

36% increase in use of digital modes of payments and 14.08% increase in overall annual revenues of the women entrepreneurs, due to increase in digital financial literacy in programme villages in Maharashtra - insights from the year end assessment of Digital Sakhi programme, by L&T Financial Services*

Digital Sakhi, a digital financial inclusion programme by L&T Financial Services, runs across Maharashtra, Odisha, Madhya Pradesh and Tamil Nadu, impacting more than 2 lakh lives

Mumbai/Delhi, February 1, 2019: L&T Financial Services (LTFS) today released a white paper basis the learnings of the Digital Sakhi (DS) programme and the results from the assessment survey, conducted post one year of implementation. The paper titled “Finclusion – Empowering Women through Digital Financial Inclusion” identifies the issues and barriers, especially for rural women, in adopting digital finance and offers tangible solutions to facilitate more women into the world of digital finance. Digital financial literacy of women, according to the paper, not only benefits the women but also, their families, their communities, and the ecosystem at large.

The white paper was released at the Digital Financial Inclusion Round Table, organized by LTFS, in the presence of Mr. Prasanta Kumar Swain, Jt Secretary, Ministry of Agriculture, Mr. Manoj Shenoy, CE, Wealth Management & Group Head CSR - L&T Financial Services, Guest of Honour, Mr Gokul Patnaik. (Retd IAS), Dr Leena Srivastava, Vice Chancellor, TERI School of Advanced Studies and Mr Rathish Balakrishnan, Co-founder and Managing Partner, Sattva.

Manoj Shenoy, CE, Wealth Management & Group Head CSR - L&T Financial Services said “Digital financial inclusion is a multi-step process with basic financial literacy being the first, leading to digital financial literacy and inclusion. We believe, the learnings from the Digital Sakhi Programme that are documented through this white paper will provide all stakeholders a window to the advantages of onboarding rural women into the world of digital finance and the transformative effect it can have on the country.”

The Digital Sakhi programme was first launched in three districts of Maharashtra – Pune, Osmanabad and Solapur, in June 2017. The yearend assessment survey conducted in these areas, showed marked improvements as compared to the baseline study conducted prior to the launch of the programme. Some of the highlights are as below:

- 36% increase in use of digital modes of payments in the programme villages
- 60% increase in volume of work of the women entrepreneurs
- 14.08% increase in overall annual revenues of the women entrepreneurs
- 100000+ community members sensitized on digital modes of payments

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* The annual assessment survey was conducted on a sample size of 1481 respondents across 3 districts - Pune, Osmanabad and Solapur in Maharashtra

Awareness about digital modes of payments viz. prepaid cards, mobile wallets, United Payment Interface (UPI), Unstructured Supplementary Service Data (USSD), internet and mobile banking as well as Aadhar Enabled Payment Service (AEPS) has also increased by manifold.

The greatest achievement of the Digital Sakhi programme has been the inclusion of women in the household financial decision-making process. Prior to the programme, all major household financial decisions were taken mostly by the 'Male head of the household'. It has been observed in the recent survey that more members of the household, especially the women, are actively participating in the financial decisions of the.

Elaborating on the advantages of empowering women through digital financial literacy, the paper states that the benefits are multiple-fold as the additional funds are, then, spent on healthcare, education and nutrition of the family, as well as for income generating activities. Digital financial inclusion of women in rural India has the potential to benefit the entire ecosystem.

The paper also identifies issues and barriers, especially for women, while adopting digital finance:

- low literacy levels
- low financial awareness
- a knowledge gap on digital transactions
- lack of bank branches
- poor internet connectivity
- frequent power shortages
- uncertainty on data security
- resistance from the merchant community for embracing digital financial services
- Last-mile connectivity issues in rural areas
- restrictions in mobility of women within largely patriarchal communities
- limited use and ownership of mobile devices

The White Paper has proposed collaborations and collective action among the service providers, organizations, government and NGOS together with a focus on women centric product design and thorough on-boarding process and support procedures for facilitating the presence of a greater number of women in the world of digital finance.

The round table 'Finclusion - Empowering Women through Digital Finance' also included two panel discussions around "Partnerships for effective delivery of financial inclusion" and "Role of Women change agents in empowering communities through digital finance."

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About the Digital Sakhi Project Model

The three-year DS programme was conceived post the findings of the Baseline and Needs Assessment study in 2017, thereby aligning with the Government's larger agenda of taking financial services to the unbanked rural areas of India.

Under this programme, Digital Sakhis, are identified from the community and trained extensively on Digital Financial Literacy, leadership and technology. A Digital Sakhi is a rural woman between 25-50 years of age, with a digital device in hand, equipped with skills and knowledge to impart digital financial literacy training to women in her village. Each of these women are equipped with a mobile tablet with preloaded Digital Financial Literacy (DFL) modules. Leveraging strengths from within the organisation, the DFL modules were prepared in-house at LTFS by creating a cross-functional team which involved key members from the CSR, Learning and Development and Rural Finance business teams. This helped them disseminate information in the community on digital payments and other relevant government schemes.

In another part of this programme, women entrepreneurs of the community practicing agri-allied trades are selected and up-skilled in their respective trades to yield better produce. Along with trade specific training they are also trained on Enterprise development wherein they are taught to collaboratively develop market linkages and ascertain higher bargaining rights. Simultaneously, these women entrepreneurs are trained to perform their business transactions through Digital modes by the Digital Sakhis. This programme was launched in June 2017 and implemented in 30 villages across Pune, Osmanabad and Solapur districts of Maharashtra. It was further scaled up to 20 villages in Dhar and Bharwani districts of Madhya Pradesh in March 2018 and is being scaled up to Villipuram district of Tamil Nadu and Boudh and Balangir districts of Odisha.

About the Sample Size of the survey:

The annual assessment survey was conducted on a sample size of 1481 respondents across 3 districts - Pune, Osmanabad and Solapur in Maharashtra, post the completion of one year of the Digital Sakhi Programme in these districts. Most of the respondents were married and had a bank account. Almost all the respondents had an Aadhar card and 93% had a voter's id card.

For more information, please contact:

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