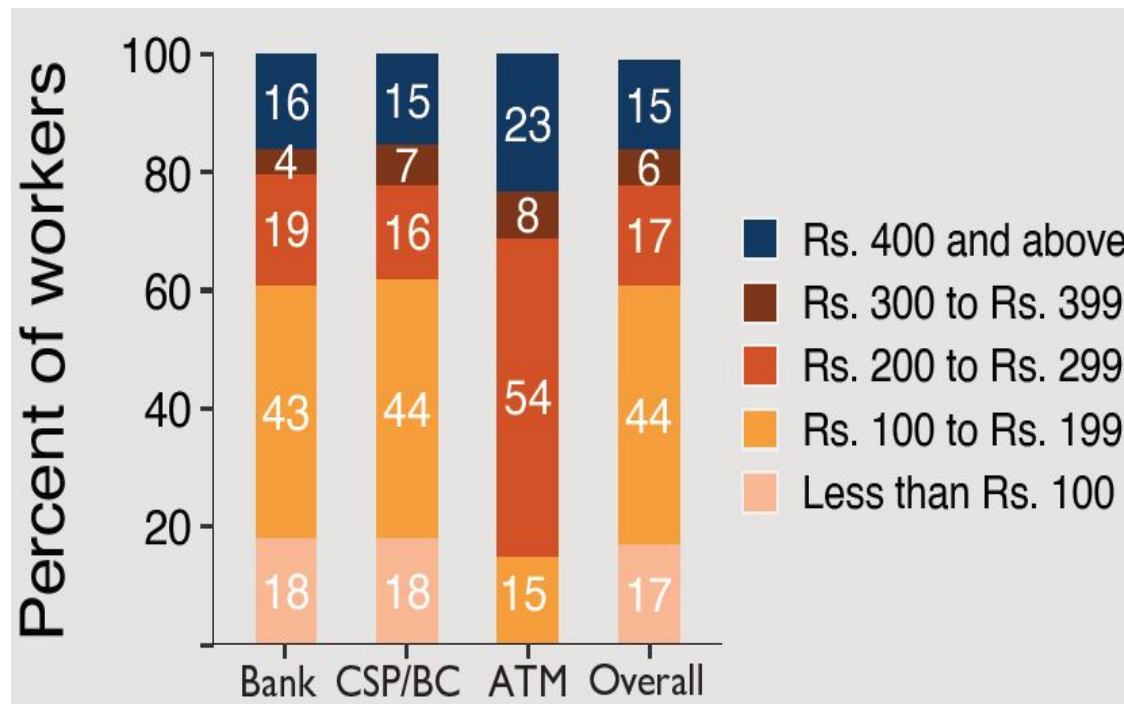
37% had to travel more
than 10 KMs



Indirect Cost - Money Spent

**Around three-fourths
of the workers missed
at least a day's work.**

**Around three-fourths
of them had to forgo
income worth Rs. 200
or more**



Multiple Visits

One-third of the workers reported making multiple visits to the DA because they were unsure if their wages had been credited, while more than half of the workers had to make multiple visits due to infrastructural issues.

Worker
reaches DA
but found the
wages are not
credited

33%
Respondents

Overcrowded
Network
Failures
Cash Ran out

56%
Respondents

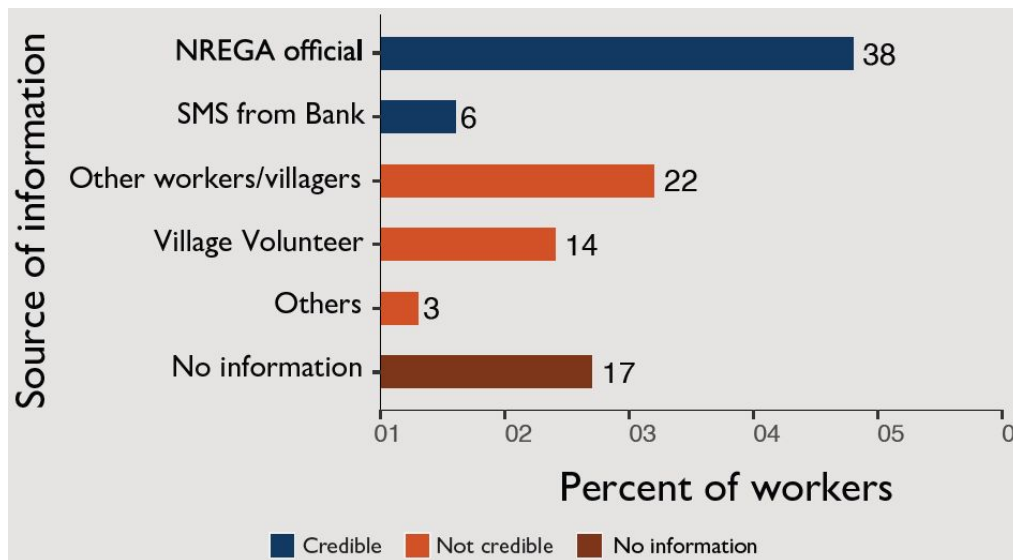
Transparency and Accountability Related Challenges

1. Access to Information
2. Ability to redress grievances

Other sources include

1. Word-of-mouth (22%)
2. Village volunteers (14%)
3. Visiting the DA to find out (17%)

Less than half of the workers get information about their wages through credible sources.



Transparency and Accountability Related Challenges

Tracking Transactions

Less than one-tenth of workers had their passbook regularly updated. Only one-fourth respondents report getting an SMS or receipt on withdrawal.

98.5% **B** **91.7%**
Have Passbooks **U** Passbooks Never
T Updated

| Disbursement agency | % of respondents who had a passbook | % of workers who had a passbook and it was updated | | |
|---------------------|-------------------------------------|--|----------------|-------------|
| | | No, never | Yes, sometimes | Yes, always |
| Bank | 98.2 | 58.3 | 27.8 | 13 |
| CSP/BC | 98 | 97 | 2.9 | 0.1 |
| ATM | 100 | 81 | 19 | 0 |
| Overall | 98 | 91.7 | 6.4 | 1.7 |

Table I: Percentage % of respondents with a passbook who had a passbook and frequency of updation

Grievance Redressal

Lack of Local Channels

1. NPCI Mapping
2. Aadhaar Related Challenges
3. RoFR related grievances can be redressed only at the ITDA Office

Only one-fourth of the respondents had filed a complaint and only 10 people had done so in writing



Recommendations

More Bank Branches/CSPs/BCs

1

1. Provide Infrastructure
 - a. Electricity
 - b. Internet Connectivity
 - c. Offline capabilities
2. Set Up more Disbursement Agencies

Regular Information Dissemination

3

1. Worker Consultations to arrive at proper information dissemination channels
2. Display of wage credit information at accessible places

All Accounts Linked with Aadhaar

2

1. Bank KYC
2. Bank Account Seeding with Aadhaar
3. Bank Account Mapping with NPCI

Improved Accountability and Grievance Redressal

4

1. Regularly update passbooks
2. Know Your Rights at Public Places (appendix)
3. Grievance registrations
 - a. Volunteers
 - b. Weekly Markets
4. Include Last Mile Challenges in Official Reviews

Questions

Thank You



Download Report

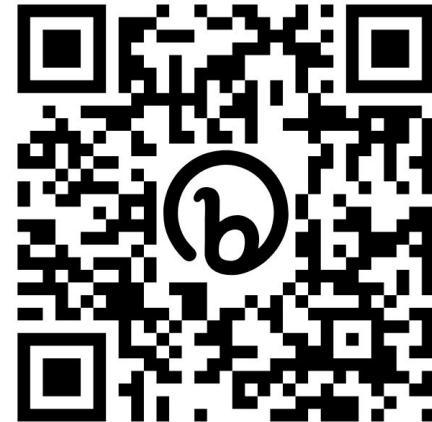
English

<https://bit.ly/aploIm>



Telugu

<https://bit.ly/aploImtelugu>



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. None 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.

OR AT A MONEY ORDER AT THE BANK BRANCH.