



Inclusive Cashless
Payment Partnership



MARKERS OF TRUST: RECREATING DIGITAL ECOSYSTEMS FOR WOMEN IN LOW-INCOME CLUSTERS





Ecosystems, by definition, are living systems of relationships. To create enabling digital ecosystems, the nuts and bolts of living relationships must be recreated digitally. While most efforts aimed at promotion of digital payments focus on the more tangible aspects such as digital infrastructure, payment solutions, gadget ownership, and internet penetration, among others, there is a soft aspect that more often than not goes unexplored. Efforts at financial inclusion in the past decade focused on getting these soft aspects right, and similar concerns remain relevant in the context of digital financial inclusion today.

CATALYST, a user-centric digital finance innovation platform for the underserved last mile, carried out a program of research projects and operational initiatives centered on a low-income cluster, Bhatta Basti (Shastri Nagar) in Jaipur where infrastructure and financial capabilities were low and the role of informal community institutions strong, compared to other low-income market clusters where CATALYST carried out its operations. A part of immersive qualitative research focusing on women who work across four employment categories – old clothes vendors, bangle makers, tie & dye workers, and domestic workers – helped unpack existing ecosystems that these women operate in. This note focuses on markers of trust that would help in recreating a more inclusive and enabling digital ecosystem.

Women in bhatta basti: the context

Bhatta Basti comprises women (and households) who belong to the lower socioeconomic strata of society – about 70 percent of the 190 surveyed women belonged to the scheduled castes/tribes or other backward castes, while 13 percent were categorized as minorities. At an average age of 35 and most of them married, these women support their household incomes through their employment in the four categories mentioned above. The average Bhatta Basti woman is literate without formal schooling; the education level is fairly comparable to their male counterparts in the locality.

Aadhaar penetration in the surveyed sample was almost universal at 99 percent, followed by 87 percent coverage of voter IDs and 74 percent Bhamashah (the Government of Rajasthan benefits program) card holders. Eighty-nine percent respondents reported having bank accounts with 87 percent of those linked to Aadhaar numbers. While bank account access and linkage was high, consistent usage was low; more than half of the respondents indicated not using their accounts in the past month and very few using banks to deposit their own savings. Very limited information was available on receipt of government benefits due to poor recall and/or privacy concerns of respondents.

Women in Bhatta Basti actively engaged in the economic lives of their families. While access to cash for household payments varies by purchase type, most women reported making payments on their own for daily household items, while some women even made payments for big utility items, including refrigerators and electronics. These women also indicated their willingness to use their own mobile phones, and also adopt digital payments. However, all reported payments use cases so far remained cash-based.



Ecosystem relationships and markers of trust

In this context of women in lower-income households who earn a considerable income and make day-to-day financial decisions, gender dynamics also come into play as these groups tend to follow traditionally patriarchal customs. Certain norms and implicit rules preserve the fabric of their socioeconomic lifestyle which has to be taken into account if the prevalent ecosystem has to be recreated digitally. Two important heuristics relevant to the digital payment context, based on qualitative insights, are described below.

Heuristic 1: Ownership matters

Since digital payments rely on digital infrastructure – bank accounts, smartphones and internet connection, primarily. Digital financial inclusion at an individual level means individual ownership of these.

As one would expect, going higher up on the economic ladder, the ownership of products and services becomes individual centered. Lower income means shared ownership to cut costs. Power comes into play and, typically, even if the household as a group owns two gadgets, it is clear that the member who holds more agency and autonomy will own the smartphone. It was found that this was not about gender alone but also dependent on occupations. Women selling old clothes, for example, held equal (if not more) agency and autonomy than men in the family than their counterparts who make bangles. This was because of the former had more independence in carrying out their businesses while the latter and were completely dependent on their agents.

Implications

- The gender context: If all digital products and services were, by default, centered on the use of smartphones and smartphone ownership was with men, the first step would be to strongly incentivize co-ownership for transactions alone. The man in the household, who might have ownership of the phone, needs to be convinced that he is a partner in progress of the household when the woman is able to use the phone for making digital payments through her accounts.
- The occupation context: In occupations where women hold equal agency and autonomy, a targeted intensive handholding approach could be devised. Since women showed an overwhelming willingness to learn, identifying women who could be champions of digital payments and handhold others could be the way forward to gain trust and manage cultural sensitivity.



Heuristic 2: Employer-employee relationships

There are also subtle but powerful dynamics between these women and their employers, particularly in cases where agency of the employee is important for the employer, for example, domestic workers. In a domestic worker-employer relationship, the pain-points for the employer, in most instances, are inconsistent patterns of leave and delay in work times. The pain-point for domestic workers lies in communicating about work delays and/or leave on time. The domestic workers earn an average of about INR 3,000 from about three to five employers. A digital solution can allow these women to consolidate payments from their employers, keep track of their schedules and leave, at the same time, keeping the employers informed about potential delays or leave.

Implications

- Rather than a narrow focus on digital payments, think of the employer-employee relationship as an opportunity for a bundle of services. Incentivize the employers, to encourage them to make digital payments to domestic workers. Incentivize workers by giving them talk time reimbursements, or variable pay based on leave taken or any such mutually fair benefit.
- Link all payments and government transfers to the account being used for salary transfers. Many government benefit transfers go unnoticed and unused in the bank accounts because the beneficiaries do not use their accounts and are unaware of their balance.

Markers of trust

Looping back to the initial idea of an ecosystem as a system of living relationships, it is observed that even though these relationships are marked with inequality, the norms and variations are consistent and known to all the parties. Trust is therefore vital to the survival and growth of the ecosystem. In attempting to create a digital ecosystem, it is essential to recreate the markers of trust digitally as they are on the ground.

The **first** marker of trust is that all the parties in an existing relationship dynamic are equally invested. Otherwise they would not embrace an unknown system. In the case of working women, the dynamic not only includes men and the household, but also their employers, agents and the other economic actors that they interact with in the value chain. The two tricks of the trade above highlight how this dynamic works.

The **second** marker of trust would be an assurance against fear of the unknown. This could be achieved by intensive handholding and proactive grievance redressal. CATALYST's efforts in Bhatta Basti with opening bank accounts and ATM pin generation were a good example of how this becomes an effective strategy in including the financially underserved.

The **third** marker of trust comes from incentivizing the early adopters in the community to become champions and role models where they help their peers through the digital journey. Information and communication from known and trusted sources would be a far more easy-sell for digital solutions than from the marketing and promotion activities of the solution itself.

The **fourth** marker of trust would be a process of community legitimization or validation. Since the community itself is a key stakeholder, the community should benefit. Public good or value must be created, in collective public terms, so as to not only endorse the digital ecosystem, but encourage it.






Technical writer: *Shilpa Pandit*

Acknowledgements: *The author would like to thank Ankur Gautam for his support on content review and edits.*

Views expressed in this document do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.



Inclusive Cashless
Payment Partnership

 www.facebook.com/CashlessCatalyst  www.twitter.com/cashlesscatalyst  www.linkedin.com/company/catalyst-inclusive-cashless-payment-partnership

H-5, Second Floor, Green Park Extension, New Delhi - 110016
011-49096529 | info@cashlesscatalyst.org | www.cashlesscatalyst.org

