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## Final Reports

### Title

Evolving Participatory Relationships for Uplifting the Urban Poor Rickshaw pullers: Next Step Forward (Final Report)

### Permalink

<https://escholarship.org/uc/item/1v56d3jk>

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### Publication Date

2013-09-01

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*IMTFI,  
UCI*

## Evolving Participatory Relationships for Uplifting the Urban Poor Rickshaw pullers: Next Step Forward



Mani Arul Nandhi  
Deepti K.c.





Pathway to the lives of migrant pullers



Life is not a song for them....



Rain or shine, they battle it out...



the story is about their financial inclusion.

## *Acknowledgments*

*The research for this study was made possible by a grant from The Institute for Money, Technology, and Financial Inclusion at the University of California, Irvine. In particular, the authors would like to thank Prof. Bill Maurer and Jenny Fan for their support and encouragement.*

*The research for this study would not have been possible without the participation of cycle rickshaw pullers –both sample and non sample players as well as key informants– who lent their time to reach the research goals of this project.*

*A word of appreciation to Mahmood ur Rahman, UIDAI and Nivedita Pal, Smart Chip Ltd for their kind help during the UID process.*

September 2013

## Contour Of The Report

*The nature of the study made it challenging to present the report in the conventional way. The report maps out the path travelled in banking the migrant cycle rickshaw pullers in Delhi. Primarily, the report leans on the sample's narratives to uncover the motivations, problems, and challenges in banking the disadvantaged migrant pullers.*

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## *Acronyms and Hindi Expressions*

<i>Paan</i>	<i>Betel leaves chewed as a digestive</i>
<i>Tekedar</i>	<i>Rickshaw Contractor</i>
<i>KYC</i>	<i>Know Your Customer</i>
<i>KYR</i>	<i>Know Your Resident</i>
<i>UIDAI</i>	<i>Unique Identification Authority of India</i>
<i>Apna Bank</i>	<i>My bank</i>
<i>Gaon</i>	<i>Village</i>
<i>Shivratri</i>	<i>A major Hindu festival celebrating the birthday of God Shiva.</i>
<i>Deepavali</i>	<i>A major Hindu festival of lights</i>
<i>Holi</i>	<i>Spring Festival</i>
<i>PI</i>	<i>Principal Investigator</i>
<i>Avatar</i>	<i>A vernacular word to describe 'different forms'</i>
<i>Munshi/Munim</i>	<i>Accountant</i>
<i>MNREGAS</i>	<i>Mahatma Gandhi National Rural Employment Guarantee Scheme</i>
<i>Asli</i>	<i>Real</i>
<i>Committee</i>	<i>Informal group saving mechanism</i>



## Beginning the Story



One among the large pool of financially excluded cycle rickshaw pullers, his money is tightly tucked in what he described as 'Apna Bank' for lack of safe saving options... How to bring him and others like this puller under the inclusive umbrella? This study is a small attempt with a belief and hope that every small drop fills the vessel.

## Introduction

In the last two decades of post-liberalisation era, India has seen transformation of its economic and regulatory structures and the economy moving from a restricted, limited access society to an open and empowered one. India's emerging status in the world economy considered to be fourth largest on a purchasing power parity (PPP) basis<sup>i</sup> is accompanied by vast numbers of its population below the poverty line estimated at 29.8 percent.<sup>ii</sup> But, the liberalized and market driven economy has failed to be inclusive in its growth trajectory.

India's 11th Five year Plan (2007-2012) envisaged a new growth paradigm that will be inclusive and more broad-based aimed at bringing about a faster reduction in poverty. For nearly a decade now, inclusive growth is the cornerstone of the Indian government. However, inclusive growth is a distant dream without financially including a vast majority of Indians who are unbanked. Nearly 450 million or approximately 41 percent of the Indian population have no access to formal banking services.<sup>iii</sup> The first Index of Financial Inclusion carried out to measure the extent of reach of the banking services across the world placed India on 50<sup>th</sup> position out of 100 countries. Some recent facts in the box (World Bank, 2012) highlight the current status of financial inclusion about India.

In India, the policy makers and regulators (Government of India and RBI, IRDA) have initiated several measures to achieve greater financial inclusion (see box). But there is a long way to go in achieving inclusion of a substantial numbers of financially excluded populations. One such disadvantaged population is that of urban poor migrants in India's informal economy surviving on between \$1 and @2 a day. With growing migration of rural poor to urban areas for livelihoods, life in urban areas is not only costly and risky but poses major problems in handling their money. Hence, they are left to handle their economic lives by depending on informal mechanisms. Despite their financial exile by the formal banking sector, evidence

### FINANCIAL INCLUSION IN INDIA, 2012 – SOME FACTS

35 % accounts held by adults at a formal financial institution;  
12 % saved at a formal financial institution

8 % borrowed from a formal financial institution

20 % borrowed from friends or family.

7 % borrowed from an informal private money lender.

### SOME KEY MEASURES FOR FINANCIAL INCLUSION

Big thrust for Business Correspondent (BC) models for banks

Rolling out the facility of No Frills Accounts (NFA) for small value transactions.

Relaxation of KYC norms for small accounts

Fillip to technology enabled banking services like Mobile Banking, pre-paid cards.

Enabling of micro-insurance services through facilitating regulation.

Revival of the cooperative credit system

Promotion of financial literacy for consumer protection.

shows that they are bankable in terms of the amounts of money saved and remitted by them through informal methods (Nandhi, Mani.A 2010). One major reason, among others, for the financial exclusion of migrants is lack of possession of any personal identification documents either in the form of an address proof or an identity proof (ibid). This acts as a major deterrent in their financial inclusion as banks require proper identification documents to fulfil KYC norms.

While improvements in technology have impacted banking for the non-poor, the lack of clear identity documentation for the poor creates a fundamental challenge in getting them bank accounts. The roll out of Unique Identification - UID or AADHAR<sup>iv</sup> cards – by the Government of India is considered a game changer in establishing their identity to the banks and boost efforts in banking the excluded. The UID number identifies individuals uniquely on the basis of their demographic information and biometrics, thus providing an opportunity to address their financial exclusion. The Know Your Resident (KYR) verification performed by UIDAI matches the Know Your Customer (KYC) verification done by the banking sector. Hence, when UID KYR is accepted as KYC for opening bank accounts, identification costs is expected to come down for banks. AADHAR card, thus, can substantially help facilitating the financial inclusion strategies as well as in improving access to finance for the poor. For instance, since the UID can be authenticated from any location, a customer can access his/her account in his/her village or can do so in any other village or city through bank branches, BCs or ATMs (Panikkal et.al 2011).

While it is viewed that financial inclusion space belongs to the banks, but, the banks are reluctant participants of this space and they have to be continually persuaded by the RBI and the government to prioritize banking the excluded populations. For instance, treating access to a bank account as a public good, RBI, in 2005, directed all the banks to offer at all branches the facility of No Frills Accounts to any person wanting a bank account. By the end of 2011-12, 103.21 million NFAs<sup>v</sup> had been opened by the banks, nearly double of the previous year's growth in NFAs. But this notable performance is more than eclipsed by low usage and high dormancy in these accounts. Estimates by independent agencies indicate that only 11 percent NFAs are active.<sup>vi</sup> Reports indicate that a large number of NFAs have been opened as a commitment to inclusive agenda without matching incentives to spur the bank branches/ BCs in promoting the use of the NFAs by the customers.<sup>vii</sup> Low usage does not imply low demand for financial services by the low income populations - as can be evidenced by how informal financial markets understand their needs and offer them what the formal market does not.

Given valid concerns about including marginalized urban migrants, most of whom are either marginal farmers or landless labourers with near illiteracy or semi-literacy levels, the study was undertaken at testing the financial inclusion waters through an



action oriented research. The study ably supported by the Institute for



Money, Technology and Financial Inclusion focused on one of the largest migrant segments in Delhi – that of the cycle rickshaw pullers.





The aim of the study was two fold: one, to get a small number of 50 rickshaw pullers get personal identification document through the UID/AADHAR platform and to facilitate their link up with mobile banking or bank accounts (NFAs). Two, to get a first hand sense of the challenges, problems involved in ‘banking the unbanked’ pullers and to investigate whether these migrant pullers would embrace the bank account by shifting from their informal modes? In short, our intention was to use the route of social activism by hand holding support as an experimental research design to explore the behavioural changes, triggers and challenges faced by them in their transformational process to formal banking services.

The study is based on multiple methods – participant observations, intensive discussions and flash interviews, and daily tracking of cycle rickshaw pullers – both personally and telephonically. The field work took place during September 2012- June 2013.<sup>viii</sup> The report is interspersed with a number of personal narratives that chronicles their migratory lifestyles giving a glimpse of choices they are forced to make or unable to make, enabling an understanding of their socio-economic compulsions, needs, desires and wants that define this marginalized group.



## How did we design the method?

For embarking on a social activist mode of experimental research, the research design was envisaged at 3 levels.

### Planned Research Strategy

1. To identify pullers with no identity documents and grouping these pullers into sets of five for next two levels; creating awareness about UID, mobile banking and financial literacy and enlisting interested pullers
2. To facilitate by hand holding support - first, by getting the sample group of 50 UID/AADHAR cards and then, linking them with mobile banking / bank accounts
3. To follow up with banked pullers about their usage of bank accounts and to understand challenges, triggers and problems in shifting from informal to formal financial services

### How did we zero in on the field site?

The research site was zeroed in after initial spadework by the principal researcher during July-August 2012; and subsequently the second researcher participated in the field work during the first level of planned strategy, which spanned nearly four weeks during September- October 2012. Once the first level work concluded, the principal investigator was at the helm for execution of second and final level action strategy for different processes - from UID enrolment, bank linkage, daily tracking and follow up besides intensive interviews, on the spot casual conversations<sup>ix</sup> and participant field observations. Daily field notes form an integral part of the data. A team of three field surveyors trained to handle the field work – at different points of time – provided supplementary assistance. Contrary to planned strategy, the second and third levels of work had to be overlapped simultaneously due to the nature of the field, where pullers' mobility between Delhi and village was an ever changing scenario and organising planned activities<sup>x</sup> to facilitate their financial inclusion became well nigh difficult and impractical. The field site is an unauthorised slum<sup>xi</sup> with a population of nearly 2000-3000 mixed group of migrants (where rickshaw pullers form the dominant group<sup>xii</sup>)<sup>xiii</sup> reside in Central Delhi. The field site, hereafter referred to as '*kandhar*'



<sup>xiv</sup>has 8 garages run by ‘tekedars’<sup>xv</sup> who rent out rickshaws to the migrant pullers. Since our research design required regular and continual meeting the sample, ‘kandhar’ became a constant rallying point for establishing contact with the pullers participating in the study.





As our target sample was 50 cycle rickshaw pullers with neither any identity documentation nor bank account, we met with a large number of pullers broadly explaining about the research initiative and building awareness about banking, mobile banking and benefits of bank accounts. The sample selection was purposive. Ultimately, we enlisted 76 pullers who met the requirements for the experiment. A list of 50 pullers with no identity documents was finalised depending on the expected availability of pullers<sup>xvi</sup> during the UID and Banking linkage phases as well as their earnestness to participate till the end process.

### How many enlisted were accessible till the end?

Accessibility Status	Number
Total number enlisted	76
Sample selected	50
Enlisted, left for village and not returned to Delhi	10
Shifted to another location/occupation after enlisting	5
Not contactable or available after enlisting	21
Post enlisting, left for village with sporadic visits to Delhi, thus difficulty in UID/bank linking	3
Post AADHAR linkage Shifted to another location / Not traceable	4
Post AADHAR linkage, left for village, not returned till 10.6.2013	2
Refused to take a bank account post AADHAR linkage	2
Post Mobile banking linkage, left for village, not returned till 10.6.2013	7
Post Mobile banking linkage, dropped out voluntarily	1
Dropped because respondents concealed information	3

Between the time potential respondents (N=76) were enlisted and sample size was finalised (N=50); and further on, as the process of linking continually unfolded, the number of pullers available for participation varied at different points of time mainly due to the non-covariant migratory movements of the sample, among sundry other reasons. (Refer above table and Figure 1). Some stories in the report throw light on the challenges faced in handholding the sample respondents to take them

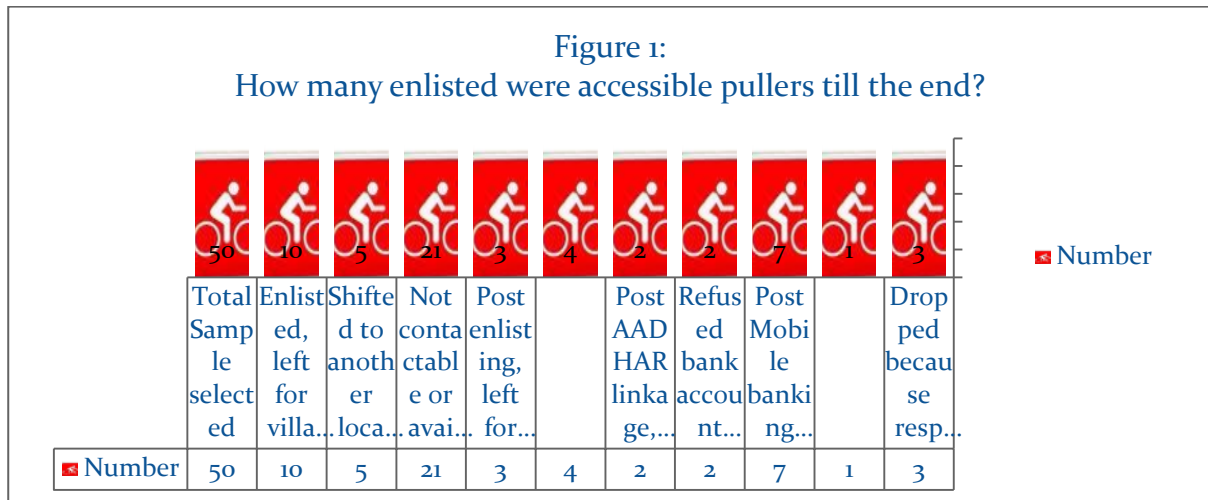


SAMPLE TILL THE END

Sample Number of Pullers Till The End	Number	Percent
<b>Enlisted Pullers</b>	<b>76</b>	
Shortlisted Pullers	50	100
<b>AADHAR linked</b>	<b>19</b>	<b>38</b>
Mobile banking linked	14	28
<b>Bank Account linked</b>	<b>13</b>	<b>26</b>



through the middle and last stages of the initiative with implications for financial inclusion strategies for the migrant population.

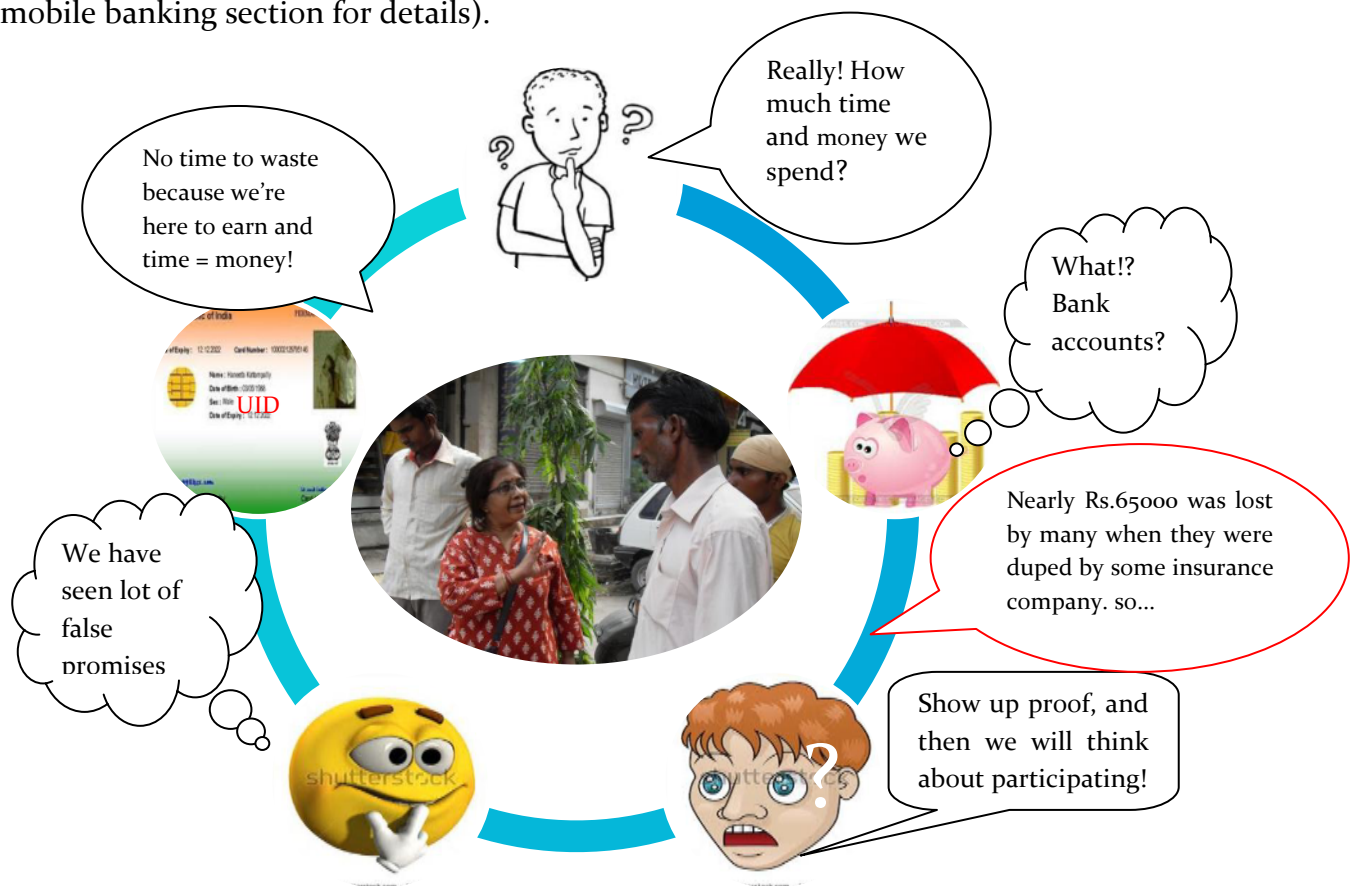


### Did the pullers seize the opportunity?

This query arose in our minds during the first phase of research indicative of the ground level challenges in connecting with a peripatetic migrant group hailing from different regions with no roots in Delhi. Understandably there was a lot of curiosity, incredulity, and scepticism from the migrant population in ‘*kandhar*’ and pullers in particular, at the initiative of a pair of perfect strangers to facilitate identity documents through UID/AADHAR route as well as bank accounts (on mobile banking platform). Initial days into identifying pullers were challenging because of reactions – ranging from ‘cynicism’, ‘sheer distrust’ and ‘disbelief’. A few fathomable reasons underlie these reactions. A lot of individual pullers’ voices summed up a fact that many migrants in the ‘*kandhar*’ were cheated with false promises of UID cards and/ or bank accounts by some people/groups who charged a fee of Rs.5 per application from many migrants. Emanating from this negative experience, a constant refrain heard among the migrants was “How much will be the expenses for obtaining UID card and bank account?”

In spite of our assurances that no monetary cost is involved, but non-monetary costs in terms of time<sup>xvii</sup> during the UID enrolment/bank linkage will be necessitated, their disbelief was a tough ice to break with. Savir Alee and Lakhan, two young pullers<sup>xviii</sup> who were both keen and open to going along with the initiative told us that we could earn the ‘trust’ of others if we could demonstrate first by opening some mobile bank accounts. During this first phase, contrary to the planned route, the strategy was tweaked to gain ‘trust’ and ‘confidence’ of the rickshaw pullers by getting mobile bank accounts. An issue, we faced at this point, was how to get those with no identity documents bank accounts. To overcome this ‘chicken or egg’ dilemma, we decided to recruit a group of 8 volunteer rickshaw pullers possessing state election card (Voter’s ID). During the first week of September 2012, two backed out and only six – some of

them with gentle persuasion - were linked with EKO\_SBI mobile bank accounts (See mobile banking section for details).



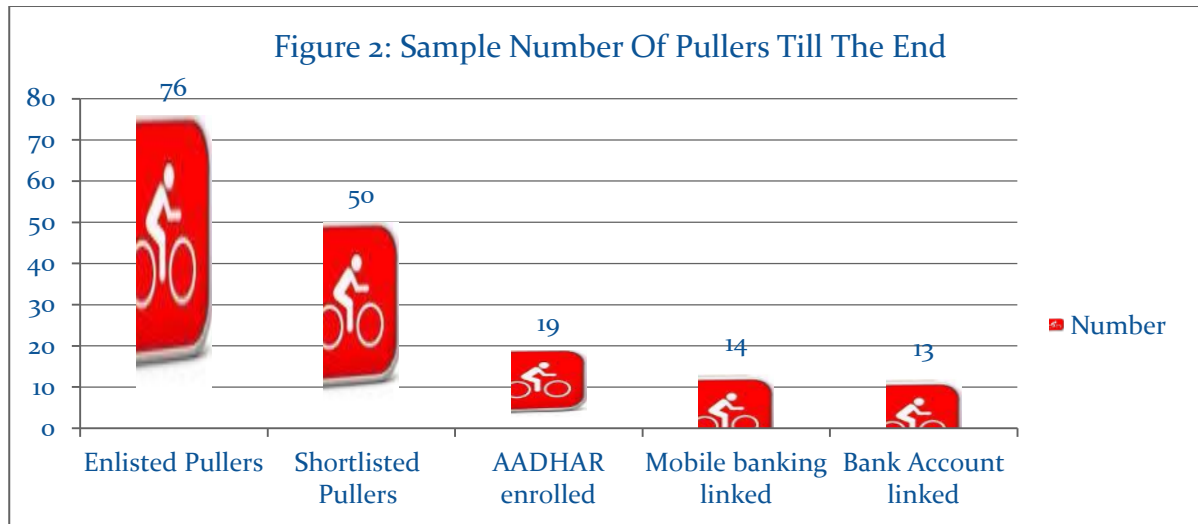
At the other end, we also came across some unbanked pullers with Voter's Id but not wanting a bank account; a few with bank accounts found it useless. For instance, Jai Singh from Gwalior comes every two weeks to Delhi during lean season in the village when wage labour is not available. He pays Rs.200 on transport and returns home after earning for two weeks to meet family expenses. When the benefits of having a bank account for saving for the future too was emphasised, he solemnly said that that he is not interested at all in a bank account now.

Kok Singh and Hukam Singh with bank accounts in the village were frustrated with a bank account. When they want to transfer money to their accounts in the village, the bank branch at Delhi does not permit them if the remittance amount is less than Rs.10,000 and directs them to a CSP, where they have to pay Rs.100 per transaction. In their

*“ When my earnings are not enough to meet current expenses, where is the question of saving? when I can not walk fast, how do you expect me to jump?  
- Jai Singh*

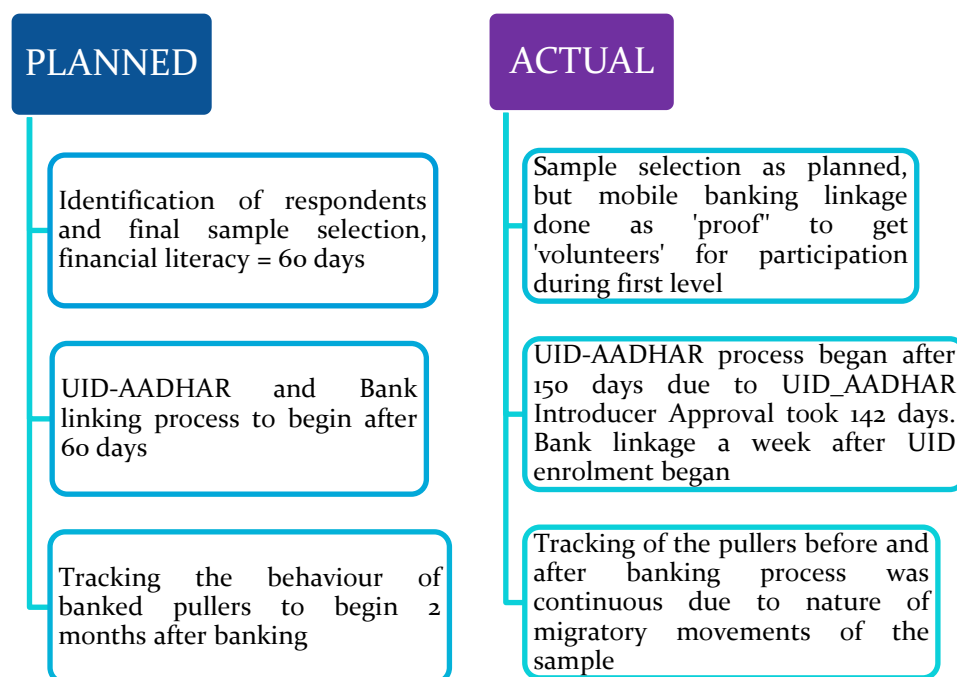
words, “we send twice or thrice a month amounts varying between Rs.1000-Rs.2000 and why should we pay every time for sending money when we arn and save every rupee through hard work?”

In terms of the final number of rickshaw pullers who were AADHAR enrolled and bank linked, Figure 2 is instructive. In effect, response rate of the sample is 38 percent and 28 percent for AADHAR and bank account linkage respectively.



## Timelines – Planned and Actual.

The processes for three levels of work were estimated in a confident mode aiming to complete it within a six month period.<sup>xix</sup> Once we crossed the first level work, our conjecture that the sample in groups of five would be taken sequentially - from financial awareness<sup>xx</sup> training to graduating them towards AADHAR card enrolment and subsequent linkage with bank accounts was not in the pace as it was estimated or expected to be. Innumerable factors held sway over the estimated time. For instance, the process of UID enrolment itself could begin only 142 days after the first author was confirmed as an 'Introducer'<sup>xxi</sup> by the Unique Identification Authority of India<sup>xxii</sup> (UIDAI) after several formalities. **(See details in the relevant section of the report).**



## Limitations and Challenges

1. Designed sample size = 50 rickshaw pullers
2. High Attrition rate = 72 %
3. Sample who were AADHAR enrolled = 19; banked = 14
4. Constant flux in terms of short cycles of migration of the sample and consequent difficulty in tracking/linking them with UID/Bank accounts.
5. Advocacy to encourage banking habit among the sample in the face of subtle influence of local interests in *Kandhar*.



## Sample Demographics (N=50)



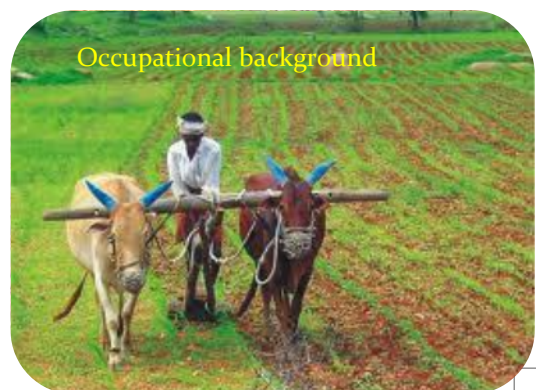
Average Age 28 years  
 maximum 56 years  
 minimum 18 years

**Marital Status:**  
 Married = 23  
 Unmarried = 27



No Literacy = 10; Can sign only = 2  
 Primary = 12  
 Middle school = 19  
 High School = 7

Landless labourers = 22  
 Marginal farmers<sup>xxiii</sup> = 19  
 Unemployed /Casual labour = 9



- ✚ 44 pullers are from Madhya Pradesh.
- ✚ 2 are from Bihar.
- ✚ 4 are from Uttar Pradesh.
- ✚ Number of years of rickshaw pulling in Delhi for the sample is 7 years (average)



- ✚ 43 pullers live in 'kandhar'
- ✚ 4 live in a rented room
- ✚ 3 live on streets.

- ✚ 33 pullers owned a mobile phone; 2 had two SIM cards – one usable at village and one for Delhi.<sup>xxiv</sup>
- ✚ 8 had SIM cards only.
- ✚ 6 did not own a mobile or a SIM.



## Levels of Awareness and Monetary Practices



Pullers who had tried getting a bank account were aware about benefits (interest), facilities of bank account (cheque book, pass book, ATM cards) as against those who never tried for bank account.

- ✚ 38 pullers save daily
- ✚ 2 save weekly
- ✚ 4 save as & when surplus available
- ✚ 6 unable to save.



- ✚ 32 save with (money guard) - *tekedar*/shopkeeper
- ✚ 7 keep on person/rented room
- ✚ 4 remit money regularly
- ✚ 1 gives interest free loan
- ✚ 6 not applicable due to weak saving capacity.

### 'Top reasons for saving with 'money guard'

Trustworthy	= 32
Easy & Convenient	= 32
Door step collection	= 32
Accessible 24 x 7	= 24
Tried and Tested	= 32





Send Money

Send Regularly = 42  
When I go home only = 8

Hand carry cash = 35  
Through Fellow villager = 25  
Use both hand carry & send through fellow villager = 18

Reasons for informal practices

No alternative available = 30  
Don't know a safer alternative = 20  
Scared to send through any other way = 10



15 did not know about AADHAR Card

35 knew about UID-AADHAR card.

No Bank account = 44  
Yes, but in family member's name = 6  
Tried, but application rejected due to insufficient KYC norms, no guarantor = 7



Why do you want a bank account?  
A facility for safe saving = 36  
To send money safely = 17  
'You are going to help me get a bank account' = 9  
Want AADHAR card, not keen on bank account = 4



## Financial Inclusion milieu in India

Savings mobilization initiative of the Government lies at the forefront of the financial inclusion of vast sections of 58.7 percent of households<sup>xxv</sup> or 145 million households in India. Getting the unreached to access banking services was stepped up by the Reserve Bank of India recently in August 2012 when it redesigned the No Frills Accounts (NFAs)<sup>xxvi</sup> into full bank accounts with debit card, cheque book and other facilities.

A second major effort to extend banking services to disadvantaged population is through the Business Correspondent model as an effective linking pin between the banking network and the unbanked segments. Several enabling regulations were strengthened in 2009-2010 with the aim of providing nearly 74,200 defined villages across India with bank or BC facilities by March 2012. The targets for outreach were achieved by March 2012 when banks had covered 99.7 percent of 71,199 villages. By March 2012, banking services were provided in rural areas through 138,502 outlets, comprising 24085 rural branches, 111,948 BC outlets and 2469 outlets through other modes such as ATMs and mobile vans.<sup>xxvii</sup>



A total of 103.21 million no-frill savings accounts were opened by end of March 2012.<sup>xxviii</sup> In spite of significant strides made in account opening for low income segments, studies indicate that up to 90 percent of these accounts are inactive or

dormant. Many problems have been observed at the ground level varying from lack of awareness by vulnerable clients (for whom the NFA was designed) about terms of use, physical and psychological distance between the customer and the bank. On the other hand, despite meeting quantitative targets, financial inclusion initiatives under the BC model continue to struggle. Business Correspondent Agents (BCAs) delivering door step services to the unreached segments operate in a high cost, low profit environment and face many challenges like inadequate support from the bank, restricted product offering, agent liquidity problems, technology issues, illiteracy/low awareness, customer dissonance. Besides, limited government support to establish their services and raise awareness, commercial viability in the face of meagre compensation etc. represent tip of the iceberg (Kapoor and Shivshankar, 2012, Sa-Dhan, 2012, MicroSave, --)

In the BC led financial inclusion space, technology led mobile banking initiatives have been underway. While a few, such as FINO, A Little World (ALW) and Eko Aspire foundation reached numbers in tens of thousands over the last 3 years, in a country with millions financially excluded, these numbers are too small to attract attention (Puhazehndhi,V. 2012). While there is debate about the conservative approach of the regulator, new partnership models to mobile banking for opening NFAs has taken off for targeting India's unbanked. Some of these partnerships are Airtel mCommerce Services (a subsidiary of Bharti Airtel) with Axis Bank (one of the largest private banks) in May 2012 and M-PESA mobile money and banking platform linking Vodafone with HDFC bank in late 2011. Though, these are potentially encouraging signs for financial inclusion, much depends on quality of inclusion, which alone would ensure [financial security for the poor](#).



Among the main formal sector players offering savings services in India, commercial banks, cooperatives, deposit taking non-banking financial institutions (NBFCs), postal banks and insurance providers play an important role. The other two financial services providers are the semi-formal institutions and informal providers.

## Savings Deposits -Formal Financial Institutions (Source: RBI 2010-2011; IFC Study 2011)

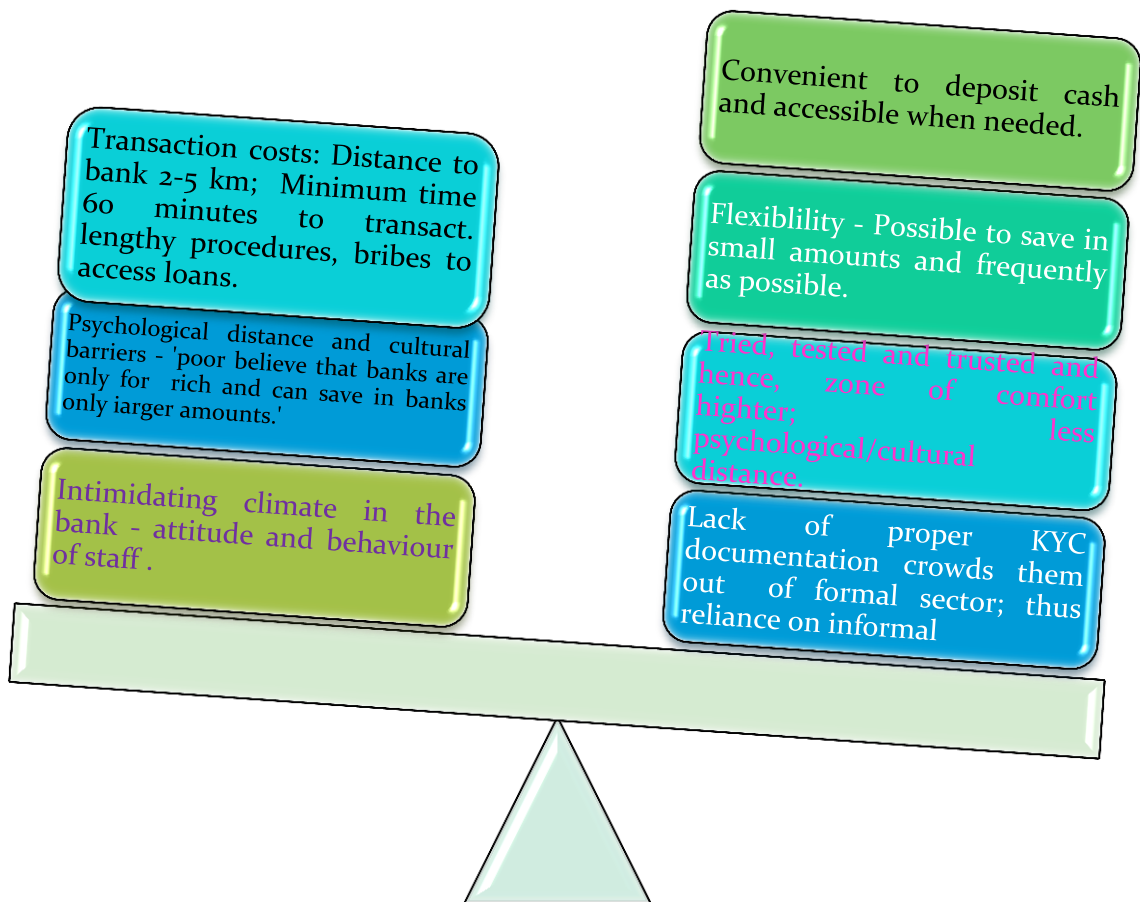
Commercial Banks	Regional Rural Banks	Postal Banks	Deposit Taking NBFCs	Cooperative Banks
76993 branches	16034 branches	154,866 branches	297 NBFCs	97410
40% rural branches	77% rural branches	90% rural branches	100% Term Deposits	Figures not available.
24% Savings Deposits	55% Savings Deposits	90% rural branches		
65% Term Deposits	40% Term Deposits	5% Savings Deposits		
11% Demand Deposits	5% Demand Deposits	95% Term Deposits		

## Semi-Formal/Micro-Finance Sector and Informal Providers

<p>Many innovations in micro-finance exist in India. 2 models dominate the landscape.</p> <p>Self-Help Groups (SHG model)</p> <p>Specialized Micro -Finance Institutions (MFIs)</p> <p>Between them, they serve ----- million clients.</p>	<p>A range of players - local shopkeepers, traders, landlords, professional moneylenders, social arrangements (family, friends) etc.</p> <p>No definite estimates about the number of informal providers; however, they are spread across the length and breadth of the country.</p>
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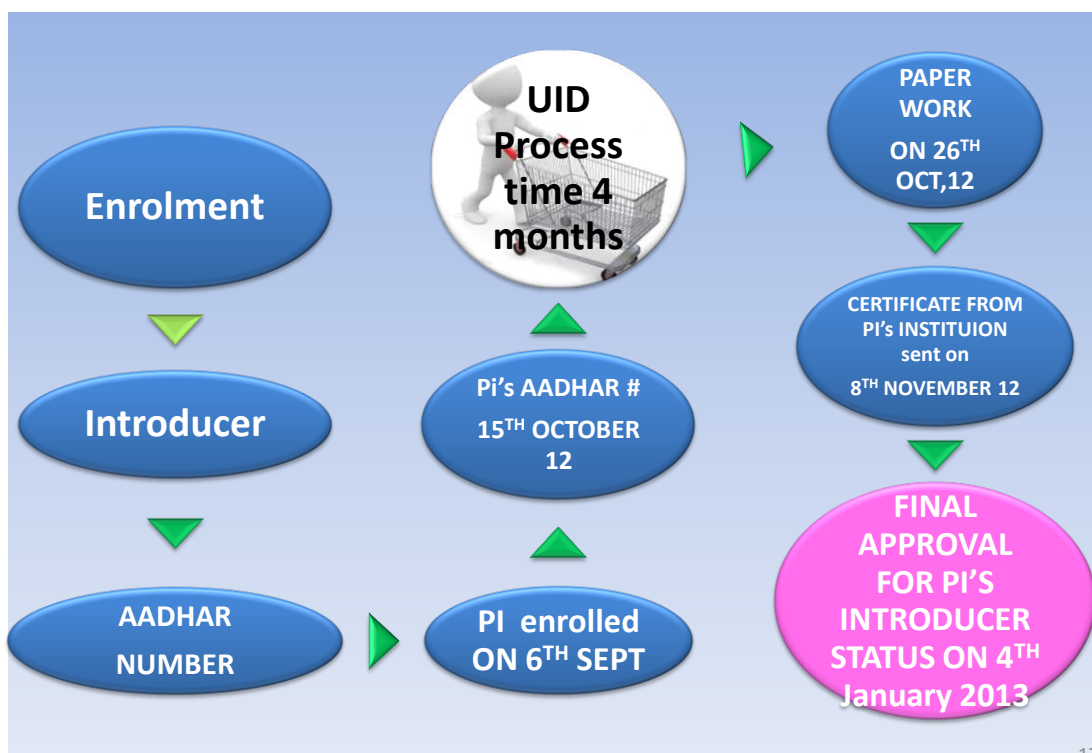
# Why do the poor favour informal services over banks?<sup>xxix</sup>



## Steering the migrant pullers towards UID phase...

Once the first stage of identification of the sample was over, the next crucial link centred on getting the UID process started for enrolling them for AADHAR cards. The process of UID enrolment, contrary to our expectations, took much longer than envisaged. A pre-requisite for enrolling the homeless residents with lack of identification is to introduce them through some pre-identified 'introducer' from the UIDAI's data base. Subsequent to attempting to contact some introducers<sup>xxx</sup> from the area for fulfilling this requirement of the UIDAI, the principal investigator, being Delhi based was enrolled for AADHAR card, as a first step for obtaining the 'introducer' status on 6<sup>th</sup> September 2012. Only after the AADHAR number is generated,<sup>xxxi</sup> rest of the formalities for 'introducer' registration takes effect. In order to get the number generated at an earlier date possible, a priority request was made through some senior level official of the UIDAI. After much perseverance and regular communication with the relevant officials of the UIDAI and the Registrar's office, the approval of 'Introducer' status was received on the 118<sup>th</sup> day from the start date of the UID formalities.

### Process and Time for Getting the Pullers' AADHAR Identity enabled



So when could the UID enrolments begin for the sample? What happened during the four intervening months?

## In the meanwhile... walking / talking with & tracking the sample.

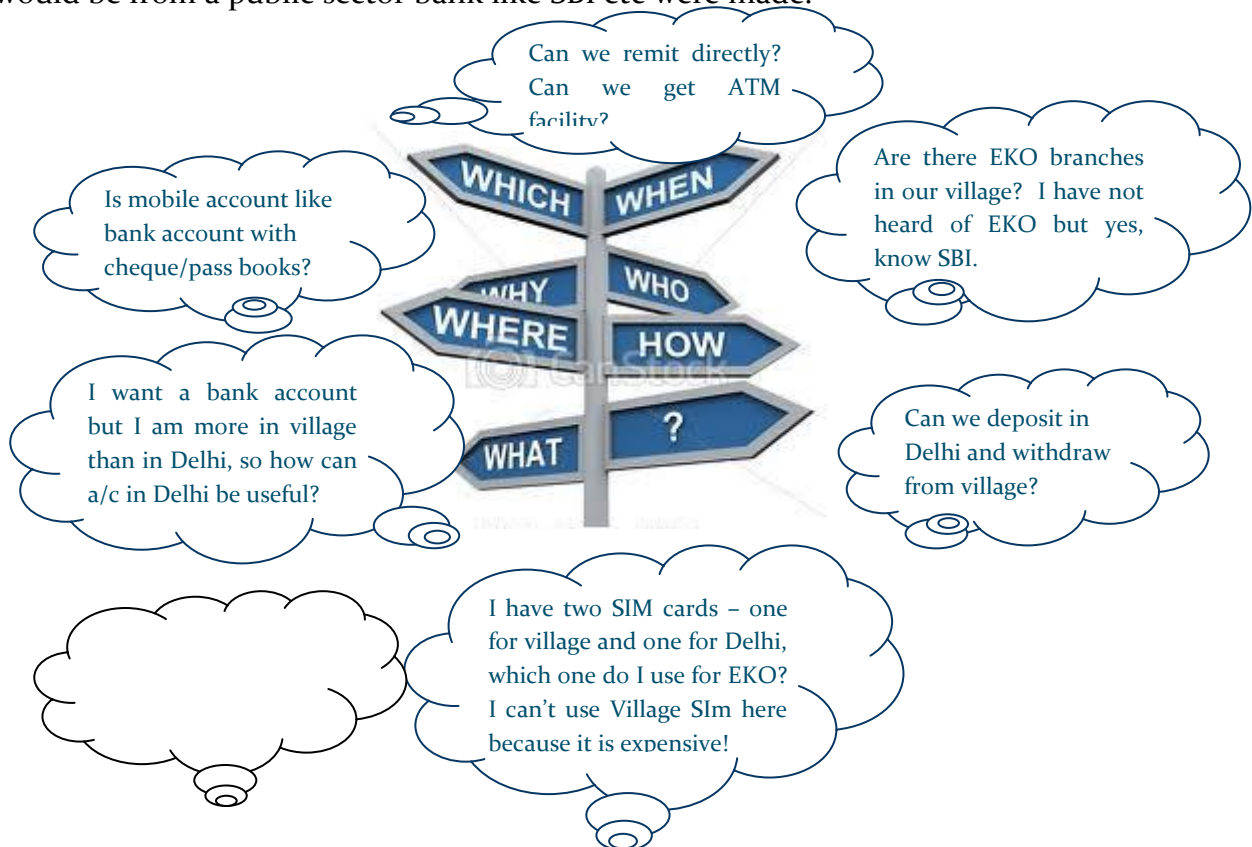
The intervening months saw activities on three diverse but inter-connected paths: -

**Path One:** As mentioned earlier, we began the process of getting a group of 6 pullers banked with SBI-EKO mobile banking account to trigger interest and to gain the 'trust' of pullers to participate in this experiment, This was followed up with further linkage of 8 pullers on non-KYC norms through ICICI-EKO counters. Why was the second group also mobile linked too, even though none possessed any identity document? It was evidenced that there was an 'initial sense of euphoria' after the first set of 6 pullers were mobile banked within a day, thus creating a craving among some young pullers in the sample (before the mobile banking accounts faced technical and other glitches) wanting to open mobile bank accounts . As none possessed IDs, ICICI<sup>xxxii</sup> bank's 'Apna Savings' account offered on EKO's mobile banking platform was found to be a suitable product for them as it required only a 'photograph' for opening a Non KYC account. Thus, the second set of pullers was mobile banked during 19<sup>th</sup> – 26<sup>th</sup> October 2012. In effect, 14 pullers were linked with mobile banking accounts. Sometime after their mobile bank linkage, pullers were tracked for understanding their behaviour in using the mobile banking accounts. A report about teething troubles and other problems experienced in the 'mobile banking' experiment is interwoven in some of the personal narratives and discussion that criss-crosses across the ensuing section / report.





During the first phase of sample selection as well as during the mobile banking linkage, a number of sessions creating awareness about bank accounts and mobile banking and benefits of bank accounts were held amongst the pullers. More often than not, it was not only the sample selected but about anyone and everyone who came and joined these open sessions – be it in groups of two or more. A lot of queries, views and counterviews about banking services, mobile banking, whether the accounts would be from a public sector bank like SBI etc were made.



Rest of the sample (N=36) remained clear that they wanted only a bank account from a brick and mortar branch, which grew stronger as information about problems, doubts, anxieties experienced by the mobile banked pullers were becoming known to them. What happened to the initial euphoria can be seen through some of the pullers' stories and their backpedalling experiences.

Let us get acquainted with the experience of our first set of pullers who were linked to SBI-EKO mobile banking account. Tulsiram in his fifty plus years wanted to hold a bank account; his experiences (see below) throw up challenges – **some are puller specific issues** and some from the service providers' end. How did some young pullers in this group fare after opening SBI-EKO mobile bank accounts? **A known fact is that young is more adventurous in adoption of a new product.** Rajvir and Lakshmi Narain, two inseparable young friends and Savir Aleex exhibited uninhibited enthusiasm to own a bank account. All three were geared up to go with us.



Tulsi Ram  
Illiterate  
Age: 55-57

Chanderi *gaon*, Madhya Pradesh  
Current status: Permanent resident of Delhi, left village 12 years ago

Family man with wife, five sons, and a daughter-in-law  
Two sons earning on and off, and they do not contribute to household expenses.

Main breadwinner; carries goods on rickshaw for some traders on a regular basis.

Gets paid for 'load' per trip and earns between Rs.300-400 per day only due to his weak health.

Health and education expenses are a big chunk due to his sick wife and 3 kids in a government school.

He stated 'I have been unable to save, but with my failing health, I want to start saving from my meager income for old age'. 'I want insurance more than saving a/c'.

He was the first volunteer for mobile banking account.

Read on about Tulsi...

On 3<sup>rd</sup> September 2012, Tulsi's face lit up with a sense of achievement when, after using his thumb print on the application form, he received the EKO Okeykey code book, the sign that he had opened a new account with EKO mobile money. Tulsi received a message about his successful account opening. When told about another message for activation. Tulsi said "Since I cannot read I automatically delete the messages always." He was told to show the messages to someone to check about account activation.

A few days later, glitches surfaced. The Okeykey booklet that was given to Tulsi Ram should have been registered when the account was opened but the untrained agent made a mistake. Tulsi Ram was contacted for getting this done, but he was in hospital with an eye ailment.

Days passed....The next problems that arose were due to the oversight of the retail agent and Tulsi Ram's illiteracy. His thumb impression was taken in red instead of blue / black ink and his mobile number was short of one digit number. The agent's error was rectified when Tulsi made a fresh application. During the long waiting period Tulsi kept asking two questions – "madam, I was told that account activation status would be known through a message, but it's not yet received in my mobile phone," and ii) "madam, when can I go to deposit some money?" Later it became clear that his account had not migrated to the CBS platform of the State Bank of India (SBI) because he had given only 9 digits of his mobile number. When his 10 digit number was relayed to EKO office, the account was finally activated, 61 days after the first step.

His account was activated on 6<sup>th</sup> November 2012. 4 days later, on a Sunday he went to deposit a small sum of money to operate his "first bank account", but his enthusiasm was dampened because the agent told him to come back after 3 P.M that day. Time being precious for these pullers, Tulsi could not go to deposit his money at a time that was convenient for him.

In the interim, he lost his mobile phone while visiting his village. He could not go again to the EKO counter because he did not have the mobile phone and had neither time nor money to buy another mobile phone then. He did not know about blocking the mobile phone (SIM) number with the service provider nor did he know about lodging a police complaint about the loss of his mobile phone and SIM card. When told that his lost mobile number is the account number for his mobile banking account; and that he needs to get a duplicate number; he exclaimed "madam, what can I do? I don't have time to go for this because I need to earn?" However, he promised to speak to his son to get a duplicate number.

Even a month later on 22<sup>nd</sup> December 2012, he had not got a duplicate mobile number; instead, he had found it easier to buy a new SIM card and a mobile phone. Why and what factors led to this decision? Time constraints and illiteracy, or was it 'time constraints' and 'a rational choice' from his perspective? Next to register his new mobile number with the EKO counter, he missed series of appointments for several reasons – domestic crisis, health crisis, lack of time and he never found enough time to get his new mobile registered for using his mobile bank account. From our angle, it was another delay every time. Tulsi Ram was unperturbed. His concerns were more immediate such as how to meet domestic expenses in the face of spiraling prices, recurring health issues and his hand to mouth existence. Seemingly, his daily struggles to make two ends meet overwhelmed his desire to get his mobile bank account operational to be useful. Perhaps his wish to use the account would have stirred his sense to save if the 'glitches' from service provider had not surfaced!

After convinced about mobile banking, Rajvir and Lakshmi Narain bought a cheap handset for Rs.700 with dual SIM function for using it together. They were mobile banked on 8<sup>th</sup> September 2012. Rajvir wasted no time to get the EKO-SBI okeykey book registered a week after his application was accepted. A major reason why both wanted an account was to safe keep their money, which they were giving to 'tekedar' Subhash who was robbed recently of his deposit money. Rajvir left for the village on 30<sup>th</sup> Sept and was to return after 3 weeks. He kept in touch to know about account activation, which finally happened in 61 days period. When the account was functional Rajvir had not returned to Delhi till 7<sup>th</sup> February 2013 -13 weeks gap because he could not return due to family responsibilities. On his return, he pulled rickshaw for 25 days and was due to go back to village in March. During this trip, he neither found time nor did not want to deposit and withdraw from EKO account because he was here only for a short while (25 days only). If there was a EKO counter near his village, he would have deposited but there was none in his state. Hence, he kept his money with 'tekedar' because he hoped to return to Delhi next by June-July 2013. He said he is trying for a bank account in the village and wanted to get AADHAR card if possible before he suddenly left for the village on 4<sup>th</sup> March 2013 shortly before he was to be enrolled for UID.

Rajvir- Age 21 years  
Lakshmi Narain -Age 20 years  
Patoli Ka Pura Gaon  
Bhind district, Madhya Pradesh



Both had their voters' Id in the village and ensured to get it to Delhi within 6 days from their village.

Both did not own a mobile phone or SIM before participation. They kept in touch with their families through STD or borrowed mobile from fellow pullers occasionally.

Both normally migrate to Delhi and return to village together.

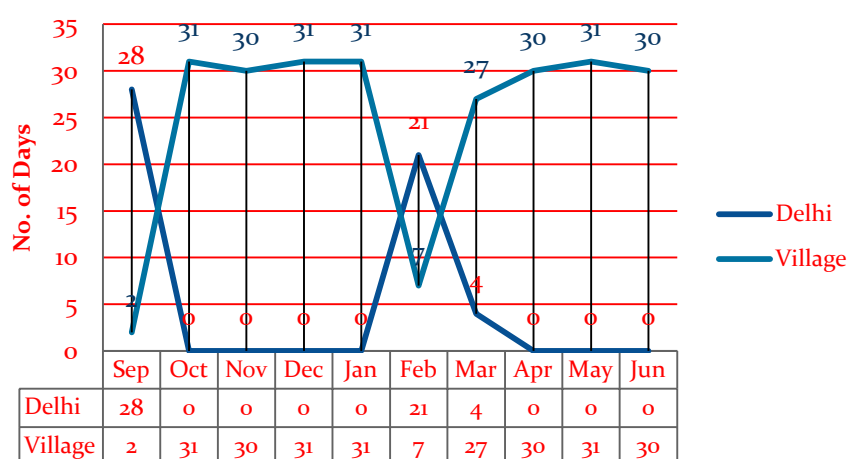
Rajvir is self-motivated and vocal: Lakshmi Narain is more laid back, prefers to follow what Rajvir decides or does.

When Rajvir went to get okeykey book registered before he left for village, Lakshmi Narain could not go with him.

When Rajvir had to leave for the village during the study period, he hoped to return in a month's time but family exigencies kept him away from Delhi longer.

Rajvir kept in regular touch with PI about mobile account's activation status. In the meanwhile, during his long stay in the village, he found out that there were no EKO counters in his region.  
Read on....

Migratory Profile of Rajvir

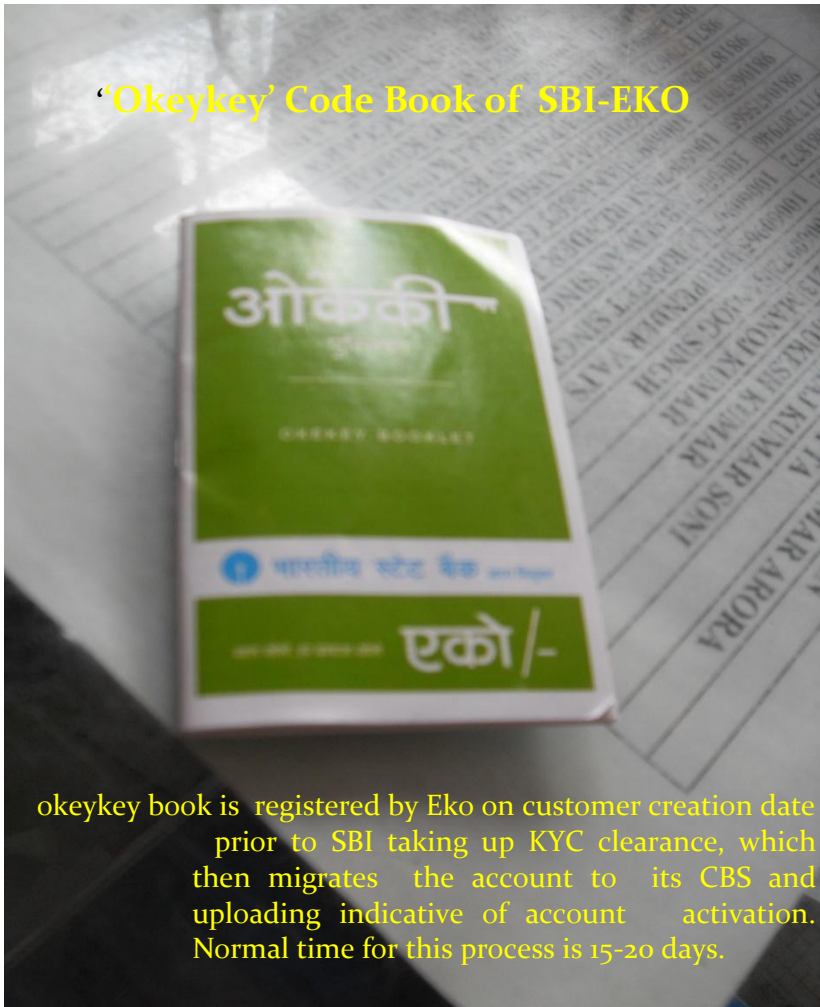


His friend Lakshmi Narain remained in Delhi till 8<sup>th</sup> November 2012. He went with the PI to get his Okeykey book registered on 1<sup>st</sup> October 2012 because he was diffident to go alone to the EKO counter after his last experience. First time when he went to register okeykey, no conformation message was received as his cell phone had no balance and had low charge. So agent told him to come after couple of days. He did not go to the EKO counter again both due to lack of time and mental inertia. Subsequent to account activation, he did not deposit money in EKO account because he had sent 2 months savings of INR7500 deposited with 'tekedar' for his forthcoming engagement. In the interim, his second hand set (which he bought after Rajvir took the dual SIM mobile phone to village, leaving behind both SIM cards) started malfunctioning. When told to keep it functioning for his mobile account, he stated that he neither has the money to get it repaired nor to buy a new handset; moreover, it did not matter now because he was going to the village for *Deepavali* and did not wish to deposit money in EKO. It is easier to deposit money with tekedar in *Kandhar* where he lives. (See Appendix for his migratory profile).



Savir Alee, Age 25 years  
Benipur, Madhya Pradesh

## ‘Okeykey’ Code Book of SBI-EKO



okeykey book is registered by Eko on customer creation date prior to SBI taking up KYC clearance, which then migrates the account to its CBS and uploading indicative of account activation. Normal time for this process is 15-20 days.

On the one hand, travails of Tulsi in his yearning for a bank account, and on the other hand, excitement felt by young pullers like Rajvir, and Savir for their first mobile bank accounts seems to converge on the same path.

How did the second set of pullers who were linked with ‘Apna Savings’ account of the ICICI on EKO platform fare and feel about their new bank accounts?

We will learn about them shortly after a de tour learning about the UID and bank linkage process amid the unpredictable migratory movements of the sample and the socio-economic

life of pullers in ‘kandhar’.



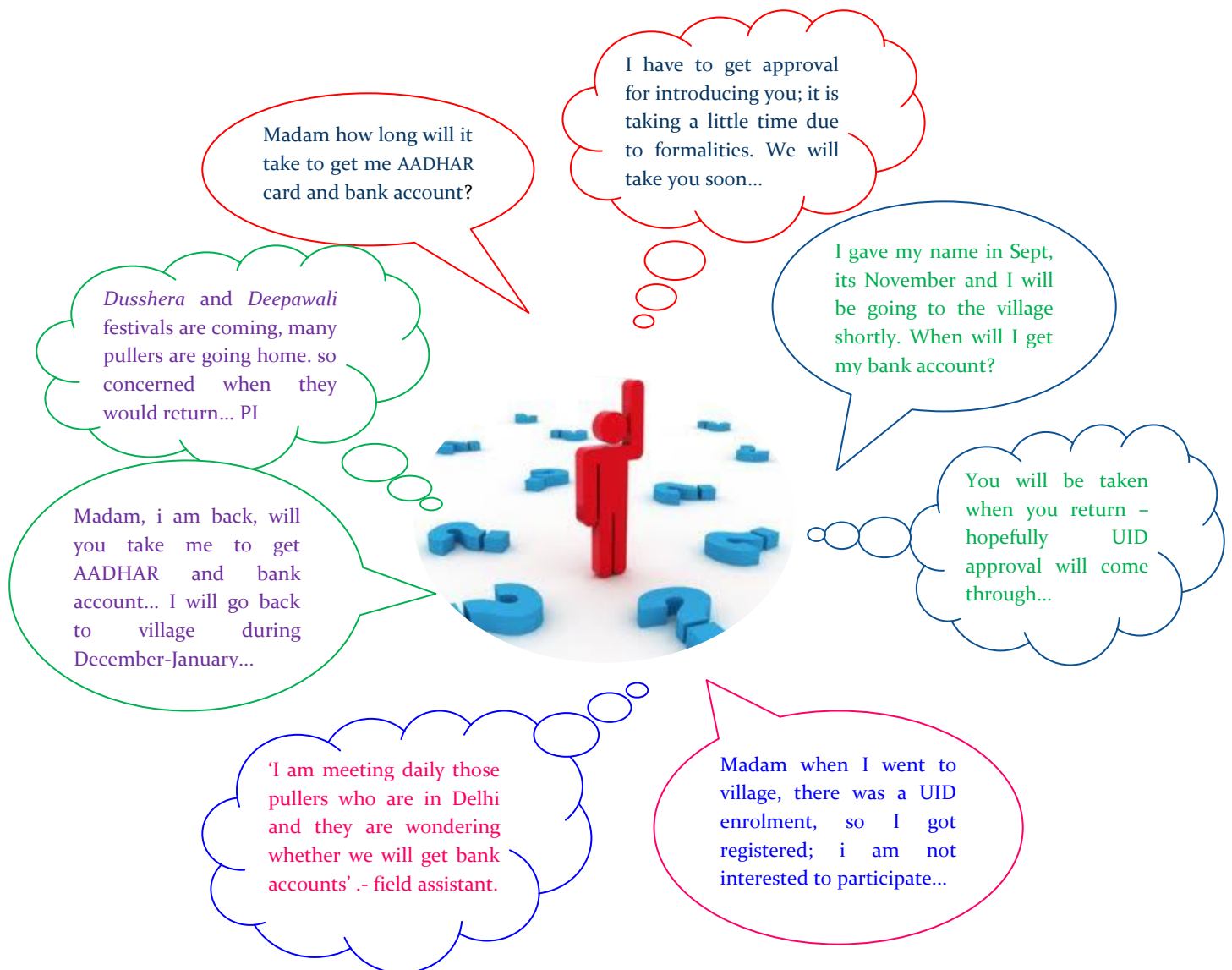
Savir always showed up at the appointed time –for mobile bank linkage (3<sup>rd</sup> Sept 2012)& UID enrolment (6<sup>th</sup> Sept 2012).He was keen to use mobile account for saving. He preferred to pay the required transaction fees in EKO than the fear of risk of theft of money kept on person.

He was puzzled about not receiving message about account activation for a long time though the agent told him that he would get SMS in a week’s time. 1 month later, agent told him that sometimes SMS do not come, but he can deposit. When he attempted deposit, he got SMS ‘No transaction is allowed for non-migrated accounts, thanks SBIEKO’.

He visited his village twice during Oct-Nov 2012. His account was activated i.e. migrated to SBI’s CBS platform on 2<sup>nd</sup> November 2012. When he returned in January 2013, he shifted to another location and job as a ‘gardener’ in a public park. He received his UID number in April 2013. Now he will try for a bank account in the village on his own when he goes there. His initial expectation about using his mobile for saving money in a bank account tapered off...

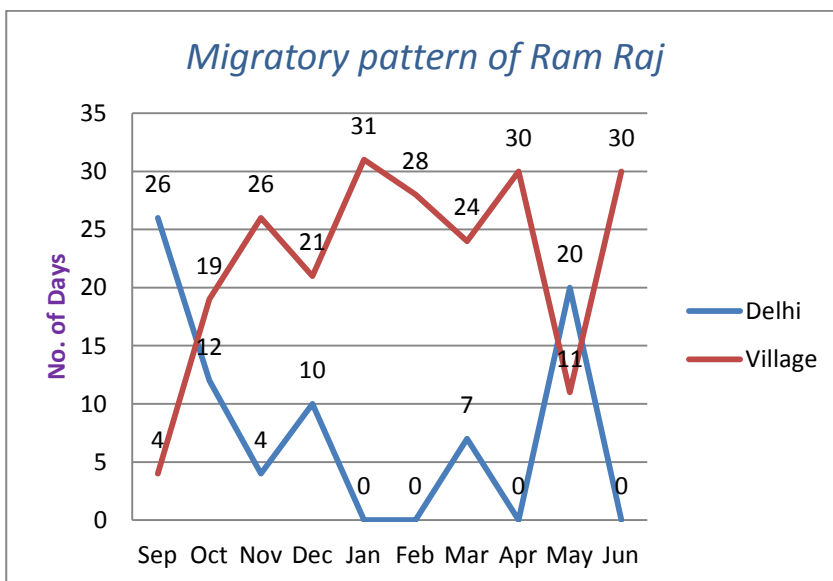
## Keeping in touch with the sample between selection and UID processes...

**Path Two:** During the intervening months of UID's approval for getting the 'Introducer' status, tracking the sample was a critical step because of constant movement of pullers between Delhi and their villages. At the time of enlisting them in September 2012, it was explained to them that once the UIDAI approval comes through, they would be enrolled for AADHAR and subsequently linked with a bank account approximately in 2 months time i.e. by November 2012.<sup>xxxiii</sup> While many pullers stated that they would be available in Delhi after *Deepawali*, a major Indian festival, several wanted to be enrolled for UID before they returned to the village. Quite contrary to our optimism, unplanned delay in the UID process led to a number of queries, anxieties from both the actors in this experimental research – the sample and the researchers.



## Scheduling the UID and Bank linkage processes amid pullers' mobility patterns...

**Path Three:** While waiting for the approval of 'Introducer' status, one main concern related to scheduling the sample for the twin processes as there is a constant flux in the movement of pullers between the village and Delhi. The mobility of pullers in the sample broadly is determined by three factors – economic needs and stresses, sociological factors (festivals, ceremonies like marriage, birth) and family commitments and pressures (health crisis, emergencies).<sup>xxxiv</sup> Table 1 in Appendix gives a bird's eye view about the migratory movements of some respondents between Delhi and village. A few graphs below are instructive about the variability in migratory silhouette of the sample. Though variability in migratory pattern of different pullers became clear as field work progressed, but the greater concern was how to get pullers (in small groups) to line up for each process when their migratory patterns were unpredictable. This fact became apparent, for instance, after a group of pullers were UID linked, some of them returned to the village and thus, were unavailable in Delhi for banking them. Similarly, when another set was banked, they went back to the village, and were unavailable for tracking their post-banking behaviour.



*Deepavali* is a 'Festival of Lights' of India. Its celebration centers around Goddess Lakshmi (Goddess of Wealth).

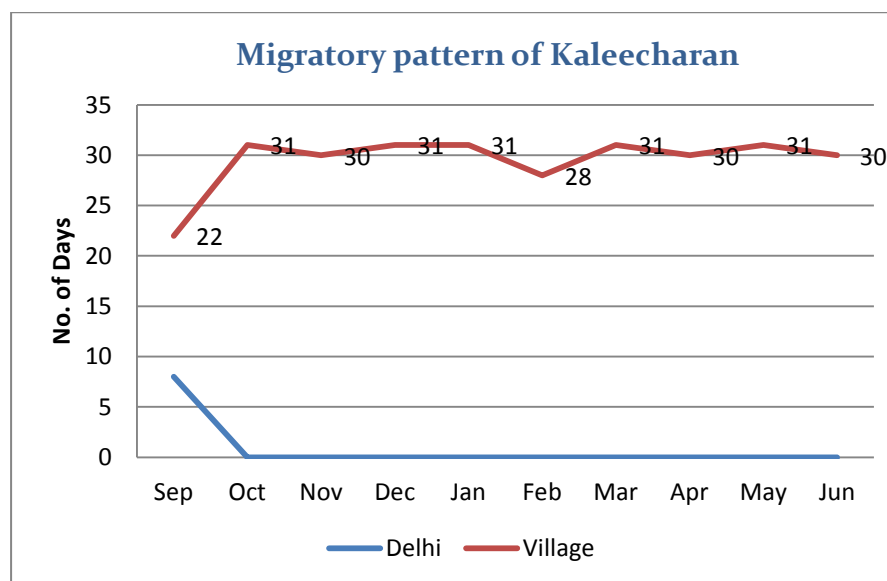
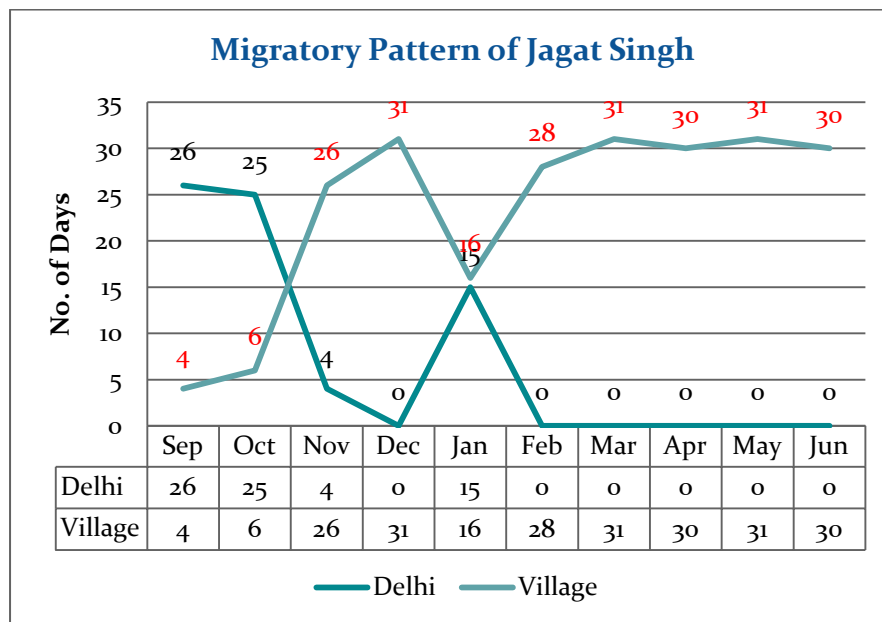


Auspicious symbols of *Deepavali*





So linking and tracking the pullers was determined by each puller's migratory movement between Delhi and the village; or their non availability after the first phase of study.



A view of migratory movements of RamRaj, Jagat Singh and Kaleecharan depicted in the above graphs indicates that the listed pullers' visits to Delhi were intermittent<sup>xxxv</sup> or they did not return at all and hence, accessing them was problematic. A quick glance at the following table shows that how at any point of time, a smaller group of only 3 pullers (except on two instances) could be mobilised for lining them up for the UID or bank linkages. A major challenge faced is, therefore, the absence of the sample in Delhi due to their periodic movements between Delhi and village; but even if they were present in Delhi on a day, they were inaccessible in *Kandhar* as some left for work earlier than the appointed time for taking them to the UID centre or the bank

branch. For instance, on two occasions after waiting for at least an hour or more when two pullers had not returned from their early morning rickshaw pulling, they could not be taken that day for the UID/Banking process.

Number of Pullers	Date of Mobile Bank/ Bank linkage	Date of UID enrolment	Number of Days between Linkage of pullers and Mobile banking and / or between UID and bank linkage
2	3 <sup>rd</sup> September 2012		First set
3		6 <sup>th</sup> September 2012	3
3	8 <sup>th</sup> September 2012		2
2	17 <sup>th</sup> October 2012		38 days
4	19 <sup>th</sup> October 2012		2 days
3	26 <sup>th</sup> October 2012		7 days
5		28 <sup>th</sup> January 2013	118 days
3		2 <sup>nd</sup> February 2013	7 days
5		9 <sup>th</sup> February 2013	7 days
3		6 <sup>th</sup> April 2013	55 days
2 (UID enrolled on different dates)	8 <sup>th</sup> February 2013		8 days & 11 days
3 (UID enrolled on different dates)	11 <sup>th</sup> February 2013		2 days and 14 days
2 (UID enrolled on different dates)	12 <sup>th</sup> February 2013		3 days and 15 days
3 (UID enrolled on different dates)	4 <sup>th</sup> March 2013		23 days and 30 days
3	8 <sup>th</sup> April 2013		90 days after UID started



Mahpatpal, Age 31 years

Fatehpur, Madhya Pradesh

Mahpatpal has no assets except a small piece of land where two crops raised are insufficient for his family of five members.

He works in MNREGA, where he gets Rs.120 per day for 100 days in a year.

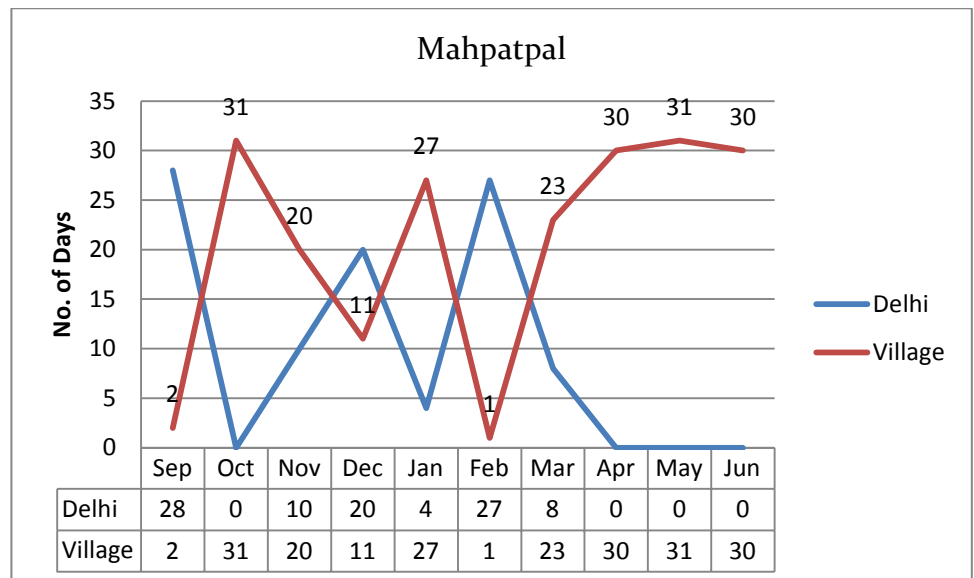
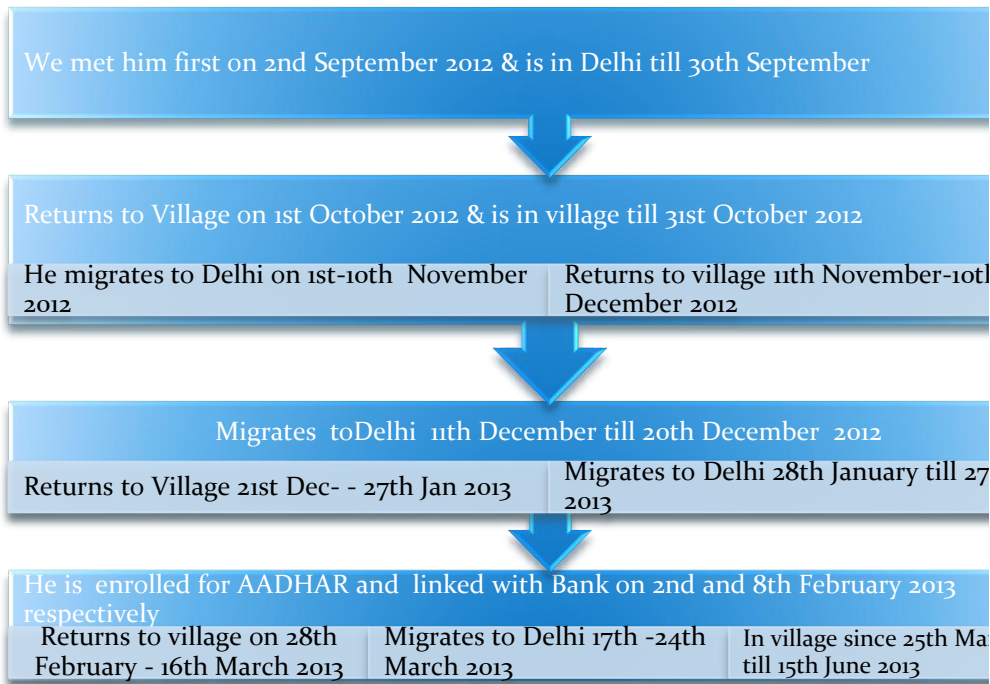
His family has a bank account in the name of his mother for drawing government subsidies.

He migrates to Delhi for short spells, pulls rickshaws for long hours and returns quickly back to the village.

After he went back to village in March 2013, he has not returned till 5<sup>th</sup> July 2013 because his brother has migrated Delhi for earning and he has to be there with his old parents. Both brothers migrate to Delhi by turns.

Moving ahead on the aspect of how migratory movements of the sample proved a challenge, the following exhibit illustrates one such case. Balancing between pullers' migration and their precious work hours in Delhi, attention of the sample was carefully kept afloat to ensure that we could move them towards the goal post.

Exhibit: Mahpatpal's Mobility and Accessibility



Analysis of Mahpatpal's migratory circuit demonstrates how setting up the UID and bank linkage processes was





From Kandhar, ICICI-EKO counter in opposite direction



Area of operation in this direction



interlaced with the migratory movement of the sample. However, even if the synchronisation of the two processes and mobility of a puller was achieved, it was no guarantee that the puller was available for tracking the financial behaviour after he was banked because ‘his’ concerns in returning home after earning a lump sum of money was found to be greater than the fact that he finally got a bank account in Delhi. **We shall dwell on this aspect in a later part of the report.**

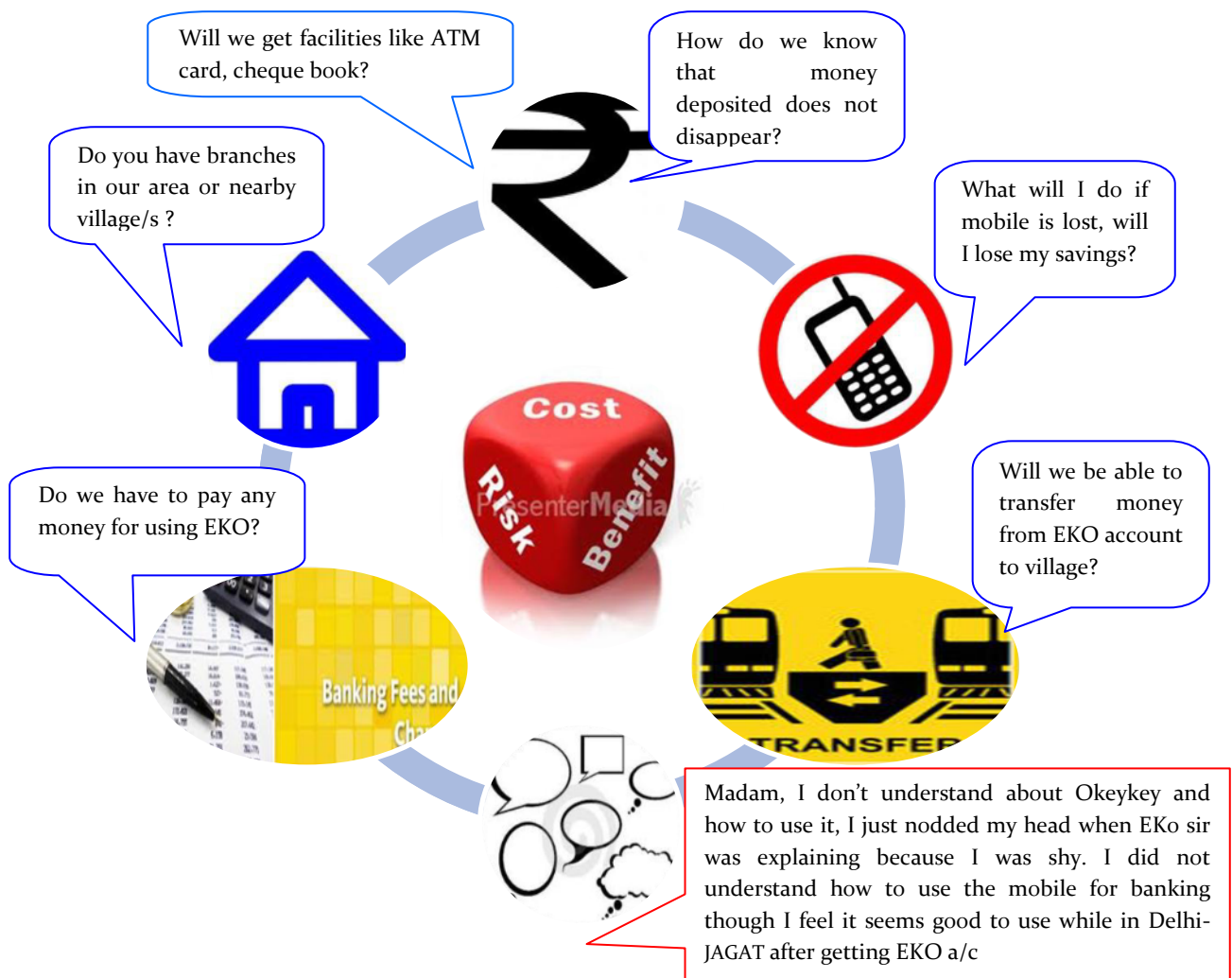
### Retracing the experience of embarking on mobile banking rail...

After 45 days into field work and raising awareness about bank accounts, mobile banking and their alternatives, a certain level of trust and rapport was established with the sample. Then, some pullers showed interest in getting a bank account on mobile platform after they seemed to identify with the advantages of mobile banking in their everyday life. So a second batch of 9 pullers in 3 groups from the sample without any ID was mobile banked via the ICICI-EKO model in the second and third week of October 2012.

Though a group of five pullers were to be taken on 17<sup>th</sup> October 2012, three pullers got cold feet at the eleventh hour to go for mobile banking. When asked to come, they cited “we will see later depending on the experiences of those who get mobile bank accounts”. Though Lakhan and his friend Nand Kishore did not back out, but they looked perplexed when we reached the counter, which was a ‘telecom cum metal trading shop’ in a market about 1 km from Kandhar.<sup>xxxvi</sup> The EKO-ICICI banner displayed was not prominent for a lay observer; the PI assured them that it is like any bank counter but looked after by an agent.<sup>xxxvii</sup> A representative from the ICICI quickly explained about the non-KYC ‘Apna Savings Account’ to the pullers.<sup>xxxviii</sup> To a query about availability of other counters in Karol Bagh area, which is the main area of operations for the sample pullers, the bank representative informed them that there were two more counters which had just been opened.<sup>xxxix</sup> Though the accounts were

opened with a prompt feedback message about account activation, no paper formalities could be completed for the two pullers because neither the account opening forms nor the 'okeykey' booklets were available at the counter.<sup>xi</sup> It transpired that the counter was opened about 2 and ½ months back. The accounts opened that day were the maiden savings accounts for the agent. The PI also opened a mobile banking account that day to assure the pullers that 'mobile banking' is safe because it is a bank account offered by the ICICI Bank.

On 19<sup>th</sup> October 2012, 4 pullers - Jagat, Mahindra, Ramraj and RamKishan – were taken for opening their mobile banking accounts. While Jagat and Mahindra were keen on mobile banking, they did not have a SIM card.<sup>xii</sup> They borrowed a ID proof of the former's relative and managed to buy two SIM cards. Several queries rose from this group –especially two young pullers Ramkishan and Ramraj who expressed concern about the safety of money to the EKO representative.



Before the accounts were opened, the EKO area manager interacted with these pullers about their methods of savings and then explained in layman's language about how saving in small amounts to build a lumpsum in mobile banking would be helpful in

their way of life by comparison to informal savings where building lumpsums become difficult due to various claims on money. The pullers concurred with him that it is a major difficulty to hold on to cash on hand. He also clarified about the nonavailability of EKO counters in Madhya Pradesh; but suggested that EKO account would be a viable safe saving mechanism which they can withdraw either before leaving for the villages or transfer to a known bank account in the village. These set of pullers seemed to be satisfied and readily opened their accounts. The account opening formalities was conducted for these 4 pullers by the area manager and his assistant as the CSP had been recruited 2 and ½ months back only. This process also happened to be a ‘hands on training’<sup>xlii</sup> for the freshly recruited CSP of EKO. Contrary to the information provided to the pullers that account opening (or, transacting in mobile banking counter) would be speedy and less time consuming, the actual time taken for opening accounts for 4 pullers took nearly 3 hours. Understandably, while one puller left earlier, others in the group voiced their concerns that if and when they were to use the mobile banking service, they would not be forced to spending so much time cutting into their earning hours. After the formalites, messages on two pullers’ mobile phones were received promptly<sup>xliii</sup> and 3 pullers deposited Rs.100 each. The PI deposited Rs.200 in her account, withdrew Rs.100 immediately to demonstrate the workability of mobile bank account. Lakhan<sup>xliv</sup> did not get any message on depositing because his phone had ‘vodafone’ number while pullers with ‘airtel’ numbers received prompt messages. Two pullers wanted to test out the workability of mobile banking next day itself by depositing and withdrawing in another EKO counter in Karol Bagh – where they normally ply rickshaws. In the words of Ramraj, “Hamare mobile phone mein account khulwakar, kya hamne sahi kiya ya nahi maloom karne key liye, hum doosre EKO counter mein try karenge!”

“Am I right or wrong by opening account on my mobile phone needs to be tested, so I will check it out in another counter tomorrow?”- Ramraj





Last 3 pullers were mobile banked on 26<sup>th</sup> October 2012 at the same ICICI-EKO counter. Now let us be informed about what occurred to the pullers' enthusiasm in using their mobile banking accounts? Some of the narratives<sup>xlv</sup> that follow acquaints us with their experiences. Read on...



Jagat Singh, 23 years  
Chirli gaon, Madhya Pradesh

By birth belonging to Dalit community, a socially and economically backward segment, Jagat's impatience to get banked was palpable every time we met him. He borrowed a relative's ID card and bought a SIM card for opening his mobile banking account.

Four days after his account was opened, he returned to the village. Before he left for the village, he expressed that he was nervous; and what was bothering him was that he could not understand the use of 'okeykey' for transacting in his new mobile account. Though his diffidence loosened after a few individual sessions with us about entering 'okeykey' codes, his anxiety to use mobile phone independently for depositing or withdrawing money recurred every time he returned from the village. As he was unschooled, he did not want to take the CSP's help or take a fellow puller with him for transacting in his mobile account because he was cheated once in the post office for seeking help in sending money.

During the 3 trips up and down his village and Delhi between September 2012 and January 2013, he deposited his earnings with *tekedar*. During the 70 days that he spent over a period of 5 months in Delhi until January 2013, he did not attempt to deposit even once in his mobile account mainly because he was scared to deposit. Why was he scared to deposit in mobile account? He stated, 'When I deposit with *tekedar*, I do it because I trust him; moreover, I can take the money back any time of day or night when I want it from him because *tekedar* is accessible. However, if I were to put in EKO account, I may not be able to take it out when needed. So why take a chance in depositing in a place where I cannot get it out when it suits me?'



23 years old Ramraj from Kamhar village has two small children and wants to save for their future. He hoped that 'mobile banking' account would be useful to build up savings for his kids. Two days after his search for another ICICIC- EKO counter in Karol Bagh area came to a naught, his optimism about mobile banking dived. He had a couple of impressions which would not inspire trust in the new account. What were these impressions?

- "EKO counter was not at like a bank counter because it was decrepit in looks and interiors; then how could we trust depositing money in a place which looked dismal?"
- "I was unaware of account opening formality which was quite normal, but I could not comprehend that the EKO agent, who was acting on behalf of the bank was as ignorant as me and my other fellow pullers. This needed suspicion".
- "Contrary to information, there were no other EKO counters in Karol Bagh zone, where we pull rickshaws. Therefore, we could not transact in another counter to test out the 'cash in, cash out' system of mobile banking".
- "The counter where our account was opened is 1 km away, which is ok, but it is in the opposite direction of our area of pulling rickshaws".
- "We don't pay any fees to the 'tekedar' or 'shop keeper' for depositing or taking back 'our' money, why should we pay this cost in EKO account?"



Charan Singh, 30 years, Kajna Gaon, Madhya Pradesh.

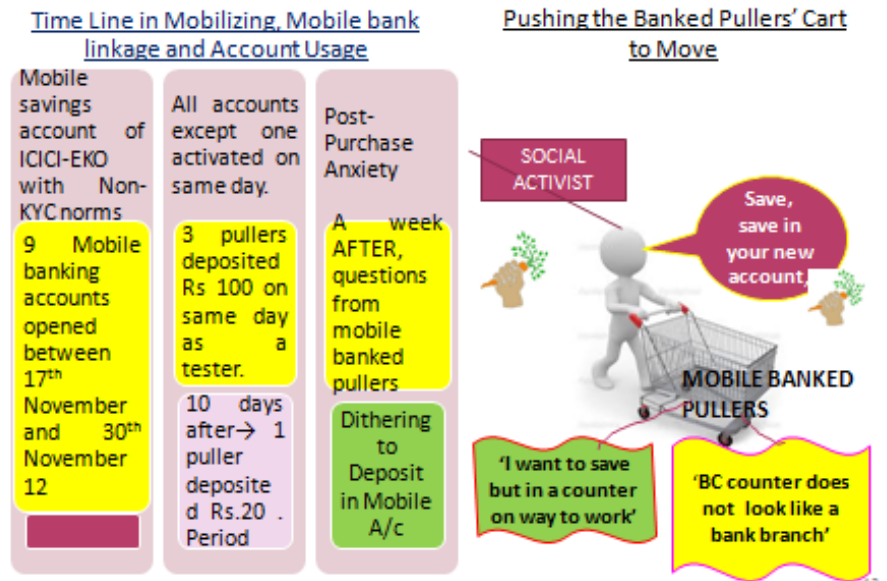
Charan Singh migrates to Delhi 8 months in a year. He stores his daily earnings in a shared rented quarter and sends money home every two to three weeks through some one or takes it personally.

With a mobile banking account, he hoped that he could save money easily. His intention to use it snapped when he found out that there were no SBI-EKO counters in his village. He voiced his suspicion that when there is a State Bank of India branch in his village, why was not there a counter of its agent partner EKO? Hence, he decided not to risk putting money in a counter in Delhi.

He stated "How do I believe that it is safe to deposit in it? Moreover, I can deposit in a bank account if there is a decent amount of 1000 -2000 rupees, but when every few rupees I earn is bundled up to be sent home for regular family needs, it is inconvenient to go daily to deposit small amounts in my mobile bank account when I wait for passengers to earn money by pulling rickshaw. So I find it is easier to keep cash in my rented room'.

Charan Singh excused himself from participating because he had been able to enroll for UID on 10<sup>th</sup> January 2013 during one of his visits to the village. Besides, he preferred to take up SBI bank account in the village now that he would shortly get his AADHAR card.

## Linking with ICICI-EKO Mobile Banking



When the mobile banking accounts were opened for the fourteen pullers, the thinking was that now they have access to a formal mechanism to use in lieu of their dependence on informal saving options. However, Ramraj, Jagat Singh and Charan Singh's narratives show that their inclination to use it faced several small direct hurdles – informational and institutional. As a migrant group, their expectation was that mobile banking account would fulfill their need for convenience, accessibility and trustworthiness. However, their disquiet at the idea of depositing their money in a 'local small shop' manned by an untrained agent was far removed from their mindset of a bank account in terms of believable banking infrastructure, with a formal ambience inspiring 'trust' to deposit or withdrawing cash in a bank branch. Moreover, due to their 'migratory dependent' existence their need for withdrawing money in their village through mobile account was not possible as there existed no EKO counters in their village. On the one hand, the disappointing thoughts voiced by this group of mobile banked pullers was a cause for concern which was addressed by clearing the air on some issues (safety of money because it is a bank account); on the other hand, some of these mobile banked pullers (N=7) who returned to their villages during

the festival of Deepavali did not come back to Delhi till 10<sup>th</sup> June 2013.<sup>xlvi</sup> Clearly, the group that was mobile banked did not trust or believe in it even as an option, let alone consider it as a reliable bank account.

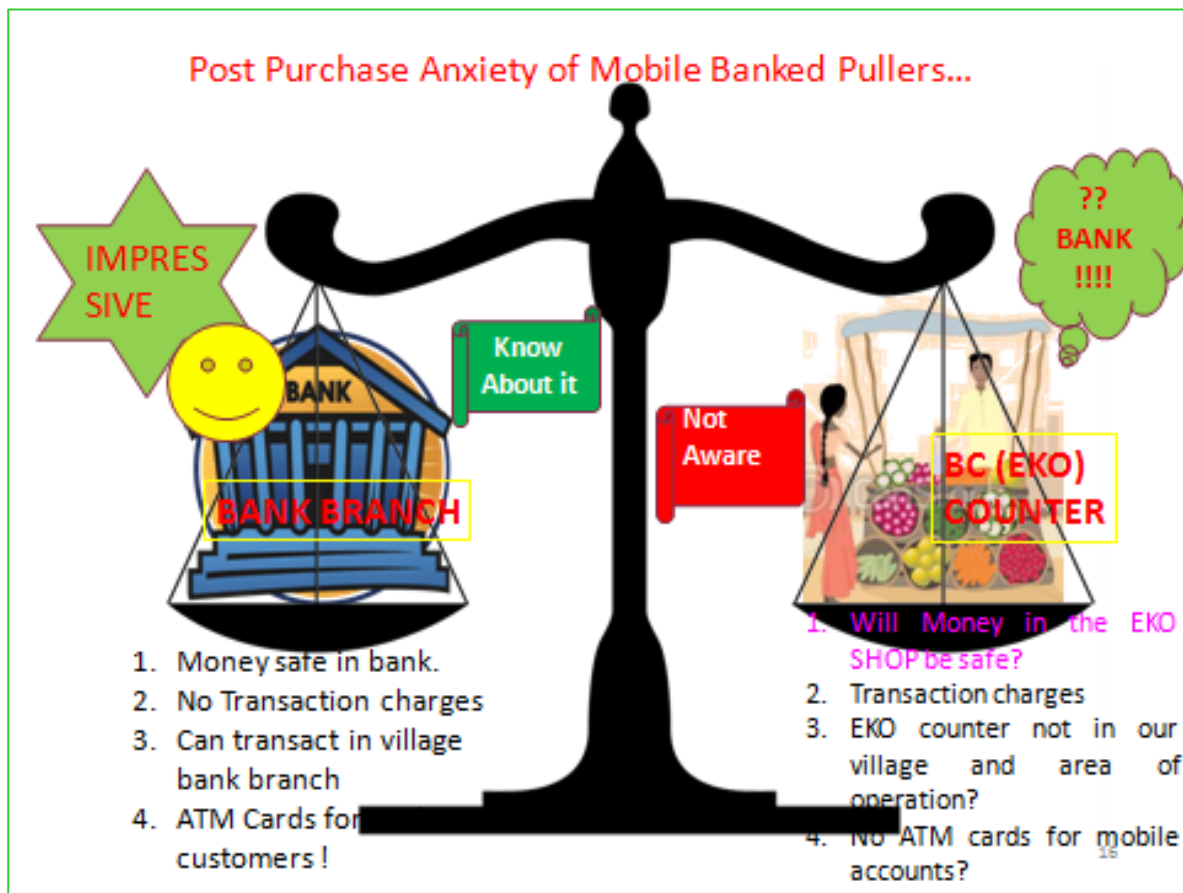
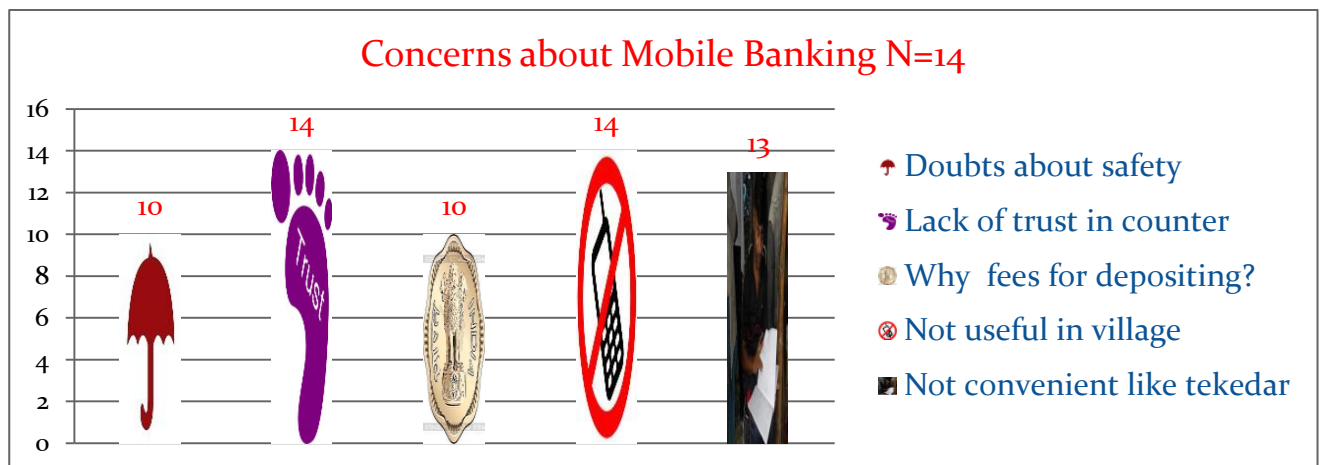


Figure below reflects on what the 14 pullers had to say about mobile banking account.



The above stories are one-sided. There were puller specific issues acting as barriers to using the mobile banking accounts, which needs to be placed in the context of their socio-economic milieu of *Kandhar*, where most of the sample respondents live when they migrate to Delhi. Since the aim of the study is to examine the financial practices



**and** behaviour of the unbanked pullers after banking them, it is important to situate this in relation to ‘*kandhar*’ where their social relations with rickshaw contractors (*tekedars*) and owners (*malik*) is a critical linking pin in comprehending the financial choices and compulsions of pullers during their migratory stay in *Kandhar at Delhi*

### Various hues of *Kandhar*

A view of *Kandhar* over a period of time reflects its various facets that are closely intertwined with its inhabitants – the migrant population living on the edge of poverty. *Kandhar’s* rough patchy land cluttered with ‘tarpaulin and synthetic’ material covered shacks with rubbish strewn everywhere is outlined by huge green trees that contrasts with its otherwise dilapidated arrangement. *Kandhar* – as is popularly addressed is also known as ‘rickshaw garage’ because it houses at least 8 garages. It is, in many ways, resemble a ‘self contained’ settlement as it is dotted with various small shops selling vegetables, grocery, essential fast moving goods, food items, eateries, and itinerant traders selling every now and then various goods – from second hand clothes, knick-knacks, watches and wallets, to name a few. Reportedly, nearly 70 percent of pullers in *Kandhar* are from Madhya Pradesh, 20 percent from Uttar Pradesh and 10 percent from Bihar.



## Village Ties and Social Relationships in *Kandhar*

Our sample is mainly drawn from 2 garages that are run by two *tekedars*<sup>xlvii</sup> - *Hukum* and *Balbir*<sup>xlviii</sup>. Social relations between the *tekedars* and their pullers<sup>xlix</sup> fundamentally flow from their regionalist affiliation.<sup>1</sup> The formal relations of *tekedar*-puller and the nature of engagement in their informal financial connections in both the garages arise from two basic factors. One, most of the pullers in both the garages hail from the *tekedars*' villages or surrounding villages that are in close proximity of each other.<sup>li</sup> Second reason arises from the first one – that is 'trust' between *tekedar* and puller in their contractual relations in hiring out a rickshaw has been built up due to their village association. This 'trust' in formal relations is relayed to and intertwined in the nature of their 'informal' relations in economic space.





Further, the *tekedar* in his contractual relations with pullers wields considerable control over them. Significantly, the ‘power’ of many *tekedars* flow from the nature of their economic agency in another sphere in *Kandhar*. They draw their economic power in their role as ‘money guard’ or ‘deposit collectors’. For the homeless pullers living in ‘*kandhar*’ where there is neither any safety nor any security for safekeeping their money and meagre belongings, *tekedars* render an important service to the pullers. In their role as service providers for guarding the money of pullers, they are trusted, conveniently available and accessible 24x7, thus the poor pullers choose their services as a default option in the absence of alternatives available in a city which is neither a regular home nor receptive to their financial needs in formal sphere.



A tekedar in his garage.

### Informal financial services in Kandhar

Every morning and late evenings, a common sight in the two garages is the flow of money that takes place. *Munshis* of *tekedars* (or sometimes *tekedar* himself) can be seen recording two kinds of transactions. One relates to the hiring charges for the rickshaw and the second one records collection of daily savings deposited by the pullers. On a normal day (except during lean months of March-April, December, January) *tekedar*’s cash registers ring with savings of a minimum of 50-60 pullers depositing their daily earnings varying

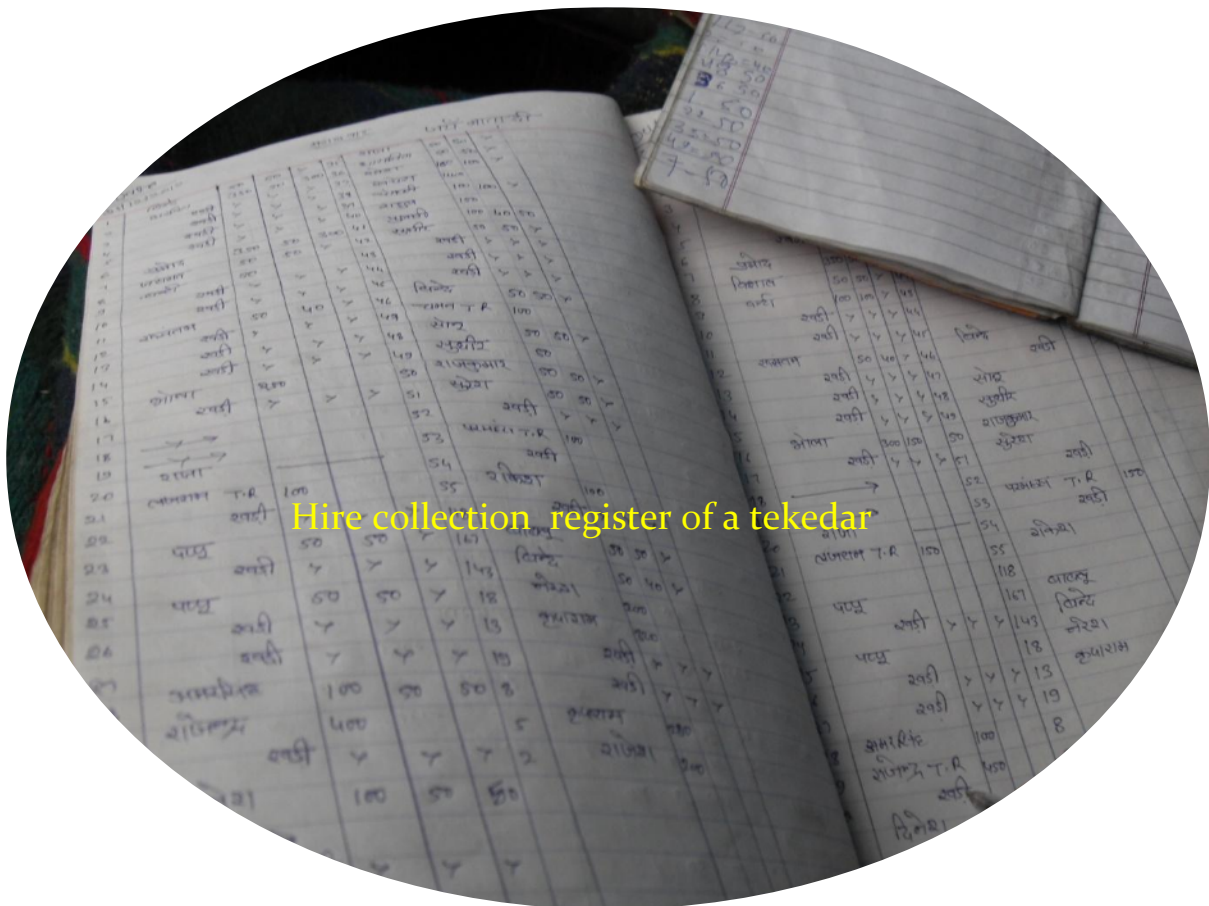


between Rs.400-Rs.600 (in some cases, it could be Rs700 –Rs.800). Each tekedar has a ‘*munshi*’ who maintains accounts of money collected. There are two separate registers- one for recording hiring charges and another for deposits of pullers. Normally, when a minimum of 50 pullers deposit least amount of Rs.400 every day, tekedar collects approximately Rs.20000 (USD 400)per day. Supposing that a puller works for 25 days in a month, then the total money deposited with a tekedar is roughly Rs.500,000 (USD 10000).<sup>lii</sup> The fact that a tekedar raises easy money which is liquid capital available to him by far without incurring any cost of capital is a powerful tool for his entrepreneurial spirits.

Now stepping back to a point made earlier that the two tekedars are different in terms of their nature and attitude, a brief profiling of the two *tekedars* –in particular, about Hukum is essential because he wields considerable influence in *kandhar* (among a few other tekedars) because of his multifarious economic interests that has both a direct and indirect effect on pullers’ financial lives in *Kandhar*.

Both Hukum and Balbir are young and were once rickshaw pullers, while the former has about 90 rickshaws; the latter has 75 rickshaws.<sup>liii</sup> Hukum became a tekedar about 9 years back and Balbir became a tekedar about 4 years back. Hukum is schooled up to class 8, comes from a business community. Starting with deposit collection, he has built up his business interests –mainly money lending<sup>liv</sup> as well as runs a tempo transport service both in his village and Delhi; besides, reportedly he finances two ‘grocery stores’ that are run by his brothers in *kandhar* itself. He has documents of identity and address, holds 3 bank accounts, has built a house in his village and rides a motor bike; recently he has started buying e-rickshaws to expand his rickshaw enterprise. He lives in a rented room close to *kandhar* but spends most part of his time to monitor his business interests in *kandhar*. He visits the village regularly to ensure recovery of money from his money lending activities. He has been instrumental in bringing a large number of poor from his village to Delhi and initiating them into rickshaw pulling.<sup>lv</sup>

On the other hand, 26 years old Balbir *tekedar* belongs to a backward community of herders, has never been to a school, and possessed neither identity documents nor a bank account when we met him. He got his contract (*tekedari*) for hiring out rickshaws from the owner, who was his earlier employer. He is a deposit collector with a difference. He collects money from his pullers on behalf of the ‘rickshaw owner who is the money guard in guise and gets a commission for this service. He does not own a SIM card but manages to borrow copy of any of his pullers’ ID to buy a new SIM every time he loses it. He has lost it at least 4 times along with money during the study period because he also lives in *kandhar*.<sup>lvi</sup> He does not lend big sums but helps out his pullers for small sums of money in their difficult times.



Hire collection register of a tekedar

To a large part, the disparate backgrounds and attitudes and entrepreneurial skills of Hukum and Balbir *tekedars* reflect their dissimilar motivations in their entrepreneurial endeavours. Balbir's temperament is limited to the logic of making 'marginal gains', while Hukum's values and interests transcend beyond and markedly towards 'hierarchical relations' with his clients (pullers). How does this affect the financial practices and choices can be gauged from some of the personal narratives that are presented later throwing up insights into the economic choices of many a puller in our sample.

Deposit collection is not only limited to these two *tekedars*. Besides *tekedars*, there are other players in this 'informal financial' market in *kandhar*. There are many shopkeepers who run general stores, tea shops (*chaiwala*), *kirana* store (grocery store) in *kandhar*. Among these, we could identify and verify that at least 4 of them collect daily deposits from pullers. It is conjectured that more shopkeepers<sup>lvii</sup> in *kandhar* may be acting as informal service providers for a large number of pullers.



*Daily collection of savings of pullers being made; and deposit collection register with entries about deposits.*



*Deposit Collection by a shopkeeper's representative during breakfast time*





'Chaiwala' – tea shop



'Kirana store' – the grocery shopkeeper



## Shadow Spaces and Support Services

Deposit collection services for *tekedars* like Hukam is a well heeled activity by virtue of the sheer numbers of migrant pullers who land in *Kandhar* with no safe places to store their money. ‘Tekedar’ fills the void by default, by safekeeping their money. More often than not, the deposited money is retained by ‘tekedar’ till the puller returns to the village. It is safe enough to leave the money with tekedar, but the catch is, if and when a puller is in need of money<sup>lviii</sup> during the stay in Delhi, money is lent to him at a phenomenally high cost because the tekedar treats deposited earnings and loans separately. In a sense, the deposited money becomes a twin edged tool – both as a capital for lending activity and collateral against loans.

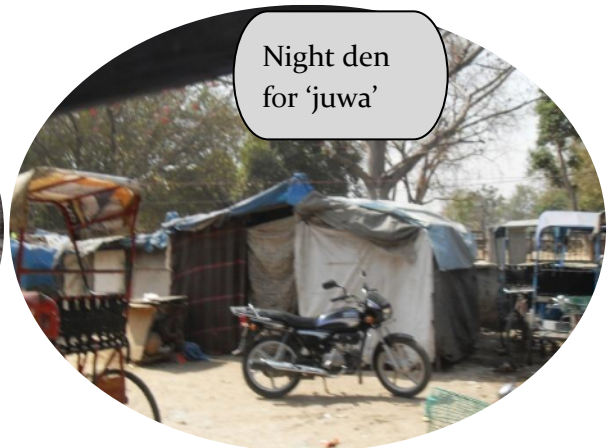
Concomitant to the informal provision of money lending activity, there is another latent activity in *kandhar* – ‘*juwa*’ (gambling in card games) that runs deep with possible repercussions on the continuing indebtedness and economic predicament of many a migrant puller. Ostensibly, what seems as a leisurely game of cards to a casual observer is rather a glibly running underhand organised ‘*juwa*’<sup>lix</sup> especially at night. Reportedly, it was learnt from various pullers and sample respondents that *juwa* is rampant in *Kandhar* with some migrant pullers in perpetual debt because of easy credit offered by some *tekedars* who promptly lend for meeting gaming needs / debts. Apparently, Hukam<sup>lx</sup> *tekedar* along with at least two other *tekedars* and some rickshaw *malik* (owners) have vested interests in keeping the *juwa* active and abet pullers to play by actively participating in card games for high stakes.

In the sample, three respondents were found to be involved in playing *juwa*. While two of them have become habitual card players; and two of them are heavily indebted - and are currently repaying to Hukam tekedar. Vinod Yadav’s tale touches this aspect of life in *Kandhar*, where many a puller gets trapped in debt relations and subsequently earns and keeps repaying gambling loans with little left for saving and is just getting on in life.



Pictures depicting pullers engaged in playing cards is taken on different days. During the day time, smaller stakes of money are involved. At night, ‘*juwa*’ (betting) on higher stakes in a closed ‘gaming hut’ takes place.

*'Juwa'* - Pullers' Temptation, Lenders' Benefit

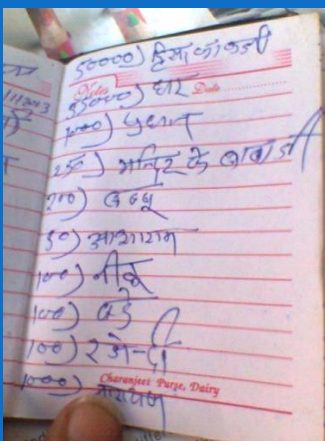
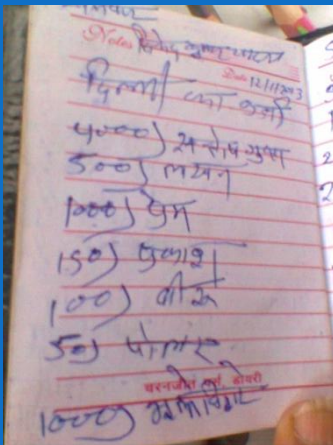






Vinod Yadav, Chattarpur District, Madhya Pradesh

Vinod's Pocket Diary With Debts Entries From Different Sources



When Vinod Yadav turned 16 after middle school, he ran away from home as he was not allowed to study. He landed in Delhi and became a rickshaw puller because of a social contact – Hukum tekedar from his village. Naturally, he became Hukum’s client because a tekedar hires out a rickshaw only if puller is known or introduced by an existing client. About 3 years ago he had tried to open a bank account in his village by providing the necessary documentation (e.g. voter’s ID, ration card), but his application was rejected because the fellow villager who signed his application form was not deemed eligible. Vinod could not find another person who could introduce him to the bank.

When he learned about mobile banking, he was happy that he could open an account because he owned a mobile phone. On 26th October, 2012 his ICICI –EKO mobile banking account was opened when he deposited Rs.600 (about US \$10). But when contacted in December 2012 to check his progress, he had lost his phone. Despite knowing that he had to get a duplicate SIM card to access his mobile account, he said that he had left the Voter’s card in his village and would have to ask the next fellow villager coming to Delhi to get it from his house. After he ran out of excuses, it became clear that there was more to the story than met the eye. Over the course of a number of small personal meetings away from *Kandhar*, where his tekedar kept a watch, the story was pieced together about what barred him from using the eagerly opened mobile account in spite of regularly pulling his rickshaw.

Two months after *Deepawali*, Vinod had accumulated a total debt of Rs.1,15,000 (\$ 2300) which he owed to many - his *tekedar* and a few fellow pullers - due to playing ‘*juwa*’. To a query on how would such a big amount be repaid, he informed that while small amounts are taken on reciprocal basis, bigger amounts of money lent by ‘*tekedar*’ or ‘*malik*’ are repayable with an interest. For instance, a loan of Rs.1000 (US 20) would have to be repaid in a week’s time with a high interest amount of Rs.250 (US \$5) per every Rs.1000. He said he normally earns about Rs.500 per day, which is his net earnings (after basic expenses and rent for rickshaw). So that would mean repaying the debt in 7 to 8 months! When asked if he was frightened about such a huge debt, he shot back “Why would I be scared? I know I will have to earn and repay if I lose, but if I win I will be able to clear off some debts.” When inquired what he would do if he needed money for any exigency, his answer was “tekedar will lend for that purpose, if the need arises.” He added calmly: “Madam, I have a small diary maintained about my loans,” and revealed the debts owed.

Vinod said that he has always been depositing daily earnings with his tekedar, who treats the deposited earnings and the loans separately. The earnings deposited are also treated as collateral when a puller borrows from the tekedar. (Continued next page).

Vinod's Loans From Different Sources (INR)				
Loans taken in Delhi		Loans from Villagers		Total
Source	Amount	Source	Amount	
Tekedar	4300	Unnamed lenders	50000	
Lakhan	1500	Stolen cash from home	55000	
Prem	1000	Pradan	1000	
Prakash	150	Temple priest	250	
Biru	100	Babbu	200	
Pallar	50	Aasa Ram	50	
Bhole	1000	Nitu	100	
		Bade	100	
		Rajendr	100	
		Narayan	1000	
	8100		107800	115900

There are eight *tekedars* in this *kandhar*, and three are frequent lenders. Vinod stated that the *tekedars* and *maliks* are happy to lend when the *juwa* (card games) are on, but rarely lend for other purposes. He said that in one of the games he won Rs.40,000 (US \$800). The stake was doubled in the next game by his *tekedar*, who encouraged him to gamble, and he was unable to resist the temptation. He fell for it and lost Rs.80,000 (US \$1600). He was forced to borrow big sums of Rs.10,000 (US \$200) from three *tekedars* and small amounts from others. Vinod stole Rs.55,000 (US \$1000) in cash from his brothers at home during his visit for *Deepawali*, hoping that he would win big in the next game. Now he owes this huge amount to his brothers, too.

Vinod explained that many people in the *kandhar* are tempted into playing cards and thus fall into a debt trap. Normally debts are squared between winners and losers when small sums are involved. If a friend wins big one week, he will lend to his friends who have lost and borrow from them the next, "like a moving wheel." But Vinod's relation with the *tekedar* is not one of exchange but hierarchical. In one ugly spat between Vinod and Hukum *tekedar* witnessed, Hukum *tekedar* would not let Vinod take out the rickshaw that day because his rent for it was overdue by five days. His *tekedar* issued Vinod an ultimatum to clear off all dues (Rs.4300, about US \$86) in ten days time. But from Vinod's explanation this was just one of a number of debts that would need to be settled at the same time: "I will repay each lender alternately because if I repay one and not bother about repaying another, I will face the wrath of the lender who is not getting back the loan from me." However, the challenge for pullers like Vinod is when the stakes are high leading to borrowing from sources with vested interests. This seems to reinforce their dependence on '*tekedar cum lender*' pattern in their economic lives. And life goes on 'by getting by' for many a Vinod in *Kandhar*. Vinod has aspirations, but when gently reminded about saving in his newly opened mobile banking account, Vinod simply said: "How can I think of saving or bother about Rs.600 savings in my mobile banking account when my mind is concerned only with now and only about returning the huge amount I owe people? Such things are far away in my mind now." His answer echoed his life situation that dangles between desires and actual choices made under harsh circumstances.

### Debt Relations



Debts between friends are usually settled reciprocally, *tekedars* charge exorbitant interest.

" *Pullers key beech main Lena – dena hota hai and isab kitab ban jati hain*" (Normally there is give and take between pullers when we play; we square up debt obligations depending on who wins or loses)" - Vinod

'*khelthen waqt lalach ho jati hain hum jeet ne sey karz wapas ho jayega*' ('while playing, I get tempted because when I win I can return the money') - Vinod

" *jeet liya tho paisa wapas ho jati hain, ya aur udhar mein dein detey hain, chakrah jaise chalta hain*" ('when one wins, (loan) money can be repaid or one can lend, it's like a moving wheel') - Vinod

High stakes card games drag borrowers like Vinod into cyclical debt relations with *tekedar-cum-lenders*.

Be it in the case of Vinod or the other two respondents<sup>lxi</sup> of the sample, the nature of engagement between them and Hukum *tekedar* indicates the hierarchical dimensions of debt relations, where the power and exploitation by *tekedar* cum lender is in consonance with the well understood arguments about informal finance – especially in relation to money lending and patron-client relationships. This dynamic is all the more evident in the case of migrant pullers like Vinod, whose dependency on *tekedar* cum lender in *Kandhar* is undeniable.<sup>lxii</sup> Ironically, while the constant presence of *tekedar* in *Kandhar* works as a convenient facility to deposit the daily savings at the end of the day for the pullers when they return tired from work; yet, at the same time, they face ‘on site pressure’ by *tekedar* to repay their debts. As a result, money that is left after meeting sustenance needs goes towards meeting debt obligations and the vicious circles of informal debt is kept rotating.<sup>lxiii</sup> Thus, convenient services of *tekedar* in offering easy credit (albeit for specific purposes) interact with the temptation to play to tide over gaming arrears; but with modest earnings, pullers caught in the ‘gaming net’ bear the brunt with unfavourable effects. In a flash interview of a small group of pullers in *Kandhar*, one of them wryly commented “*kandhar main tho juwa tho chaltha hai aur chalthain hain woh log jisko faida hota hai. Unko tho hum pullers hee rahen tho faida hain kyon ki hum char paisa bana kar jod liya tho hum pullers nahin rahengey, aur unka danda main mandh ho jayega. Isiliye woh log hum logoko karzedar banakar banndha hain. kabhie kabie yeh lagta hain ki hum katputli banker rahaten hai hamare mahol key vaje sain. Bahut pullers ko juwa key karan karza hain*”. (See box for translated version).



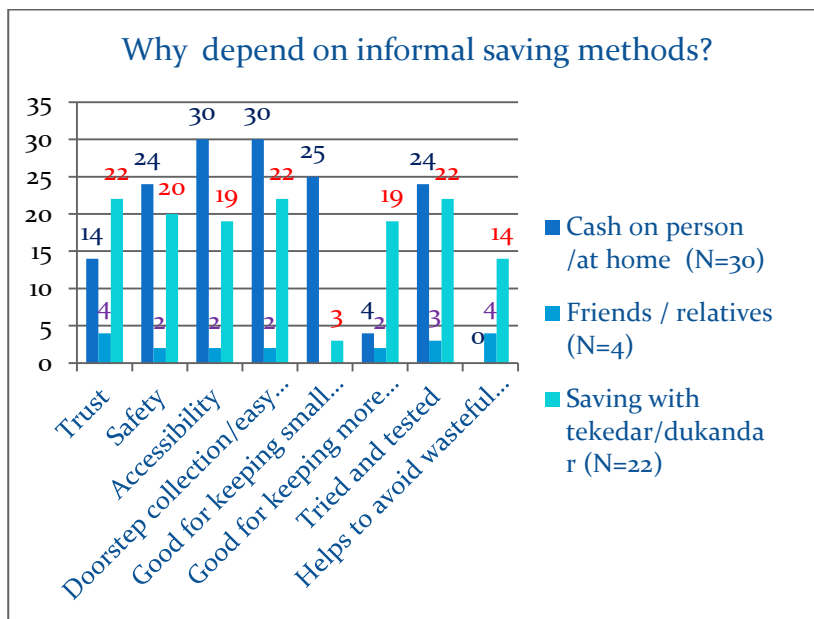
*“Gambling is embedded in Kandhar. It is kept alive and sustained by vested interests. It is in their interest that we remain as pullers because if we earn and build up money, we may not remain as pullers and their business will suffer. So they ensure that they keep us indebted to them and get us involved in playing for money. Sometimes we are like puppets due to our circumstances. Many pullers in Kandhar have debts because of gambling”*

*One puller in Kandhar*



## Why do they walk the path of informal practices?

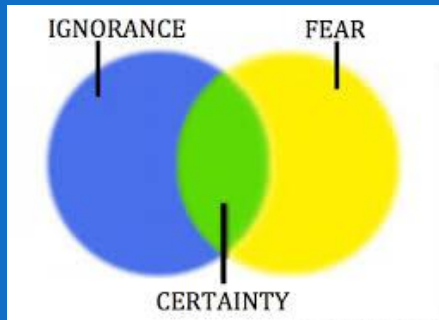
During the period preceding the UID Introducer process, about 30 pullers from the sample who were available in Delhi were engaged in an interactive exercise to gauge their reasons for saving in informal methods. The responses are seen below.



Four critical reasons selected by the respondents centred on trust, accessibility, door step collection/ease of deposit and safety of savings. Clearly, the best bet for these migrant pullers was either holding cash on person or saving with tekedar/dukandar faced with lack of saving options in their place of destination,. While most of them acknowledged that there is an element of risk in keeping savings either as cash or with a money guard, they clearly felt that they had limited or no choices available. Intriguingly, 10 of these 30 pullers who had EKO mobile banking accounts, did not even remember either to think or to remember it as an option available for savings.<sup>lxiv</sup>

## Why do they like saving in Informal Methods?





Outside UID Enrolment Office



## Next Step Forward Towards Banking the Unbanked Pullers...

After travelling the path of mobile banking with 14 sample respondents, four months went by before the UID linkage could begin in January 2013. The reluctance and mistrust of nearly the entire group of pullers to use mobile banking accounts and their reactions reflected their 'ignorance' and 'fear' of the unknown. Most of these pullers cited that they would prefer to get a bank account in a "proper" formal bank of a brick and mortar kind and not that of a 'local retailer'. One puller's comment that "Eko counter sey hame bharosa nahin hua ki yeh bank ka counter hain. kuch atpalta sey lakti hain. Madam, aap kisi sarkari bank main khatha khulwado jisse hame vishwas hain" ("Eko counter did not inspire confidence as a bank counter. It looks weird. Madam, get us an account from a government bank, which we trust") reflected the sentiments of the mobile banked pullers.

Subsequent to the UID enrolment registration, two branches of the State Bank of India and Union Bank of India banks were approached but we faced different responses. While the branch manager at the State Bank of India flatly refused to entertain opening accounts for the UID enrolled pullers based on the 'Registration Slips' issued by the UIDAI, the response from the Union Bank of India was favourable which was primarily through the intervention of the highest officer at the area level. The personnel in charge of customer service and personal banking divisions had less than adequate interest in opening NFA accounts for the poor pullers on the grounds that the UID AADHAR registration slip was not the authorised document to fulfil the KYC norms. When the PI met the Assistant General Manager to take up this matter, the concerned people in charge were directed to open the NFA accounts. However, when the account opening forms were given out by the customer desk to the PI, it was with a rider. That is, there is a need to introduce the pullers by an existing customer. When the PI informed that under the non KYC based small or tiny accounts



protocol, this was a non-essential requirement, the customer service officer suggested that the other option that needed to be fulfilled was through an endorsement by the PI on her official stamp to ensure authenticity of the pullers' identity. This was complied with to satisfy the concerned official's assertion.

The sample pullers were linked with a local branch of the Union Bank of India that was accessible from their area of operations as well as from their lodging space - *Kandhar*. The Union Bank of India (UBI) opened limited KYC norms based accounts or the No Frill Accounts (NFA) under the financial inclusion mandate.<sup>lxv</sup> Of the 19 pullers who were UID enrolled, only 13 could be banked<sup>lxvi</sup> – because of their periodic availability due to their migratory movements as well as their willingness to get a bank account. Six of the UID enrolled pullers were not banked for two reasons. One, two of them flatly refused a bank account in Delhi because they preferred one in their village. Two, four of them left for their village soon after the UID enrolment but did not return to Delhi till the end of June 2013. Out of the 13 banked pullers, five of them were given a second opportunity<sup>lxvii</sup> to get a bank account in an “*asli*” (real) bank, a term used by one puller.

As mentioned earlier, the processes of linking the pullers either with the UID AADHAR or subsequently with the bank accounts was dependent on the migratory course of the sample.<sup>lxviii</sup> While this was but inevitably understandable, it also seemed to be having a vacillating effect on the pullers' willingness to use the bank account for depositing their daily earnings. Table 2 in Appendix captures the short spells of stay of some banked pullers like Mahinder Singh, Mahpat Pal, and Lakshmi Narain. It was observed that they spent on average 10 days in Delhi during the period of study. Once they earned a certain amount of money needed to meet the family needs during the short stay in Delhi, they wasted no time in returning back to the village and migrated back again for next round of earning.



Receiving his Bank Pass Book



Learning to fill in the deposit slip.



Waiting to deposit money .





First time when Mahindra got a mobile banking account on 19<sup>th</sup> October 2012 he got cold feet in using it because he did not feel confident in depositing his money with a shopkeeper agent of a tiny 'ICICI-EKO' counter. Besides, he stated that he did not want to deposit his earnings just now because he would be returning to the village for *Deepawali* festival in another 10-15 days.

On 5<sup>th</sup> March 2013, Mahindra Singh posed for a photo tightly holding his 'asli' bank pass book after he was banked a second time. When asked whether he would begin to deposit his earnings in his government bank account, he affirmed by nodding his head.

On 9<sup>th</sup> March, 2013, he returned to his village for 'Shivratri' festival. 8 days later, he migrated to Delhi but stayed on only for 7 days and left for the village again on 24<sup>th</sup> March 2013 to be with family for 'Holi' festival. During this time of the year (March- May) he, like most pullers, normally returns to the village because crops like wheat, mustard, peas, potatoes etc are harvested, thus ensuring income earning opportunities in their village/s.

During his second trip to Delhi after banking him, he was persuaded to visit the bank to make at least one deposit and one withdrawal to at least to ensure the account remains active till he feels confident to use it. On hearing it, Mahindra along with Mohammad Raban and Tulsiram decided to visit the bank next day. They preferred to go together because it made them feel confident to step into a bank. The field surveyor waited at the bank for them but in vain. It was learnt that Raban was waiting for them in *Kandhar* but both Mahindra and Tulsiram failed to show up for the bank visit. It was because Mahindra had left early for pulling rickshaw promising to return on time but failed to do so, while Tulsiram was unwell and skipped the visit.

(Continued next page...)



Mahindra Singh, Kahmar, Madhya Pradesh

32 year old Mahindra is a marginal farmer with less than 1 acre of land. His other sources of income include wages earned from MNREGA (Mahatma Gandhi Rural Employment Scheme) where he works for at least 2 to 3 months in a year. His household size is 7. His wife has a bank account in her name, which was opened to receive cash subsidy for education of his 3 children. He owns a house and a cow.

He comes to Delhi on short spells to smooth income and consumption shortfalls. He stays focused on earning as much as he can during his migration to Delhi because he prefers to return back to his family as soon as he builds up a useful lump sum to take back home.

He has been unfailingly depositing his earnings with his *tekdar* for the past 8 years of rickshaw pulling.

Read on about Mahindra's story of getting a bank account...

Mahindra stayed on in the village for 32 days till 25<sup>th</sup> April 2013. He returned to Delhi on 26<sup>th</sup> April 2013. This visit to Delhi lasted 16 days. He was depositing his daily earnings with Hukum tekedar only. When asked about not depositing his money in his bank account, he answered 'I have my reasons' and offered two reasons. Firstly, he stated that during short visits lasting not more than 2 weeks, it was tiresome to go to the bank to deposit small amounts and then to withdraw it before leaving for the village. When told that he could withdraw it from another branch (which was available in Datiya near his village), he stated it is pointless to deposit four days before he is to leave for home because the cash is needed for wheat harvesting expenses instead of leaving it in his account. Secondly, he stated that he pulls rickshaws for long hours during his short visits and finds no time to deposit during banking hours; however, it was convenient to deposit with *tekedar* in *Kandhar* at the end of each day when he gets dog tired after strenuous work. He said that it was far more convenient to access *tekedar's* services available at all times and at his doorstep. Mahindra left for the village on 12<sup>th</sup> May 2013 without once visiting the bank for using his account. He had not returned to Delhi till 15<sup>th</sup> June 2013.



Update on 19<sup>th</sup> September 2013. As the report is nearly wrapped up, a chance meeting of the PI with Mahindra at 5:30 P.M. this evening happened in the marketplace. It was a divine meeting because Mahindra happily informed her that 'he has started using the bank account'. He said that he came back to Delhi twice earlier during July and August 2013. Though he continues to save with Hukum tekedar, he realised that when he took that money as cash back to the village, all of it was used up. Then he decided that he would deposit some earnings in the bank account as well, which he would not withdraw; instead save it for his children's future. After arriving to Delhi on 12<sup>th</sup> September, he saved two days earnings with tekedar and deposited next two days earnings of Rs.900 in his bank account on 16<sup>th</sup> September 2013. He added that his friend from Kahmar - Ram Kishan also told him to use the account in this manner so that the account is active as well as some savings are built up for future needs. When the PI asked him 'Did you have any fears about the money in bank account?', he replied that he did have initial reservations because the bank account is not in the village but now he knows that 'it is a bank account which is safe by itself, so I should start saving little by little in it'.



'Shivratri' is a major Hindu festival celebrating Lord Shiva.



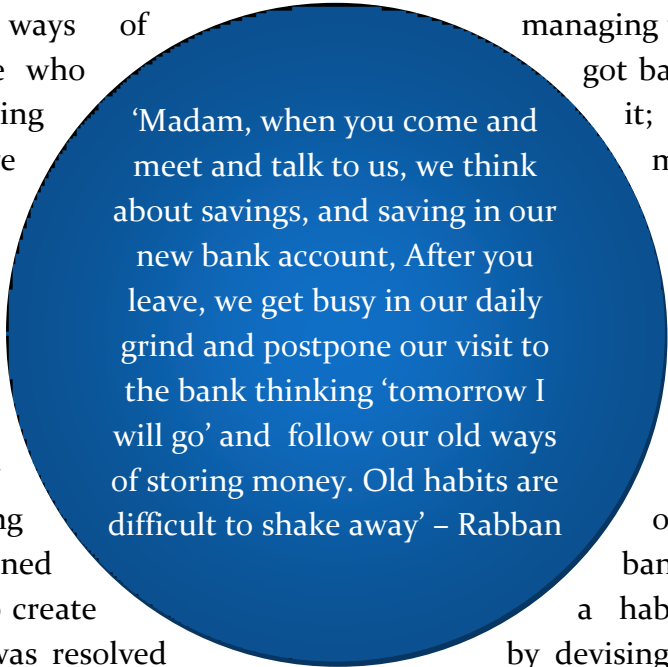
'Holi' - another major festival also called as 'Basant Utsav' (Spring festival) heralding the arrival of spring, with colours and joy.



At the same time as we were tracking to gauge the behaviour of bank pullers, in a flash interview of a small group of pullers, one of them voiced that since money is hard to earn, many like Mahindra prefer to hold cash, which is easier to access than leaving it in a bank account about which they understand little and hence, their ignorance breeds fear of depositing their hard earned money in a bank account. This is because they neither have had exposure nor any experience with banks although they wished to own account in a bank. A fellow villager from Mahindra's village seriously cited a vernacular idiom to underscore his view point. According to *him* 'Behens key aagey bhin bajaye, behens kadi pahuraye'. Loosely translated it means 'Playing a flute in front of a simple-minded person would not make him realise the sweetness of its music'.<sup>lxix</sup>

### Got the Unbanked pullers Banked, But How to Create a Banking Habit?

A major concern was to create formal banking habit among the pullers who were used to non-formal ways of managing their money. While hoping that those who got bank accounts would gradually start using it; yet, at the same time there were many moments of serious concerns when trending/tracking the banked pullers' behaviour. Persuaded that there was a need for making the banked pullers to of their mind remember on top they have a safe space that now option available in and secure saving bank account; but also their newly opened a habit of using their encourage them to create bank account, it was resolved by devising an incentive. The incentive offered was simple - by taking a leaf out of their informal saving mode - 'Gulak'. It was combined with the perceived benefits of another informal saving mode - 'Money guard' (saving with tekedar).



Since saving with tekedar had the twin benefits of doorstep collection as well as depositing small amounts, 'Gulak Bacchat Scheme'- a small saving scheme offering doorstep collection - was experimented with the banked pullers on 2<sup>nd</sup> March 2013.<sup>lxx</sup> 'Gulak Bachhat Scheme' aimed at inducing the banked pullers to save in a *Gulak* (piggy bank) with the sole purpose of encouraging them to convert the savings built in it to their bank accounts. In this experiment, a total of 8 banked pullers participated. Of the remaining 5 banked pullers, two of them did not participate as they expressed their inability to save regularly, and three were unavailable in Delhi.



## *"Gulak Bachat Scheme"*



### *Features, Terms and Conditions*

- 1. Daily saving scheme with a minimum deposit of Rs.12 (\$ 0.25).*
- 2. Daily savings was to be collected at their doorstep – that is, in Kandhar.*
- 3. To build up a minimum saving of Rs.100 in 7 days; maximum left to the saver.*
- 4. Incentive of Rs.10 per Rs.100 was to be offered for the total amount saved.*
- 5. 7 days savings was committed to be deposited in the bank account by the saver.*
- 6. A bonus of Rs.100 for a winner in a lottery subject to a group of 4 pullers reaching the target within 7 – 10 days .*
- 7. A pocket diary given to make entry of daily deposit by the saver himself.*
- 8. Two keys of the gulak were entrusted to two pullers while the gulak was in safe custody of the PI.*
- 9. Handholding support was to be provided to deposit the savings in the bank one time only.*





Verifying the deposit made in the pocket diary.



Gulak brimming with daily savings of pullers



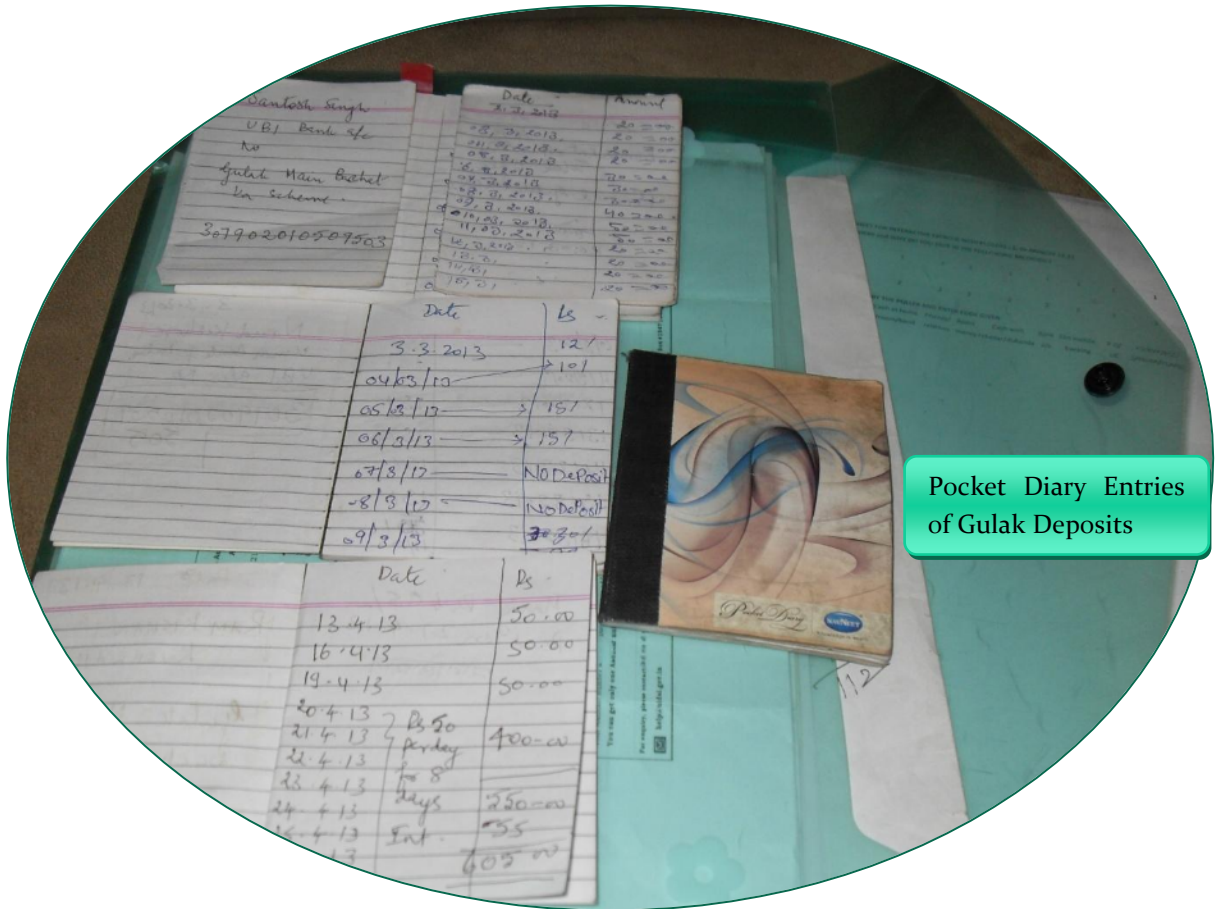
On hearing about the *Gulak* Bachat Scheme, those banked pullers available in Delhi were all ears to know about its terms and conditions. When told that the *gulak* would be brought to *Kandhar* daily for collecting their money, and there would be a monetary incentive for building up the minimum requisite amount, they volunteered promptly. Mohammad Rabban who works as a rickshaw mechanic had received his salary from *Hukum tekedar* that day because he was going home for 3 – 4 days to attend his sister-in-law's wedding. He deposited Rs.12 in *gulak* but wondered how he would deposit his remaining 6 days money while he was away. However, he requested that he may be allowed to deposit Rs.100 that very day to fulfil the scheme's conditions. Mahindra Singh who was banked 3 days later (5<sup>th</sup> March, 2013) also pooled in his share of money in the *gulak*.

When the deposit collection took place every day for the *Gulak* Bachat Scheme, a large number of pullers from *Kandhar* were enquiring about it and requested to participate in the saving scheme. Some of them persisted that they too would like to get a bank account as the *gulak* savings would be transferred to a bank account.<sup>lxxi</sup> It was heart warming to see that the pullers were unfailingly depositing money into the *gulak* every day. If they happened to miss a day (essentially because they were pulling rickshaws at the time and hence, were not available in *kandhar*), but they ensured that they deposited next time for the missed instalment/s. What started as a weekly collection continued for a fortnight because it was difficult to synchronise meeting all the pullers for the promised lottery to pick a winner among those who met the saving target on time.<sup>lxxii</sup> The serious intent to readily deposit money daily in the *gulak* by the banked pullers was instructive about the requirements as well as expectations of migrant pullers in a saving medium. The small pocket diary that served as a passbook for entering their small deposits was carefully maintained by each one of them. Importantly, they mentally calculated the 'monetary incentive' that was to be provided to their total saving which made some pullers to





deposit more in a day, which behaviour could be gauged in some of the narratives that are presented next.



At the end of first round of gulak saving collection, two pullers deposited this savings in their bank accounts.<sup>lxxiii</sup> Two pullers wanted to save again in gulak echoed by Santosh 'Madam, Gulak Bachat scheme is a good one because it made us save small amounts of money daily in our place of stay. Moreover, getting a return on our deposit encouraged us to save.' An important aspect of the 'Gulak Bachat Scheme' was the element of condition that gulak saving would be deposited in their bank account; importantly, a bonus of Rs.100 to one who reaches the target acted positively to save for some pullers.

Out of the 8 pullers who saved in the scheme, only Mahindra Singh did not save regularly as he was unavailable for 5 days and left for the village on 9<sup>th</sup> March 2013.<sup>lxxiv</sup> Two pullers who proactively participated in this scheme were Santosh and Ram Kishan. Both deposited high amounts that they could manage; and they openly voiced 'madam you have dangled the incentive to save and we want to use the opportunity to take advantage of the scheme.' When the Gulak Bachat Scheme was discontinued after completing two rounds, these two pullers requested that the scheme be continued as they trust their gulak money would be secure with the PI.<sup>lxxv</sup> Arguably, the solemn request conveyed the deep need for a safe facility for small savings that is serviceable at the door step of migrant pullers whose livelihoods and incomes are low, small and variable.

Importantly, two questions arise. First, did the saving experiment work? A key lesson from it was that it was a step forward in understanding the needs of pullers with design implications for the saving product. A second enquiry that needs to be addressed is - did the experiment of *Gulak* Bachat Scheme as much as the initiative of banking the pullers lead to the actual use of bank accounts? If the behaviour of banked pullers like Mahindra raises concerns about the divergence between desire and usage, was this behaviour replicated or rejected in the case of other sample respondents? This can be best understood from their personal stories and experiences.



Gulak savings counted, verified, and returned prior to depositing in bank

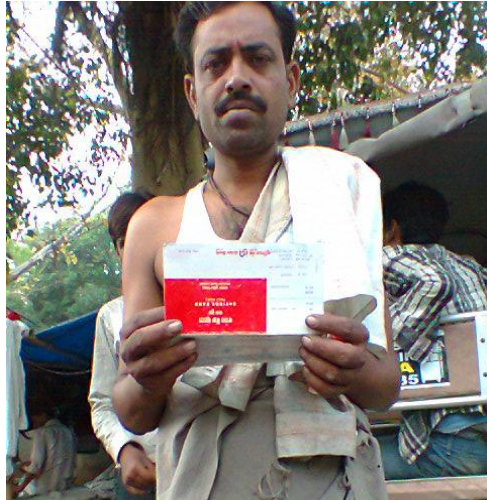
“Madam, since the time you have begun to get UID-AADHAR cards followed by getting us Bank accounts, which our ‘tekedar’ did not believe would happen, he does not want it (account) to be a habit. Because some of us are beginning to move to get a ID and bank account. Obviously, if more pullers desire and follow this behaviour, he and his group would not be able to exercise control over us”

- One sample puller (name withheld).

“Madam, you have got me a bank account, which I have wanted all my life because I thought if I could put a little money in it, it would be useful in old age. But with my health and other family expenses, I am not even able to fulfil all of it and there is no money to think of saving. How can I go to the bank then?”

- Tulsi





33 year old Santosh Singh from Chandrapura, Chattarpur District, Madhya Pradesh did not give his name formally for participation in September 2012; he was maintaining distance watching the initiative as it unfolded. Sometimes it looked as if he was the participant observer. Finally on 22<sup>nd</sup> December 2012, he requested the PI that he would like to volunteer as a participant. His fellow villager - Hukum tekedar brought him to Delhi to earn as a rickshaw puller after a family dispute.

Though he had been to primary school, he showed exemplary attitude and discipline in handling his money matters. After he got his bank account on 11<sup>th</sup> February 2013, he earnestly stated, 'Madam, I did not think that I could get a bank account. Now that I have got it, I will start saving in it slowly but steadily every week. I want some earnings to be safely tucked away both for my family and any unexpected eventuality'.

Two weeks after his account was opened, he had not visited the bank but was still saving daily with Hukum tekedar. Queried about it, he said, 'I had been depositing with him for nearly 9 years and I cannot suddenly stop depositing with him. Moreover, I owe him and a few fellow villagers some money which I had borrowed when I was hospitalized for a month in Delhi in January 2012.' He revealed that he had repaid Rs.20000 out of a total loan of Rs.60000 (USD 1200). So he allocates his earnings to repay this huge debt as well. Hence, he had not been to the bank to begin depositing but indicated that he intended to do so soon.

On 28<sup>th</sup> February 2013 Santosh revealed that he went to the bank with the surveyor to deposit Rs.1000 in his account and felt good about his second deposit. On 4<sup>th</sup> March 2013, he went alone to the bank to make his third deposit of Rs.700. On 9<sup>th</sup> March 2013, when the surveyor was going to the bank from Kandhar, Santosh called him aside to request him to deposit Rs.500 in his account. While he was taking out Rs.500, Hukum tekedar was seen approaching, so Santosh quickly stuffed the money into surveyor's shirt pocket and told him 'tekedar is coming, don't let him know about it'. (Continued next page)...

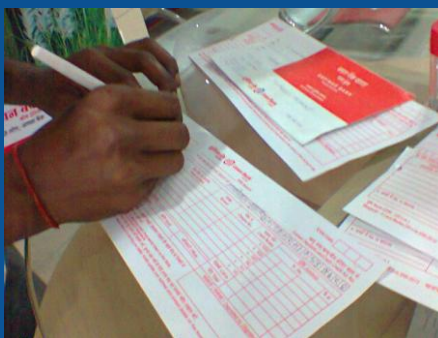


Santosh verifying and counting his savings in gulak scheme.

Santosh's Bank Pass Book with entries of his regular deposit of savings.



Date	Particulars	Debit	Credit	Balance
11-02-2013	BY DEBIT	100.00		100.00
28-02-2013	BY DEBIT	1000.00		1100.00
04-03-2013	BY DEBIT	700.00		1800.00
09-03-2013	BY DEBIT	500.00		2300.00
28-02-2013	BY DEBIT	100.00		2400.00
04-03-2013	BY DEBIT	700.00		3100.00
09-03-2013	BY DEBIT	500.00		3600.00
28-02-2013	BY DEBIT	100.00		3700.00
04-03-2013	BY DEBIT	700.00		4400.00
09-03-2013	BY DEBIT	500.00		4900.00
28-02-2013	BY DEBIT	100.00		5000.00



### In a happy mood with friends



This incident reinforced that Hukum tekedar power over his pullers. It is relevant to note here that whenever Hukum tekedar was present, neither Santosh nor any other sample pullers from his garage would respond much to queries fielded. But they were more receptive in his absence.

On 17<sup>th</sup> March 2013, Santosh had to leave for the village urgently and he needed Rs.2000 for meeting a family emergency. When he could not withdraw from his account on that day as it being a Sunday, a weekly holiday for the bank, he relayed the message to the PI that he needed a loan which he would return on 21<sup>st</sup> March 2013. When suggested that he could access it from his tekedar, he reported that Hukum tekedar would not lend him now because he had started depositing most of his earnings in the bank account. The PI lent him this money as it was a catch 22 situation. Santosh duly returned the loan personally after withdrawing from his bank savings.

Santosh was an active participant in the Gulak Bachat Scheme. At the end of the first round, his 14 days savings plus incentive was Rs.520. He added Rs.80 and deposited Rs.600 in his bank account on 26<sup>th</sup> March – his fifth deposit. Next he deposited Rs.850 on 15<sup>th</sup> April 2013. During the second round of Gulak Bachat Scheme that ended on 3<sup>rd</sup> May 2013, he deposited a sum of Rs.1460 between 3<sup>rd</sup> April 2013 and 27<sup>th</sup> April 2013. He kept this savings separately till 8<sup>th</sup> May 2013, when he deposited Rs.3300 in his bank account inclusive of the gulak savings.

As his money grew in the bank account Santosh's sense of joy and satisfaction was reflected in his carefully folded deposit slips, pass book - all neatly placed inside a polythene bag and tucked inside the dicky of e-rickshaw which he drives. Every time he met the PI, he inquired and learnt about using his savings account for other purposes (money transfer). He was keen to use his account for sending a loan to a relative. After learning about the procedure, he visited the bank on 24<sup>th</sup> April 2013 but after standing in the queue for nearly 1 and ½ hour, his request for transferring the money to another public sector bank account was turned down. He was advised to go to the concerned bank branch to remit the money. Frustrated he stated 'madam, after seeing me, the teller refused. How could he do that when I too have an account there?' But this incident did not deter him from going to the bank for transacting again.

While Santosh was determined to improve his bank savings, he was also juggling between savings with Hukum tekedar and bank account. He was beholden to tekedar for his help in safekeeping his money; yet, he also wanted to break free of this social arrangement to gain independence. He left for the village on 20<sup>th</sup> May and returned around 20th of June 2013. During the first week of July 2013, when the PI visited Kandhar to meet a few respondents, he was unavailable. Telephonically, when he was asked, 'Did the bank account give you any sense of security?' He responded that his self confidence and sense of independence has soared. He informed that he has moved to a rented quarter because he brought his family to Delhi. He believes that the bank account has given confidence to cope with his needs better.









Ram Kishan, a quick learner is busy filling out the deposit slip, counting money and in the queue to deposit his money.

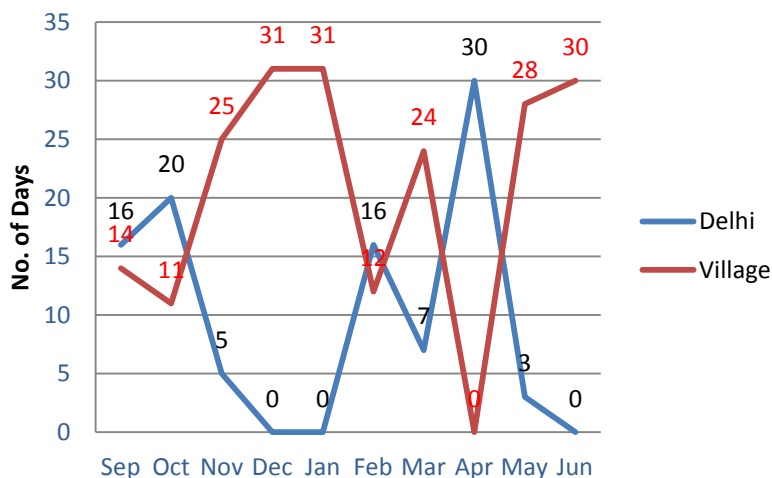


Ram Kishan, Kahmar, Madhya Pradesh  
Marginal farmer with < 1 acre land  
28 years, married and completed high school

Meet Ram Kishan whose practicality and unbridled enthusiasm is refreshing and infectious. He is one among the five pullers who was linked with ICICI- Eko mobile banking as well as a savings account with the Union Bank of India. Before getting a mobile banking account, he had a whole lot of questions about the benefits and costs of getting a mobile bank account. Specifically, he inquired about the availability of EKO counters in his village/region/state as well as about other Eko counters in Karol Bagh area. He had no concerns about the authenticity of the 'tiny' Eko counter manned by a retail agent because he knew about the ICICI brand. When he learnt that there were no counters available in his State, then he decided to use mobile banking for saving while in Delhi and withdraw money before leaving for home. Secondly, he wanted to test out the product by depositing and withdrawing money but he decided to do that in another EKO counter as he was told he could transact in any of the EKO counters. He spent two days trying to locate two other EKO counters in the area but finding none in the given addresses, he was disappointed that there existed no counters contrary to the information given by the Eko representative. When it was learnt later that the said EKO counters were likely to function sometime soon, Ram Kishan decidedly stated that in that case he would not like to use the account. He explained that 'When the information is given to attract customers like us who are poor and have less money, there should be no mismatch between what is stated and what is actual'.

He left for the village on 5<sup>th</sup> November 2012 informing that he would be back after *Deepavali* festival. There was no sign of him for 3 months; when his name was about to be stuck off the list, he migrated back to Delhi on 13<sup>th</sup> February 2013. (Continued next page...)

Migratory Profile of Ram Kishan



On returning to Delhi, he promptly contacted the PI and requested for UID-AADHAR card and the bank account. He also requested that he would like to get them before 1<sup>st</sup> week of March because he would head back home for *Shivratri* and *Holi* festivals. During his next migratory trip to Delhi that lasted from 30<sup>th</sup> March 2013 till 3<sup>rd</sup> May 2013, he was enrolled for UID as well as linked with a bank account.

His acuteness on money matters was instructive about how the poor are mindful of their money. He revealed that he had earlier been depositing with a shopkeeper near *kandhar* for nearly 6-7 years. He was charged Rs 20 per deposit less than Rs.5000 and Rs.50 for deposits above Rs.5000. Once when his total deposit had touched Rs 25000, he took it back from the shopkeeper for a bulk expense back home; he further needed Rs.5000 and requested him for a loan to be repaid within a short period. But the shopkeeper refused point blank stating ‘I cannot give you because what if you do not repay?’. Ram Kishan stopped depositing with him since then. Ram Kishan said, ‘I trusted him to deposit my hard earned money with him but he did not trust me to lend. So why deposit with one who does not ‘reciprocate trust’. Subsequently, he started to deposit with Hukum tekedar. Asked why he chose to save with him, he answered ‘Earlier I deposited with the shopkeeper because he owned a shop and had property; Hukum tekedar also has property in village and assets in Delhi (motor bike, bank accounts, business shops). I do not deposit with the ‘chaiwala’ (tea shop) who does not have any assets and hence, there is no guarantee that he can be trusted with my money because he can run away after collecting huge amounts from different pullers.’

As he learnt mobile repairing, Ram Kishan would like to build up savings to start a mobile repairing shop in his village, which he undertakes sometimes to earn extra money. So he was happy to get a bank account in Delhi. At this point he informed that he had recently been able to open an account with State Bank of India in a nearby town (Datia) on 26<sup>th</sup> March 2013 by the using his State election card and ration card. (Continued next page)...







*“Now that I have a bank account, where I know I can save my daily earnings, but I am doing a balancing act between saving with tekedar and saving in bank because firstly I want to test out by withdrawing Rs.2000 from my village neighbourhood branch of the Union Bank of India. If that is successful, I would have no concerns at all in shifting my earnings to bank account and not feel tied down to tekedar”*

*- Ram Kishan*

He added that since he required a bank account in Delhi, he went along with us to the Union Bank of India. He would like to gradually shift to the bank account in lieu of tekedar for two reasons. Firstly, though the arrangement with tekedar has been working fine so far, he would like to access a safer medium. Secondly, he need not withdraw all the earnings from the bank account which was not possible in the case of tekedar because money once taken in lump sum gets spent. However, he added that he would shift completely to storing his earnings from rickshaw pulling to the bank after ensuring that he could withdraw his savings from the local village branch of Union Bank of India branch in Datia.

On 8<sup>th</sup> April 2013 when he received his pass book with account opening deposit entry and new account number, Ram Kishan was pleased and said that he would accumulate his earnings for 3-4 days and deposit that amount in the bank account. On 12<sup>th</sup> April 2013 his second deposit was only Rs.250. To a query he explained that he had built up savings of Rs.4000 which was kept with tekedar and just the previous day he remitted that sum through a villager going home. On 14<sup>th</sup> April 2013 when the PI met him, he said, ‘Madam, I like to deposit again, but I would like you to come once again with me so that I would feel more confident of transacting in the ‘big’ bank next time on my own It is a little bewildering to go to the bank on my own.’ So his next deposit of Rs. 500 was made on 15<sup>th</sup> April 2013 when he memorized the formalities for depositing; and told the PI that he would start transacting on his own from hereafter just like Santosh Singh has become confident in going to the bank. Next day on 16<sup>th</sup> April 2013, he deposited Rs.500 on his own, but said ‘I had to stand in a long queue’. He was advised to visit the bank in the afternoon when there will be fewer customers. On 18<sup>th</sup> April 2013 when he went to the bank, he realized that he forgot the pass book and did not remember his 15 digit account number. So he returned back vowing that he would note down his account number in the small pocket diary that he carries always.

On asked about his deposit amounts growing progressively and carefully in his account, he forthrightly said, ‘Madam, I know I have got a secure means for saving in this account, but ultimately I require my money in the village. However, I am yet to know whether depositing all of my daily earnings in the bank account would work for me till I go back to the village and withdraw from Datia branch. Now that I have a bank account, I don’t want to hand carry cash; instead I prefer to take out money in local branch what I deposit in Delhi branch. If this is possible through my bank account, then there is no looking back on my habit of saving with tekedar. But what if I cannot withdraw from local branch? Until I can actually experience how my bank savings can be withdrawn, I am doing a balancing act between saving with tekedar and saving in bank account. I don’t want to lose the services of tekedar if this bank account does not suit my requirements. That is why I am depositing in both places - less in bank account but more with tekedar - which money is ready cash available any time I need to get back to village’. (Continued next page)...



When the Gulak Bachat Scheme was introduced to him on 13<sup>th</sup> April 2013, he wasted no time in contributing his savings in it saying 'boondh boondh sey ghada bharta hain'.

Ram Kishan deposited Rs.900 on 25<sup>th</sup> April and Rs.1000 on 27<sup>th</sup> April 2013. His fifth and last deposit of Rs 1000 was made on the same day as he received his gulak savings of Rs.605. After his last two deposits, he told the PI 'Madam, now I have confidence to go to the bank. So I did not give last week's earnings to tekedar instead I put it in the bank. I will be going home in a few days where I will withdraw Rs.2000 from Datia branch. If I am successful, I will become an active user. Then many pullers will demand to get a bank account (from you)'

Ram Kishan left for his village on 3<sup>rd</sup> May 2013 and on 25<sup>th</sup> May 2013 he called to inform that he was not allowed to withdraw money as the local branch manager flatly refused him after scanning his pass book and saying "what kind of an account is this?". As advised, he met the local manager again requesting him to speak to the Delhi bank branch but it fell on deaf ears.

On his return to Delhi on 16<sup>th</sup> June 2013, the PI was to take him to the bank after 28<sup>th</sup> June 2013 to sort out this issue and to get him a cheque book to enable him to transfer money to his SBI account in the village. The PI learnt that this was mandatory to be given for any savings account (including NFA) customer with a deposit of more than Rs.1000. On 30<sup>th</sup> June 2013, he left for the village because he was sick. He informed the PI telephonically that he went to the bank on 29<sup>th</sup> June and requested the lady officer for a cheque book, but his request was turned down on the grounds that "his kind of account cannot be issued a cheque book". He was let down and withdrew most of his money leaving Rs.300 in his account to keep it active. He stated 'I am also a customer of the bank. I may have less money. But does it mean we should not get service from bank staff? What can we do if there is no help from the bank staff? How can I depend on bank account if it does not come in handy? PI promised to take him to the bank on his next visit whenever he migrates back, but there has been no news from him after this telephonic talk on 1<sup>st</sup> July 2013.

**An issue of concern is: Is it dead end for Ram Kishan's dream of shifting to use his bank account due to attitudinal barriers? May be yes, May be not, but certainly there is a long way to march towards the path of financially including the disadvantaged...**



*"Boondh boondh sey ghada bharta hain"  
(Every drop fills the pot)*



*"If I am successful in withdrawing from village neighbour branch, I would become an active user"*

*"I am also a customer of the bank. I may have less money. But does it mean we should not get service from bank staff? What can we do if there is no help from the bank staff? How can I depend on bank account if it does not come in handy?"*

*- Ram Kishan*

## Encounters with Entrenched Attitudes in the Financial Inclusion Path of Banking the Unbanked...

The narrative of Ram Kishan mirrors the fact that getting the poor pullers a bank account is only a first baby step; the true meaning of their financial inclusion is possible only when they can use the bank accounts in an enabling and hassle free environment sans institutional, social and psychological hurdles. Having been a shadow observer of banked pullers like Ram Kishan, certain encounters of the research team converged with the experiences of the poor pullers during the banking process. These are nothing new or startling facts but what is already known to the academia, bankers, development circles etc.

Features of NFA account (accessed from internal circulars of the Union Bank of India (UBI) on Relaxed KYC rules & NFA dated 23.12.2005/7284 and dated 27.01.2006/ 7310 as well as clarifications from the branch officers dealing with savings bank accounts)

1. Minimum balance of Rs.100 and no fine if zero balance.
2. Debit card plus cheque book is allowed.
3. Cheque book only if a limit of Rs.1000 balance is maintained.
4. Money can be withdrawn from another UBI branch through withdrawal slip accompanied with pass book of customer.
5. Money transfer to another UBI branch either using cheque if this facility is provided or with a written application on plain paper giving details about the transferee's name and account number.
6. Money transfer to a bank other than the UBI also permitted and procedure is same as point (5). IFSC code of the bank is to be given.

All information about the NFA account features (except that a maximum deposit of Rs.50000 is permitted) had to be sought after by the PI and not given voluntarily by the banking staff. Same information given at two different times was found to be inconsistent.

What is the purpose of opening accounts for these poor and how will it benefit them? – A middle level bank officer

We just cannot open accounts based on AADHAR slips alone, and by the way, how much will they be able to understand about bank accounts? – A middle level bank officer.

I am opening the accounts “out of the way” for these pullers. Top manager may tell us to open such accounts for the poor, but I will be answerable personally. – A middle aged senior bank staff, customer service. This sentiment was repeatedly relayed to the PI on various meetings.

Sir, are there any reservations about opening accounts for these pullers/ There seems a disconnect between senior management and middle management?—Principal investigator

No reservations at all. No reservations at all. We will open accounts with a smile. – Senior Management official

I have worked in the poorest area of Eastern Uttar Pradesh. I know how the poor demand. They will not keep quiet till they get it. They should be patient' – in response to requesting for the pass books of the pullers by the PI

Cannot understand why do you folks come and bother us; pass books are not ready, come next week – A middle level manager to the surveyor

Madam, every time I go to get pass books or seek information related to pullers' accounts, the concerned officer has been neither receptive nor polite to me. I was shooed off – surveyor on 9<sup>th</sup> March 2013

Madam, jab aap hamare saath chalte ho, bank key log soochna deyne ki liye jijakthey nahin. par hum akele jaane sey madad karne key liye khushi sey raazi nahin hain (Madam, when you accompany us, bank staff gives information, but when we go alone, they don't seem willing to help happily)— Santosh – a puller

Madam, I have gone twice with Ashish (surveyor) to collect my pass book for account opened on 5<sup>th</sup> March but I have not been given the pass book because it is still not ready, I am going to the village today, and will you get the pass book for me today? – Mahindra on 23<sup>rd</sup> March 2013

Opening NFA account or servicing these small account holders is not the only work I do. I have a lot of work that I am responsible for. A small request like a pass book during busy hours is untimely for us. – A senior special assistant to the surveyor.

Is not pullers' time or my time precious? Time for pullers means money and how many times can I persuade the pullers to come with me to the bank to suit the bank staff's schedule? The same staff obliges customers who are well dressed and have more money - surveyor





“Sensitivity Training”



“Banking Skill Training”



While the deep rooted mind-sets of some personnel during the banking process was recognizable, an inescapable fact was the gap between general insensitivity of banking personnel and diffidence of puller/s. Financially including the disadvantaged is, neither restricted to numbers nor limited to simply opening bank accounts; it has to go beyond in ensuring that the poor customers repeatedly come back to use the financial service. That is a ‘missing brick’ in the financial inclusion efforts at the institutional level<sup>lxxvi</sup> was evident. This was manifested in the dual attitudes of some banking staff in their inter-personal dynamics with the well-informed (for instance, the PI) and the unacquainted (surveyor) or under privileged customers (pullers). *A key lesson is that there is a need to imbibe ‘Sensitivity Training’ at the banking level as much as it is essential to include a component of ‘Banking Skill Training’ in the financial literacy drive to the poor (pullers). This is necessary to ensure that those with no exposure to banking feel confident to use the banking services with no fear or favour.*



## Continuing the journey with other pullers...

The story of Lakhan Singh warrants a first place in the report- just as he was the first puller to volunteer. Besides, he lead many pullers to the initiative by his reasoning and calm disposition. Strange as it may seem, Lakhan's life in Kandhar changed course with one misstep by him. He was a *munshi* (accountant) to Hukum tekedar, his fellow villager, when we met him on 1<sup>st</sup> September 2012. He was earning a monthly salary and stayed in Hukum's garage as a trusted aide.

First among the mobile banked pullers, he had deposited twice in his mobile banking account within two weeks in October 2012. Subsequently, he did not deposit. Just before *Deepavali*, he had lost Rs.8000 in card games hoping he would win. He started driving e-rickshaw to earn more money to repay the debt and managed to clear off this debt but he did not have surplus money to deposit in mobile banking account.

On 30<sup>th</sup> January 2013 Lakhan lost nearly Rs.50,000 in card games played during the wedding festivities of Hukum tekedar's brother. The lender of the last resort was of course Hukum. Since Lakhan used to safe keep his salary with tekedar, some part of the debt amount seemed to have been taken back compellingly by Hukum, which seemed to be the beginning of end of a relationship.

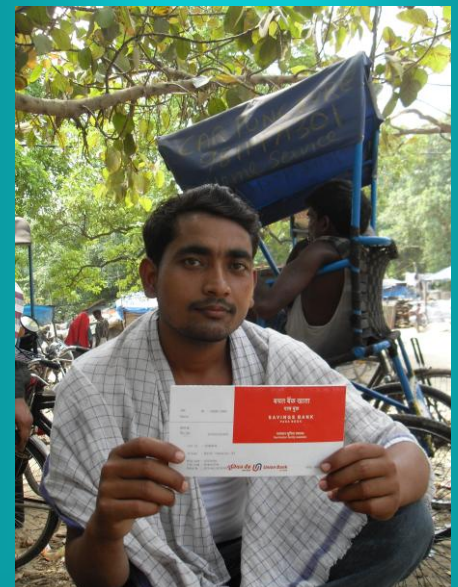
Lakhan started driving e-rickshaw to earn from 1<sup>st</sup> February 2013 because tekedar fired him from his job. In the meanwhile, after his UID-AADHAR enrolment, he got his bank account on 8<sup>th</sup> February, 2013; and he deposited Rs.300 - his second one. However, suddenly he left for the village on 25<sup>th</sup> February 2013. When Hukum tekedar was asked about Lakhan's probable date of return, his cryptic remarks was a pointer that 'money matters' between the two had strained the relationship.

He returned to Delhi on 20<sup>th</sup> May 2013 and shifted to another tekedar's garage as a munshi earning Rs.6000/ per month. He had been repaying his debt to Hukum tekedar in the last 3 months during the latter's periodic visits to the village; and still owed him Rs.15,000.

Between 9<sup>th</sup> June and 6<sup>th</sup> July 2013 when Lakhan was interviewed, he expressed his inability to use the bank account due to his pressing debt and family needs. He was calm as usual but gaiety in his voice was missing. He said, 'Madam, I was happy to get a bank account. I understand what it means to get it. However, I got carried away in playing cards in the wedding. I did not play after losing money during *Deepavali*; instead of resisting it, I was tempted to play in a celebratory mood by some friends. Though I knew that Hukum tekedar is more than helpful when 'juwa' is on, but I played and was forced to borrow from him. I would never look at cards ever because I learnt a huge lesson in life. I have to overcome this debt before I can think of saving when there is money available'. So saying he added that he would call the PI for help to save in the bank account when he is ready to do so.

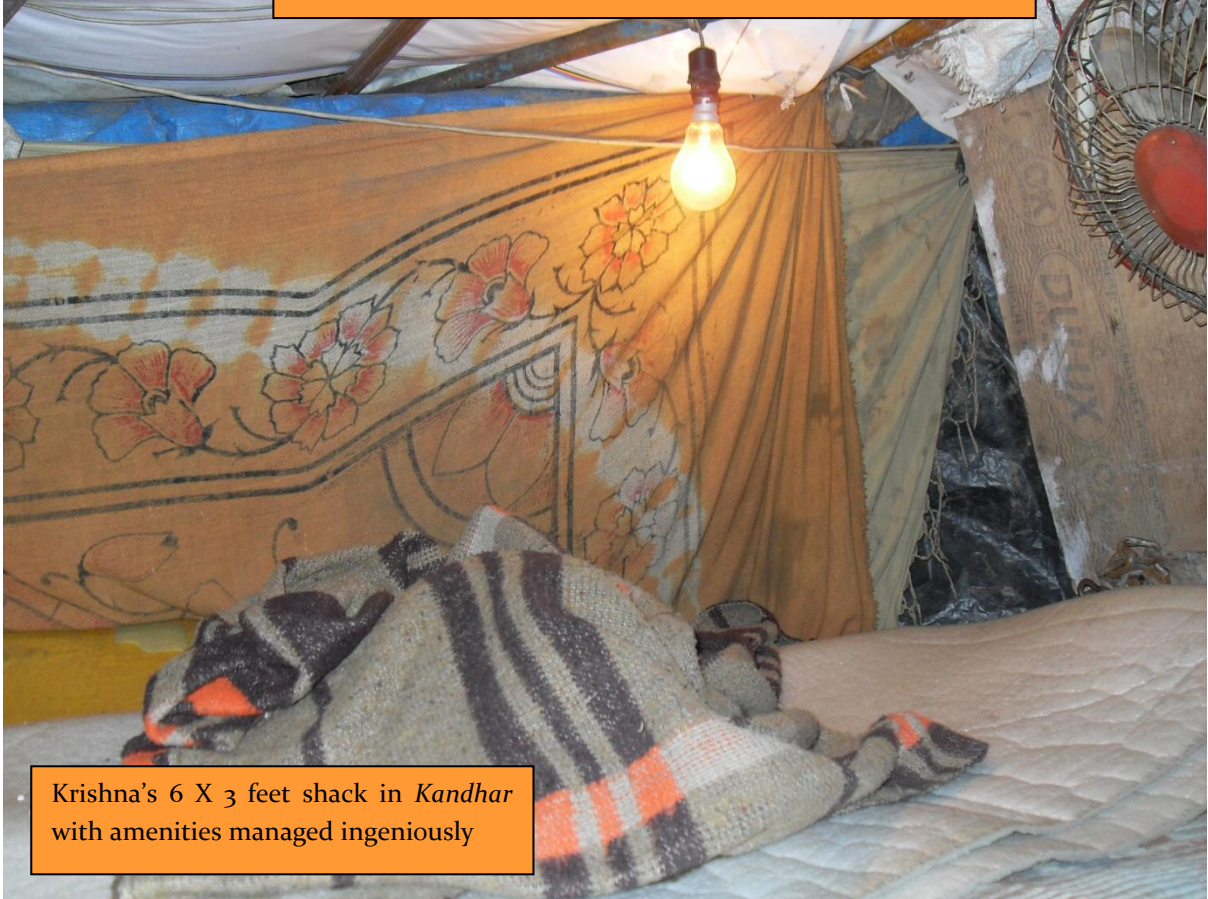


Lakhan Singh, Chattarpur,  
Madhya Pradesh.  
22 years, Not Married





“Life in Delhi’s *Kandhar* is far nicer than the dull life in the village with no amenities or recreation” - Krishna



Krishna’s 6 X 3 feet shack in *Kandhar* with amenities managed ingeniously



Freedom to do what one likes in *Kandhar*



### A Tale of Three Pullers

Ram, Krishna and Hari (not their real names) are all unmarried pullers and in more ways than one, are 'foot loose and fancy free' in their habits and behaviour. All of them ran away from home. All three find the city life far easier than rural life and rarely think of going back to the village. Each one openly expressed that they like to enjoy life and earn to spend on themselves. Ram was a puller once but now he is man Friday to Hukum tekedar in managing the 'gaming activity'. Krishna volunteered in the initiative due to Lakhan Singh, a child mate. Ram's name was recommended by Hukum tekedar and Hari volunteered on his own. Another common trait is that they regularly gamble in card games hoping for easy money.

Ram and Krishna were banked in February 2013 and Hari in April 2013. Post banking, fixed meetings with Ram was scuttled by him on the pretext of 'no time from work' although on many occasions he was engaged in 'playing cards' for which he was paid for by his benefactor. As he missed many meetings with the PI, Ram approached her once to inform that he would like to deposit Rs.1000 in his account and learn about transacting in his account when the next bank visit takes place. He again missed the meeting and avoided interviews stating that he had not gone to use the bank account because he has no spare money.

Over time, as the information about Kandhar's various activities and players was getting less opaque, pieces of puzzle fell into place when the banking process began. Three pullers including Ram were to be banked first. At the time of taking them to the bank, Ram suddenly disappeared because he was called away by Hukum tekedar for an urgent work. To cut the long story short, Hukum tekedar did not foresee that the sample pullers would actually be banked with a public sector bank. Ram revealed that his AADHAR receipt and bank pass book are deposited with his tekedar for safety. On asked about whether he will use the bank account, he responded that he has no extra money that he can deposit in it now. Besides, his tekedar is kind and so he is not worried. On his future needs, he remarked 'Bhagwan key haath main hain' (It is all in God's hands).'

Krishna was most difficult to connect with both due to his erratic ways of living (gambling during the night, sleeping during the day and pulling rickshaw in the afternoons / evenings) and his disinclination to share information directly. More often, he was found sleeping after gambling through the night. He likes to spend on his comforts and entertainment (movies and tobacco) as he revealed in one meeting. He seldom sends money to his parents. (Continued next page)

### "Grab the Low Hanging Fruit"



Dummy image to conceal identity.



## Freebies and Free Riders?



A small compensatory amount offered to the sample respondents in lieu of their foregone earnings for the time spent during the banking process was paid as 'account opening deposit' amount. In a sense, their bank accounts were opened 'free' of cost from their perspective.

After he was banked, he deposited in his bank account one time when he received his gulak savings, which he participated willingly. However, it he safe keeps his earnings with *chaiwala* nicknamed netaji in Kandhar. A few times when he was spoken to, he always had the same answer 'I will go to the bank to deposit when I have some savings'. In the final meeting on 6<sup>th</sup> July 2013 when the PI asked him about saving in the bank account, his response was 'I have not gone to the bank at all and no time. What I earn is just enough to meet my needs and I am living on day by day earnings'. Since his bank pass book was with the surveyor for nearly 2 months, which Krishna showed no hurry or inclination to take it back; it was given to him by the PI on 6<sup>th</sup> July 2013.

19 years old Hari ran away from home. Since he belongs to the same village as Hukum tekedar, he started pulling rickshaw last couple of years. He pulls rickshaws as and when it pleases him. He earns for a few hours and enjoys his leisure and money. He neither has a mobile nor a SIM card and more often he had no money in his pocket. Wisely he leaves some part of his earnings with Hukum tekedar because he accesses it for his needs. If he does not have any money, then he pulls rickshaw for longer time to make up for his requirements.

Hari is mostly in Delhi. Briefly he went to Jaipur with his friend to work as construction labourer but he returned to Delhi because he missed life in *Kandhar*. On his return, he requested for getting AADHAR card and bank account, which he received on 8<sup>th</sup> April 2013. On getting his pass book, he said that he may use the account when he has savings but did not exhibit any interest or initiative to do so even after a month.

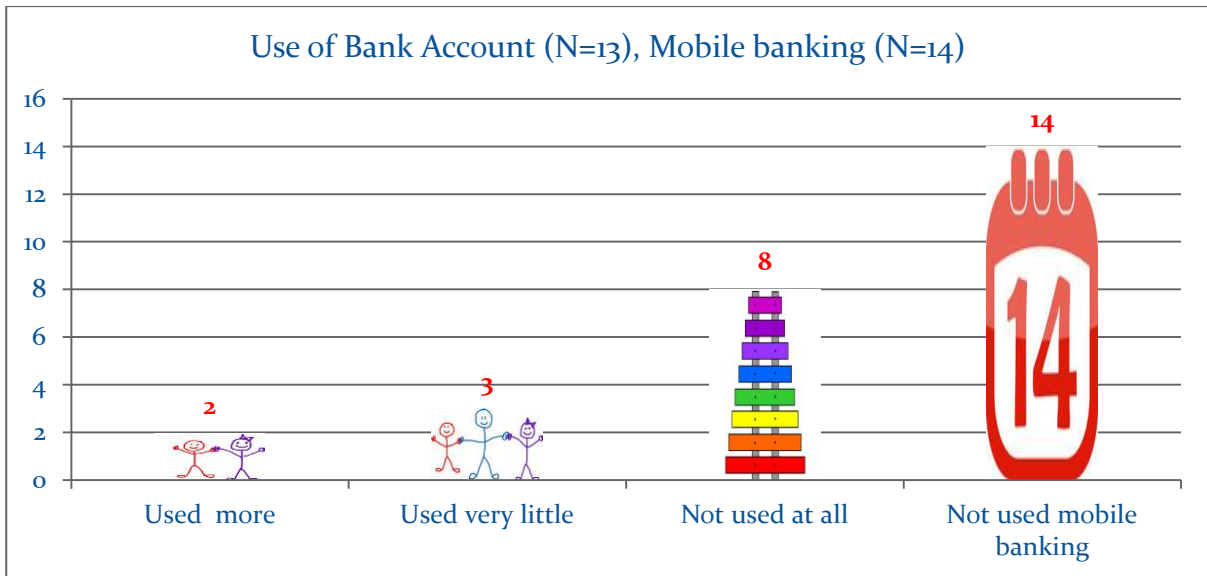
Subsequently, he dodged meetings and feigned lack of time to talk. He also did not join the Gulak bachat scheme because he did not have money. There was no change in his behaviour post banking. Finally, when the PI asked him about his desire for having a bank account and not making any efforts to use it, Hari cited that he had been interested to get a bank account but was deterred by lack of documentation to fulfil bank formalities. Since he knew that a bank account would be useful anytime, he grabbed the good opportunity because he would get both UID-AADHAR and a bank account with no efforts from his side. Further, he stated that he incurred no transaction costs in acquiring the account because he got it free. He expressed 'Both the AADHAR and bank account would prove handy any time in my life. So I took it because you offered it without any effort from my part'. Then he added, 'zindagi aagey padi hain. khao, piyo ash karne ka waqt hain abh (Life is ahead. it is time to eat, drink and make merry now)'

**Is there a common behaviour that strings this tale of three pullers? All three are bachelors in various age groups with no pressing responsibilities or specific goals (for instance, to improve earnings or think of sickness or old age) but their own self indulgence to enjoy life in pursuits that gives them pleasure. What if they are poor? They are after all humans like all of us.**

The behaviour of ‘Ram, Krishna and Hari’ brings out one apparent fact. While lack of safe saving options is certainly a major reason for the poor to depend on costly options, the story of the ‘trio’ draws out that several poor may fail to save or take advantage of saving opportunities even when they are offered on a platter. Is it because they are poor and illiterate or is it that they fail to do so due to human weaknesses as the behavioural economics argue? Not using the account by the trio seemingly stems from their socio-economic milieu combined by their lackadaisical attitude with little planning for the future. Their story reflects that the barriers to savings may arise from human weaknesses and failings exhibited by the poor similar to those experienced by the non-poor.<sup>lxxvii</sup>

*“Life is ahead. It is time to eat, drink and make merry” - Hari*

Before proceeding to understand the behaviour and motivation (or lack of motivation) of the last set of banked pullers in using the accounts, a quick glance at the numbers that measure the outcome of this action research is instructive. Among the 13 and 14 sample pullers who were offered bank accounts and mobile banking respectively, a disappointing fact was that 8 pullers (62%) did not use their (free) bank accounts and 14 (100%) did not use mobile banking at all. Among the five who used, only two (15 %) used more and three (23%) used very little (one time only).



Among the reasons for this low use of accounts, short periods of migration and consequent inconvenience and inability to visit the bank for depositing earnings was an important factor. Vicious circle of borrowing (especially for gambling) and repayment was another significant factor for low usage of bank account by the sample.



"If bank account works where I can deposit say Rs.10000 and can withdraw say Rs.5000, then I would be happy because I can leave some money in bank account itself as 'savings'.

- Ram Kishan

"I thought why I should go to the bank just for depositing Rs 50 or Rs.100. I might as well keep it with me"

- Sujeet

"I thought if I save a bit in bank, I may avoid 'wasteful expenses' or not lend to people who do not return easily or do not return at all" - Rabban

"I thought when I have more money, and then I will go to the bank to deposit"

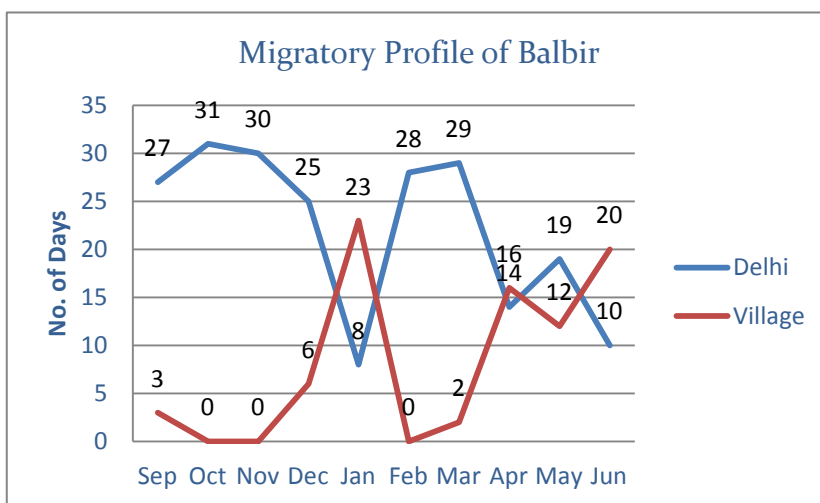
- Mahindra

"I don't like to keep money idle. I prefer to spend on things I like - tobacco, playing cards, eating what I like" - Hari

"I am earning daily but most of my money goes towards repaying debt, which is the reason I am unable to save"

- Vinod

The idiom “Ignorance is bliss’ strikingly describes this 26 year old. Balbir is utterly illiterate – does not even know to sign his name. Understandably, getting him on board to bank him proved challenging because he took the longest time to ‘trust’ the initiative. He is a tekedar with a difference. He is a sub-tekedar and is paid a monthly salary of Rs.10, 000 plus a fraction on the hiring charges collected per rickshaw for the rickshaws that he oversees. He collects deposits, which he safe keeps with his employer (rickshaw owner) because he also lives in his makeshift shelter cum garage in a corner most and secluded part of Kandhar. Initially his garage had at least some temporary shield (seen in second image) but that disappeared due to local authority’s action (last image). Balbir has a full time ‘munshi’ to record transactions about hiring charge and deposit collections.



Initially he was only interested in getting a personal identification card. As he is mostly in Delhi, he did not apply for one due to his homelessness. He had not missed having one even for buying a SIM card because he always managed to borrow SIM from one or the puller when they returned back to their village. At least 4 times he had different phone numbers during the study period. He was contactable on the fifth number during May – June 2013, but that also became inaccessible subsequently.

When mobile banking account was opened for three of his pullers, his initial curiosity did not translate into belief when he verified whether any such mobile banking counter existed in his village. On learning that there was no such banking outlet, he out rightly rejected the offer to get one. His belief that we could get him AADHAR card did not grow as waiting time grew for getting the approval from the UIDAI. Neither was he keen on a bank account on two arguments. One, he needed liquid cash because of his work. He needed cash to return deposited money to any puller when he returned back to the village or during any emergency, and banks are not open 24X7. Two, payments to the pullers is a variable and unpredictable due to their constant migration and hence, it would be cumbersome to deposit collections or withdraw it in a bank account. (Continued next page)



Balbir, Illiterate  
Meh Gaon, Bhind district,  
Madhya Pradesh



Balbir in his partial shelter and  
open shelter





Happy to deposit in the Gulak



Indian Wedding



Vicious Circle of Illiteracy?  
Non-Exposure to Safety?  
Poverty driven Inertia?

When asked how could he keep liquid cash in his open shelter at all times, he said that he does not keep more cash with him but with his malik (owner); the cash gets delivered to him anytime when he makes a phone call. However, this is not possible in a bank with fixed timings which does not suit his work schedule as he is needed most of the time in his garage. Balbir lends hand loans to his pullers because he has been a puller and he said 'I like to give short hand loans to pullers in need just as I also borrow from my malik or fellow tekedars. I do not like to misuse money given in trust to me by pullers'. Mostly it is interest free to tide away an urgent need.

Breakthrough in gaining Balbir's trust came when he was enrolled for UID-AADHAR on 9th February 2013. He then expressed his willingness to be banked. His idea of saving in a bank account also emerged due to two of his life situations. One, he had saved Rs.30000 in a committee and had lent Rs.22000 to someone and he lost both the savings due to deception. Two, in January 2013 he was engaged and was to be married on 29th April 2013 in his village. He now thought of keeping money in a bank account which will help him to save bit by bit for future needs. He said 'Earlier I was single. Now that I am getting married, I must have savings both for meeting new needs and to maintain family'.

Nearly a month later he was banked on 4th March 2013. Soon after bank application formalities were over, he left because he did not have time to wait. He said 'Madam, I will leave and I will learn from you another day about how to deposit and withdraw etc'. Then he added 'Madam, even if I learn from you, all I can do is to imprint my thumb impression. Since I don't know how to read or write, would someone in the bank help to fill in the slip?' He felt relieved on knowing that someone or the other in the bank would help.

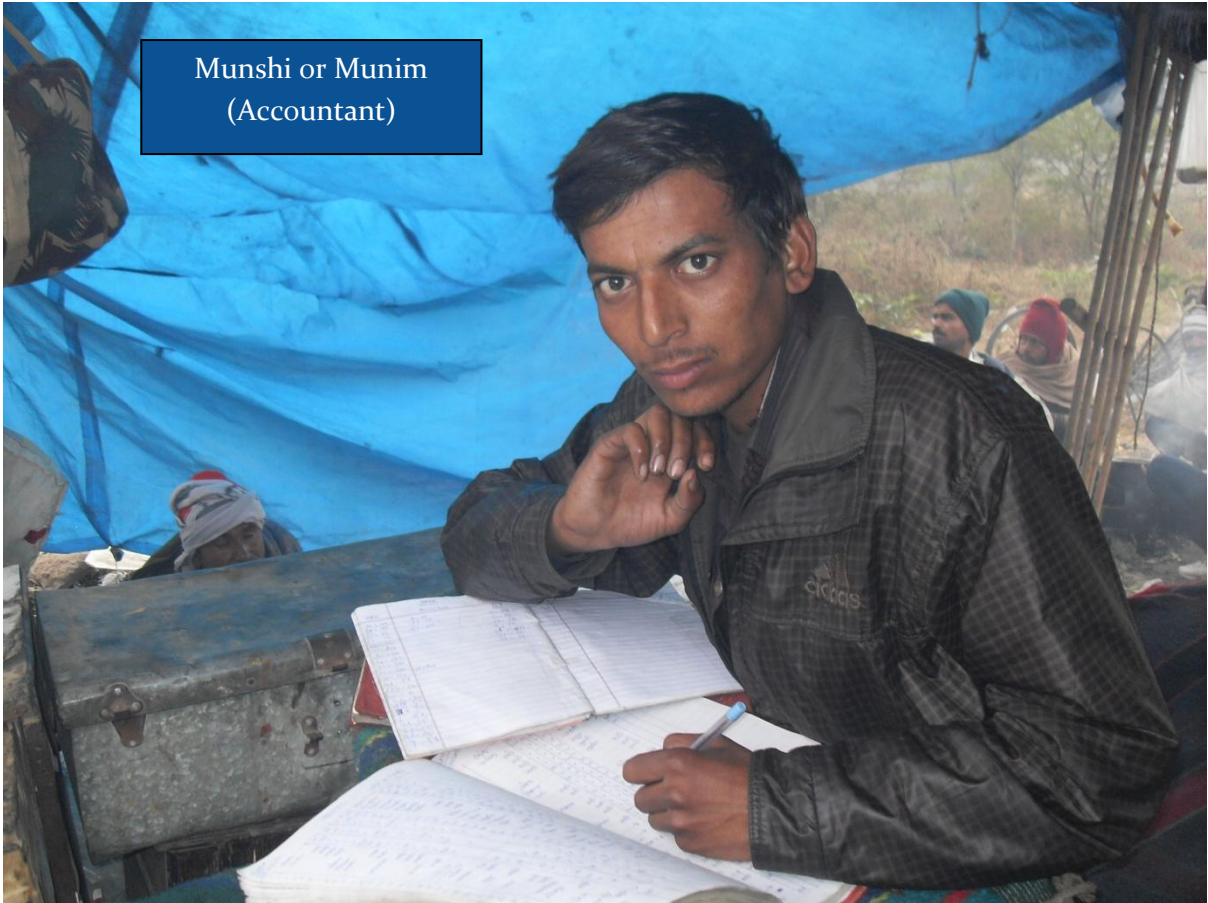
5 days later when he was to be taken to the bank to collect the pass book, he declined to go as he did not have time. However, he readily volunteered for the Gulak Bachat Scheme stating that 'Ah, this is good. I can deposit money daily in gulak for saving in bank and I don't have to spend time to go to the bank'. He was reminded that this scheme is intended to kindle his banking habit. He deposited Rs.50 every day during 9th March -15th March 2013. He missed two visits to the bank with the surveyor to make his deposit because of work.

He left for the village during 29th March -6th April 2013 and for 22 days between 21st April and 13th May 2013 for his wedding. Thereafter no bank visits could be organised. On his return, he was met twice to arrange to tutor him for banking. Finally, he was told that the project is going to be wrapped up. Asked whether he does not want his gulak savings to be deposited instead of keeping it as cash; Or about a possibility that the PI may not be able to take him again to the bank, he said 'Madam, if the gulak money cannot be deposited, I will think that I spent it on daru (alcohol)'.

Paradoxically, he missed the 3 P.M. meeting on 10th June 2013 to meet the PI in the bank because he was stone drunk in the afternoon. The bank account that he was offered is yet to be used...



Munshi or Munim  
(Accountant)



Battery operated E-  
rickshaw





## As we reach the end of the road in banking the pullers...



Mohammad Rabban, 27 years,  
Begusarai, Bihar



At work repairing cycle rickshaws



Rabban, as a cycle rickshaw mechanic for many years has been keeping his monthly salary in his rented room, which he finds it a lot easier and safer than depositing with anyone. He was employed in Hukum tekedar's garage during the research period. He and Sujeet, the other mechanic are overworked 7 days a week and are paid a monthly salary; to meet their daily needs they receive Rs.100 every day which is inclusive of the total salary.

Rabban who was to be UID enrolled on 2<sup>nd</sup> February 2013 was denied permission by Hukum tekedar stating that he cannot leave for personal work during work hours. Next week he was enrolled after the PI sought special permission from his employer. Again when Rabban was to be banked on 11<sup>th</sup> February 2013, he was not given permission for obvious reasons. And his account was opened on 13<sup>th</sup> February 2013. He deposited Rs.300 on day one. Rabban, a very optimistic person was hopeful that the bank account would enable him to think of saving for some rainy day. He said that having cash on hand is problematic because wasteful expenses happen or, friends or acquaintances borrow money only to either return late or not at all, all of which could be avoided if money is in the bank. He wished that now he has a bank account, so he would try and put aside every day about Rs.20 from his daily allowance and then deposit in his account.

20 days later when he was asked whether he could implement his mental resolve, he said that he has not had had time to carry out that. On 2<sup>nd</sup> March 2013, when the Gulak Saving Scheme was tried out, he was the first volunteer and paid for a whole week in advance as he was going home for his sister-in-law's wedding. He left on 3<sup>rd</sup> March 2013 and did not go to the bank because he took home the cash salary of that month. On returning to Delhi, he was unable to use the bank account because of a debt obligation. His orphaned cousin in Delhi deposited his earnings with him. When Rabban left for the sister-in-law's wedding, he borrowed Rs.10000 from his cousin's money to meet the wedding gift expenses. When he returned to Delhi on 30<sup>th</sup> March 2013, his cousin needed the money. So he requested Hukum tekedar to lend him. On 15<sup>th</sup> April 2013 tekedar was to lend this money. However, on that day, there was a huge in-fighting between Hukum and a few others in Kandhar when Rabban was present and kept away as it did not concern him.. Hukum tekedar had not paid the April salary either. So Rabban borrowed from some other source and repaid his cousin. Rabban said his daily allowance also was not being paid regularly and under the circumstances, saving money was unattainable.

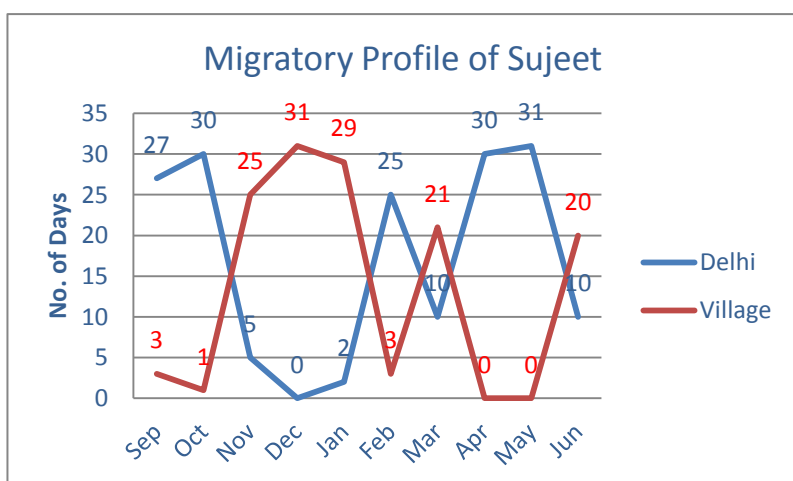
Subsequently, there was an undercurrent of tension between Rabban and Hukum tekedar because the latter nursed a grouse that Rabban was not loyal to him and hinted that he may throw him out of the job. Finally, Rabban lost his job on 8<sup>th</sup> June 2013 and left *Kandhar* leaving no information about his whereabouts. He got a bank account but lost a job... Till he finds a new one, will he be able to use the bank account?...

Sujeet also works in Hukum tekedar's garage as a mechanic; since he was more present in the village than in Delhi it was challenging to keep in touch. However, he returned to Delhi around the same time as Ram Kishan. Thus he was in the final set of pullers who were AADHAR enrolled and banked on 6<sup>th</sup> April 2013. In many ways Sujeet and Rabban had commonalities – both kept themselves busy in repairing the rickshaws and not getting involved in 'leisurely pursuits' of Kandhar's life. Both remitted a part of their monthly salary home; however, Sujeet stored his salary with tekedar and took some amount whenever needed to be remitted home or for his needs.

Post banking, Sujeet volunteered to save in the Gulak Bachat Scheme because he liked the idea of money collected from his workplace and in small amounts that he can manage to save. However, he did not deposit any money in his bank account even after 40 days after he was offered a bank account. Even though he received his April and May salary within 2 weeks in the month of May, he could not deposit some amount in the bank because he had to pay an annual (LIC) insurance premium of Rs.3200. By mid May 2013 when he received his May salary, Hukum tekedar gave him a reduced amount. Rs.1500 was deducted by tekedar as part loan repayment of an outstanding debt of Rs.5000. Tekedar gave him the loan stipulating that he would deduct Rs.1500 in 3 and ½ months. Beyond that, he would charge interest. Since Sujeet was left with less money, which was to be sent home.

Sujeet mulled over our discussions with him and felt that enabled him to get some sense about how savings can be useful for a rainy day; therefore, he would attempt to save earnestly sooner. He added that the gulak savings of Rs.120 is still with him in the little pocket diary in his rented room. He does not want to use it but deposit it in his account whenever he can manage to go to the bank.

When asked why he still deposits money with tekedar, he frankly stated, 'tekedar lends money in emergencies and that is a big help to manage unexpected times. That is why I store my salary with him'.



Sujeet, 23 years old,  
East Champaran, Bihar



**PERSONAL  
LOAN**




*“Tekedar lends money in emergencies and that is a big help to manage unexpected times. That is why I store some money with him”*

- Sujeet







### What did we find along the way?

*The different stories of the migrant cycle rickshaw pullers converge on highlighting three major realities in their lives.*









-  *Deep-rooted dependence on informal services emanate from their social ties*
-  *Informal service providers are tried, tested and trusted despite their drawbacks basically because their reach is at arm's distance.*
-  *Offering a 'safe' bank account by itself is insufficient to match the needs of migrant pullers' temporary migratory lifestyles. Access to a bank account, therefore, is only a first step.*

### What did we learn?

-  *The migrant rickshaw pullers have severe time constraints due to their short spells of migration. With their minimal literacy levels and limited time and no safe options available, their 'trust' in informal service provider is stronger due to social relationships.*
-  *While the sample pullers understood the importance of saving and spoke of likely goals for different needs, but they were unable to express tangibly how to go about to reach the goal/s.*
-  *Prompt uptake of the Gulak Bachat Scheme indicated that doorstep banking services would be adopted without hesitation as it provided the flexibility (small amounts) and convenience – as is offered by the deposit services of 'tekedar'.*
-  *Last, but not the least that the reluctance for withdrawing from existing informal service is due to fear of losing access to a convenient service and to a non-negligible extent, access to credit.*



*Why do the scales tilt towards informal services of 'tekedar/dukandar' over bank accounts? A Perspective based on Sample Pullers' Behaviour*

<p><i>Accessible any time unlike fixed bank timings.</i></p>	
<p><i>Easy to deposit small amounts every day.</i></p>	
<p><i>Door step Services</i></p>	
<p><i>Convenient to deposit at the end of each day.</i></p>	
<p><i>Flexibility in terms of depositing and taking out money.</i></p>	
<p><i>No sense of discomfort because tekedar is friendly unlike bank staff.</i></p>	
<p><i>Tekedar lends money when needed, which bank will not do.</i></p>	
<p><i>Tekedar is known because of village association and hence, trusted long.</i></p>	

### Syndicate Bank's Pigmy Deposit Scheme

This scheme was launched in 1928 to promote 'thrift and small savings' habits among low income populations.

The scheme collects daily savings as low as Rs.5 at the doorsteps through nearly 4000 authorised Pigmy Deposit agents of the bank.

Period of deposit is 63 months.

Account permits premature withdrawals under certain conditions.

Pigmy deposits of the bank crossed Rs.1800 crores.

Another related product called 'The Synd Samanya Account' is targeted at unorganised sector workers. For details see,

<http://archive.deccanherald.com/deccanherald/feb172006/she759162006217.asp>



For poor migrants getting a bank account is an important step. Access to a bank account, is only the first step. Pullers who are new to banking need support in creating a banking habit. More crucially, the poor rickshaw pullers instead of being treated as 'small time tickets' need empathetic support from the bank by serving them with products that are designed to meet their specific socio-economic needs and itinerant lifestyles. While this requires time, interest, and effort, the banks would be able to realistically serve this segment by taking a leaf out of the book of informal service provider – *tekedar* or *dukandar*. The behaviour of many a puller in the study demonstrated amply clear that notwithstanding a gentle push to own a bank account, the pull of informal service providers is stronger, thus underlining how and why they are preferred.

A 'consumer centric' approach in meeting the needs of a vast pool of migrant pullers estimated at over 900,000 in Delhi<sup>lxviii</sup> would be a sound business proposition for the banks if they develop product/s that imbibe the features of informal service providers for easy adoption of banking service. The present study also reinforces a recommendation of an earlier IMTFI study, "that service providers design their products to complement- not compete with – existing informal services. By building new services into existing networks of relationships, such as by using an informal service provider as a delivery agent, formal service providers can greatly increase these populations' trust in new products and accelerate adoption" (Lee. et.al, 2012:iv).

Eager adoption of the 'Gulak Bachat Scheme' by the pullers in our study clearly demonstrated that a saving product which offers door step collection and flexibility of depositing small amounts would match the requirements of rickshaw pullers constrained both by time and low, variable earnings. It is recommended that such a product, if offered, would enable the banks to serve this segment



meaningfully to encourage savings as well as to translate the financial inclusion efforts from 'number based' approach to 'need based' approach. In this context, the success of Pigmy Saving Scheme by Syndicate Bank, one of the public sector banks since 1928 is a story that is worth adopting by other banks. <sup>lxxix</sup>

The study highlighted the role of 'tekedar'<sup>lxxx</sup> as an important player in the lives of these migrant rickshaw pullers. A large network of *tekedars* in the city who control the rickshaw pulling service would be an ideal tapping point for the banks/ other service providers and use them as distribution channel for financial products meeting their specific needs. The reluctance of pullers to adopt 'mobile banking' service in the study is a pointer that servicing them require - 'pro poor' sensitivity as well as a large number of 'service' points which are easily reached (both in their places of origin and destination) and trusted by them.

The poor needs to save and they do save. However, offering a bank account alone is inadequate to make them save in safe and secure mode; they require handholding support to show them how to translate the idea of having a bank account into practical ways of realising their goals. Towards this end, financial education has to be an essential component of a bank account offered to disadvantaged populations. A key question is how can financial institutions encourage their customers to engage more fully with the formal banking system? Answering this question is critical to make financial inclusion efforts more meaningful.



*“Saving is less attractive for the poor, because for them the goal tends to be very far away, and they know that there will be lots of temptations along the way”*

*“It is too hard to stay motivated when everything you want looks impossibly far away. Moving the goalposts closer may be just what the poor need to start running toward them”*

*Banerjee, Abhijit and Duflo, Ester in “Poor Economics – rethinking poverty and the ways to end it”*



## Services Available to Migrants in Kandhar – A View

Before wrapping up the story, it is worthwhile to glance at the different service providers available at the doorsteps of migrant population living in *Kandhar* and the missing space is for 'formal' banking services



Eatery



Snack seller



Grocery Store



Garment seller



Confectionary



Barber Service



Landline Phone Service



Informal financial Service

*Vacant Space Available  
for  
Formal Banking Outlet*



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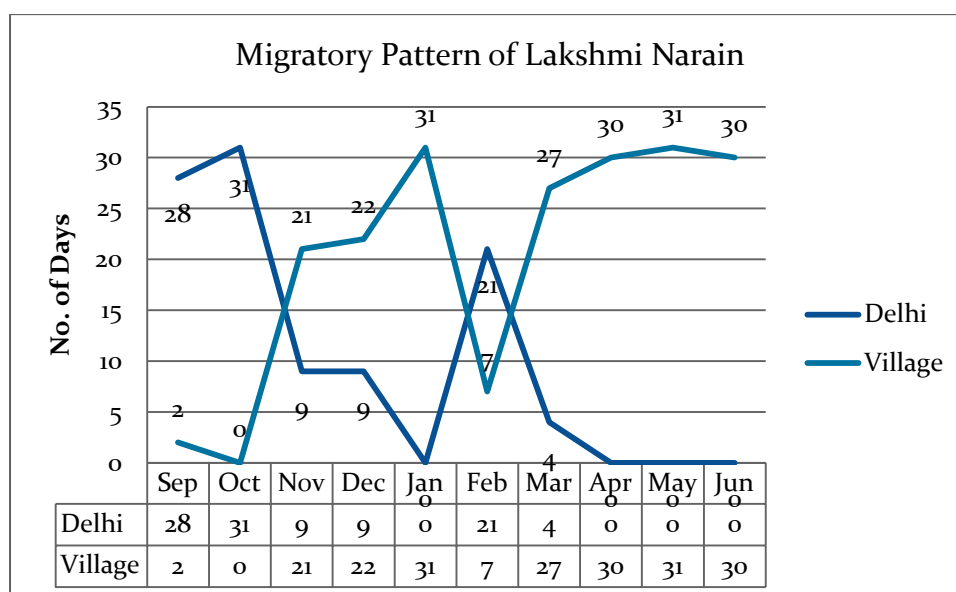
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## Appendix



**Table 1. Migratory Pattern of Sample Respondents  
1<sup>st</sup> September 2012 till 10<sup>th</sup> June 2013  
(Number of Days in Delhi and Village)**

Names		Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13
Savir Alee	Delhi	27	15	9		20	8	Shifted	Shifted	Shifted	Shifted
	Village		16	21	31	11	20				
Lakhan	Delhi	26	31	30	31	22	24			12	10
	Village					8	4	30	30	19	
Nand Kishore	Delhi	-	15	30	31	31	28	30	15	15	10
	Village								15	15	
Vinod Yadav	Delhi	-	11	5	31	31	28	12			
	Village			25				18	30	31	10
Ram Swaroop	Delhi	26	31	31	31	31	28	30	30	21	
	Village									10	10
Tulsiram	Delhi	27	31	26	31	31	28	30	30	31	10
	Village			4							
Mahpatpal	Delhi	28		10	10	4	27	8			
	Village		31	20	20	27	1	22	30	31	15

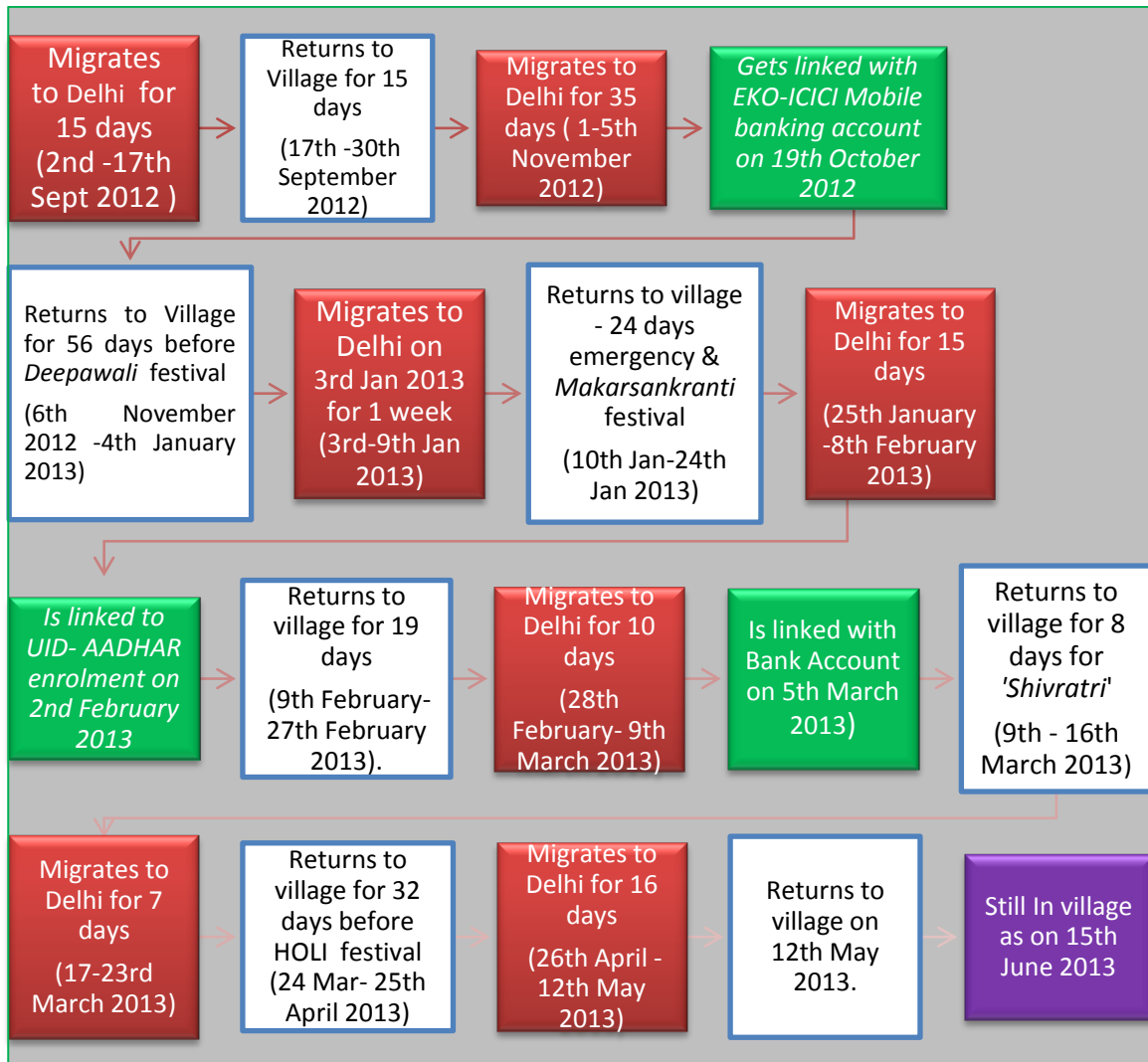


Mahindra Singh	Delhi	15	30	5		7	8	9 + 7	5	11	15
	Village	15		25	31	24	20	14	25	20	10
RamRaj	Delhi	26	12	4	10			7		20	
	Village		18	26	21	31	28	23	30	11	10
Jagat Singh	Delhi	26	25	4		15					
	Village		4	26	31	16	28	30	30	31	10
Rehman	Delhi	28	30	12	11	31	28	4	30	31	6
	Village			18	19			26			
Lakshmi Narain	Delhi	28	31	9	9		21	4			
	Village			21	22	31	7	26	30	31	10
Santosh Singh	Delhi	27	31	20	20	11	28	25	30	20	
	Village			11	11	24		5		11	10
Subhash	Delhi	27	31	30	25	8	28	29	7+7	19	10
	Village				6	23		1	17	12	
Ram Kishen	Delhi	16	20	5			16	7	30	3	15
	Village	14	11	25	31	31	12	23		24	15
Sujeet Sah	Delhi	27	30	5		2	25	10	30	31	10
	Village			25	31	29	3	20		3	
Dinesh Awasthi	Delhi	22	31	9	9	3		27	30	27	30
	Village			20	22	27	28	3		27	10
Charan Singh	Delhi	26	31	5	5		25	16	Dropped		
	Village			25	25	31	3	14			
Kaleecharan	Delhi	8	NA	-	-	-	-	-	-	-	-
	Village										
Rajvir	Delhi	28					21	4			
	Village		31	30	31	31	7	26	30	31	10
Keshab	Delhi	20	20	10							
	Village	10	11	20	31	31	28	30	30	31	10

**Table 2. Average Number of Days in Delhi/Village During Study Period (N=21)**

Names	Delhi	Village
Savir Alee	6	24
Lakhan	19	11
Nand Kishore	22	9
Vinod Yadav	12	19
Ram Swaroop	27	4
Tulsiram	28	3
Mahpatpal	10	21
Mahindra Singh	10	21
RamRaj	8	22
Jagat Singh	7	24
Rehman	21	10
Lakshmi Narain	10	20
Santosh Singh	21	9
Subhash	22	9
Ram Kishen	10	21
Sujeet Sah	17	14
Dinesh Awasthi	13	17
Charan Singh	11	20
Kaleecharan	2	29
Rajvir	5	26
Keshab	5	26
<b>Average (N=21)</b>	<b>14</b>	<b>17</b>

Exhibit 1: Migratory Course, UID and Bank Linkages of Mahindra Singh



Design and Write up by  
Mani A.Nandhi



## End Notes

- <sup>i</sup> Ramesh, S and Sahai, Preeti (2007). 'Universal Financial Inclusion in India: The Way Forward', CAB Calling, July-September.
- <sup>ii</sup> Economic survey 2012-2013, Government of India, <http://indiabudget.nic.in>.
- <sup>iii</sup> Though estimates differ, but the World Bank, Accion, and other sources' consensus indicate the figures to be nearly 41 percent. <http://www.nationmaster.com/encyclopedia/Micro-finance> and <http://www.legatum.org/attachments/MicrofinanceCrisis.pdf>
- <sup>iv</sup> UID cards renamed as AADHAR cards. Both expressions are used interchangeably in the text
- <sup>v</sup> Source: Reddy, D.R.K. (2012). 'Financial Inclusion: Road Ahead, Bankquest', The Journal of Indian Institute of Banking and Finance, 83(2):40-46
- <sup>vi</sup> Kochhar, Sameer, "Speeding Financial Inclusion", Skoch Development foundation, 2009.
- <sup>vii</sup> "Exploring Dormancy in No Frills Savings Accounts", *MicroSave*, India.
- <sup>viii</sup> Factoring in short gaps in field work, effectively it spanned 8 months. Even as the report is under preparation since July 2013, the PI has been in touch with the field couple of times to inquire about any progress.
- <sup>ix</sup> Impromptu conversations by the principal author with various persons living in the slum – from *tekedar*, fellow pullers/villagers etc provided useful insights to cross verify field inquiry.
- <sup>x</sup> For instance, many envisaged activities related to grouping the sample group into smaller units of five either for training them on financial awareness, or to take them on a pre-designated date/day for UID enrolment or for linking them with the bank.
- <sup>xi</sup> The settlement sits on a large area of erstwhile demolished government colony. Basic amenities like water and electricity are illegally drawn but under the patronage of personnel of local bodies and police.
- <sup>xii</sup> Number of pullers in *kandhar*, at any point in time, ebbs and flows depending mainly on seasonality of work availability in the village, besides other sociological factors.
- <sup>xiii</sup> Handcart drivers, mini-tempo/dump truck drivers, casual workers and domestic workers live in one section of this settlement.
- <sup>xiv</sup> Hindi term for wasteland.
- <sup>xv</sup> '*Tekedar/s*' are essentially rickshaw contractors who has a contractual arrangement for a sum number of rickshaws from the owners, which are rented out to the pullers. *Tekedar* pays a part of the hire price or rent received to the owner on a pre-arranged basis; however, some *tekedars* double up as 'owners cum contractors'.
- <sup>xvi</sup> Generally, it was based on a rough idea provided by the pullers about their visits to Delhi during the period of action research.
- <sup>xvii</sup> On 'time' to be spared during work hours was explained to them because of official hours of the UID enrolment centre and bank branch., On this aspect, they showed understanding and willingness to spare a minimum of 2 to 3 hours as and when the UID and bank linkages would begin for fulfilling formalities.
- <sup>xviii</sup> While Savir Alee had a Voter's ID, Lakhan had no identification documents.
- <sup>xix</sup> This does not include the data collating, interpreting and report writing parts.
- <sup>xx</sup> The scope of financial education training to the sample is limited to creating awareness about the costs / risks and benefits of savings in informal methods and banks as well as to help them improving their confidence for developing a banking habit through tutoring, advice and guidance to use/transact in their accounts as well as whom to seek help in the branch.
- <sup>xxi</sup> 'Introducer' system of the UIDAI aims at enabling inclusion of people into the AADHAR number who are otherwise hard to reach and may not be able to provide proof of identity and address. Therefore, in situations where a resident is unable to provide proof of identity or proof of address they can be introduced for an AADHAR number by a pre-designated 'Introducer', who is either pre-identified by the UIDAI or individuals meeting certain eligibility conditions can be enrolled for the same after fulfilling all procedural and due diligence formalities.
- <sup>xxii</sup> UIDAI is the agency spearheading the issue of UID for every resident of India.
- <sup>xxiii</sup> Marginal farmers are those with < 1 acre landholding. In the sample, most of those who had land held not only less than 1 acre but fragmented smaller sizes apportioned out from family land..
- <sup>xxiv</sup> A curious fact observed among many pullers in the field site was that those without any ID proof managed to borrow ID copy of those fellow pullers/villagers/relatives/acquaintances with an ID for the purpose of getting a SIM card. Such behaviour, in general, was observed without any care or fear about it being an 'imperfect' practice by migrants in this settlement.

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- <sup>xxv</sup> Economic Survey 2012-2013, Govern of India.
- <sup>xxvi</sup> NFA is a savings bank account ensuring bare minimum access with no frills – that is, accounts have nil or low minimum balances and charges, and have limited facilities.
- <sup>xxvii</sup> Reserve Bank of India.(2012), Monetary Policy Statement 2012-13.
- <sup>xxviii</sup> See Reddy (2012). Pp 40-46.
- <sup>xxix</sup> Based on extant literature and studies, refer Basu, 2006; Eric,T et.al, 2012.
- <sup>xxx</sup> Some NGOs which were functioning as introducers were reluctant to extend support for understandable reasons.
- <sup>xxxi</sup> Normally it takes about 60-90 days for AADHAR number generation as per protocol of the UIDAI.
- <sup>xxxii</sup> One of the largest private sector banks in India.
- <sup>xxxiii</sup> The deadline kept getting extended due to the uncertainty about UID approval time.
- <sup>xxxiv</sup> These are major indicative factors as observed during the field work.
- <sup>xxxv</sup> It is possible also that some of them could have moved elsewhere – either occupationally or geographically as was evidenced in a couple of cases in the sample. Jagat singh during one of his brief visits to Delhi informed the PI that he was trying to look for work in Allahabad where both his brothers had moved.
- <sup>xxxvi</sup> Photo of Eko counter displayed is only a promotional poster, not the actual counter where the accounts were opened.
- <sup>xxxvii</sup> In order to make them understand the concept, it was explained that the bank had outsourced some basic banking services in a manner of speaking by appointing the EKO as its agent and EKO has opened a large number of retailers as its sub-agents.
- <sup>xxxviii</sup> Non-KYC complaint account is a savings account requiring just a passport size photograph to open it. A maximum of Rs.50000 can be deposited only.
- <sup>xxxix</sup> The two said ICICI-EKO counters in and around Karol Bagh area had not started functioning at that point of time.
- <sup>xl</sup> Both these pullers along with the PI were told to come two days later to fulfil the paper formalities.
- <sup>xli</sup> The PI suggested to them to use the ‘compensation money’ given to them for buying SIM cards as well as to pay for the account opening fees. It may be noted here that the ‘compensation money’ given as a token for the loss of work time/earnings was paid for account opening fees of the banked pullers. In effect, their accounts were opened free with no contribution from their side.
- <sup>xlii</sup> Step by step procedures for opening, transacting and other formalities were taught to the CSP on the spot and in front of the potential clients that caused acute embarrassment to the PI for impinging on the ‘work time’ of pullers. Though the pullers were given compensation money for the time spent away from work, the time spent at the EKO counter understandably left the pullers with more questions about mobile banking.
- <sup>xliiii</sup> Two pullers’ with new SIM cards were activated a day later, after which they received messages.
- <sup>xliv</sup> He came second time to complete account opening formalities which could not be completed on 17<sup>th</sup> October 2012 when two accounts were opened. Nand Kishore did not come as he was sleeping after playing cards through the night.
- <sup>xliv</sup> Some of the narratives is culled from the experiences of this group and presented in an individual narrative.
- <sup>xlvi</sup> Formal last date when tracking the pullers was stopped.
- <sup>xlvii</sup> 39 pullers from the sample are from Hukum tekedar’s garage and 11 from Balbir tekedar’s garage.
- <sup>xlviii</sup> Names of these 2 *tekedars* and villages they come from are fictitious for obvious reasons.
- <sup>xliv</sup> Reference to ‘their’ pullers indicates that all those who regularly and customarily hire out rickshaws from the same tekedar always, besides being clients in some of the other services rendered by tekedars – especially, saving and lending.
- <sup>l</sup> Barring 5 pullers, 45 pullers from both the garages are from the same state -Madhya Pradesh.
- <sup>li</sup> This was verified from a large number of pullers from both the garages who stated that their decision to hire a rickshaw from a particular tekedar was because of trust borne of social connectedness – that is they either knew that the tekedar was from their village or were introduced to tekedar by a relative/friend/acquaintance from a nearby village. A couple of pullers belonging to other states in the sample had known Hukum tekedar for more than 7-8 years from his rickshaw pulling days. All pullers from Balbir’s garage were from the same Bhand district in Madhya Pradesh.
- <sup>lii</sup> The conversion rate is simply defined as 1 USD equal to 50 INR or Indian Rupees (Rs.)

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<sup>liii</sup> During the peak months (July –October) nearly 90 –100 percent of rickshaws are hired and during the normal season (May-July) about 80=90 percent are hired out; and in winter months (December-February), 30-40 percent less rickshaws are hired out. During March and April only about 40-50 percent rickshaws are hired out. These figures are based on estimates given by the tekedars and our field observations of the rickshaw use in kandhar during various months. It may be noted that there is a constant circular flow of migration by pullers so the population of pullers hiring the rickshaws is much greater than the number of rickshaws hired out by each tekedar.

<sup>liv</sup> Reportedly, he lends money in his village too, where male members of his family take care of day to day matters.

<sup>lv</sup> Many a puller from his village (who were not part of the sample) in casual conversations disclosed that they were helped by him to come to Delhi for earning; besides, some of them have been given loans during extreme hardships.

<sup>lvi</sup> By contrast, many pullers hiring rickshaws from Balbir do not necessarily stay in *kandhar* unlike many pullers from Hukum's garage stay in *kandhar*.

<sup>lvii</sup> One such shop is a 'chaiwala' (tea seller) whose pet name is 'netaji' (leader). He himself admitted that he safeguards money for some pullers in *kandhar*. On probing it was found that he collects it on behalf of his 'employer' who happens to be an employee in a nearby government school. His employer comes early mornings to collect most of the deposits; once he leaves for work, 'netaji' takes up this task along with making and selling tea.

<sup>lviii</sup> Loans are usually given for non-essential expenses (temptation spending) like playing cards against a monetary stake.

<sup>lix</sup> For playing 'juwa' at night, local police's palms are well greased.

<sup>lx</sup> The 'gaming hut' where juwa takes place at night is owned by him with a trusted puller acting as a Man Friday in keeping the gaming interests alive.

<sup>lxi</sup> All three of them hail from the same village as Hukum tekedar, who helped them to become rickshaw pullers by bringing them to his garage. Among a large number of villagers from this village in Kandhar, a sizeable number are from Hukum's garage.

<sup>lxii</sup> It was confirmed by several pullers that when pullers fall prey to gambling debts, they are pressured to repay as per diktat of Hukum tekedar or face his strong arm tactics. Hukum with the support of a few rickshaw owners/contractors oversees this underhand activity.

<sup>lxiii</sup> It is not assumed or suggested that debts obtained in Kandhar are solely responsible. Other informal loans from sources like village money lender, relatives and friends do have its share in circles of debt, which was not explored in the study.

<sup>lxiv</sup> 4 pullers were remitting money in short intervals through fellow villagers or hand carriage depending on need.

<sup>lxv</sup> Some specific features of this NFA account are: - 1. A ceiling of Rs.50, 000 on deposit balance is permitted. A minimum balance of Rs.100 is to be maintained; however, no fine is levied if there is zero balance. 2. Debit card and cheque facility is provided. 3. Withdrawal from another branch can be done through a cheque. Withdrawal slip is usable in the home branch. 4. 30 debit withdrawals are allowed in 6 months. Rs.5 is charged for more than 30 withdrawals. 4. Once every six months at least one minimum withdrawal is to be done or the account will become non-operational.

<sup>lxvi</sup> The UID enrolled pullers were banked in batches of twos and threes between January and April 2013.

<sup>lxvii</sup> They were earlier mobile banked but they refused to use that account on 'trust' issues, and hence, they were banked again. Out of these five, Vinod and Tulsiram also were banked again because they repeatedly requested that they had wanted a bank account for a long time; and that 'mobile banking' account did not satisfy their yearning for a bank account.

<sup>lxviii</sup> Refer Exhibit 1 in Appendix for illustration.

<sup>lxix</sup> After meeting Mahindra this evening (19<sup>th</sup> September 2013), the overriding sentiment is 'If you keep playing the flute long enough to a simpleton, some day it will be heard by him'.

<sup>lxx</sup> When the Gulak saving scheme was launched, only 4 banked pullers present in Delhi participated in the scheme. Four others subsequently returned to Delhi and saved in the scheme. Of the remaining 5 banked pullers, while two of them did not participate in the saving scheme as they expressed their inability to save regularly. three were unavailable in Delhi.

<sup>lxxi</sup> Once the sample pullers were UID enrolled and banked, there was a lot of interest among other pullers (including non-puller migrants) in Kandhar to be included in the initiative.



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<sup>lxxii</sup> Only the incentive amount for the total saving was paid and the lottery was an unfinished task due to this factor.

<sup>lxxiii</sup> When the pullers were taken to the bank branch to deposit the gulak savings, they were made to fill the deposit slips on their own with necessary guidance by the surveyor.

<sup>lxxiv</sup> When he returned on 25<sup>th</sup> April 2013, he was encouraged by a fellow villager Ram Kishan to deposit in gulak. He deposited Rs.25 but was unwell for couple of days and he was returned Rs.45 on 27<sup>th</sup> April 2013 but he never deposited this small amount in the bank.

<sup>lxxv</sup> Several pullers who learnt about the scheme as well as those who were spectators during the daily collection of savings requested more than once that they too would like to participate in the Gulak scheme.

<sup>lxxvi</sup> Notwithstanding the proactive stance and support of the top manager in pushing the financial inclusion agenda, the real outcome lies with the middle level and lower level personnel whose pro-poor attitude is much to be desired.

<sup>lxxvii</sup> Arguably, while the poor may face negative outcomes far more serious impacting their welfare than the non-poor.

<sup>lxxviii</sup> Refer Nandhi (2010) for details.

<sup>lxxix</sup> <http://syndicatebank.in/scripts/Pigmy1928Deposit.aspx>;

[http://www.syndicatebank.in/downloads/Pigmy\\_Deposit\\_Scheme.pdf](http://www.syndicatebank.in/downloads/Pigmy_Deposit_Scheme.pdf)

<sup>lxxx</sup> It may be noted that in study area, Hukum tekedar was approached with a suggestion that he become an agent for 'mobile banking' since he commands both the trust and is a regular contact point for pullers. The suggestion was turned down for understandable reasons. However, as there are huge numbers of tekedars across Delhi controlling rickshaw pulling service, accessing them to act as a channel of distribution is worth exploring.