

Issue Briefs

Climate Resilience through Risk Transfer (RES-RISK) Project



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Issue Briefs and Case Studies of

Climate Resilience through Risk Transfer (RES-RISK) Project

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“The opinions, analysis, interpretations and recommendations expressed herein do not necessarily reflect the view of the Swiss Agency for Development and Cooperation (SDC)”.

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Abbreviations

CBMAS	Community-Based Mutual Aid Schemes
ChAT	Choosing All Together
GPCC	Global Programme Climate Change
IRDA	Insurance Regulatory and Development Authority
MIA	Micro Insurance Academy
RSBY	Rashtriya Swasthya Beema Yojana
SDC	Swiss Agency for Development and Cooperation
SHG	Self Help Group
TAT	Turn-Around-Time
VAS	Value-Added Services

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Section 1: Issue Briefs

1

Building on informal arrangements and reciprocity to enhance acceptance of Community-based microinsurance

Undoubtedly, insurance can play a major role in increasing the resilience of vulnerable communities to health, agricultural and climate risks. The two main policy instruments to promote insurance uptake are providing heavy subsidies, and linking insurance to loans and inputs such as seeds or fertilizers for crop insurance. But these policy instruments have left most people in developing countries uninsured because the majority lives in the informal and rural sectors. A large proportion of untaxed informal sector limits the states' ability to provide forever insurance to most people mostly for free. On the other hand, it is impossible to mandate insurance outside the formal sector and reaching most of the people. These limitations in providing adequate risk coverage to this large proportion of population suggest that voluntary insurance can be more feasible in the informal sector. The uptake of voluntary insurance is greatly determined by the social fabric of this section of society.

In fact, this issue brief illustrates with evidence that building on established social networks and informal arrangement offers an opportunity to facilitate voluntary uptake.

Coping mechanisms in informal rural economies

Vulnerability inordinately affects poor people and they trench very far in poverty due to adversities such as bad health, accidents, crop failure and/or death of a livestock. Therefore, policies for poverty reduction are increasingly linked to understanding risk, households' response to the risk, and coverage by and lacunae in existing measures. Over the past few years, this recognition has resulted in an extensive interest of policy-makers in the impact of risk and vulnerability on poor households. For many households, efforts at improving one's financial position through steady savings and productivity improvements is suddenly set back by one major crisis or a sequence of smaller shocks. Some households endure the crisis well, supported by access to financial and other markets, informal social networks and other mechanisms that provide effective insurance against risk.

Our particular interest here is the rural communities which form and depend highly on social networks; they have developed norms and informal institutions that attempt to reduce risk. In the absence of well-functioning insurance and credit markets, the poor turn to informal institutions for ex-ante (before the realization of a risk) risk mitigation and ex-post (after the realization of a risk) coping mechanisms. Social networks have been identified as loci of risk sharing.

During interviews with people we understood that finding it hard to battle the vulnerabilities in isolation, they situate themselves in extended social networks and secure a sense of backing when vulnerabilities befall. This is the reason informal arrangements run deep in rural communities for informal risk mitigation. In-depth study in our intervention areas reveal that people frequently *orient* themselves to a group because it confers feeling of belongingness and support. And that is how the group begins to shape individual behaviour and decisions in unfamiliar matters, especially those that involve money or have financial implications.

Some of the informal reciprocal arrangements include loans, gift-exchange, rotating savings and credit among close-knit neighbours, families and groups during adverse conditions. The underlying message that runs throughout the communities is that the remedy requires the agreed upon *contributions* to be made by all the community members in order to safeguard themselves against risks. On examining our baseline data, we understood that though borrowing from moneylenders is more prevalent coping mechanism, it is the social networks that are first approached in need. Though the financial capacity of each of the members is limited, 34.6% of loans taken by interviewed people in Beed (Maharashtra), 20.4% in Muzaffarpur (Bihar) and 33.9% in Vaishali (Bihar) were taken from these social networks. As much as these risk mitigation instruments collectively enable significant consumption-smoothing, they are limited in scope and scale. They fail to provide the necessary risk coverage

which often deluges the households in hardship financing as they have additional associated costs. *Recognizing the limited range and insufficiency of traditional risk management arrangements to provide a safety net against risks at an affordable price in an informal sector, appropriate risk management policy interventions need to be instituted.*

Insurance and its reach

Insurance is one of the safety measures that haven't reached the poor section of the population and are limited until now to those engaged in the formal sector and a few families living in relative economic prosperity. Before the RES-RISK project was implemented in Bihar (Vaishali, 2012, and Muzaffarpur, 2015) and Maharashtra (Beed in 2015), 22.9% of the targeted households in Bihar and 5.0% of those in Maharashtra (Beed) were insured. Lack of knowledge about insurance was the most common explanation for these low numbers. People who knew about insurance said the premiums were high and unaffordable (baseline data). After our intervention, almost half of the targeted households in Bihar (47.2%) and one-third in Maharashtra (32.8%) enrolled and are now insured through CBMAS.

In many developing countries, for the majority of insurance provided, the choice of products, channels of distribution and targeted beneficiaries rests with governments. An example of such a government programme is the basically fully subsidized health insurance scheme Rashtriya Swasthya Beema Yojana (RSBY). Despite large enrollment numbers, the scheme had little or no impact on impoverishment in India caused by health issues. Furthermore, the implementation of the scheme invites for fraud from the healthcare service side. RSBY has also been argued to have strained the government budgets and the enforceability of entitlements by the poor is still questionable. This necessitates that the nature of service required to be provided has to be demand-driven and based on contributions by the beneficiaries. The characteristics that mark in favour of voluntary affiliation have been that the provision of services is free of "red tape" and commensurate with needs of the people. But have markets been efficient for those who belong to the informal sector?

The market-driven insurance providers which offer voluntary affiliation emphasize on controlling the delivery of non-random, low-cost and high-frequency services, rather than understanding and controlling the risks; and so have preferred to deal only with high-income groups concentrated in few urban centres. Besides, the theories suggest that in a voluntary arrangement, likelihood of adverse selection is higher and in order to avoid it, the insurance companies identify different groups of people which are less exposed to the risk. Moreover, they charge different premium rates to participants depending on factors, such as age or medical history. This phenomenon also increases the already high transactions costs, undermining the uptake of insurance among poor. Thus, it is realized that market-based interventions

are not conducive to the poor and their capacity to pay; and communities themselves can best fulfil their bottom-up activity through voluntary affiliation. We understand this, with anecdotal evidences, in the next section.

Community-based approach to risk management

A *voluntary* scheme which *leverages on the existing social networks* and covers the risks without imposing an additional cost both in monetary terms or displeasing social relations has been proved to have an enhanced uptake among rural poor. Community-Based Mutual Aid Schemes (CBMAS) have been made piloted in rural areas of Bihar and Maharashtra, under the SDC-funded RES-RISK project.¹

During the intervention, it was also understood that the *dependence on group* is not just limited to financial risk management but also pertinent when it concerns seeking advice regarding financial or other unfamiliar matters. This explains why the decision to participate in CBMAS was taken mostly on group and not household level, which de facto enhances the uptake of insurance.

Information and decision influence

During CBMAS enrollments in the implementation locations Vaishali and Muzaffarpur districts in Bihar, we observed that for the buy-in decision, individuals sought confirmation from their groups and approvals of those whose opinions are valued. The social dimensions behind this, along with some testimonies are: Firstly, the individuals are responsive to the reference group out of a feeling of being engaged and determined to the outcomes of the group.

“All of us enrolled in the scheme. Be it any activity, we have always participated as a group.”

SHG Members, Tiranga, Muzaffarpur

Secondly, the contribution being a financial transaction (hence an important decision), elevates the need for scrutiny and validation from the group because none would want to lose faith in front of the community group. The third aspect is the informational influence; the individual will seek information from the group out of desire to make an informed decision.

“Our group leader gave us courage to be part of the health scheme when families of few of us dissuaded us to participate. We value her opinion. She has never given us any wrong advice. She said this scheme will be of great significance for our families.”

SHG Member, Jhansi ki Rani, Muzaffarpur

¹. RES-RISK is a project under the Global Programme Climate Change (GPCC) of the Swiss Agency for Development and Cooperation (SDC), implemented by BASIX and Micro Insurance Academy (MIA).

Lastly, the individuals also comply with the wishes of others in order to achieve rewards or avoid punishments; thus reckons useful to meet expectations of the group. The group members often will seek to impress the other members in order to be accepted by them.

Low transaction and information costs

Perhaps the defining feature of informal community-based arrangements is the interpersonal relations between members. These arrangements are often characterized by low information and transaction costs, since participants typically live in close geographical proximity and their economic circumstances (wealth, income, realizations of shocks) are, for the most part, easily observable. Rural communities and networks are a rather effective device because of presence of continuous and personalized relationships among community members that help create an interaction framework. Thus, *reputation effects* are at work. There are well-defined rules of operation among the members of the institution, which are very often *time-honored traditions*. Everyone's actions are observable by the others, and everyone has a perfect memory. This means that people can build a reputation for honest behavior.

Contracts, almost always unwritten, are found to be self-enforcing even in the absence of any sort of policing arising from a combination of effective peer monitoring, fear of social sanctions as well as repeated interactions over time between the same individuals.

Trust

While CBMAS was being offered, a great deal of effort has gone into improving people's knowledge about and attitude towards insurance. Some people had not heard about insurance and others had had bad experiences with commercial providers. Symbolic of the paucity of trust towards outsiders, people chose to resort to a system governed by representatives from among their own by expressing their willingness to participate in CBMAS.

The scheme is the community's own scheme. This is what I like the most about it. I have trust that none of us would be cheated and our grievances are heard. Apart from this, because this is my own scheme, I work with dedication for it.

Claim Committee member, Hajipur, Vaishali

I have taken insurance after understanding its benefits from NIDAN² only because this is not like other private insurances. I have a say here.

Om Shanti Group, Bidupur, Vaishali

² NIDAN is an NGO field partner of the RES-RISK project in Vaishali district, Bihar.

Therefore, community-based health insurance has been propagated as an option to extend access to health care of poor rural populations in countries lacking formal insurance markets because of the following reasons: (i) the contributory and voluntary nature of the scheme does not strain the tight government budgets; (ii) the scheme lead to a better flow of information between the participants and hence may involve less adverse selection and moral hazard; and (iii) the implementation overrules the knowledge barrier as the system involves greater participation of members for operation and governance of the scheme, suggesting a higher uptake.

Policy recommendations

In our assessment of factors affecting uptake of voluntary community-based health insurance schemes in our intervention areas it was found that demand-side factors (e.g. education, age, female household heads, and the socioeconomic status of households) positively affect enrolment in the scheme, and moreover, when individuals understand how their scheme functions and when people have a positive claims experience, they are more likely to enroll and renew. Likewise, (lack of) clarity about the legal or policy framework also acts as a factor influencing enrolments. This is significant, as it points to evidence that governments can effectively broaden their outreach to grassroots groups that are excluded from social protection by formulating supportive regulatory and policy provisions where no better alternative exists today, by leveraging people's willingness to exercise voluntary and contributory enrolment in a community-based health insurance.

Creating an enabling environment for community-based microinsurance

The Insurance Regulatory and Development Authority (IRDA) of India uses currently a narrow definition of microinsurance and promotes only certain the partner-agent insurance delivery model. Based on the considerations discussed in this issue brief and field implementation experience in India, we submit that community-based mutual aid schemes should be recognized as a microinsurance model. This mainstreaming should be followed by facilitation of their operation as part of other government programs, better client protection and increased resource mobilization from the private sector.

Supporting the formation/federation of groups

The social strength of “small is beautiful” is juxtaposed with the actuarial “big is beautiful” that aims to aggregate many people into a large risk pool. The larger the pool, the lower the variance of aggregated claims – one of the conditions to make insurance sustainable. It is possible to *integrate and formalize the smaller groups with similar interests* to create a bigger pool. This should reduce the costs of processing large volumes of information for the purposes of administration and quality control. However, creating such federated structures of multiple CBMAS requires changes in

the regulatory provisions. The experience of other countries can inform this change, provided that policy-makers take the lead in bringing about this change.

Building adequate knowledge and an amenable attitude towards insurance

Reaching large numbers is a shared objective of the CBMAS and the government. In view of the evidence that rural people tend to be informed by their peers, elder community members or local leaders, policy-makers could encourage the process of insurance uptake by supporting awareness campaigns. Stated differently, combine financial inclusion with financial protection, so that it can become a public good. And, in view of our experience and field evidence, we submit that *CBMAS can be engaged to play a key role in community mobilization*.

2

Offering microinsurance solutions that are relevant and demand-driven

In India, rural people consider coverage of frequent and low-cost health events as important as coverage of rare and high-cost events. Added up, the costs of frequent “low-cost” events are hardly distinguishable from rare high-cost events. That is why the RES-RISK project assesses the frequency and severity of both types of risks among community members. Once baseline data³ has been assembled, available, the benefits design process can unfold in a realistic context. Structured discussions include a simulation game called ChAT⁴. The outcome is a single benefits package, selected from among several proposals by consensus, to apply to all members of the Community-Based Mutual Aid Scheme (CBMAS). Community involvement in coverage design and choice promotes understanding of the entire process and strengthens demand for insurance among peers.

This issue brief contains a description of the logic and the process of involving rural poor in benefits package design. It also presents policy recommendations on how to articulate a link between such package design and insurance cover for expensive care.

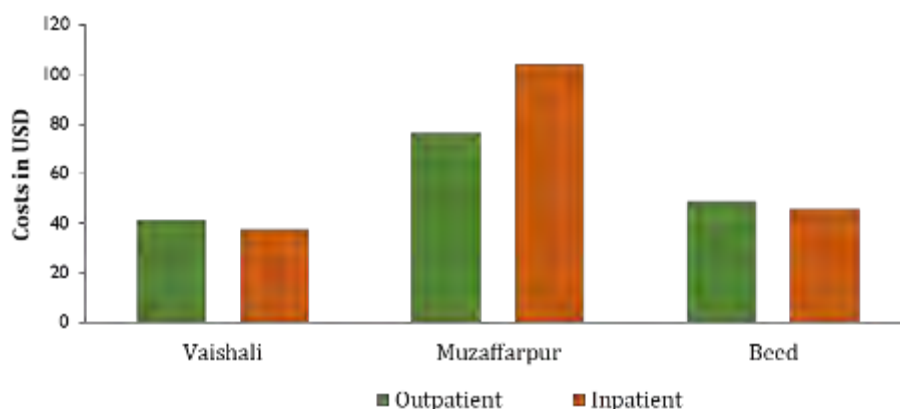
³Baseline surveys contain questions about frequency and severity of health events; this information is used for actuarial calculations of premiums of different benefits.

⁴ ChAT (Choosing All Together) is a pictorial depiction of community-leader shortlisted packages, from which community members are invited to choose and rank benefits with the aim of reaching consensus on package and the premium. This is a three-level decision-making process: individual, group and community.

In traditional insurance, high-frequency events are usually not covered because the medical costs are low but the administrative costs of processing many small claims are high. The archetypal example of rare and expensive care is hospitalization. Outpatient care (e.g., consultations, lab tests, imaging) offers the counterpoint, with higher probability and lower per-event costs. However, in Community-Based Mutual Aid Schemes (CBMAS) demand is created first by identifying community members' risks and consolidating willingness to pay for covering those risks. As part of the process, the community selects trusted locals to be trained as key actors in operations and oversight. As the costs of hiring locals are lower, the administrative costs of the CBMAS are lower and trust in local key actors higher. The implementation model (piloted in the RES-RISK project) includes two preparatory steps, namely data collection through a baseline survey, and package design exercise called ChAT. These steps bring out target-community risks and develop an affordable insurance solution tailored to their needs.

Field experience shows that target groups prefer to cover frequent events. This is understandable in light of the data on occurrence probability and distribution of the related costs. The baseline data collected in Vaishali (2012) and in Muzaffarpur and Beed (2015) confirmed that what households paid for outpatient care was sometimes almost identical to hospitalization costs (stays exceeding 24 hours). Comparison of in-patient and out-patient costs is shown in Figure 1.

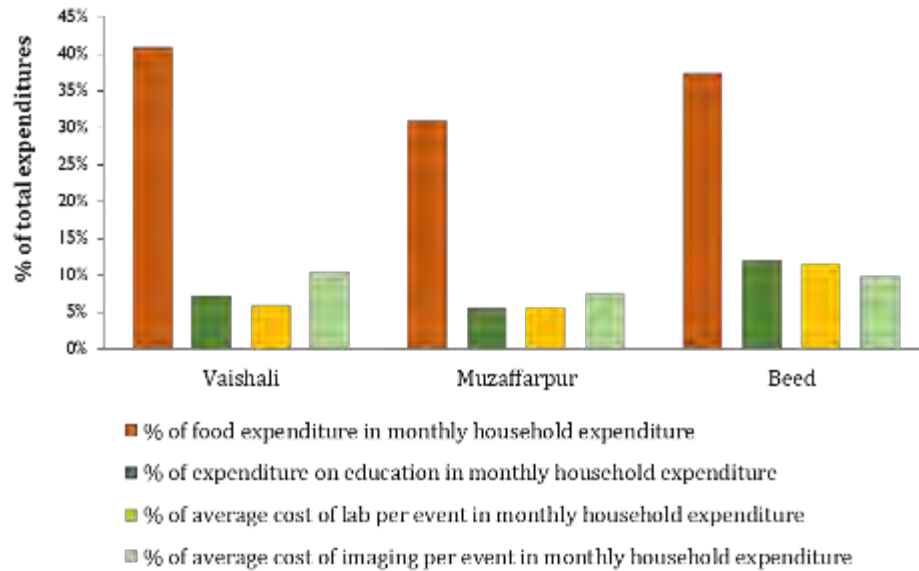
Figure 1: Outpatient and hospitalization costs



Source: Baseline surveys

The CBMAS members chose to include insurance coverage for lab tests and imaging. The baseline data also revealed that the average cost of these events was reported to be very similar to what households spend on education. If such an event occurs, it competes with that household's education budget (Figure 2).

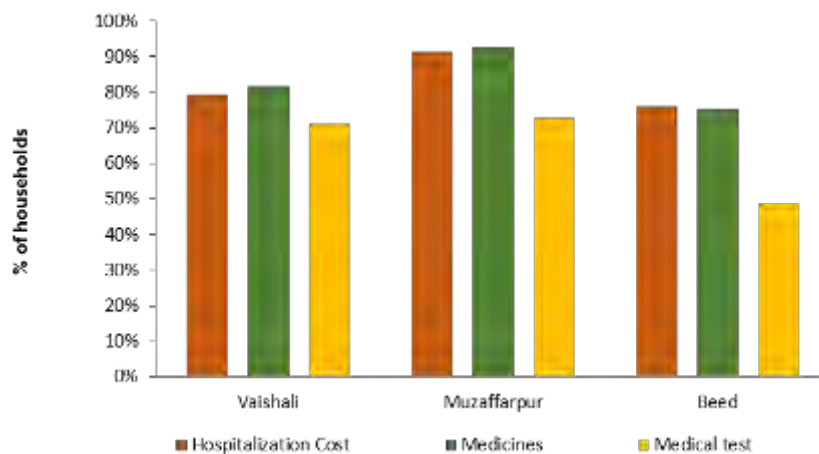
Figure 2: Miscellaneous monthly expenditures compared to per event costs of lab and imaging (as percent of total costs)



Source: Baseline surveys

Perceiving the cost of tests and medicines as comparable to hospitalizations, respondents in Vaishali, Muzaffarpur, and Beed wanted to include them in their package (Figure 3). However, they could not because it would have made the premiums unaffordable. Thus, CBMAS does not offer cover for outpatient medicines.

Figure 3: Community-preferred insurance benefits (source: Baseline surveys)



Community engagement in package design

Baseline data informs people self-reported past experiences. However, the community does not have the analytical results when it selects a benefits package, and consensus between peers is reached by direct exchanges of information on the benefit types to include (e.g., hospitalization, lab tests, imaging, wage-loss, transportation) and on the maximum amount of benefits (caps) they agree to pay. ChAT is a pictorial representation of several options, which simplifies group discussions of benefits packages and facilitates community consensus.

In Vaishali, community members traded off a package with a lower premium and higher caps for a package that includes consultations. In Muzaffarpur, the community rejected benefits packages that offered only inpatient-related benefits (hospitalization + wage loss + transportation to hospital); they also overruled an option with hospitalization and imaging, in favor of an option including lab tests, imaging and hospitalization, even though it carried a slightly higher premium. This package choice suggests that the community prefers cover of frequent (low to medium) healthcare costs. In Beed, community representatives pre-selected four packages that included frequent events; the only difference across the packages was variation in caps, and corresponding variations each person's annual premium.

The analysis highlights a fundamental difference between insurance providers' and policyholders' preferences. Insurers prefer to cover rare, high-cost events, and not frequent, low-cost events that can unleash an avalanche of small claims and high administrative costs, moral hazard and fraud. In contrast, insured members are loss-averse, preferring to minimize their losses, irrespective of origin, whether low-probability and high-cost or low-cost and high-probability events.

The benefits packages offered in CBMAS include inpatient care like hospitalization, and imaging and lab tests (but not other outpatient costs). After three years of implementation, the community members expressed satisfaction with such packages:

"My previous insurance", provided cover only for surgery. Swasthya Kamal also covers the small tests that doctors recommend, so this has proved to be beneficial for me."

Jayanti Devi, Bidupur, Vaishali

"This is a unique scheme. It not only ensures that we will be paid if we claim but also pays for costs that no one else covers. I am diabetic, so I have to undergo the tests every now and then. With Swasthya Kamal, I am not worried."

Sibal Das, Hajipur, Vaishali

Not just in design, the community has also been able to re-design the package whenever the need has arisen – for instance, during policy period 2017-18, in Beed, the community felt the need to revise the package in order to control the claim ratio, and restrict possibilities of overuse of the pool by few members of the community. Similarly, in policy period 2018-19, the community members in Muzaffarpur demanded for increase in caps in case of lab-test and imaging, which considering a healthy claim ratio in the past two years and need to enhance the coverage for out-patient events, were increased.

Policy recommendations

Involve Community in risk cover decisions

Microinsurance schemes seek to provide protection that the target population perceives as relevant and affordable. *Involving the beneficiaries in designing the benefits package makes sense.* This can be more easily achieved—and faster—when community members are involved in designing the benefits package. Other, tangible benefits include better information and lower costs when community members participate in community mobilization, claims adjudication and scheme oversight. Implementation that leverages local social structures and rules-in-use enhances insurance penetration. Policy makers can offer tangible support for this process by streamlining insurance regulations to promote this mutual-aid and community-centric model.

Supporting financial literacy education

Health insurance packages that compensate frequent events have been shown to attract higher enrolment and renewals. Higher insurance penetration and density bring about higher resource generation from informal sector people previously either uninsured or heavily subsidized for their limited insurance cover (e.g. RSBY). Such resource generation for healthcare costs at grassroots level by pooling and redistributing funds of and among community members is not only cheaper than subsidies, but also more efficient. It is therefore recommended that policy makers recognize financial literacy that includes financial protection / insurance as a public good, and support efforts to disseminate insurance education that triggers the community business process to mobilize social and monetary capital.

Information to develop demand-driven packages

Baseline surveys offer basic data about a specific location. A data bank that could aggregate comparable information about many locations would make it more cost effective to develop risk estimates of rural households across many locations, although it goes beyond the capacity of any single project. Creating and maintaining such a data bank may be of considerable value for understanding the risks faced and costs incurred over a large spatial and temporal scope and may therefore be worthwhile exploring.

3

Whom you know is whom you trust: contracts in rural India vs. conventional insurance contracts

Traditional markets, where most rural people operate, are characterized by power relations that are different from those in formal markets. The situation in the (micro) insurance market is also shaped by power relations on which poor have little or no influence and in which they are usually the weaker party (e.g. in the insurers' decision to pay if the covered contingencies occur, as promised in the contract). This undermines the uptake of insurance. The ability of people in rural setting to enforce such contracts is undermined by the fact that they often do not understand what they need to know and how they can access the required information when they purchase insurance. As a result, they withhold their trust that such powerful external parties will deliver benefits in return for their hard-earned money. The situation is quite different when trusting that they can expect benefits from those whom they have ongoing networks that are time-tested over years. The Community Based Mutual Aid Scheme (CBMAS) mobilizes the tried-and-tested power relations in effect locally by involving the community in defining the rules of the insurance and the mechanisms to enforce them, or resolve disputes. This is done by leveraging on existing institutions that render the risk-transfer arrangements more efficient than formal markets.

This Issue Brief shows how the RES-RISK project gave pride-of-place to risk management practices based on rules-in-use at the level of local communities. It also presents recommendations to secure power-balance and transparency between the contracting parties.

In (micro) insurance, people are required to pay their insurance premium up front before receiving any potential benefit. There are serious concerns about whether they will be able to get the payment as promised in the insurance contract if covered contingencies occur. Importantly, if the provider fails to deliver its promises in the contract, there is virtually no way for the poor to invoke an action against it in the court; the reasons of this are-

Prevalence of power imbalances

The experience with rural community reveals that the terms upon which they enter and participate in the formal markets are inequitable. Bargaining power of each contracting party during the negotiation can be seen as a way to influence the functioning of the underlying contract. Entering into a contract involves a system of interlocking beliefs about one another's abilities and intentions. In the formal markets, the ability of the contracting parties to enforce the contract is generally high and is backed by an external enforcer, namely, the state. The contracting parties are confident that the state has the ability and willingness to enforce the contract. Thus, confidence is maintained by the threat of punishment for anyone who breaks a contract. However, the informal markets operate under power asymmetries and the role of the State as a coercive power is limited. This makes the threat to enforce an explicit, legally binding, risk sharing contract through court action less credible. Besides, the legal enforcement has high costs relative to the size of returns that may come if it is successfully accomplished.

Unknown Unknowns

Most of what is known about the rural population in India is the lack of understanding of financial instruments (including insurance); this is why they mostly resort to traditional mechanisms for managing risks which include borrowing, maintaining savings accounts, selling assets, and participating in revolving savings and credit groups. People in rural India lack knowledge about the benefits they are entitled to receive and process of filing a claim when covered contingency occurs, and grievance redressal. When the covered event occurs, the members are dependent on the insurance provider to help them submit their claims. However, they do not have regular contact or good relations with the insurer. Moreover, commercial insurers often intentionally choose to not be transparent to the beneficiaries about their prerogatives. The trust-issues with providers have in fact hampered the belief in the usefulness of insurance as a risk management instrument.

Frictions arising from power-imbalance, information asymmetries, contract enforcement costs and fraud limit the ability of insurance markets to mitigate risk; thus, undermining the uptake of insurance. This is why social networks assume importance for producing and administering credible commitment for designing,

implementing, and enforcing rules. There are evidences that social arrangements change existing power relations, and gain and exert influence over the political, economic and social processes that constrain their livelihood opportunities. For instance, in our intervention areas many farmers have explored the collective nature of confronting vulnerabilities by forming groups which gave them the power they require to interact on equal terms with other, generally larger and stronger, market intermediaries.

Community based approach to risk management

We piloted, in the RES-RISK project, an approach which leverages on the existing mechanisms adopted by the community to reinforce the power parity.

In the Community Based Mutual Aid Scheme (CBMAS), community members have been entrusted the task of governance of the scheme – defining the rules of scheme and ensuring that the rules of the scheme are applied equitably to all the participants; specifying rights, duties and obligations of the scheme actors; claim settlement; mediating and adjudicating disputes and deviance. The members of the scheme have to deal with none other than their own people from the community. This enhances their bargaining power to enforce the scheme agreements and voice grievances related to the scheme.

The scheme functions in accordance to the informality of the structure which is often characterized by one-on-one price negotiations. CBMAS members are involved in the design of benefit packages and pricing. This has enhanced the value proposition for the potential buyers of insurance because of better understanding of the agreements, improved price negotiations, and lowered possibilities of exposure to fraud. Their involvement in the scheme gives them a sense of ownership and the governance structure instils trust in the scheme.

Field experience in Vaishali and Muzaffarpur in Bihar and Beed in Maharashtra shows that when people do not have complete trust on the provider of insurance or knowledge about the terms of agreement or their entitlements, the insurance policy itself becomes a risk. CBMAS has exerted efforts to improve trust in insurance and change their subjective belief that their claims will not be honored. One of the steps taken in this direction is reduced turn-around-time (TAT) for claim reimbursement – the time from claim submission to settlement ranges between 30-45 days across all the three locations. Thus, not just honouring the contract but doing it in a timely manner is the principle in which the schemes operate to provide utmost relief when the risk befalls.

An endorsement from a trusted party about the insurance policy significantly increases the insurance take-up. In CBMAS, their trusted people – key actors of the scheme provide them the knowledge about the scheme and are available (in close

proximity) for answering their queries about the scheme or processes. These community leaders are trusted and revered by the entire community over many years. The next section contains the possible reasons for this. Thus, the members are confident that the scheme will respect its obligations to the members.

Why are agreements kept in informal economies?

Social networks contribute to sustain cooperation in the absence of formal contract enforcement through social networks sustained by repeated social interactions. The networks manifest themselves in a wide variety of ways; and these arrangements are based on trust and do not involve any written contract. CBMAS has leveraged on these rules-in-use to govern the scheme and involved the community members in the operation and governance. This develops a sense of ownership among the community and thus a vested interest in the scheme's success. The forces because of which the rules are respected are-

Mutual enforcement

Rural communities and networks are a rather effective device because of the presence of continuous and personalized relationships among community members that help create an interaction framework- thus reputation effects are at work.

External enforcement

In informal sector, a structure of authority exists and is accepted by people. When a sufficiently large number of others accept the structure of authority, each has an incentive to accept it; the personal cost of noncompliance being too high.

"The scheme is the community's own scheme. This is what I like the most about it. I have trust that none of us would be cheated and our grievances are heard. Apart from this, because this is my own scheme, I work with dedication for it."

Claim **Committee** member, Hajipur, Vaishali

Policy Recommendations

Promoting bottom-up institutional approach

In commercial insurance schemes, the price is not determined by the market mechanisms but pre-defined by the providers. Similarly, the benefits-package, and other important terms of the policy are not based on local demand assessment. However, CBMAS creates a "market for insurance" – the community members are invited to choose their benefits-package, price for the package and resolve on the rules and terms of agreement of the scheme. Besides, CBMAS also provides a scope of negotiations in case of disputes. Thus, the framework evolves from the bottom-up. The policymakers may consider participatory development strategies – engage the

community members in the design and implementation of the programs; this increases the acceptance of the program in many ways – mainly due to better enhanced transparency and trust.

Flexibility in terms of agreement

Clear rules, systematically applied are important for governance of an insurance scheme. However, rules can never capture all the possible variations in individual cases and mechanical application of rules can lead to results that are unfair. Thus, intervention that has flexible terms of agreement and is receptive to unexpected cases overcomes the barrier in uptake of insurance. It is recommended that policy makers recognize the need for flexible contracts which in “though rare but fair” cases do not make verdict against the beneficiary.

Local capacity building

The institutional arrangements directly involve local actors; thus, empowerment opportunities may depend on clear devolution of powers and capacity building. In this direction, fostering local capacity in understanding the terms of agreement to certify entitlements or to claim compensation when dispossession occurs is vital. Fostering the knowledge on matters that potential buyers of insurance must know and sources of this knowledge will help rural poor climb up onto what appears an unlevelled playing field. Besides, there is also a need to simplify the terms of agreement and to manage the risk associated with insurance markets/packages.

4

Bundling risks in one package: The benefits of one scheme offering multi-tier risk layering for health, crop and livestock insurance

People in the informal and rural sector face potential financial losses due to different types of risks. Experiences in India show that a silo approach in insurance – catering to one risk at a time, leads to a narrow, parochial view of risk resulting in low penetration and uptake among rural poor. Risk management to be effective and accepted, demands broad anticipation and mitigation efforts. A holistic approach to risk transfer through “composite package” can potentially create a compelling value proposition for the potential buyers of insurance. Composite package includes three main features: risk bundling, i.e. CBMAS members can insure crops and/or livestock when they are enrolled in health insurance; multi-tier underwriting, i.e. CBMAS schemes apply different methods of underwriting to the three classes of risk; and adding value-added services, i.e. combining insurance with supportive risk-reducing services.

This Issue Brief explains, in detail, the benefits of a composite package for diverse risks and risk layering from the point of view of both the insurer and the insured, as has been realized through RES-RISK project in rural India .

The poor are the most exposed to risks and they have the fewest instruments to deal with these risks, effects of which are manifest in numerous dimensions of their daily life. The risk increases when they have to pay upfront for the instruments that help them reduce risk. Experience with (micro) insurance has shown that rural poor decide whether or not to pay for anything not only by its price, but also by consideration of many alternatives. They are uncomfortable assessing the opportunity of paying for one risk (so-called “silo” solution) in isolation from other risks, and in isolation from what other persons do. Therefore, the implementation model piloted in the RES-RISK project is offering rural poor communities, composite packages that bundle three main classes of risk together (“bundled packages”), along with technical support and value-added services.

Risk Bundling – Demand side benefits

Offering a “one-stop-shop”- CBMAS members can deal with all aspects of their insurance cover through a “single window” which broadens the relationship between the (mutual) insurance and its members by experience in all classes of risk. This is preferable to having to deal with different agents processing policies and claims in different ways. In CBMAS, the process is streamlined and similar across risk classes, which renders the entire interaction simpler and more coherent.

“We do not have to deal with or struggle hard to understand the rules. They are simple. Once we understood the health cover, it was easy to follow the processes for livestock cover.”

CBMAS member and a Claims Committee member,
Hajipur, Vaishali

Trust deepens- As the members of the CBMAS are consulted about selecting suitable persons as key actors, people interact with trusted persons.

“If anything goes wrong or I have any queries about the ‘Swasthya Kamal’ scheme, I call Lalmuni Didi [Field Staff, Bidupur]. She is a trusted person in our village who answers everything related to health, crop, and livestock.”

CBMAS member, Bidupur, Vaishali

Better value for money- Members look at the value of insurance in a holistic way, as households are more likely to receive payouts for one risk or the other.

“In the last two seasons, I insured my crop, my cow and also myself and my wife. My wife had fractured her knee, so we got our claim reimbursed and this season I also received payouts in crop. None of us knew insurance is such an important instrument.”

CBMAS member (Farmer Group), Vaishali

In rural Bihar, people demand more and different cover, now that they are able to perceive the difference of being insured compared to having no cover.

“We never knew about livestock insurance before. I learned about it from the Swasthya Kamal scheme. So I insured my cow and one calf after I was explained the benefits and processes by the Veterinary Doctor. Now I have both health and livestock covers.”

CBMAS member, Vaishali

During enrolments to the CBMAS, we observed that the adoption of livestock and crop cover was determined based not only on its economic value but also on experience with health cover (which was launched one year before other risks). Insights from studies confirm that people who had a positive experience with insuring one risk were more likely to buy additional types of insurance.

“I had bought health insurance in the first year. My husband wasn’t very happy about it, but I got some tests done and received reimbursements through the Swasthya Kamal scheme. That convinced my husband that the scheme is good. Last year we also insured him, as well as our cattle.”

CBMAS member, Hajipur, Vaishali

Supply Side benefits

Bundling risks reduces the cost of providing insurance, whereas, in the silo approach each insurance provider incurs costs to reach out to the same potential buyers. When one insurance provider offers cover for several risks through a single window such duplication is reduced or obviated. Cost savings occur in logistics (travel etc.), bookkeeping and data management, as well as in after-sale service.

Experience shows that households that opted for bundled packages that cover multiple risks are likelier to renew their membership in subsequent years. In CBMAS, there is a substantial difference between renewals among households who opted for multiple covers versus households who were enrolled only in health. Out of the households who had health and crop cover in 2015-16, 80.7% renewed their membership for both the covers in 2016-17; 61.3% of the households with health and livestock cover renewed while 41.0% of the households who only had health renewed in the next year of the scheme.

The combined effect of reaching out to more members, covering more risks and more renewals improves the financial sustainability by increasing the pool size. Our experience with CBMAS indicates that the expected losses in health, crop and livestock risks are largely uncorrelated, even when no exclusion criteria are applied. Therefore, bundled coverage can provide a better basis for growth and sustainability.

Multi-tier Underwriting

Risks are either idiosyncratic (unsystematic, endemic to a particular asset when events are uncorrelated across households) or covariate (i.e. tend to exhibit stronger spatial correlation when many households in the same area suffer similar risks, leading to significantly higher premiums and ruin probability of (re)insurer). Community-based risk pooling arrangements can, in principle, be more successful when risks are idiosyncratic, and less so with covariate shocks. RES-RISK has pioneered the application of multiple underwriting models that are adapted to the bundled packages: health risks are fully mutualised and covered by the community; crop risks are fully ceded to a commercial insurer, and livestock risks are covered through a combination of mutual-aid and commercial underwriting.

The health risks, largely idiosyncratic, are not attractive to commercial insurer because of the more onerous case-by-case loss adjustment of claims and a higher risk of moral hazard and fraud due to information asymmetry between insurers and insured. This is less of an issue in community-based setting as information is flowing much more freely and free-of-cost (through gossip), and all members have a vested interest to protect the pool against unjustified payment of claims. The RES-RISK project gained experience that all the schemes could manage their health claims ratios without risk of insolvency or default.

Not so with crop insurance. Because of the covariate nature of crop risks, CBMAS schemes ceded these risks to a commercial insurer through a group policy held by the scheme on behalf of its members. The role of RES-RISK has been to provide actuarial vetting to ensure that the premiums are fair and reflect the local data relating to the risks. RES-RISK has also devised a process to confirm to the insurer that farmers have an insurable interest, certified by community attestations when land was rented/ leased through informal arrangements. This resolved a major impediment in access to crop insurance that farmers often face when policies are individual.

Livestock, on the other hand, is in terms of idiosyncratic/covariate nature of the risk between health and crop. Hence, RES-RISK devised a quota-share arrangement whereby the external insurer underwrites a (bigger) share and the community covers the residual value of the livestock on a mutual basis. As the community retains some portion of the risk, it has a vested interest, that nobody submits fraudulent claims. This was an important argument for the insurer to agree to underwrite livestock risks: Usually livestock insurance is considered a “bleeding portfolio” because adverse selection, moral hazard and fraud are rampant.

The multi-tiered underwriting arrangements enabled the CBMAS to secure higher coverage than would have been prudent by mutualizing all risks. This reduced the

likelihood of underinsurance by community members. These arrangements also reduced the external insurers' risks related to information asymmetries.

Value-added services

Insurance can compensate for losses, but individuals often prefer risk reduction. This is the purpose of facilitating access to value-added services (VAS). The CBMAS has offered insured households such services as advisories to farmers on agricultural best practices, veterinary services (e.g. deworming, vaccination and provision of mineral supplements of insured animals) and health talks.

"There was no one to tell us about illnesses that are likely to occur during different seasons. There are no health camps here, but after Swasthya Kamal scheme conducted health talks we are more aware of the treatments required when we fall sick."

SHG members, Lakshmi Mahila Mandal,
Hajipur, Vaishali

"I never thought about any type of veterinary care for my buffalo except in the cases when it was sick. But the veterinary doctor from Swasthya Kamal scheme advised about and provided vaccination and deworming at regular intervals (seasonally). It is good that we get these services."

Manti Devi, Upkar Mahila Samiti,
Bidupur, Vaishali

VAS increased the demand for insurance considerably: Community members were more interested in becoming part of CBMAS as they realized that benefits were beyond insurance as a stand-alone solution.

Policy recommendations

Permission to offer composite packages

Notwithstanding the advantages of composite packages, their dissemination is hampered by regulatory obstacles. Insurance companies do not offer a single policy with composite packages, notably because the insurance regulations do not clearly specify that this is allowed.

Promote group policies and oversight by groups

Insurance is prone to certain failures emanating from information asymmetry between the insurer and the insured. Traditional solutions to reduce the financial consequences of this imbalance include setting thresholds or caps on benefits, vigorous claim investigation, exclusions, and punitive disciplinary measures.

However, there are other, social, measures which can be very effective and which cost less (or nothing) to implement. For example, in group policies, when a group such as a village or a community have both a vested interest to prevent the abuses (because they underwrite even a small part of the risk) and the authority to use all sources of information at their disposal (including gossip) to adjudicate claims, groups are successful in deterring members from attempting to make undue claims. The combination of group policies, mutualization of some of the risk, and group involvement in claims adjudication is conducive to mutual monitoring, thus reducing the potential for moral hazard.

Multi-tier Underwriting

CBMAS applies multi-tier underwriting as a way to enhance the coverage of the insured members without exposing the scheme to undue risk of insolvency. The great value of combining full mutualization of some risks with partial mutualization plus quota share cession of other risks, and full cession of yet other risks offers more cover at lower cost. This is why policymakers might wish to encourage the expansion of multi-tier underwriting practices.

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Transition from “I” to “We” with pooling

Rural communities lack the depth and range of resources available to their urban counterparts. If they do not adapt to the inevitability of the global economy, they are not considered to be fit to survive. When the basic threats to survival and well-being loom large, there is often a shift from 'I' to 'We' – this can be traced in both, their meaningful social activities and their 'idle chatter'. The driving force is the quest for everything that cannot be achieved in isolation – social, civic and economic well-being. This builds a sense of belonging and encourages participation, as well as providing the framework for people to reorient their views of self and others in order to be willing to act in new ways. The mutual expectations are the glue which binds many small, rural communities together. Community based Mutual Aid Scheme (CBMAS) shapes and shifts this identity formation (I-to-We) in such a way that facilitates people's agency, willingness or capacity to act for the benefit of the community, and in new and different roles.

This issue brief describes CBMAS's three vectors of change – participation, governance, and accountability – catering to the whole array of well-being. It also presents policy recommendations on how formal structures which do not inhere in the rural settings can in fact originate through local interactions .

In the low and middle income countries, the rural persons usually exercise their capabilities in a collective setting. There are two explanations for the upswing of local governance where people are involved in designing and governing local solutions – firstly, this system is an endowment or a state of being which people have developed over time and they give precedence to their local system over the state governance; secondly, this system is a construction as with the state’s withdrawal or inefficiencies and market imperfections, the poor are usually left to cope with their hardships – thus excluded from the government measures for welfare of the citizens. Whether an endowment or a construction, social capital thus created gives freedom to choose the lives they value, and ability to use their agency to effectively achieve the desired lives. The freedom to express and act people obtain by virtue of their engagement in a collectivity, bestow upon them the new choices that the individual alone would not be able to achieve unless he/she joins a collectivity. CBMAS harnesses the intrinsic and instrumental significance of social structures, explores the concepts of collective freedoms and collective agency by facilitating a process where people get to choose the solutions for their risks.

The next section describes how CBMAS, throughout its processes, values the community’s underlying social forces in order to enhance welfare.

Participation (We decide better than I)

Collectivity in participation serves the following objectives- (i) Individuals as a group are better informed to take decisions when the subject is unfamiliar; (ii) collective capabilities in fact give a new range of choices while individuals have the tendency to accept without exploring the alternatives; (iii) it allows the poor to voice their needs and help them challenge the unequal power relations.

Our experience during CBMAS implementations shows that for buy-in decision, individuals discussed in groups about the merits of or skepticism about the scheme and thus the decision to buy or not is also taken in groups. Based on the discussions, they find out solutions in a way that appears like single-peaked order of preferences.

“We discuss almost everything with each other; our financial hardships or personal matters. It feels to talk to each other and we also find solutions to problems this way. For Swasthya Kamal also we together decided to participate as we all agreed that it is useful.”

Member, Hatsarganj, Hajipur

“Some of our “didi” (SHG members) wanted to enroll just 1 member and some were ready to enroll 3 members, but all of us collectively decided to enroll 2 members each from our families.”

Member, Tiranga SHG, Muzaffarpur

“We have observed that people take decision about enrolment in group because they are more confident that ways.”

Scheme Activist, Hajipur

CBMAS also involves potential buyers of insurance in making package choices through ChAT – Choosing All Together which simplifies group discussions of benefits packages and facilitates community consensus after considering all the alternatives. And as the package is selected by all of them together, it accurately reflects their real needs and interests.

“I had bought other insurance before this, it did not give me any choice and I was not involved in making a choice. The sticker play (ChAT) is my favorite because I get to make a choice.”

Member, Om Shanti Group, Bidupur, Vaishali

Governance

Experience in the rural India suggests that rural communities have been able to operate and govern the community based arrangements. Local governance structure reflects local values and beliefs and is governed by agreed-upon communal norms. This different configuration of the governance structure is of considerable significance to individuals who have no say in the existing governance structures or are excluded from them. With local structures, they are able to deploy and enhance their capabilities to change the dominant rules and relationships governing the ways of living, reassert or renegotiate the rules. CBMAS also functions on local rules, is governed by the members of the community themselves and is characterized by more horizontal social relationships (based on trust and shared values). Because it is not a single entity but many among them who take decisions, and settle disputes it empowers them, makes them self-reliant and safeguards their interest.

The scheme is community's own scheme is what I like the most about it. I have trust that none of us would be cheated and our grievances are heard. Apart from this, because this is my own scheme, I work with dedication for this.

Claim Committee member, Hajipur, Vaishali

Accountability

In contrast to individual goals where a person pursues individually his/her own perception of the good, in a group the individual pursues perception of the good collectively by participating in a community with similar goals. Thus, increases his/her accountability to the group. Trust and mutual accountability linking individuals in communities are basis of successful standing of social capital. CBMAS is a mutual

pool which is created through the resources from the community; thus, community itself takes the charge of the rationing and priority-setting relating to the use of their funds. All the participants are jointly accountable for the success and sustainability of the scheme; thus, decisions are taken in a socially responsible way – particular people, based on gender or age are not excluded and information is shared with all.

CBMAS has acted as a catalyst for collective action by developing collective agency through capacity building and reducing dependence on external governance systems. The dimensions of CBMAS encompass social, economic and civil welfare of the community. The next section presents some policy recommendations to further the collective approach.

Policy Recommendations

Creating enabling environment

The potential benefits of collective action for individual and collective capabilities are undeniable. To reap these benefits, policymakers may consider creating a supportive environment to facilitate collective action among the poor, thus helping them overcome the social, economic and political constraints on group formation. The support may include intergovernmental arrangements for fiscal flows to community based organizations or groups, creating a conducive legal and regulatory framework that supports community action.

Building participatory mechanisms

Communities that have ownership of a project or program are more likely to sustain outcomes. And thus, any support provided to the communities must be anchored bottom-up. There is a need to strengthen these communities to be self-reliant, to be able to ensure their welfare on their own. Providing inclusive community groups with knowledge, control, and authority over decisions and resources is recommended.

Giving a social context to interventions

It is not very often that rural interventions target organizational or community level changes. One compelling reason is the complexity of fostering such changes and the community's lack of knowledge about the conditions which prevail and ways in which social context can be created. Even if the interventions target a change at individual level, it is essential to leverage the social context to sustain the behavior. Giving a social context to the intervention can institutionalize the change, normalize it across the community and be governed by a group rather than individuals.

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Gender parity: Equals can't be denied equality

Gender is emerging as one of the most important disciplines globally and socially, this phenomenon is defined by the gender roles embedded in the society. The gender roles flow through social norms that determine the privileges and responsibilities a status possesses. However, when the normative role behaviour becomes too rigidly defined, the freedom of action is compromised and this manifests in numerous dimensions of daily life. The experience shows that particularly in the rural India, there are formidable challenges in achieving equal freedom to decide and act for own good. The RES-RISK project does not attempt to reverse or alter the complex and predefined gender roles; rather it focusses on achieving gender-parity by opening up the doors for equal opportunities in health seeking and decision making.

This Issue Brief describes in detail the above dimensions of the Community Based Mutual Aid Scheme (CBMAS) which fosters equality among genders. It also presents recommendations advocating a paradigm shift away from the traditional system favouring one gender to a system favourable for human societies.

Gender hierarchy has been preserved as a prominent phenomenon despite the transformations in the socio-economic base of the societies. The reasons for gender hierarchy are rooted in the foundations of employment and household division of labour. With transformation of the societies, the inequity among genders is not only rewritten but is further widened in the new institutional arrangements. For instance, though women now invest their labour in agriculture or livestock husbandry, ownership of land (or livestock) is still vested with men. Shared and defined by larger society, the cultural norms offer general guidelines for role behaviour that are selectively chosen and acted upon. It does not take restructuring of the society to initiate equality among the genders but just an impetus to change the construct in which the society functions. CBMAS leverages the social arrangements of the society which models the behaviour of its members to create more egalitarian arrangement. The schemes have been proved as an equalizer by creating an environment where women can also exercise their will and by incorporating community members (irrespective of gender) into more meaningful and equitable roles.

In rural India, health seeking among woman members of the household is usually low. In CBMAS, the *enrolment* is possible only when a woman member of a SHG has joined; she can bring other members of her family into CBMAS membership, but they cannot join the insurance scheme unless the woman SHG member joins first. Membership of women is considerable in all the implementation sites: Vaishali (53%), Muzaffarpur (73%) and Beed (57%) while they represent well less than half the local population, because of a distorted sex ratio. Better health coverage among women is a major driver for better health seeking behaviours as women healthcare is usually not a priority for several reasons or is decided by the decision-takers in the household.

“I used to save for covering health costs but it was never enough. If the problem demanded urgent treatment, I used to take loans to cover the cost but if that is not the case, I let it (treatment) go. But with Swasthya Kamal there is much support; I don’t think so much before visiting a doctor.”

CBMAS member, Sahpur Village, Hajipur

“I don’t have to ask my son for the money for my treatment anymore; I pay the premium with the little money I manage to save and then I don’t worry for the entire year.”

CBMAS member, Terasiya Village, Hajipur

The health coverage provided also opens the door for crop and livestock coverage. Habitual insurance practices have practically excluded women from availing crop insurance (as insurance is only available to holder of land title). By having shifted the

policy from individual to group policy held by the CBMAS and allowing community-attestation of who carries the farming risk, we can open access to women as well. In Vaishali district, where we already implemented crop insurance in the last 2 years (4 seasons), one-third of the scheme members covered by crop insurance were women. Livestock management is mostly in the hands of women. As a result, in Vaishali, most of the livestock policies are held by women.

The RES-RISK project has not just encouraged the equal participation of genders in insurance buy-in, but also in making decisions about the package they want to buy. The community members (both men and women) are equipped to do so through workshops, training and awareness creation. Following awareness creation activities that engage as many people as possible from the community regardless of gender, the actual decision-making process entails simulation games and group activities to design the benefits package for health insurance. The process, called ChAT, is conducted in three steps where women play a key role – first each woman in a SHG selects one package from several options that are presented to the group. Then, each woman takes a “ChAT board” (a graphic presentation of the benefits package options) home and is supported in discussing this option with her family, so that she can get support from the menfolk and the other family members; a few days later, the women of the SHG meet again and find consensus on one package that the entire group prioritizes; finally, in step 3 of the process, the choice of all the SHGs is confirmed and the option selected by the largest number of SHGs is retained for the entire CBMAS. This consensus building process gives women equal voice to make choices, consider alternatives, and influence the collective choice of the community.

“The sticker game (ChAT) is a great exercise; with this, we, all illiterate women of the village get to learn and earn a chance to decide something for themselves.”

CBMAS member, Muzaffarpur

“This was the first time (during ChAT) I suggested my husband on something (Srishti Suraksha Kawach), otherwise he takes all the decisions.”

CBMAS member, Muzaffarpur

“Swasthya Kamal is our pride. We have nurtured the scheme, be it deciding the package, caps for each event or the price that has to be paid.”

CBMAS member, Hajipur, Vaishali

The traditional role of men and women in decision making is dissimilar; the design of CBMAS gives attention to ensuring equal access (of both genders) in the operations

of the scheme as key activists. While the nomination process is open (there is no requirement to nominate women just as there is no restriction to nominate men), most key activists have been women. Women are playing a crucial role in the governance of a CBMAS. The schemes are operated through locally established Claims and Coordination Committees, which decide to reimburse claims submitted by the participants, mediate in cases of dispute and steer the schemes on behalf of the enrolled members. In Vaishali district these committees comprise 30 members, out of which 21 or 70% are women; in Muzaffarpur 17 members, and all are women and in Beed 12 members, out of which 11 are women. The nomination of women by the community to hold key positions in the operations of the CBMAS has created functional gender equality.

"We have never had anything of this sort, for the first time we have seen that poor and illiterate women are managing the scheme on their own."

Bharat Bhushan, Scheme Field Supervisor, Bihar

"These women are part of the community. The members of the community are confident that their money is safe and the Scheme Activists will not betray them."

Anju Singh, Scheme Coordinator, CBMAS, Bihar

Policy Recommendations

Financial Literacy

It is understandable that women are less financially literate and thus, are also less likely to take decisions on matters like health seeking, investment in agriculture or purchase of a livestock, though they play a key role in taking care of the sick in the family, farming and livestock husbandry. It is therefore recommended that policy makers encourage financial literacy, regardless of gender, that includes risk management and insurance. Equality access to financial services, as a result of improved understanding of financial instruments, can balance the bargaining power in the household and leads to improved health, nutrition, and education in the families.

Equality first

Societies operate according to their understanding of the concepts like gender and this understanding emanates from the archaic social norms. The social norms define gender-roles and there are global debates on the extent to which society should be flexible in allowing acting out the gender roles. However, the key issue is not the assigned gender-roles but inequity in provision of basic necessity and opportunities. The policymakers should consider advocating solutions and set targets at the societal

and global level to ensure equal wages, health-care, education, representation in decision-making processes and other opportunities to people.

Schemes that mobilize the weaker

Culturally, women depend on the menfolk in the household for decisions related to whether medical treatment is required, selection of doctor, purchasing medicines, payment of medical expenses and so on. Prominently, the financial barrier of access to care is the most inhibiting factor in timely treatment and positive treatment outcomes for women and even young girls. To overcome this barrier, women need to be decision-makers for themselves (and their families) on matters related to health and healthcare, and have access to financing instruments for medical treatment. It is recommended that initiatives should be mobilized through the weaker section of the society (can be any of the gender, caste or religion) so that they act as a “gate-opener” for others to be part of the scheme. Promoting their central role in participation and decisions related to their own health and healthcare can be integrated within the health system to ensure better health outcomes for all.