

Researchers

Kate Glynn-Broderick
Associate Director, Financial Inclusion Program

Zaki Wahhaj
University of Kent

Maliha Rahanaz
University of Kent

Timeline

2019-2021

Sample Size

5,000 government cash transfer recipients

Research Implemented by IPA

Yes

Surveys to Improve Cash Transfer Delivery in Bangladesh

Abstract

Digitizing government cash transfers may boost usage of formal financial services among vulnerable households and women's economic empowerment, but poor delivery of these digital transfers could increase the risks that beneficiaries face. In this project, IPA is partnering with Aspire to Innovate (a2i), in Bangladesh to understand how beneficiaries, particularly women, are notified of and receive their payments. These findings can help increase state capacity to proactively monitor and identify difficulties at scale.

Policy Issue

Government cash transfers are an important source of income for many households living in poverty, and digitizing these payments offers a unique opportunity to improve program quality and overall usage of formal financial services, especially among women. Digital payments can also provide women with greater privacy and control over their incomes by facilitating savings and employment decisions.¹ However, digital finance comes with risks: prior research has also found that low-income households are particularly vulnerable to abuse and risks when using new and unfamiliar technologies.² As government agencies digitize programs focused on vulnerable people, developing in-house expertise and systems that focus on monitoring multiple aspects of the user experience becomes increasingly relevant to improve program design, delivery, and beneficiary outcomes. Rigorous data collection can help organizations improve the delivery of cash transfer programs and monitor their performance over time.

Context of the Evaluation

As of 2018, the government of Bangladesh spends US\$5.8 billion on social programs—about 2 percent of the country's GDP.³ In 2015, the government began experimenting with digitizing the cash-based payments it makes through its 110 social safety net programs. A report on beneficiary satisfaction found that most beneficiaries viewed the processes for cash disbursement as cumbersome, unpredictable, inconvenient, and open to fraud. Improving the delivery of payments could make these social safety net investments more effective.⁴ The onset of the COVID-19 pandemic in 2020 accelerated the government's digitization of social safety net transfers.

IPA is conducting four rounds of phone-based and in-person surveys with 3,000-5,000 households per survey round. The objective is to understand participants' experiences with digitization, prior program experience, financial capability, and financial health.

During this project, several events have changed the process of distributing payments to beneficiaries. During the second round, IPA updated our research methodology to include a COVID-19 module with household indicators related to the pandemic and questions on a2i's new digitalization process depositing payments into either mobile financial service (MFS) accounts or bank accounts. Now IPA will incorporate findings from our previous rounds of surveys into new research interventions.

Our latest survey round describes low mobile phone ownership—38 percent of respondents own a mobile phone—and low literacy rates—22 percent can read or write. This is coupled with low usage of mobile financial services accounts, suggesting a need for concerted efforts toward raising awareness of social security benefits for low-literacy populations.

Details of the Intervention

There will be two proposed interventions to increase beneficiaries' knowledge of mobile money accounts and features:

1. Circulation of posters designed specifically for illiterate populations which will provide information regarding mobile money account features. The posters allow the information to reach homes and potential clients who may not otherwise visit the MFS agents. The posters serve as a constant reminder about available services whenever an MFS client operates the mobile money account.
2. Video messages in the local dialect highlighting the key aspects of mobile money accounts, specifically on (1) cash-in (Deposit Money), (2) cash-out (withdrawals), (3) send/receive money, (4) paying bills, (5) PIN safe-keeping, (6) avoiding illegal fees charged by the agent

Beneficiaries will be randomized at the union level, such that beneficiaries in each area will receive one of the following treatments: (1) Video + Poster. (2) Video only. (3). Poster only or

(4). No treatment. Data on specific outcome variables will be collected through phone surveys of 3,000 randomly selected G2P beneficiaries, before and after the treatment.

These interventions will allow researchers to understand whether removing barriers to information increases demand for mobile financial services among the poorest G2P payment beneficiaries.

It will also provide policymakers in a2i, the Department of Social Services (DSS) of Bangladesh and Ministry of Social Welfare (MSW) with information about the state of awareness and usage of mobile financial service (MFS) accounts and allow them to assess the impact of this shift to digital payments.

A2i will continue to regularly adapt and implement the short version phone survey after the completion of this project. As part of this process, IPA will co-create a learning agenda with a2i to identify other sources of data and establish a set of indicators which will compliment phone survey data to meet a2i's objective of addressing the long-term needs of these beneficiaries.

Results and Policy Lessons

Project ongoing; results forthcoming.

Please read these blog posts about the work ([here](#), [here](#), and [here](#)) and review a2i's latest webinar [here](#).

To find out more about how this study is contributing to A2i's learning during the pandemic, please visit the Research for Effective COVID-19 Responses (RECOVR) Hub [page](#).

Sources

[1] William Jack and Tavneet Suri, "[The long-run poverty and gender impacts of mobile money](#)," *Science* 354, no. 6317 (December 2016).

[2] Michelle Kaffenberger, Kate McKee, and Jamie Zimmerman, "[Doing Digital Finance Right](#)," CGAP Focus Note (June 2015).

[3] World Bank. October 28, 2018.

<https://www.worldbank.org/en/news/press-release/2018/10/28/world-bank-helps-bangladesh-modernize-cash-transfer-programs-for-poor>.

[4] Baur-Yazbeck, Silvia, and Joep Roest. "The Future of G2P Payments: Towards an Integrated Infrastructure in Bangladesh." Washington, DC: CGAP, 2019.

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