









**Contents**

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- The Context**
- Design Process**
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## Meet Varsha

**She lives in a small village in Akola, India. Like her, most other women here work as agricultural laborers earning less than \$2 per day. With this limited income, saving for her goals feels impossible. Hataat is a program that is trying to motivate her to save. It does so by creating a social commitment to save among Varsha and her friends, using a special wallet and a reward system.**

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*This book is the journey of why and how Hataat was created.*



## The Context



- 1 The Big Problem
- 2 Why is this significant?
- 3 The Specific Problem





## 1

### The Big Problem

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#### Agriculture and Poverty

India is a predominantly rural country, and most of this rural population depends on agriculture. 67% of the population lives in villages. In 2012-13, rural India had an estimated total of 90.2 million agricultural households, forming 57.8 percent of the total estimated rural households of the country during the same period.

Juxtaposed against this information, 270 millions or 21.9% people out of 1.2 billion of Indians lived below poverty line of \$1.25 in 2011-2012. The percentage of persons below the Poverty Line in 2011-12 has been estimated as 25.7% in rural areas.

### **The Rural Underbanked**

Against this background, the rural poor also fall under what is called the ‘underbanked’ or ‘financially excluded’ section of the population. Till recently, more than 50% of India’s population did not have any bank account and more than half of the total farmer households did not seek credit from either institutional or non-institutional sources of any kind. Financial inclusion has been one of the key areas of focus of the Indian Government in the recent years.

A report prepared by PricewaterhouseCoopers India in 2015 pointed out that India’s unbanked population that year was 233 million. This was half the number it was in 2011, at 557 million, primarily because of the Pradhan Mantri Jan Dhan Yojana scheme aimed at making it easier

for people to open new accounts. Since that report, in October 2015, the Jan Dhan Yojana has grown even further, adding 68 million accounts as of the most recent report on November 9, 2016.

This received a massive push following Prime Minister Modi’s move on 8 November 2016 to withdraw the majority of currency notes in a move called ‘demonetization’. Within a month of that move and as a result of people shifting cash into their accounts, deposits in PMJDY accounts surged to over \$11 billion.

But of the new 17 crore Jan Dhan accounts, almost 50% are non-operational. Even if there are incentives provided through this scheme like no minimum balance requirements, insurance schemes, etc., a large number of these accounts remain dormant.

*The rural population of India, with agriculture forming its main source of income, is not able to earn enough from agriculture.*



*A large part of the rural population of India, dependant on agriculture, lives below the poverty line and is also financially excluded.*



## 2

### Why is this significant?

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All this data can be distilled to the fact that an overwhelming population of the country, living in villages and depending on agriculture, lives below the poverty line and is excluded from the formal financial system.

With initiatives like demonetization and the push for digital finance in the country, the only way for this vulnerable population to benefit from schemes and technologies coming in the future, is by becoming a part of the secure financial system. And the very first step towards this is having an active bank account.

### 3

## The Specific Problem

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To understand this problem in a specific context, I chose the village of Dhaba in Akola, India, which has a similar story. The income of the people here is completely dependant on agriculture. Moreover, most people here own little or no farm land, and work as agricultural laborers on a daily wage of less than \$2 per day. The following research section outlines my journey of understanding this problem with this community.





## Design Process



- 1 Ethnographic Research
- 2 User Journey
- 3 Hypothesis
- 4 Idea Generation
- 5 Prototypes
- 6 Learnings



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1.2 Visiting the home



1

## Ethnographic Research

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### Phase 1

To understand what this problem really means, I spent 3 weeks in the month of July, 2016 in a few villages of Akola, in west India. In the first few days, I visited 4 villages; Dhaba, Chelka, Sakarvira and Jamvasu. I wanted to learn about how the people here live and work. To get a deeper understanding of the community, I focused my research in the village of Dhaba, with about 40 families. Using tools like observation, interviews and group discussions, I spoke to the people to learn about their families and homes, their work, their aspirations and goals, and the challenges they face in reaching them.

### **The community**

These villages are the home of the Banjara community. This community was originally nomadic, travelling with their cattle and goats, trading in commodities like salt. About 50 years ago, the then Chief Minister of the state resettled them into villages. That is when these small settlements of the Banjara community were formed, a little outside the main villages, with their own way of living and culture. They are now an agricultural community, with most households owning little or no land at all.

*My objective for this phase was to find out from the community what they define as their most pressing need.*





*Some of the  
people I met.*





### **Learnings from research**

In addition to talking to the people of the village, I also spoke to other stakeholders, the head of the community, the teachers in the local schools, some local government employees and the CEO of Akola, to understand the context and challenges holistically.

The main challenges of the people were related to their income, which came from agriculture. Agriculture is heavily dependant on the climate and the rain. This region being drought prone, the agricultural income is in flux. The work in the farms is not the same through the year because of this. For the people who don't own land, the unpredictability of work is even greater. In addition, mechanization of certain processes is also reducing the need for manual labour. Often, more people are employed for

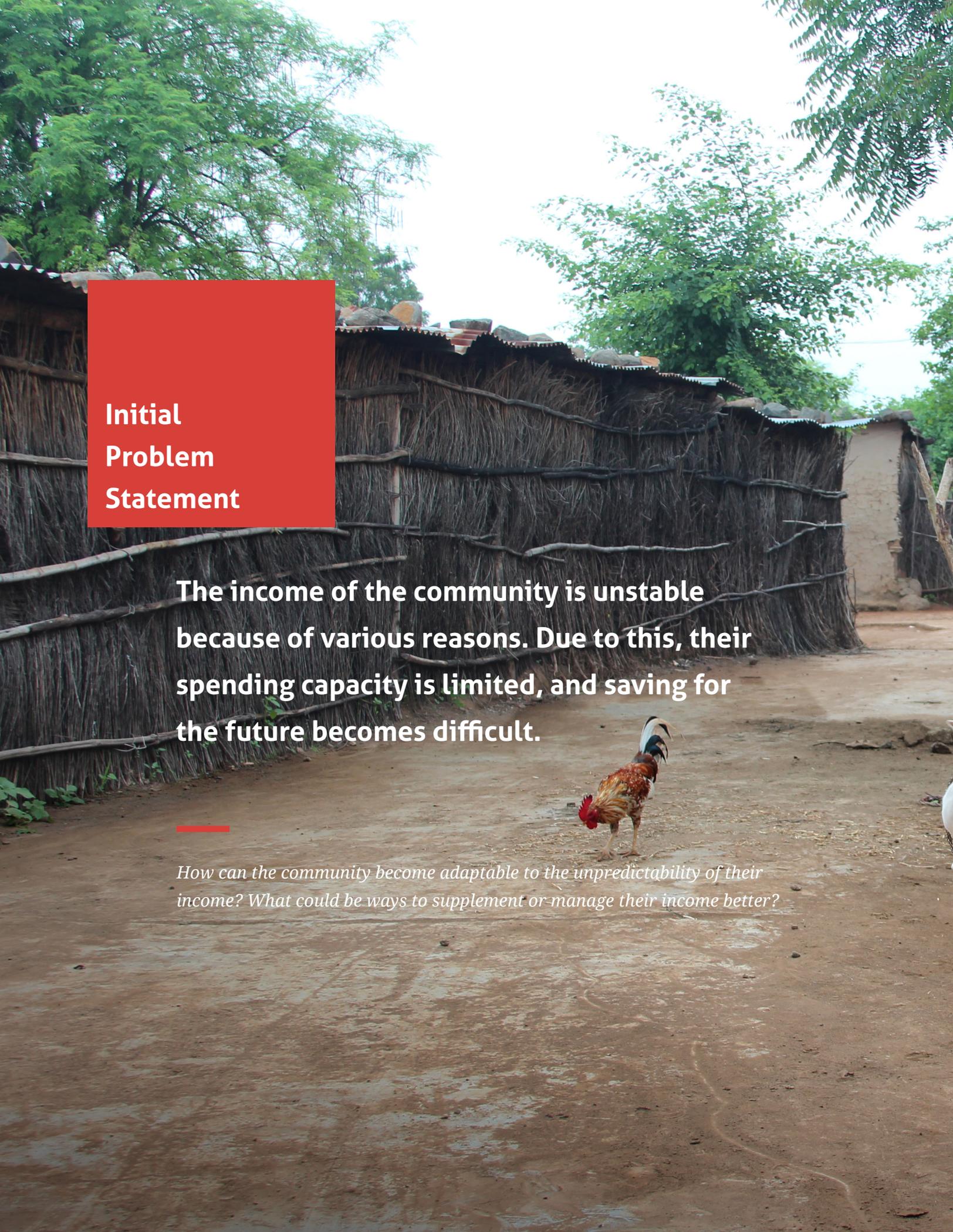
the same work than necessary, so even though it look like they have work, the productivity is low, so are the wages per person. Other alternatives sources of income, such as construction work for roads, migration to cities to work as contract laborers, work in factories, all have their own challenges and uncertainties.

Most families here fall below the poverty line. The money earned is almost entirely spent on the day to day expenses. There are subsidies by the government for food grains, primary healthcare, primary education, etc., but I also observed a sense of dependency created by this. Financial services like the bank and Self Help Saving group schemes were available in the village, but they were not used by many people.





*I learned that the main challenges of the community revolve around their income, which comes from agriculture.*

The background image shows a rural village scene. In the foreground, a rooster with brown, orange, and black feathers stands on a dirt path. Behind it, several traditional huts with walls made of mud and thatched roofs of dried grass or straw are visible. The huts are supported by wooden poles. In the background, there are lush green trees under a bright sky. A red rectangular box is overlaid on the left side of the image, containing the text 'Initial Problem Statement'.

## Initial Problem Statement

**The income of the community is unstable because of various reasons. Due to this, their spending capacity is limited, and saving for the future becomes difficult.**

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*How can the community become adaptable to the unpredictability of their income? What could be ways to supplement or manage their income better?*





## Phase 2

To narrow the thesis statement, I decided to focus on the challenges with saving. I also narrowed my audience to landless women in the age group of 35-55 years, as

- They are the most vulnerable to financial shocks
- They have an influence in the financial decisions of the house
- They do not have very small children and are not bound to the house, hence are earning members of the family
- They are the carriers of the culture and tradition of the community

*My objective was to learn understand the earning saving and spending patterns, and the motivations and emotions underlying their behavior.*

This part of the research was conducted remotely, in September and October. Since I could not be with the community myself, I designed research activities and discussion guides, which were completed with the help of a Gram Panchayat (local government body) member, Vidya Akode, whom I had met while I was there.

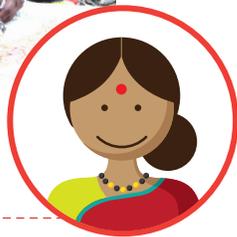
After interviews with 25 women, I got back quantitative data about the amount of money they earn, spend and save, along with information about different challenges and barriers they face. All this data was synthesized to derive insights that would inform the next iteration of the thesis statement and hypothesis. The key learnings are explained through the journey of the women in the following page.



2

## User Journey

To explain what I learned, let me introduce you to Varsha, one of the women I met while I was there. Varsha lives with her 3 daughters in the village, and like most other women there, she does not own any land. Her only income comes from working on other farms near her house as a laborer. A days work earns her less than \$2 (Rs. 100).



1

Varsha works in the farm and is paid at the end of the week. A days work earns her less than \$2 (Rs. 100). She then shops in the weekly market for her home. If any money is left over, she keeps it at home. This cycle continues week after week. She also uses the money for other expenses like school fees, water, utilities, etc.

**Her income is very low.**

3

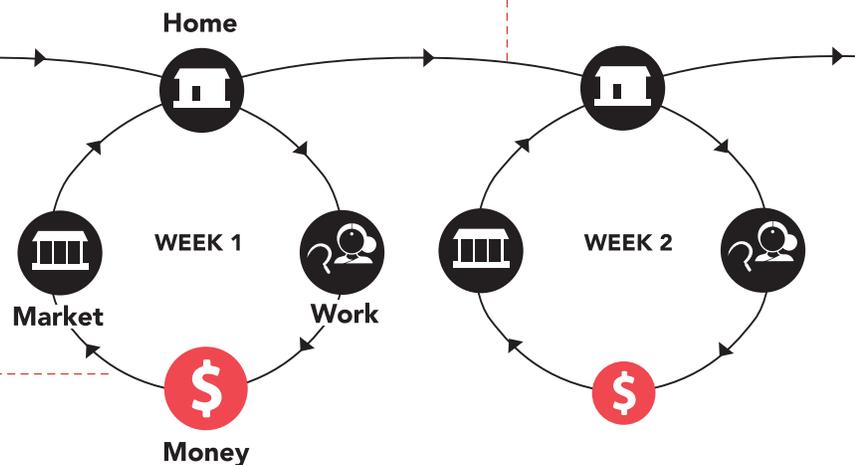
The money left over at home is what becomes the 'saving'. In months when there is more work, the extra money is saved in the form of tangible objects like jewellery, or a goat. The financial services available in the village, like the bank, or self help saving schemes, are not used by majority of women. This is because they do not provide the flexibility needed for this financial routine.

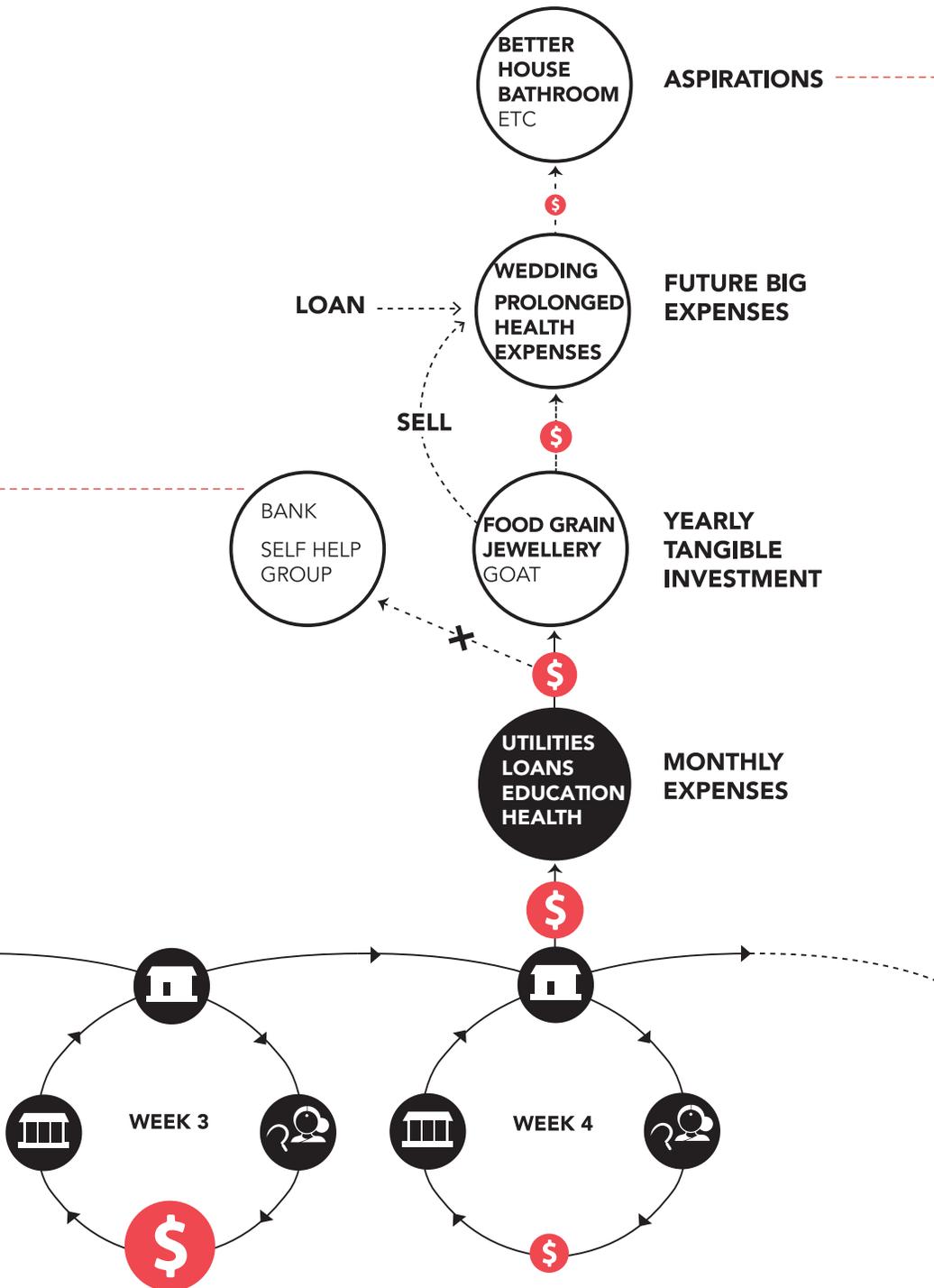
**She does not have adequate tools for saving.**

2

But work she gets each week changes, and so does her income. It also changes with the time of the year, the spring and summer months being more difficult.

**Her income is also unpredictable.**





4

**Finally, there is no motivation to save or use the financial tools available.**

One reason for this that the government subsidies in the village have created a sense of dependency. She is also predisposed to taking loans (or selling jewellery, or the goat) when big expenses like weddings, or healthcare come up. Finally, she is so stuck in managing the day to day expenses, she is not able to actively address saving for long term goals.

*Barriers :*  
 Income is low and unpredictable  
 Inadequate tools for saving  
 Not enough motivation to save

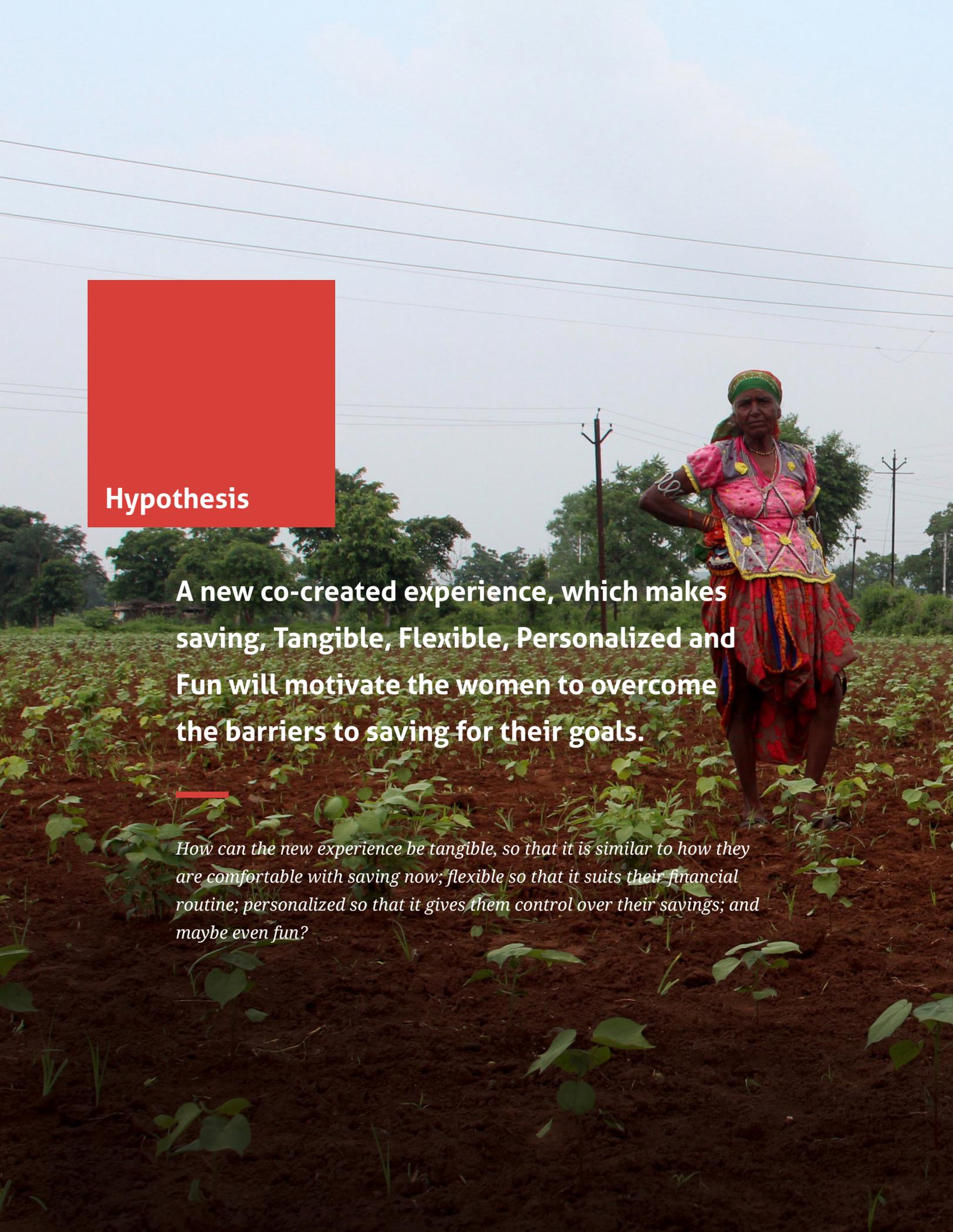




**Problem  
Statement**

**The landless women of this village have a very low and unpredictable income. In addition, they do not have enough motivation nor adequate tools to save this income.**

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A woman wearing a colorful, patterned sari and a green headscarf stands in a field of young green plants. She has her hand on her hip and is looking towards the camera. The background shows a line of trees and utility poles under a clear sky. A red square is overlaid on the left side of the image.

## Hypothesis

**A new co-created experience, which makes saving, Tangible, Flexible, Personalized and Fun will motivate the women to overcome the barriers to saving for their goals.**

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*How can the new experience be tangible, so that it is similar to how they are comfortable with saving now; flexible so that it suits their financial routine; personalized so that it gives them control over their savings; and maybe even fun?*



## 4

### Idea Generation

This hypothesis was built out in the form of ideas about what this new experience could look like. The first step was thinking broadly and coming up with big ideas or concepts.

The 9 initial concepts are outlined on the adjoining page. These and other concepts were expanded and combined. I also looked at approaches that have worked in other saving related programs, for a similar audience group, as well as for different audiences (like budgeting apps, saving tracking apps, etc). I also looked at other ideas that help people set and track goals (like Weight Watchers), ways of motivating people to complete tasks (Stick) and others.

I also kept in mind some other attributes that the new experience could have, details of the saving process.

Some of the questions I was thinking about were :

How can the women set and track financial goals?

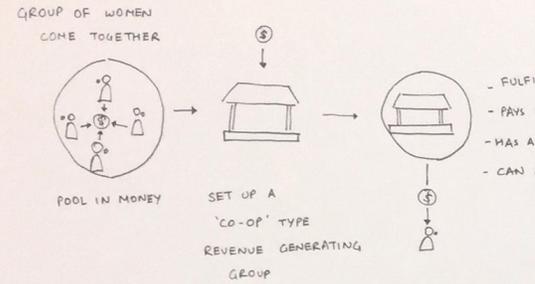
How can there be reminders to keep them on track?

What motivates the women? Will rewards motivate them? What could this reward look like?

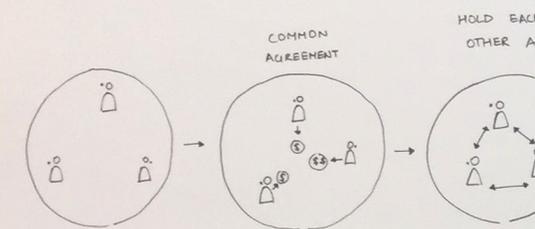
What will create and boost the identity of the women as women who can save?

What are activities that build trust among the women?

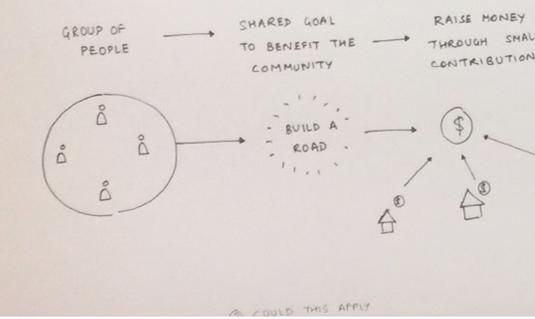
### Obligating money through a business setup



### Obligating money through an informal network



### Crowd-funding goals



## Setting and tracking individual goals

IND

A TOOL TO SET PERSONAL GOALS AND TRACK

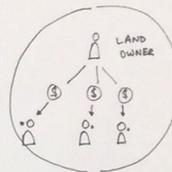


Mkt

⊕ SOMETHING THAT LINKS TO A DAILY RITUAL THEY ENJOY (LIKE DRINKING TEA)

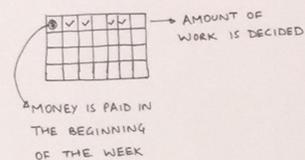
## Intervening in the earning cycle to facilitate saving

① WHAT IF THE DAY OF PAYMENT



IS SHIFTED FROM SUNDAY TO MONDAY?

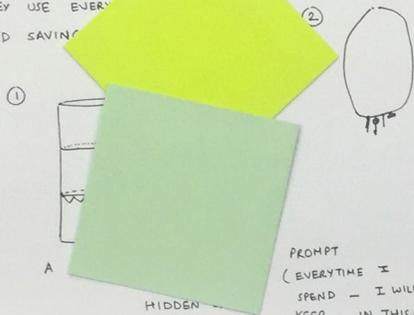
② WHAT IF MONEY IS PRE-PAID?



⊕ MONEY WILL REMAIN AT HOME FOR THE WHOLE WEEK BEFORE IT IS SPENT AT THE WEEKLY MARKET, GIVING THEM TIME TO PLAN.

## Using everyday objects to aid saving

MODIFYING THE OBJECTS THEY USE EVERYDAY TO AID SAVING

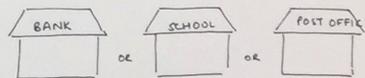


⊕ INTEGRATING IT WITH SOMETHING THEY ALREADY USE  
⊕ SOMETHING THAT HAS AN IDENTITY

PROMPT (EVERYTIME I SPEND - I WILL KEEP - IN THIS [NECKLACE])

## Making the available financial services easier to use

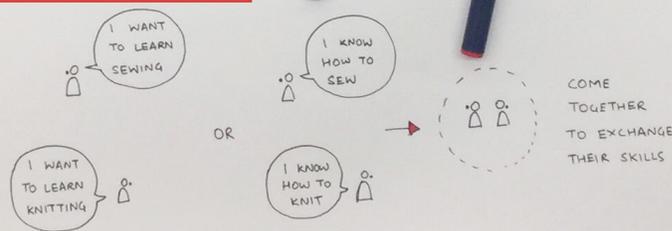
integrating informality in the banking space.



WORKSHOPS / MEETINGS TO EASE THE PROCESS OF FORMAL SAVING AND INVESTING

⊕ MAKING THE DOCUMENTATION EASY TO UNDERSTAND  
⊕ SIMULATION

## Investing in skills



⊕ FREE

⊕ HOW WILL THIS ENSURE

shared saving strategies

## Extending support network and resources



The ideas fell into three big themes. Saving as -

- An individual activity
- A family activity
- A group activity

## 5

### Prototypes

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Moving forward, the 3 big themes were drawn out as journeys that the women would experience. Three prototypes were fleshed out, with the aim to learn more about the behaviors around saving. I made a plan to test them with the community during my second visit for 5 days in December 2016.

#### Description of prototype

#### Key questions to test

#### Learnings/ Observations

#### Questions moving forward



## 3.1

### Saving as an individual activity

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Can an everyday object that the women use, like a necklace, become a tool by which they set saving goals, and collect charms/beads as they accomplish them?

What do they think about setting goals? Are they comfortable with displaying their 'savings' ?

Goal setting is done as a reaction to the earning.

Wearing a piece of jewellery might not be the best way to 'see' the saving. A visual record of saving is something new for them.

Parts are small, easy to lose. They often forget to record. They have to create a new habit, which is not easy to remember.

Can goal setting be made more proactive?

Will a visual reminder of what they are saving for and their progress keep them motivated?

How can the act of saving or recording your saving become part of an existing habit/activity?



### 3 .2

## Saving as a family activity

Can the family save together?, They set saving goals together, and contribute to the completion of these goals. This could also be gamified, or tied to an activity the family enjoys together, like an evening cup of tea.

Does she want to involve the family in the saving process?

The women are not very comfortable involving the family in the saving process.

A big challenge is holding on to the money kept at home, and the family is one reason for this. Small amounts get used up by the children or other family members, which is outside the control of the woman.

How can money be saved at home in a way that makes it difficult to reach, but yet accessible enough to use in an emergency?



### 3 .3

## Saving as a group activity

Can saving be done as part of an informal group, where the women hold each other accountable? The performance of different groups could also be displayed in a community space to motivate them.

Does she want to involve other women in the saving process? What builds trust?

This approach resonated the most with the women, probably because they are familiar with it. However, in a SHG, the external pressure makes them save, and they usually 'manage' something close to the payment day. And this makes the process pressurizing.

They all have bank accounts, which they do not use very often.

How can saving as a group be taken forward as they are comfortable with it, but while removing the pressure of a SHG scheme?

What are the barriers to going to the bank?



6 a

## Learnings

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I came back with an overwhelming amount of information, and the next few weeks were spent in parsing through this data to find the insights that would inform the next steps.

The following became the guiding insights that shaped the intervention.

*It was important to pick the right insights moving forward, that would make the problem actionable, and yet solve for the real challenge of the user.*

### **Saving is done as a reaction**

The most important learning was that the meaning of saving for the women was different than what I had thought. They spent the earned money spent on immediate needs first. And saving meant keeping the money left over at home. It was not a pre planned activity, but done as a reaction. Thus, setting definitive saving goals and tracking progress does not naturally align with this way of saving. The next iteration needed to take into account this behavior, so that I would not propose something that went against the way they save now.

### **Retaining savings at home is a challenge**

The main reason for keeping money at home was that it gave them the flexibility to use this money in case of an emergency. But, the biggest challenge they faced was retaining this saving, as the money got spent in small amounts over the week, without them realizing it.

### **Saving is considered too little**

After all this, the money that is retained at home is always seen as too little. It is not enough to take to the bank, there is no incentive to deposit it in the bank. Hence, like pointed out earlier, the women have bank accounts which most of them have not used since the day they opened them.

### **Motivation comes from the group**

Observing the women in a group, and other activities they enjoyed, I learned that motivation came from the group for these women. Even a little bit of healthy competition within the group motivated them.

## 6 b

### Theory of Change

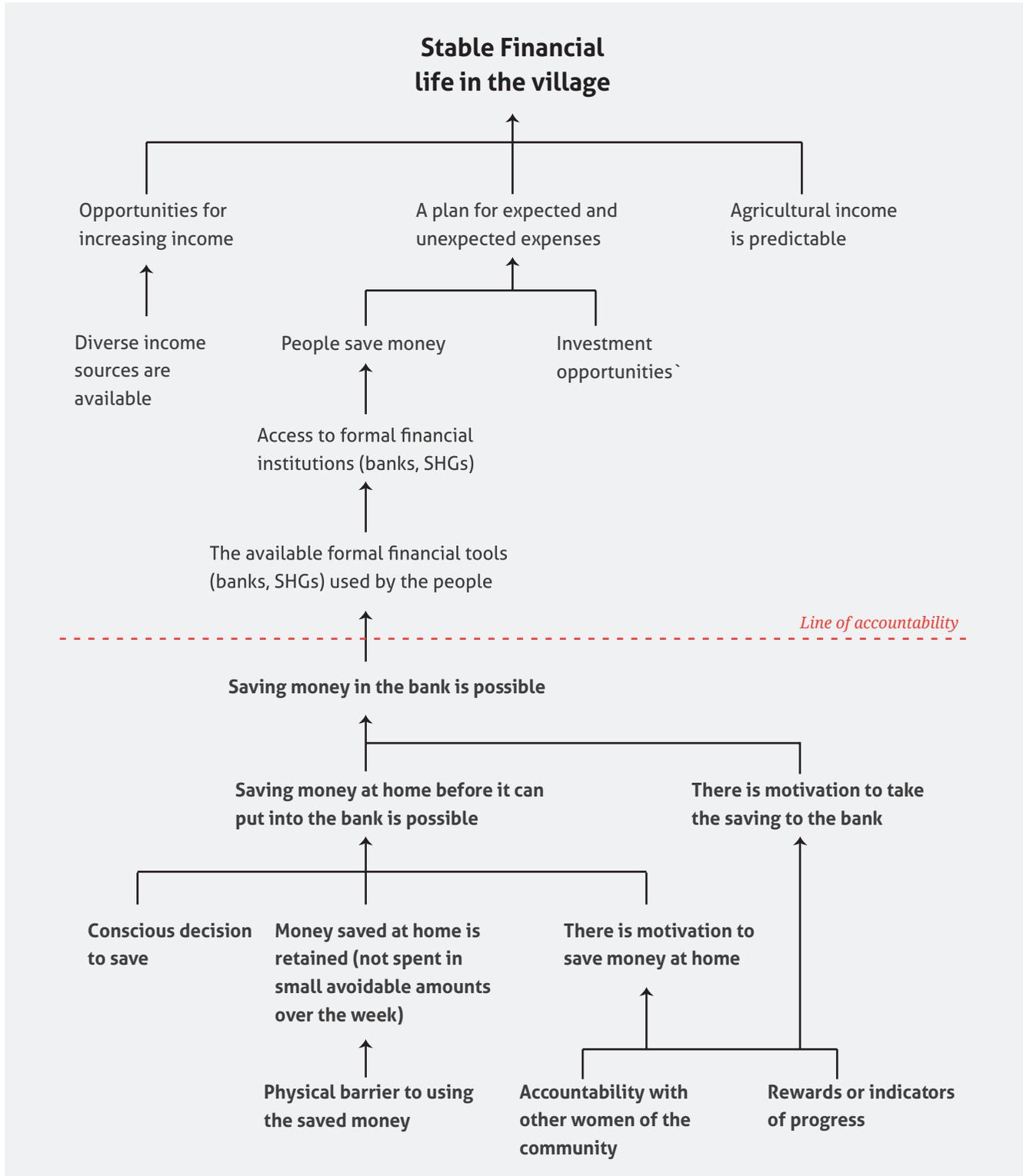
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Alongside this process, I was also working on the theory of change for the final intervention. This helped me step back and look at the bigger goal of this project, and how it links to the specific challenges I was trying to address.

The final goal of this intervention is to contribute to a more stable financial life for the community. In order for that to happen, the people need opportunities to increase/supplement their income. And they also need to be able to save this income for planned and unplanned expenses. My focus being on the saving of the income, financial tools (like the bank, self help saving groups, etc.) need to be available to

the community, and also be used by them. And for the banks and other tools to be useful, saving money in the bank has to be possible, for which they need to be able to save enough money at home and be motivated to eventually take it to the bank. For this to happen, there are five preconditions, which my intervention is attempting to address.

- A conscious decision to allocate a part of the money earned as saving.
- A way to retain the money saved at home, through a physical barrier.
- A reminder or a link to the goals for which they are saving.
- Accountability towards peers.
- An individual reward for saving.





## The Intervention

- 1 What is Hataat?
- 2 How does Hataat work?
- 3 Pilot
- 4 Results
- 5 Next steps









What is  
Hataat?

Hataat is a program that gives the women of Akola three key things to enable them to save:  
**A SOCIAL COMMITMENT** to save  
**A TRIGGER** to help them make a conscious decision to save; and,  
**A REWARD** to motivate them to take the saving to the bank

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*Hataat means 'in my hand' in Marathi.*





1

## What is Hataat

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The aim of this intervention is to provide small triggers to enable and motivate the women to save in their own way. While the amount of money saved is important to the success of the intervention, more important is whether this will make them see themselves as women who are capable of saving for their family and their goals.

The Hataat framework is explained on the adjoining page.

## A Trigger

A tool for them to make a conscious decision to save



## A Social Commitment

A promise among the women to save together

## A Reward

To motivate them to save and then take this saving to the bank

## 2

### How does Hataat work?

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This is what Hataat looks like for Varsha, whom we had met earlier in the book.



Varsha and her friends in the village are introduced to Hataat through a workshop in the village.



Here they first talk about their goals and why they are saving.



They make a commitment to save, and be a part of this program together. They also decide a day in the future (maybe after 2-3 months) when they will all take their saving to the bank.



Next comes the Trigger. They all receive a fabric wallet, just like the one they use now.



But, this one is slightly different, it has a surprise. It has a hidden sleeve, which can be attached inside, where she can keep aside money that she wants to save.



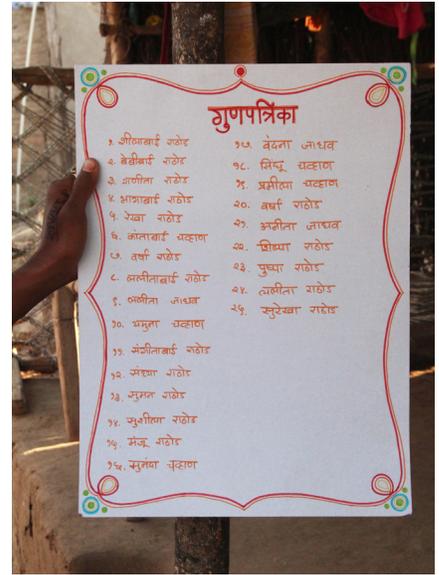
This hidden sleeve keeps the saved money separate from the money to use everyday, and makes this money difficult to reach, but still is easy enough for her to use in case of an emergency.



Finally, on the day of the bank, the women take their saving to the bank.



For making a visit, they each receive a token, each visit earning them one. After collecting 5 such tokens, they receive a special gift from the bank.



Their visit is also recorded on a community scorecard, which shows them how many visits each woman has made, so that they would be motivated by each other.

A woman with a bright smile is the central focus, wearing a vibrant pink top and a black sari with white and red patterns. She is surrounded by people, some of whom are partially visible. One person to her left holds a dark wooden box with a colorful circular sticker on top. Another person to her right is holding a white object. The woman is looking towards the camera with a joyful expression. The background is slightly blurred, suggesting an outdoor or semi-outdoor setting with natural light.

*And the process repeats itself, with the next commitment, the wallet and the reward.*





### 3

## Pilot

A pilot of Hataat was conducted with 20 women for one month, from March 6th to April 6th. Given the short time frame of the pilot, the goals discussed in the workshop were short term goals, so that some progress could be seen over a month. The pilot would end with the women taking their savings to the bank.

Before running the pilot, a measurement and evaluation plan was put together. A baseline measurement of saving and feelings about saving was established before the pilot, to be compared against an endline measurement after the pilot. The M&E table is detailed on the following page.





*Hataat was tested through a pilot with 20 women for a period for 1 month.*

### 3

## Measurement and Evaluation Plan for Pilot

<b>Indicator</b>	<b>Baseline</b>	<b>Target</b>	<b>Data source</b>
Amount of money saved	What is the current value?  Vague (in the range of Rs. 50 to Rs. 300 per week)	What is the target value?  Average of Rs. 300 per week. (It will be different for each woman, the target is higher than what they currently save)	How will it be measured?  Survey, at the end of the pilot
Number of women who go to the bank	0	10 out of 20 participants	Survey
Perceptions/Feelings about saving. How easy is it to save? How stressful? How convenient?	Saving is not easy and is not done consciously.	The women feel like saving is possible for them.	Interview
Perceptions about going to the bank. Do they think they will go back to the bank?	The amount of money is too little to take to the bank	The women feel like saving is possible for them.	Interview

## Baseline measurement

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All the 20 participants have bank accounts (opened under the PMJDY scheme about 2 years ago). But most of them have not used the account since the day it was opened.

When asked about the amount of money they were saving before the intervention, the women were very vague about the amount. This particular month being very difficult in terms of work, the women were saving very little if not nothing. The amounts ranged from Rs. 50 to Rs. 300.

The women were not sure if it is possible for them to save, they were vague about the amount they could save. They also considered their saving too little to take to the bank.

## Data Limitations

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The challenge with the monitoring and evaluation plan was that the baseline was not very well established. As saving at home is done in an informal way, the quantitative data was not very easy to get, and may be generalized to some extent as it is a very tight group. The hope was that during and after the pilot, when the data would be slightly easier to record, the baseline measurement would also come across in terms of the difference noted by the users.

A second challenge was that this intervention is aiming to motivate women to save, to change the perception about saving, to make them feel that saving is something they can do. And motivation is very difficult to measure, because even if they would respond positively in the survey after the pilot, it does not indicate that they would actually keep going to the bank. A longer time frame (which was not possible for this pilot) would be necessary to test this.



4

## Results

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The 4 indicators were measured after the pilot through a survey and interviews over the phone.

### Success and learnings

All the women used their wallets for the duration of the pilot. They all used it in their own way, some everyday, some kept it at home, some kept the sleeve in a safe box. So the wallet gave them the flexibility to use it as they prefer.

Almost all the 20 participants were able to save and more importantly hold onto their saving through the month. And at a time when the work is very difficult to find, and their income is very little. The few women who did not manage to save

anything were the ones who worked very little during this period. The amount of money saved ranged from Rs 100 to Rs. 1000.

In every case it was more than or similar to what they saved before. More importantly, the women were able to put an amount to their saving, which they were a little vague about earlier. So, this made them more assertive about how much they are saving.

Another positive observation was that since only 20 women were a part of this, while the other women were not, they took this up as a challenge. They were determined to prove that they would be able to save in this month.



### **Failure and learnings**

However, the women did not take this saving for to their bank. After doing more research, I uncovered some reasons for this -

The most important reason for the women being hesitant to put the money in the bank was the time of the year. In these months of the summer, work is very difficult to find, and so they wanted to keep the money at home in case there was a flux in the weekly income.

The reward system was not enough to motivate them to make the visit.

The intervention also did not address some of the physical barriers of going to the bank, like the distance, the unfamiliarity with the process (as this would have been the first time for most of the women), the fact that the visit would interfere with a work day.





*The women were hesitant to take their savings to the bank, due to the flux in the work at this time of the year.*



*The next step for Hataat would be a pilot addressing some of the barriers of going to the bank, launched in the monsoon.*



## 5

### Next Steps

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The first part of the intervention worked, and the women were able to save money at home. But, it fell short in enabling them to take this saving to the bank.

The next step for this program would be a longer term pilot to solve for the barriers are challenges of going to the bank, like the ones mentioned earlier.

Some things the next pilot could address include paying attention to the time of the year when the program is launched, creating a more robust reward system, and uncovering and solving for the barriers of going to the bank. These could possibly be done through organizing a group visit to

the bank, or bringing a person from the bank into the village to facilitate the process.

My hypothesis is that if these barriers are addressed and the program is initiated in the monsoon when they would be less worried about the flux and more confident about depositing the savings, the women would be able to see progress and this would motivate them to keep saving and going to the bank.

Once the second part of this program is refined, this framework of a social commitment, a trigger and a reward could be scaled to reach other villages, benefiting not just the users, but also the micro finance industry.



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