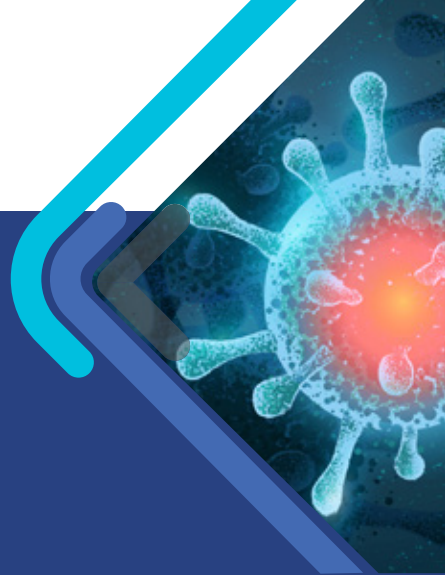


India's gender-responsive policies during COVID-19

Kritika Shukla, Neeraja Sundar, and Rahul Chatterjee



Girija Devi is an elderly widow who lives alone in a small village in eastern Uttar Pradesh. Before the COVID-19 pandemic, she barely managed to make ends meet with state pension payments and remittances from her son, who used to work outside the village. Her son lost his job during the pandemic. Consequently, the inflow of remittances, which served as her primary source of income, also dried up.

Like Girija Devi, countless women struggled with the repercussions of the pandemic—they lost their jobs, suffered from increased domestic violence, struggled to access health services, and dealt with multiple other issues. To offer some support to these women and other vulnerable sections of society, the Government of India (GoI) launched the *Pradhan Mantri Garib Kalyan Yojana* (PMGKY) as part of its response to the COVID-19 outbreak.

In-kind and cash benefits under PMGKY provided holistic support to marginalized women and their households. From cooking fuel subsidies to income support payments, PMGKY was gender intentional by design. However, poor women continued to

face challenges while accessing the benefits of government-to-person (G2P) cash transfer programs. This publication provides recommendations to address the challenges based on findings and lessons from MSC's two rounds¹ of demand-side research² to evaluate the GoI's response to COVID-19.

1

Expand the beneficiary base for Pradhan Mantri Jan Dhan Yojana (PMJDY) cash transfers

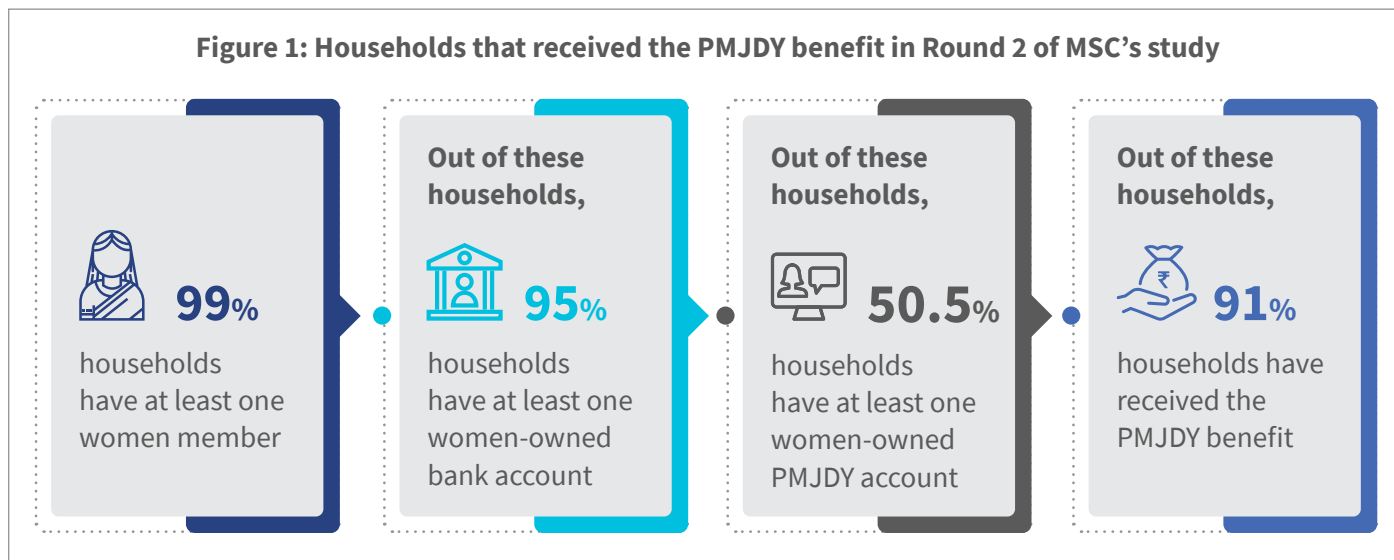
As of 2021, women own 236 million or 55% of PMJDY accounts, compared to 192 million accounts owned by men. Anecdotal evidence suggests that PMJDY transfers had a positive impact on the economic well-being of poor women. These transfers could have also benefited male members of the household. In our nationally representative study sample, 1% of households had women members in their households. On a national level, this number is significant. To support all vulnerable households, the government should extend PMJDY benefits to men as well. This move would require more precise targeting of beneficiaries. The central government could use a centralized, real-time household-level database to track various bank account penetration levels across states.

¹ The first round was conducted in May, 2020, during the three-month lockdown. The second round was conducted in September, 2020, after the lockdown.

² Details of the methodology can be read [here](#)

The GoI provided all female PMJDY account holders with INR 500 (USD 6.77) for three months in 2020—April, May, and June. This move offered economic cushioning for larger households with

two or more PMJDY account holders. The assistance also increased awareness and uptake of the PMJDY program among women who rushed to open new accounts to receive the benefit.



However, as seen in Figure 1, our research suggests that only half the households had at least one woman who owned a PMJDY account and was eligible to receive the benefits. Despite being

economically disadvantaged, the remaining households stayed out of the ambit of PMJDY, as they had no woman members who owned a PMJDY account.

2

Place a clear focus on gendered livelihood programs

The key provision of PMGKY was the upward revision of daily wage rates from INR 182 (USD 2.44) to INR 202 (USD 2.70). One of MGNREGA's most significant achievements is the work it provides to women in rural areas. The Indian government mandates that at least one-third of beneficiaries under MGNREGA should be women. In 2020-21, women represented 53% of the workforce employed under MGNREGA. Moreover, local panchayats that implement MGNREGA must have 50% female representation. Reservations for women in the program and its implementing body has led to a massive increase in their participation.

Despite the increase in women's employment over the years, the work³ provided under MGNREGA is often not gender-friendly. Our study highlighted that compared to male-led households, those with women as primary breadwinners were less likely to receive employment from MGNREGA after the government relaxed lockdown restrictions.⁴ This was partly because rural women were forced to travel long distances to find work at the cost of abandoning their domestic duties.

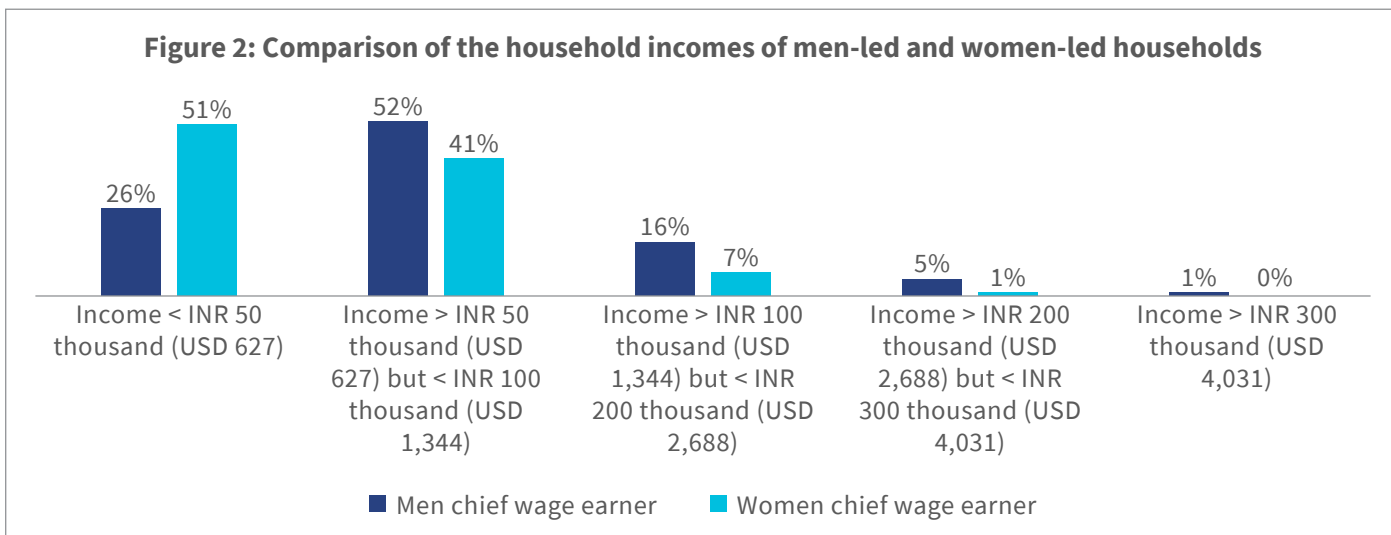
³ Physically intensive work relating to agriculture, construction, sanitation, water harvesting, among others

⁴ In households with men as primary wage earners, 17% reported an increase in income after the lockdown restrictions were eased, compared to only 8% of households with women as primary wage earners. 10% of households with men as primary wage earners were re-employed, compared to only 5% of households with women as primary wage earners.

We suggest that the government focus on strengthening women's participation in MGNREGA through meaningful and favorable work. To achieve this objective, the government can link MGNREGA with capacity-building programs, such as the National Rural Livelihood Mission (NRLM).⁵ NRLM owes its success to a well-knit network of Self-Help Groups (SHGs) that has improved poor women's economic decision-making over time. Linking

outcomes of MGNREGA and NRLM would ensure meaningful employment opportunities for rural women and help them access gender-focused G2P benefits through the SHG network.⁶

Figure 2 highlights the sharp disparity we noticed in the annual income of households led by men and women in Round 2 of our study. The primary breadwinners of 95% of households were men, compared to only 5% of households with women as primary wage earners.



A significant reason for the disparity in income levels is that 12% of women-led households rely solely on income sources like old age, widow, or disability pension benefits, which amounts to an annual income of less than USD 672 per year.

Consequently, the COVID-19 pandemic and the associated benefits disbursed under PMGKY had a disproportionate economic impact on women-led households.



Kudumbashree: Livelihood program for women in Kerala

The state of Kerala offer lessons for other Indian states must learn how to promote gender-centric livelihood programs in association with the private sector. The Kudumbashree State Rural Livelihood Mission in Kerala signed a Memorandum of Understanding with Amazon India. Under the MoU, 2,000 micro women entrepreneurs operationalized 242 units for cooking and supplying nutritious food for poor children. These women supplied dietary supplements to more than 33,000 *Anganwadi* or childcare centers, thereby generating an annual turnover of USD 1 billion.

⁵ The NRLM is a national program that promotes women empowerment and self-help groups through sustainable livelihood opportunities and financial inclusion and ensures access to social security programs for women.

⁶ Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Ujjwala Yojana (PMUY), old age/widow/disabled pension benefits under the National Social Assistance Program (NSAP) and pensions from state governments.

3 Bridge the digital divide

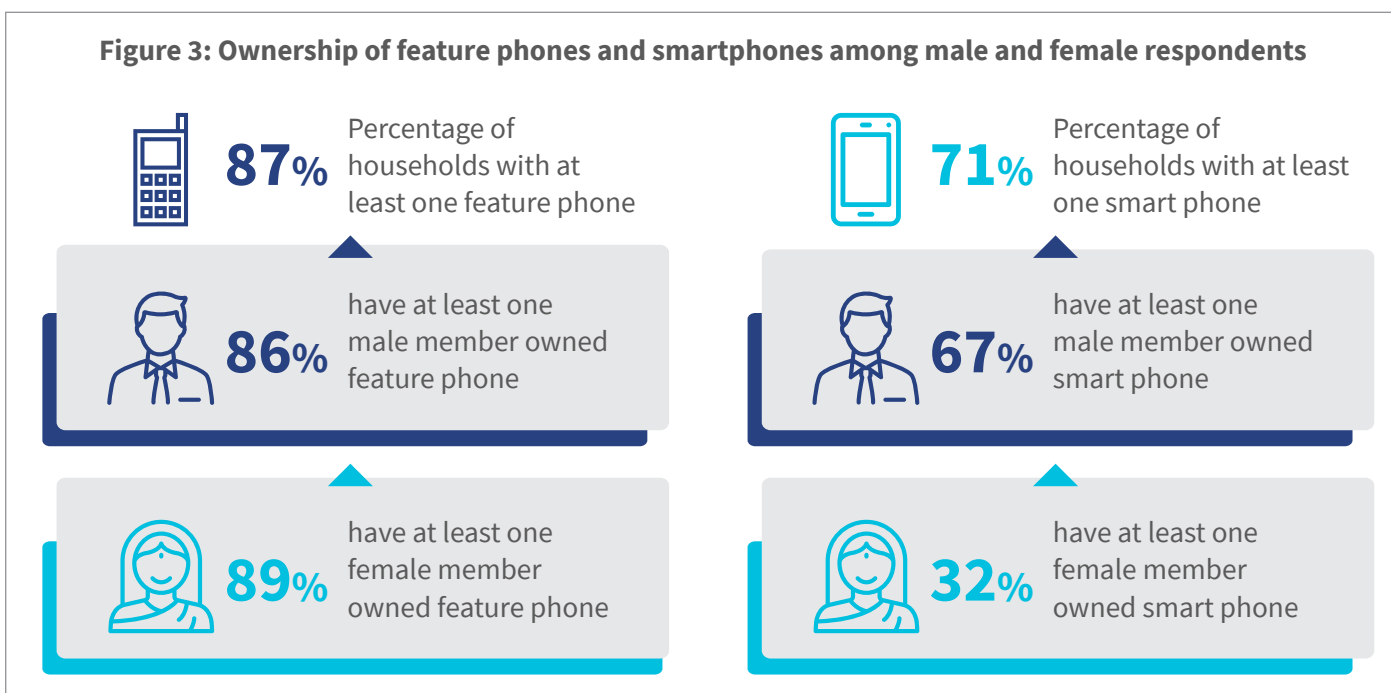
While the ownership of smartphones among women is low, studies point to an increase in screen time and the use of mobile phones due to the pandemic and consequent lockdowns. MSC's study on the impact of COVID-19 on the LMI segment also highlights that 12% of women reported an increase in the use of digital financial services (DFS) compared to 22% of men. The increased use could help ramp up digital and financial literacy drives among rural and illiterate women. Rural women who lack basic and digital literacy often mistrust and fear technology. MSC's study with BSR's HERproject highlighted that 57% of women need assistance at an ATM, while 29% reported experiencing challenges at a bank.

The existing SHG network can enhance digital and financial literacy for poor rural women. Digitally literate women who trust these groups could lead by example and run peer-learning initiatives on smartphone use. We also suggest multi-stakeholder collaborations to boost digital and financial literacy efforts at the grassroots level. The government could join hands with Civil Society Organizations (CSOs) and DFS providers in rural areas⁷ to reach out to women in these geographies. Though imperative, bridging the gender digital divide is a time-consuming and long-term effort. To bridge the digital divide, governments must improve gender-sensitive communication.

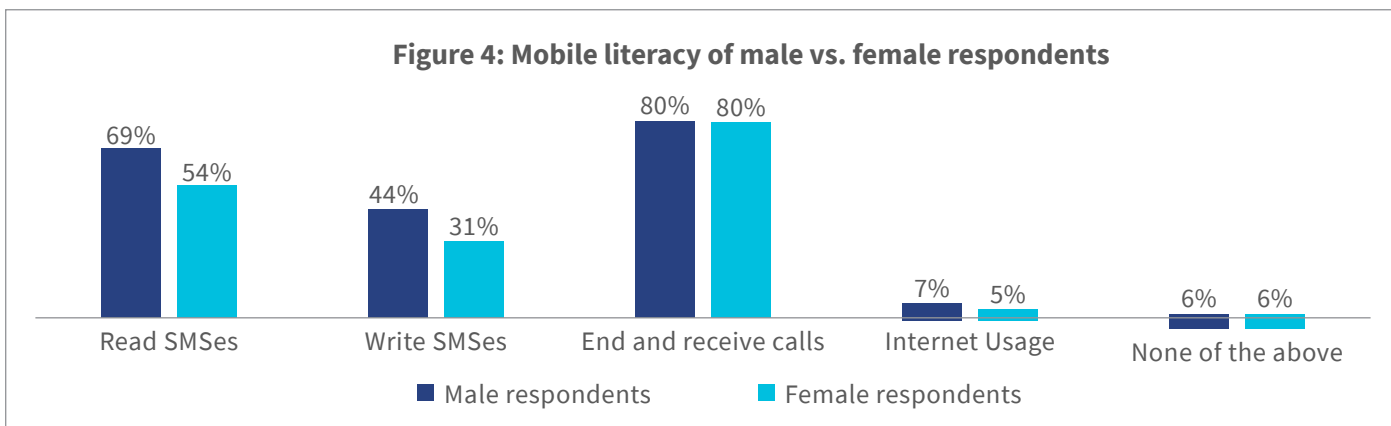
Female beneficiaries, especially in rural areas, often lack digital literacy and prefer feature mobile phones to smartphones. Data from Round 2 of our study indicated that feature phone penetration among

women is higher than smartphone penetration. As evident from Figure 3, 89% of poor households had at least one woman with a feature phone, compared to only 32% of poor households where at least one woman had a smartphone.

Figure 3: Ownership of feature phones and smartphones among male and female respondents



⁷ Payments banks, such as FINO and Google Pay, have been increasing their presence in rural areas



4 Deliver effective communication targeted at women

Besides the long-term goal of bridging the gender digital divide, the government should design gender-sensitive communication targeted at women beneficiaries that accounts for barriers they may face while applying for G2P benefits or accessing them. Financial institutions and governments should consider the following approaches to communicate effectively:

- **Ensure hybrid, multi-channel, and two-way communication:** Currently, the government uses limited communication channels. It must consider adopting a “hybrid” model, which uses both digital and non-digital modes of communication. A multi-channel model could help disseminate information on G2P programs to women beneficiaries across various geographical and socio-economic settings.
- **The government had used community network radio services to spread information on COVID-19. It can continue to use this channel for women-centric G2P programs, as well. The judicious use of a mix of communication channels can empower beneficiaries to communicate with the government using convenient modes. For example, the government can use a mobile application for more literate beneficiaries, a toll-free number in the local language for less literate or oral beneficiaries, and offer in-person support at the local panchayat office.**
- **Improve the dissemination of information around G2P programs: A six-step approach can help the government develop impactful communication to influence policy change, respond to a crisis, and improve participation in G2P programs. For example, women from rural backgrounds tend to trust panchayat officials and frontline workers, such as ASHAs⁸, ANMs⁹, and Anganwadi workers¹⁰. Our study shows that only 30.5% of beneficiaries received information on government G2P benefits through frontline workers and panchayat officials. The government should use such “influencers” to strengthen the flow of information on G2P programs.**



⁸ An Accredited Social Health Activist (ASHA) is a community health worker in India.

⁹ An Auxiliary Nurse Midwife (ANM) is a village-level female health worker in India.

¹⁰ Anganwadi is a type of childcare center for the poor in India.



Benefits of smart feature phones for women

Smartphones play a prominent role in providing access to the internet and supporting wider digital inclusion. Low-cost smartphones are still an unaffordable luxury for many, especially poor women who lack financial autonomy and have low-income.

However, the category of “smart feature phones” will help bridge this gap. These phones allow the user to install apps, such as Facebook, YouTube, and WhatsApp, among others. These devices are more affordable than smartphones. JioPhone, launched by Reliance Jio, a leading Indian telecom operator, is a prime example of such phones. Such smart feature phones are available for just under INR ~750 (USD 10).

While JioPhone does not target women specifically, its low cost addresses the disproportionate affordability barrier that affects women. Evidence suggests that smart feature phones play an important role in reducing the mobile internet gender gap in South Asia. While the gender gap in smartphone ownership has remained at around 60% in India since 2017, the mobile internet gap has narrowed from 68% to 50% during this period. This suggests that smart feature phones drive the use of mobile internet among women in these markets.

Multiple studies suggest that digitized G2P benefits accelerate meaningful social and financial inclusion in emerging economies. The well-recognized D3 framework also mentions that digitized social protection programs, direct transfers to women’s bank accounts, and gender-sensitive social protection policies can empower women to control their economic well-being. For example, in Brazil, individuals eligible for cash transfer relief during COVID-19 received SMSs in the local language that directed them to open an account through WhatsApp or Facebook.

However, governments continue to struggle with the communication of G2P programs. Our study indicates

that women beneficiaries lacked awareness of PMGKY features, especially in rural India. Their understanding was limited to direct benefit transfers to women-owned *Pradhan Mantri Jan Dhan Yojana*¹¹ (PMJDY) accounts and free rations under PDS. Rumors, false reporting, and confusion within communities misled many women beneficiaries about G2P benefits.

Our study shows that most women relied on informal sources of information, such as relatives, neighbors, and officials from the *panchayat* or village-level governing body, to check whether they had received G2P benefits. Some women also mentioned visiting banks to update their passbooks¹² every few months. However, women remained unaware of their entitled benefits under PMGKY due to infrequent trips to the bank.



Women remain unaware of PMGKY benefits

Usha is a 40-year-old respondent who has a PMJDY account. She is also a beneficiary of PMUY. After the lockdown, Usha heard that women received INR 500 (USD 6.5) in their accounts. She reached out to a nearby business correspondent who informed her that she had more than INR 3,000 (USD 40) in the account, which had accumulated from the receipt of all benefits under PMGKY. This puzzled Usha, who had never deposited any money into her account. She could not understand which program she had received the benefits under.

¹¹ PMJDY seeks to provide universal access to banking facilities to every household.

¹² A book issued by banks in India that maintains debit and credit entries of bank accounts.

A prominent reason why women face such issues is challenges on access and capability around digital communication. The government and financial service providers rely on SMSs as the primary mode of communication for G2P beneficiaries. MSC's [DFS journey mapping](#) study suggests that poor women use fewer features on the phone as compared to men. This issue is more prominent in rural areas, which indicates a poor state of awareness for mobile phone usage. Hence, women beneficiaries often receive communication through SMS but cannot interpret the information. This [poor communication reduces opportunities](#) to optimize the impact of cash transfer programs under PMGKY.

“ I usually ask my neighbors whether they have received the benefit. If they have, I assume the amount has been credited to my account as well.

- Ganne Amma,
a PMJDY beneficiary from Andhra Pradesh

”

5

Develop the financial services space (FSS) for women

We recommend capacity building and gender sensitization as solutions to help women access the FSS. Deployment of more women agents can break gender barriers and, in turn, make it more convenient for women to access financial services. Building capacity among women can also help them conduct financial transactions independently and use a digital interface for banking. Gender sensitization of banking agents is crucial to increase the appeal of agent banking among women. A gender-sensitized interface in various banking channels can also motivate women to use financial products.

MSC conducted a study to assess the financial inclusion of marginalized women using the [Financial Services Space \(FSS\)](#) concept. The FSS space for women hinges on the following three factors:

- The volume or frequency of financial transactions in a woman's bank account
- The underlying motivation for a woman to use financial services
- The convenience for a woman to access financial services

The FSS framework discusses various structural and societal barriers women face while accessing financial services. Lack of mobility prevents women from accessing withdrawal points and inhibits the “convenience” factor. Gendered roles

or stereotypes restrict women from taking up employment opportunities and inhibit the “volume or frequency” of regular income into their bank accounts.

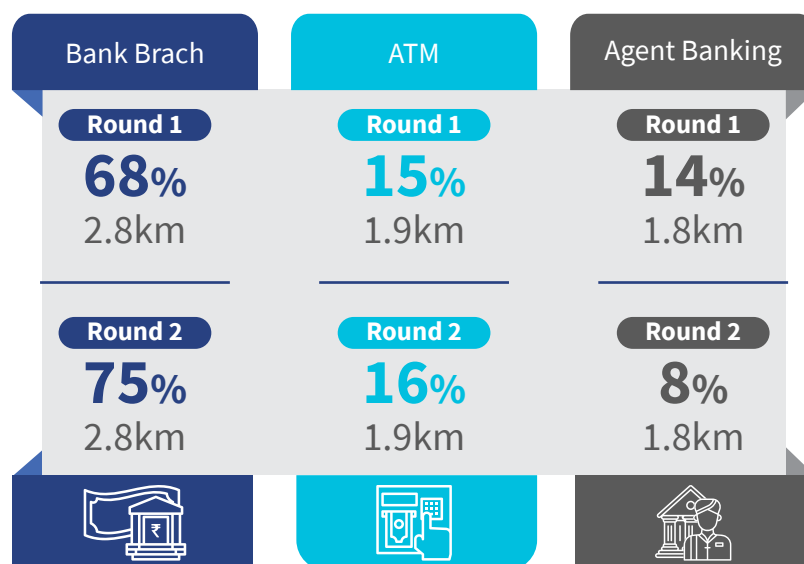
We also noticed these structural barriers during the first two rounds of our study. Only 36% of women account holders reported visiting withdrawal points themselves. Generally, men in the household withdraw the benefits on their behalf. A common reason for this is the lack of literacy among poor women, which makes it difficult for them to understand the withdrawal process.

Figure 5 highlights that women prefer visiting a bank branch despite the accessibility of ATMs and agent banks. The preference for bank branches among women increased during Round 2 after the government relaxed lockdown restrictions. Subsequently, their preference for agent banking decreased.



Social norms and gender stereotypes limit women's access to withdrawal points. Men in the household often accompany women to withdrawal points, especially in rural and peri-urban settings. Our research on women's financial inclusion using the FSS framework indicates that a segment of women account users comprises "proxy" account holders. In such cases, men of the family operate women's bank accounts, who remain the account owners only in name. The FSS for proxy account holders is underdeveloped due to two reasons. Firstly, the defined gender roles restrict their ability to visit a banking agent—restricting the "convenience" factor. Secondly, women fear losing money while using digital financial services—restricting the "motivation" factor.

Figure 5: Female respondents' preference of withdrawal points from both rounds of MSC's study



Conclusion

The COVID-19 pandemic has enhanced the need for a gender-sensitive response from governments. Poor communication, lack of digital and financial literacy, and restrictive social norms keep women from enrolling and accessing gender-focused G2P programs, as seen in the case of the GOI's PMGKY package. The rollout of PMGKY offers policymakers an opportunity to influence structural barriers, including societal norms, to protect women

from economic shocks in the future. Given the volatile nature of the pandemic, G2P assistance packages like PMGKY should undergo thorough monitoring. This can help policymakers draw critical lessons from implementing the program and effectively mitigate problems women may face during any economic shocks in the future.

About MSC's study

MSC conducted two rounds¹³ of demand-side research to gauge the effectiveness of PMGKY and support measures¹⁴ announced by the Indian government using a mixed-method approach. [See this link for the research approach in detail.](#) We conducted the first round during the three-month lockdown in May, 2020 and the second after the lockdown¹⁵ in September, 2020. The study's objective was to assess various social protection interventions of the central and state governments during COVID-19 and suggest improvements to the programs.

We designed the research as a panel study with respondents selected using a multi-stage sampling approach from the BPL (below poverty line) database. The study is nationally representative and provides both national and state-level estimates for critical indicators.¹⁶ MSC covered beneficiaries who received benefits from at least one cash transfer program under PMGKY and benefited from the [Public Distribution System](#). The study covered a total sample¹⁷ of 5,081 respondents in both rounds across 18 states and union territories. Both rounds (the panel) had 4,082 respondents in common.

This note is part of a series of publications from MSC's "Evaluation of the Indian government's response to COVID-19." The complete list of publications is as follows:

- 1 India's gender-responsive policies during COVID-19
- 2 A review of the effectiveness of India's Direct Benefit Transfer (DBT) system during COVID-19: Lessons for India and the world
- 3 Efficacy of India's food security response during COVID-19
- 4 Beyond the barriers of affordability: An analysis of India's cooking fuel support program under the COVID-19 assistance package
- 5 Efficacy of MGNREGA in mitigating the loss in income and unemployment caused by the COVID-19 pandemic

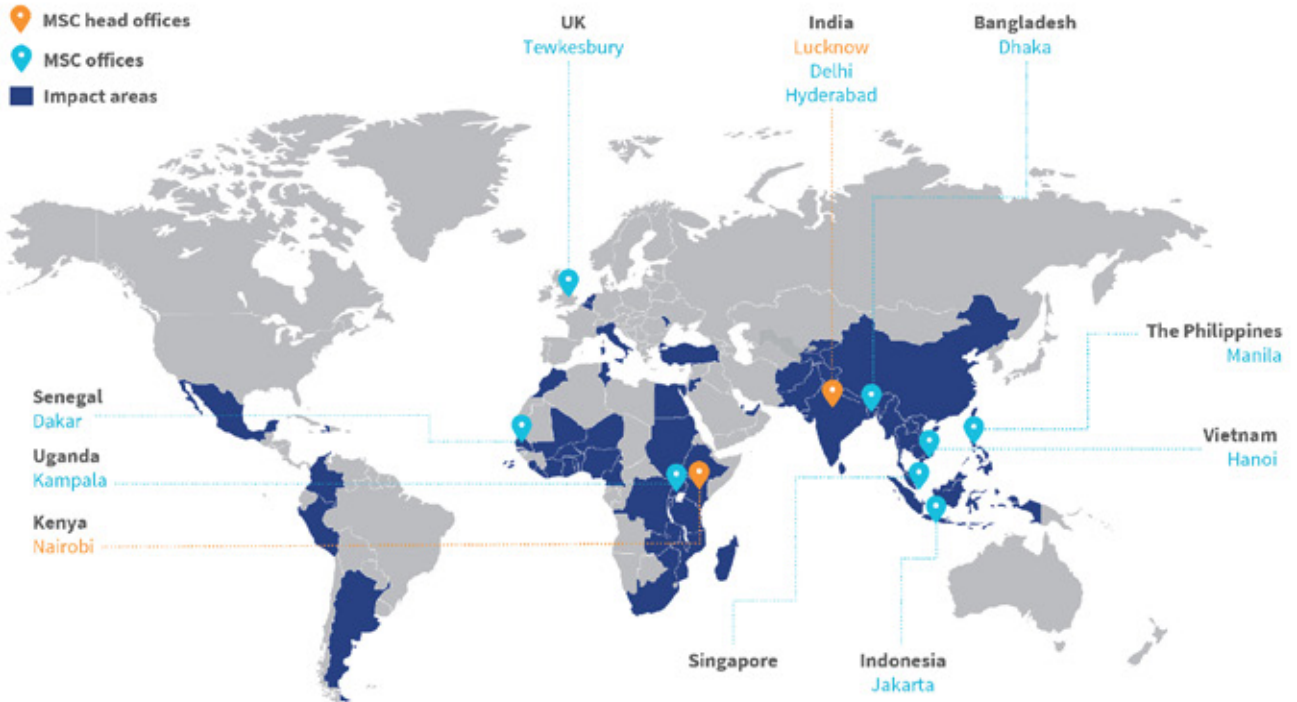
¹³ The first study was conducted in May, 2020 and the second in September, 2020.

¹⁴ The [Public Distribution System](#), [Midday Meal program](#), [PM Ujjwala Yojana](#), [National Social Assistance Programme](#), [PM Kisan](#), [PM Jan Dhan Yojana](#), and [Mahatma Gandhi National Rural Employment Act](#)

¹⁵ India remained in lockdown from 24th March, 2020 to 31st May, 2020. The country started to relax restrictions from June, 2020, except those imposed in containment zones.

¹⁶ A sample size of 270 households was estimated for each state with a 95% confidence level and a 6% margin of error. The quantitative data was collected using Computer Aided Telephonic Interviews (CATI) system and MSC staff conducted the qualitative research over the telephone.

¹⁷ In Round 2, some respondents could not participate in interviews while we could not reach others over the phone. This led to the attrition of 999 respondents between rounds 1 and 2. We replaced this missing sample with 999 new respondents with similar profiles to ensure we had the required sample size to provide state- and national level-point estimates.



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