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Business Correspondents as Catalysts of Financial Inclusion – Empirical Evidences from North Bengal

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Abstract

In recent years the approach for financial inclusion in India has been to make provisions for every person to have access to a bank account and avail essential financial services. While implementing the recent programmes, it was realised that it was not possible to reach the milieu with brick and mortar bank branches in every nook and corner of the country, rather it is better that the bank makes efforts to reach the doorsteps of the people through business correspondents and business facilitators. The aim of the Business Correspondent (BC) model is to develop and sustain the association between unbanked populace and the formal financial system. However, the BC model introduced in India by RBI in 2006 has many problems, as found out by some studies.

The present study is an empirical investigation into the systems and problems of Business Correspondent field workers in North Bengal. The study was taken up in the three districts of North Bengal which has a very low level of financial inclusion. Through extensive field research the authors try to find out what functions BCs actually perform in the field and importance of the functions as perceived by them and assess the problems inherent in the systems and the difficulties encountered by the field level workers through Importance Performance Analysis. The authors also try to gauge the financial benefits those accrue to the field level BCs from their operations and assess the viability of the financial inclusion strategies in this respect. The authors have used 32 operational indicators in attempt to analyse the problems in an Importance- Performance Analytical format and identified the areas which need to be concentrated on.

Keyword: Business Correspondence, Financial Inclusion

Introduction

Financial inclusion has turned out to be the catchphrase, as an outcome of empirical findings related to financial exclusion and its relationship to poverty. Financial exclusion refers to a situation where a large mass of poor and disadvantaged social groups are prevented from gaining access to formal financial institutions because of problems inherent in the structure and processes of financial systems in a country. More than 2.5 billion adults-about half of the world's adult population-do not have a bank account. While some of these people exhibit no demand for accounts, most are excluded because of barriers such as cost, travel distance, and amount of paperwork (World Bank, 2014). A substantial volume of literature probes into the causes for financial exclusion and finds that it leads to income inequality and results in slower economic growth. No access to formal institutional savings and credit facilities and other financial services force individuals with limited financial resources to to depend on friends, relatives and moneylenders. This restricts their choice to invest in their small business enterprises and take advantage of growth opportunities (Ellis, 2007, Beck & Patrick, 2009). The repercussions of financial exclusion could be far-reaching, which not only destabilise the livelihood opportunities but also push them into a complex phenomenon of poverty trap (Mahmoud,

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Iqbal & Xiaochen, 2011; Joshi, 2011). The level of financial exclusion in India has been stated to be higher than many developed and emerging economies when gauged through parameters like high population per bank branch and low proportion of the population having access to basic financial services like BSBDAs (Basic Savings Bank Deposit Accounts) accounts, credit facilities, ATM facilities and debit and credit cards. On the basis of a comprehensive financial inclusion index, Inclusix, based on three critical parameters of basic banking services namely branch penetration, deposit penetration and credit penetration CRISIL reported that on a scale of 100 India scored 40.1 in March 2011(CRISIL, 2013)

Comprehending the gravity of the problem, academics, bankers and people in governance unanimously felt that financial inclusion was a key enabling element, both in the fight against poverty and in reaching the goal of inclusive economic development. As such financial inclusion programmes were instituted to scale down the poverty levels throughout the length and breadth of the country. Financial inclusion efforts aim at the delivery of financial services at the most affordable costs to the people at the 'bottom of the pyramid'. According to Khan (2012), "the Indian approach in recent years has been to establish the basic right of every person to have access to a bank account. This approach is based on the fundamental principle of 5A's of ensuring ***A***dequacy and ***A***vailability of financial services to all sections of the society through the formal financial system covering savings, credit, remittance, insurance, etc. and, at the same time, increasing ***A***wareness of such services and ensuring ***A***ffordability and ***A***ccessibility of the appropriate financial products through a combination of conventional and alternative delivery channels and technology enabled services and processes." In fact drives at financial inclusion are not new and initiatives have been taken for financial inclusion in India since decades. Setting up of rural cooperatives in 1904 , bank nationalisation in 1969, setting up of Regional Rural Banks in 1975, administering of microfinance schemes since 1992 through NABARD and through SGSY in 1997 , initiatives by RBI at opening no frills accounts since 1995, financial inclusion campaign "Swabhimaan" launched by the Government in February, 2011, the recent, the recent Jan- Dhan project announced by the Prime Minister in August 2014, which aims at opening 7.5 crore bank accounts within a year are all landmark efforts in India for financial inclusion. While implementing the recent programmes, it was realised that it was not possible to reach the milieu with brick and mortar bank branches in every nook and corner of the country. It was rather felt that if the people cannot walk to the bank, the bank makes efforts to reach the doorsteps of the people through business correspondents and business facilitators.

Business Facilitators and Business Correspondents

The introduction of Business Correspondents was introduced in India when the Reserve Bank of India issued a new set of guidelines in January 2006 allowing banks to employ two categories of intermediaries - Business Correspondents (BCs) and Business Facilitators (BFs) - to expand their outreach. The system through which the BC model works is simple. A bank appoints a BC entity, which can be organisations registered as companies under section 25 of the Companies Act (example Fino Fintech Foundation, Samvriddhi Inclusive Growth Network (SIGN)) or societies like SEED Financial Services or NGOs. The BC entities have their technological partners like TCS, Integra Micro Systems (P) Ltd, etc. The BC entities appoint field workers to carry out the services and enlist them with their partner bank. In a deviation of this model certain banks appoint BC field workers directly without having the intermediation of the field workers.

According to the guidelines (RBI, 2006) the Business Correspondents can carry out services like (i) identification of borrowers and fitment of activities; (ii) collection and preliminary processing of loan applications including verification of primary information/data; (iii) creating awareness about savings and other products and education and advice on managing money and debt counseling; (iv) processing and submission of applications to banks; (v) promotion and nurturing Self Help Groups/Joint Liability Groups; (vi) post-sanction monitoring; (vii) monitoring and handholding of Self Help Groups/Joint Liability Groups/Credit Groups/ others; (viii) follow-up for recovery; (ix) disbursal of small value credit; (x) recovery of principal/collection of interest; (xi) collection of small value deposits; (xii) sale of micro insurance/mutual fund products/pension products/other third party products; and (xiii) receipt and delivery of small value remittances/ other payment instruments.

From the above list it is quite evident that the aim of the BC model is to develop and sustain the association between unbanked populace and the formal financial system. The principle advantage lies in the fact through Business Correspondents, on the one hand, banks get considerable reach to the rural population without physical presence in terms of branches while on the other people in rural and remote localities get easy access to basic banking facilities at their doorstep. Khan (2012) observes that BCs can bridge the gap between the service providers (the banks) and the service seekers (clients) who are under-served and unbanked; and this model has evolved to counter the scarcity of required manpower to reach all people in the current banking system. The model is considered unique because of its reach and scale, the quality of the services provided, and the technological platforms that have enabled these services (Kumar, Nair, Parsons & Urdapilleta, 2006). The concept is however not new and has been successful in many countries including Brazil. “With close to 400,000 banking correspondents as of November 2013, Brazil has the largest agent network in the world. The number of banking correspondents in the country has grown exponentially over the past decade, while the number of bank branches has remained relatively constant. Regulation favourable to the using data from a national survey in Brazil, we find that Brazil has largely overcome the distance barrier to financial access, and a majority of Brazilians-67% of the population-now pay at least one bill at an agent” (Stanford, 2013). Diniz, Birochi and Pozzebon (2012) presented a case study of financial inclusion in Autazes, a county in the Amazon region not served by banks until 2002, when a correspondent started its operations there. Since then, Autazes has experienced economic and social changes, due in part to government social benefits and other banking services delivered at the local level. The results of the field study in Autazes suggest that financial inclusion through the correspondents’ process positively contributes to local socio-economic development However, success stories are not replete and several problems crop up while operating through this model. These need deliberations so as to sort out the thorns in the bed and ensure the desired goals.

Problems and Challenges in the Business Correspondents Model

The characteristics of many programmes for social welfare through social banking and inclusion drives are that after formulation, most of them are not pilot tested for their viability and the externalities that cause hindrances to these schemes. Usually after introduction of these schemes, which are also geared up by political considerations, there is a thrust from the government for rapid expansion and quick delivery so that time bound targets are achieved and can be exhibited as success milestones. In this pursuit for quantitative targets, the qualitative aspects are not much emphasized upon and the inherent problems in the systems of governance and delivery of inclusion schemes remain undetected or even ignored. The problems which occur at the micro level of the administration of the schemes are realised much later, usually when there is very little avenue for rectification and then the only way out is to withdraw these schemes or replace old wines in new bottles. The cases of IRDP (Integrated Rural Development Programme), MWS (Million Wells Schemes), SGSY (Swarnajayanti Gram Swarojgar Yojana) are illustrations of the aforesaid phenomena.

The BC model instituted in 2006 with the objective of enhancing financial inclusion by bringing the banker to the doorstep of clients is relatively new, but has ambitious targets ahead. Being a system where a network of bankers, BC entities and the individual BCs and technology partners it is not often easy to ensure that all these parties work in perfect coordination for satisfactory service delivery. Some research has been conducted in this respect and the findings point out at the hindrances which do affect smooth operability of the model.

Kaur and Sure (2013) found that BC agents authorised by an aggregator company are not functional even after 6-8 months because banks have not yet activated the user accounts. They also reported that existing customers are unable to transact due to various technical and connectivity issues which have to be resolved either by the bank or the BC company. This has lowered the transaction rate as well as customers’ interest towards banking through agent outlets. Moreover the BC companies are unable to fix the technical issues as they are busy with expansion plans. At the same time, banks are not cooperative as they do not see high volumes of business through the BC channel.

The RBI working group (2009) under the chairmanship of Vijay Bhaskar examined the experience to date of the business correspondent (BC) model and reported that “as almost all BC transactions are cash based, the flow of cash with BCs has been highlighted as the biggest issue. Besides the logistics of handling large volumes of cash, it leads to increased costs and added operational risks.”

The working group also reported that "beneficiaries of BC services are mostly illiterate and susceptible to misguidance. Further, at times, clients tend to perceive the BCs themselves as banks and as not functioning on behalf of the banks." The working group also commented on the earnings of the business correspondents and reported that "The commission paid by banks to the BCs is not considered adequate for a viable business model. There are costs involved in staff salaries, trainings, etc. for which the current compensation structure is not generally adequate. A majority of BCs have reported losses and some of them have even suspended their operations."

CGAP report (2012) revealed that the existing regulations do not allow sufficient flexibility for the BC arrangement to be viable. It argued that most of the banks have not really encouraged and promoted the BC banking channel, as required. More pertinently, it observed that the majority of the no-frills accounts opened under this model were not operational.

FICCI's Report (2012) highlighted problems regarding the recruitment of BCs and reported that that although RBI permitted different categories of individuals to work as BCs, the number of BCs engaged are not adequate. Further highlighting the aspect of non-professionalism in BC entities the report states that they are mostly irregular in the maintenance of records and delay the processing of loans. The Grameen Foundation (2013) found that the BC model in India is far from attaining business viability or sustainability. Their investigations suggested that policies and regulations, lack of sufficient margins, varied motivations of the banks were the main reasons for the lag in the development of a sustainable BC model. Regarding the number of transactions by the BCs, which has a bearing on the extent of financial inclusion and income of the BCs, a study by Chen and Thoumong (2012**)** revealed that average transactions per day for customer service points (CSPs) – another name for agents – were 25 per day. Brazil showed 157 transactions per day, and Kenya showed 87 transactions per day in 2010. The Nachiket Mor Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (2013) reported that in March 2013, there were 2,21,341 business correspondents engaged by banks, having grown by 548 percent since 2010. However, the fraction of them actively transacting was very low, particularly in rural areas and low-income urban neighbourhoods where they are most needed and alternate channels such as ATMs are not available. This has resulted in an absence of financial viability and several have now started to shut down.

Similar problems are being noticed in West Bengal and needs to be deliberated on and addressed. For this purpose micro level studies are necessary specially focusing on the individual business correspondents who work in the field. This paper attempts to take up this task and examine the problems in some areas in this state.

Objective of the Study

Based on the discussions made above, this study attempts to understand and gauge the problems of the individuals appointed by BC entities to work in rural, semi-urban and urban areas of the districts of Darjeeling, Jalpaiguri, and Coochbehar. These districts with three other districts are known as North Bengal. These districts have very low financial inclusion as indicated by Chattopadhyay (2011). His study found on the basis the three dimensions – penetration, availability and usage**)** that the index of financial inclusion (IFI) for the districts in North Bengal were as follows**:** Darjeeling 0.14, Coochbehar 0.05, Jalpaiguri 0.03, Malda 0.05, Dakshin Dinajpur 0.03, and Uttar Dinajpur 0.02. Considering this dimension it becomes important to study the efficacy of programmes and systems for increasing financial inclusion in this region. The reasons for restricting the study to three districts are based on the constraints of finance and time for carrying out surveys.

The specific objectives of this study are

(i) To find out what functions BCs actually perform in the field and importance of the functions as perceived by them.

(ii) To assess the problems inherent in the systems and the difficulties encountered by the field level workers through Importance Performance Analysis.

(iii) To gauge the financial benefits those accrue to the field level BCs from their operations and assess the viability of the financial inclusion strategies in this respect.

Methodological Issues

The study has been conducted through extensive field survey. After a series of interviews and discussion with bank personnel, BC entities and field workers, a structured questionnaire was prepared and administered to about 300 BC field workers in different blocks in the three districts. 244 responses were found to be in order and were processed.

In assessing the expectations and actual perceptions of the field workers regarding the various aspects of operation as BCs the Importance Performance Analysis technique was used. The concept of IPA was first introduced by Martilla & James (1977) to evaluate services based on the assumption that satisfaction is affected by the importance of an attribute and perceived performance of that attribute. This tool has been widely used by Hawes and Rao (1985) for measuring the performance regarding developing health care marketing strategies; by Ennew, Reed and Binks (1993) for measuring the service quality; by Go and Zhang (1997) for measuring the importance and performance of Beijing as an international meeting destination; by Nale, Rauch and Wathen (2000) for measuring the importance of curricular assessment tool in a business school; by Skok, Kophamel and Richardson (2001) to measure the success of diagnosing information system in the health club industry; and by Wong, Fearon and Philip (2009) to evaluate the performance of E-government in Malaysia.

IPA uses a three step process either to develop a new managerial process/procedure or evaluate an existing process/procedure. First a list of service attributes or features is identified through survey of literature, focus group interview or expert opinion and two dimensions are compared to find out the differences between expectations and performance.

Dimension I – Importance

How do field workers perceive the importance of a particular feature of the operation, i.e., how important is it to have training from the bankers and the BC entities, how important is to have good relationships with the bank personnel and beneficiaries, how important is to have good technical equipment and connectivity, is getting of commission and salary at the right time and adequate amount important etc.? In total 32 operational indicators (items) were used for this study. The items were identified on the basis of various studies referred to in this paper and through extensive discussions, personal interviews with bankers, BC entities and focus group interview with field workers.

Dimension II – Performance

The second dimension of this analysis is how field workers perceive the actual or the actual performance of the indicators used in the previous dimension. This means whether the bankers or the BC entities have trained them adequately, whether good relationships are actually maintained with them by the bankers etc. In this case the same 32 indicators that were used in first dimension were used.

The difference in mean scores of importance and performance was statistically tested through paired t test.

These scores are then plotted on a graph with importance as one axis [Y axis] and performance on the other [X axis]. By plotting the numerical results in this way the items are sorted into a 4 cell typology.

Four quadrants namely “Concentrate Here”, “Keep up the Good Work”, “Low Priority”, and “Possible Overkill” are created.

Quadrant I (High Importance/Low Performance) is labeled ***Concentrate Here***.

Quadrant II (High Importance/High Performance) is labeled ***Keep up the good work.***

Quadrant III (Low Importance/Low Performance) is labeled ***Low Priority.***

Quadrant IV (Low Importance/High Performance): is labeled as ***Possible Overkill***

The following figure depicts the original IPA framework.

Fig. 1: IPA Framework

Quadrant-I High Importance Low Performance	**I** ***Quadrant-II*** High Performance High Importance
Quadrant-III Low Importance Low Performance	P ***Quadrant-IV*** Low Importance High performance

Source: J. Martilla and J. James (1977)

In this study the responses of BC field workers were recorded on a questionnaire incorporating five point Liker’s scale (where 1= not at all important, 5= extremely important) for recording the observations of the business

Table 1: Work done by BCs and perception of importance of the work done by them

Categories of Activities of BCs	*Performed Yes/No*	*Mean Score of perceived Importance*	*Rank*
(i) identification of borrowers	Yes	3.54	5
(ii) collection and preliminary processing of loan applications including verification of primary information/data;	Yes	3.62	4
(iii) creating awareness about savings and other products and education and advice on managing money and debt counselling	Yes	3.29	8
(iv) processing and submission of applications to banks	Yes	3.75	3
(v) promotion and nurturing Self Help Groups/ JLGs	No		
(vi) post-sanction monitoring;	Yes	3.24	9
(vii) monitoring and handholding of Self Help Groups/ Joint Liability Groups/ Credit Groups/ others;	NO		
(viii) Follow-up for recovery.	Yes	3.12	10
(ix) disbursal of small value credit	Yes	3.48	6
(x) recovery of principal / collection of interest	Yes	3.35	7
(xi) collection of small value deposits	Yes	4.22	1
(xii) sale of micro insurance/ mutual fund products/ pension products/ other third party products and	No		
(xiii) receipt and delivery of small value remittances and other payment instruments.	Yes	3.95	2

Source: Field Survey

correspondents. The scale used for all the statements in measuring the performance of various items available was also five point (where1= very poor performance, 5= very good performance). The questionnaire design follows the SERVQUAL (Parasuraman, Zeithaml & Berry, 1988) instrument (Reliability, Assurance, Tangibles, Empathy and Responsiveness). Scores of each statement were summated for all the respondents and the mean score was reported. On the basis of the mean score of importance and mean score of performance the items were also ranked. As information on the various multi-item constructs represents the different components of service quality and customer satisfaction, therefore they were first tested for reliability and validity by computing Cronbach's Alpha values. Using Cronbach coefficient a, internal consistency for the attributes was estimated as 0.798 for Tangiblility, 0.776 for Reliability, 0.812 for Responsiveness, 0.741 for Empathy, and 0.803 for Assurance. Usually a reliability coefficient above 0.70 is considered sufficient for exploratory studies (Nunnally & Bernstein, 1994). The reliability values were all above 0.7. Thus it can be inferred that the measures used in this study are valid and reliable.

The data for the analysis were generated by administering two sets of questionnaires each to a sample of 244 BC field workers in the districts of Darjeeling, Jalpaiguri, and Coochbehar. The BCs of State Bank of India were not included in the survey as their BCs and their operations were through fixed location kiosks and they were not required to travel with HHTs in different locations.

Findings of the Study

The first portion deals with the work performed by the BC field workers. The categories of work were made according to the RBI guidelines (2006). Here a five point Likert's scale (where 1= not at all important, 5= extremely important) for recording the observations of the business correspondents. The following table shows the work done and the importance of the work done by them.

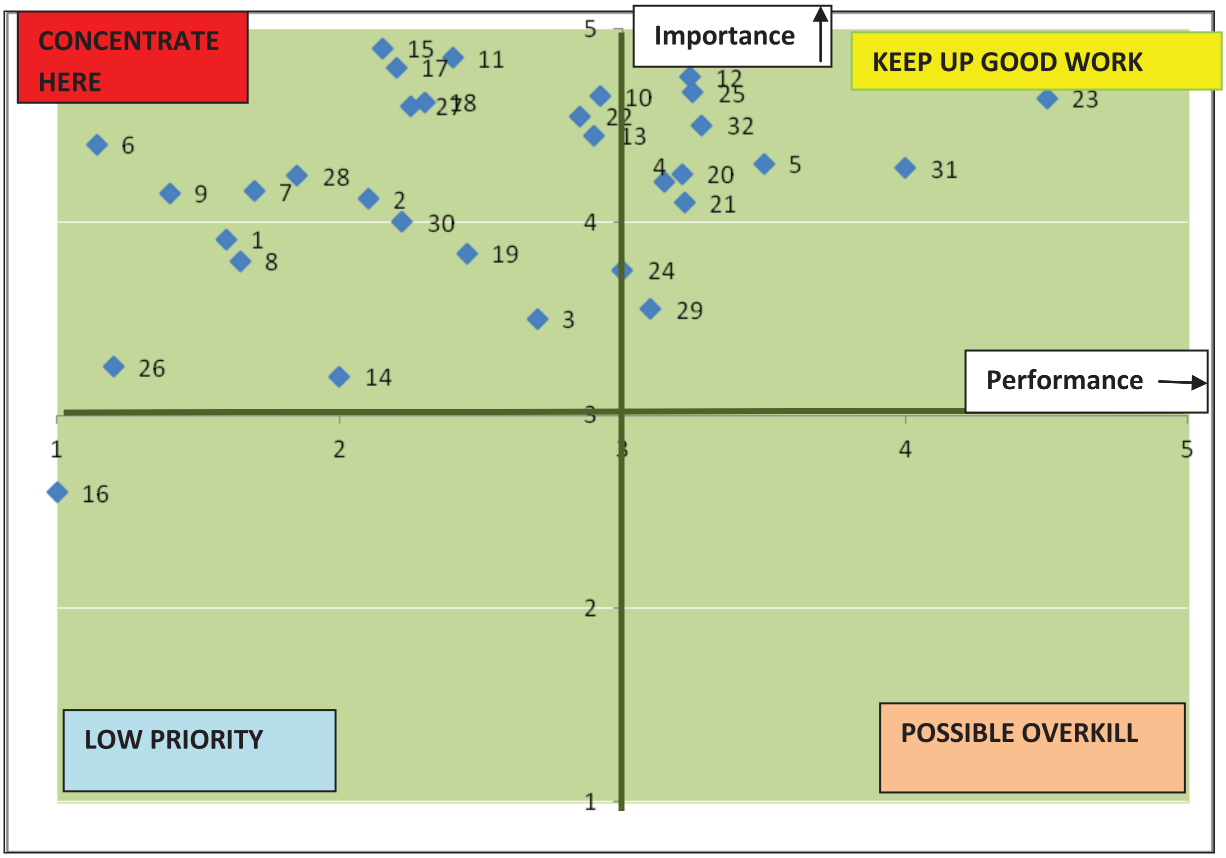
Table 1 is self-explanatory. There are three activities which the field workers have not taken up yet. The most important activity is collection of small value deposits. Regarding processing and submission of forms, the importance has been noticeable especially after the

Table 2: Importance –Performance Analysis of Operational Aspects of Business Correspondent Field Workers (n=244)

Items	*Importance (I)*		*Performance(P)*		*Difference*	*t-values*
	Mean Score M_I	*Rank*	*Mean score M_P*	*Rank*	*$(M_I - M_P)$*	
A. Tangible						
1. Training from BC Entity or Bank	3.91	25	1.60	28	2.31	6.92*
2. Support from Technology Vendor	4.12	21	2.10	2	2.02	8.45*
3. Disclosure of terms of service	3.50	30	2.70	15	0.80	5.64*
4. Utility of Hand Holding Machine	4.21	18	3.15	9	1.06	12.24*
5. Utility of Smart card	4.30	14	3.50	3	0.80	4.24*
6. Availability of smart card on time	4.40	13	1.14	31	3.26	7.12*
7. Biometric evidence recording	4.16	19	1.70	26	2.46	8.40*
8. Passbook facilities for customer	3.80	27	1.65	27	2.15	7.68*
9. Digital connectivity	4.15	20	1.40	29	2.75	9.40*
10. Quality of the technical instruments	4.65	6	2.92	12	1.73	6.24*
B. Assurance						
11. Remuneration Amount	4.85	2	2.40	17	2.45	9.28*
12.Disclosure about the remuneration calculation system	4.75	4	3.24	6	1.51	7.29*
13.Disclosure about the Commission calculation system	4.45	12	2.90	13	1.55	2.09**
14. No of savings transactions	3.20	31	2.00	24	1.20	3.79*
15. Income from BC operation	4.90	1	2.15	22	2.75	5.69*
16. No of loan transactions	2.60	32	1.00	32	1.60	8.88*
17. Regularity of commission	4.80	3	2.20	21	2.60	9.64*
18. Regularity of reimbursement of different Expense of BC	4.62	8	2.30	18	2.32	8.64*
19. NPA recovery transaction	3.84	26	2.45	16	1.39	3.42*
20. Permanence of service	4.25	16	3.21	8	1.04	2.42*
III. Responsiveness						
21. Support from BC Entity	4.10	22	3.22	7	0.88	1.99**
22. Co-operation and advice from bank personnel	4.55	10	2.85	14	1.70	1.92
23. Regularity of payment from bank for customer transactions	4.64	7	4.5	1	0.14	2.06**
24. Documentation support at the base branch.	3.75	28	3.00	11	0.75	2.24**
IV. Reliability						
25. Reliance of customers on BC	4.67	5	3.25	6	1.42	2.91*
26. Area coverage by BC should be based on the GP not on the basis of service area approach to cover whole area.	3.25	30	1.20	30	2.05	1.82
27. BC should be free from political intervention	4.60	9	2.25	19	2.45	1.97**
28. Customer grievance redress support at the base branch	4.24	17	1.85	25	2.39	2.42*
29. Distance to be travelled	3.55	29	3.10	10	0.45	2.12**
30. Overnight cash remittance system	4.00	23	2.22	20	1.78	0.84
V. Empathy						
31. Relationship of customer with BC	4.28	15	4.00	2	0.28	1.28
32. Relationship between BC and Bank manager	4.50	11	3.28	4	1.22	3.64*

Source: Field Survey, Note: * denotes significance at 1% level and ** denotes significance at 5% level.

Fig. 1: Importance Performance Analysis Graph (From Table 2)



institution of the Jan-Dhan scheme by the Government of India.

In the second part of the study, Importance- Performance Analysis has been carried out. Table 2 depicts the mean scores of importance and performance of different indicators of operations of business correspondents.

The figures in Table 2 exhibit a wide difference in perception of importance and perception of performance in many cases. Most of these differences have been found to be statistically significant on the basis of a paired t-test. The mean scores when plotted in an Important-Perception scatter graph brings out the areas where much more concentrated efforts are necessary. The graph is shown in Fig. 1.

It is clearly visible from the graph that 22 out of 32 operational indicators fall in the first quadrant, i.e., the area which has been designated as 'concentrate here'. However, it is also encouraging to find that there are at least nine indicators in the second quadrant signifying some good work is being done. The primary deficiency lies in the 'tangibles' category where 9 out of 10 indicators need to be improved. Training from BC entity or bank, support from technology vendor, utility of Hand Holding Machine, availability of smart card on time, digital connectivity etc. are perceived to be much below in terms of performance. Further, operational indicators relating to amount of remuneration and income, disclosure about commission calculation system are not up to the expectations of the field workers.

In the third part of the study, the item ranked 1 (i.e., income from BC operations) on the basis of importance perceived by the field workers were taken up for further analysis. In this case a wide gap between importance and performance was noticed. The ranking in terms of performance is 27. In analysing the income of the field workers, their remuneration per month (ranked 2 in terms of importance and 20 in terms of performance) and commission (regularity of commission ranked 3 in terms of importance and 26 in terms of performance) were taken into account. Data regarding their remuneration, commission, expenses were collected from 97 field workers who were earlier administered questionnaires.

Table 3: Average Income of BC Field Workers Per Month (All Figures Are in Rupees)

Particulars	*BC field worker in Urban areas*	*BC field worker in Rural areas*
Remuneration per month	1200	2000
Income from commission	500	500
Income from smart card (one time)	450	600
NPA recovery commission	240	360
A. Total income	2510	3400
Conveyance charge	430	500
Stationery charges	100	100
Internet charges	210	210
Tiffin expenses	300	400
B. Total Expenses	1040	1210
Net income	1470	1190

Source: Field Survey. (Notes: Commission on smart card-Rs.3 per card issue. NPA recovery commission-varies from 1%-6%, usually there is a commission of Re 1 on each transaction of more than Rs.50.)

The other field workers who were included in the sample could not be contacted. Out of this 97 field workers 56 belonged to rural areas and 41 in urban and semi-urban areas. Table 3 has been prepared on the basis of averages of the items. Though there are dispersions, they are not very wide and therefore have not been reported. The average figures are taken to be indicative of the status of income of the field workers. Table 3 shows the average incomes.

The figures shown in Table 3 are not very encouraging. BC workers have opined that their low incomes do not motivate them to carry out their activities. Further, payment of remuneration and commission are not regular, i.e. these payments are made even after four to five months. The manner in which the computations of commissions are made is often not disclosed.

Conclusions

The aspects of operations of BC field workers in North Bengal as investigated in this study portray that the efforts towards financial inclusion are still in a beginners' state. Policies and programmes are usually spelt out with abundant zeal, but it is on the smooth operations of the micro gear wheels that the whole show actually runs. BC field workers have joined the mission with expectations, but if the performances as perceived by them do not live up to their expectations and the pecuniary benefits remain to be low and irregular, the dream of achieving 100% financial inclusion by January 1, 2016 for each Indian resident, above the age of eighteen would be far from being materialised. The operational aspects need to be deeply examined and re-examined in different demographic and geographic contexts and transparent operational guidelines need to be drawn up. Improvements are needed in the following respects.

- Increasing awareness of beneficiaries about long term financial inclusion benefits and bringing to their knowledge how this can be achieved through frequent interaction with the BC field workers. The beneficiaries must be made aware of the fact that it is not enough to just open a savings account under financial inclusion schemes such as Jan-Dhan and then sit back at home. It has to be comprehended that the findings of field research by College of Agricultural Banking, CGAP, and MicroSave where they have 75 percent of accounts opened and over 25 percent of BCs are dormant (Wright, Sharma & Sharma, 2013) are eye-openers to what actually happens if people lack financial education.
- Enhancing the efficiency and effectiveness of the technology used, i.e. the hand held machines, digital connectivity, availability and quality of smart cards, biometric evidence recording systems, not only by supplying quality machines by the technology partners, but

also by providing effective training to the field workers in handling these equipment.

- Ensuring regularity of income and adequate income to BC field workers. This can be done by a combination of three strategies: (i) enhancing the commission rate per transaction, (ii) increasing the number of transactions, which is possible by enhancing the technological aspects of operations, and (iii) prompt disclosure and documentation of remuneration rates and process of computation of commission on account of transactions and NPA recovery.
- Reduction in the service area of BC field workers and providing cheap transportation systems such as bicycles, mopeds, and provision of transaction kiosks where the number of customers are large.
- Understanding and appreciation of the BC model by all parties concerned, i.e., the banks, BC entities, local self-governments are the sine-quo-non for success of these programmes so that micro level strategies for financial inclusion drives can be made in a coordinated manner.

The BC model can be a powerful mechanism for attaining 100% financial inclusion, however the operational mechanisms need to be sharpened and the hard fact to be realised that it is not sufficient to open hundreds of no-frill accounts and leave them to be dormant over a period of time. The key word of financial inclusion is continuity of access and use of financial services which can be ensured through business correspondents.

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