

Financial Inclusion for Female Entrepreneurs to Increase Sanitation in India's Urban Slums

Ongoing

Background:

Financial exclusion and poor sanitation are urgent social and economic development issues in India. India is home to 21% of the world's 2 billion unbanked and underbanked adults. Financial exclusion disproportionately affects the poor in India. Compared with 59% of adults in the richest 60% of households, only 44% of adults in the poorest 40% of households have bank accounts (Demirguc-Kunt, 2015).

Regarding sanitation, India accounts for 600 million of the nearly 1.1 billion people worldwide who regularly defecate in the open due to the absence of sanitation facilities. The problem is especially acute in India's dense urban environments. Because of economic instability, families are using their scarce resources to meet basic needs such as food and housing and often cannot afford to regularly utilize clean and proper sanitation facilities. Poor sanitation, in turn, increases risk of infectious but preventable diseases including cholera, typhoid and hepatitis. When family members fall ill to these communicable diseases, they are unable to work, which can heighten economic uncertainty and can pull a family into more chronic and extreme poverty.

This reciprocal relationship between economic insecurity and poor sanitation can be a continuous spiral that leaves families in both poor financial circumstances and poor health. Because of the enormous number of people affected by these challenges, the national government has recognized financial inclusion and access to clean sanitation facilities as catalysts for further economic growth and social development in the country.

Implementation Partner(s):

Samagra

Research Core(s):

Economic Security
Financial Inclusion

Activities and Collaborations:

Samagra forms partnerships with municipal agencies as well as financial institutions to create a community center and a "one-stop shop" for residents. Samagra's reward model that uses community toilets as a channel for user engagement to promote hygienic behavior as well as a hub of commerce including services and accessibility to financial products.

GSDI has been working with Samagra since 2014 to address critical social, health and economic challenges in Pune's urban slums. This partnership was formed to develop and evaluate effective and scalable interventions that advance economic stability for families living in the poorest slums in Pune and surrounding communities.

Next Steps:

Samagra and GSDI are proposing to scale-up the program's community-based "one-stop shops" to improve take-up and usage of formal financial services and clean community sanitation facilities. The project leverages the expertise of Samagra and GSDI in tackling the role of financial and sanitation exclusion on economic security.

