

Pradhan Mantri Jan Dhan Yojana – An Emperical Analysis

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ABSTRACT: Financial inclusion enables improved and better sustainable economic and social development of the country. It helps in the empowerment of the underprivileged, poor and women of the society with the mission of making them self-sufficient and well informed to take better financial decisions. The long term vision of the Pradhan Mantri Jan Dhan Yojana (PMJDY) is to lay the foundation of a cashless economy and is complementary to Narendra Modi's Digital India Scheme. In this paper an attempt has made to understand the Awareness about the PMJDY in Himachal Pradesh, Analyze the Opinion Regarding Benefits Available under PMJDY & find out the problems faced by the beneficiaries.

Keywords: Banking system; Banking accounts; Financial inclusion; Financial services; Financial system & PMJDY.

INTRODUCTION: The Pradhan Mantri Jan Dhan Yojana (PMJDY) is an ambitious scheme that will provide a host of benefits including a bank account, insurance and a debit card for all. It is a mega financial inclusion plan under which bank accounts and RuPay debit cards with inbuilt insurance cover of Rs 1 lakh will be provided to crores of persons with no access to formal banking facilities. The ambitious scheme aims to bring poor people into the ambit of the Government's financial programme. It will cover both urban and rural areas and those who open account would get Domestic Debit Card (Ru-pay card). The long term vision of the Jan Dhan Yojana is to lay the foundation of a cashless economy and is complementary to Narendra Modi's Digital India Scheme. Aim of the Jan Dhan Yojana: The scheme intends to accomplish the objective of housing for all by providing basic banking accounts with a debit card with inbuilt accident insurance. The government aims to open as many as 1 crore bank accounts on the first day itself. The main features of the PMJDY scheme include Rs 5,000 overdraft facility for Aadhar-linked accounts. RuPay Debit Card with inbuilt Rs 1 lakh accident insurance cover. One of the salient features of this scheme is that after remaining active for 6 months the account holder will become eligible for an overdraft of up to Rs 2,500. This will further be enhanced by the bank to Rs 5000 over time. The PMJDY has set an ambitious target of bringing in more than 7.5 crore unbanked families into India's banking system by opening more than 15 Crore bank accounts (two bank accounts per household). Pradhan Mantri Jan Dhan Yojana will be launched nationally in the capital by

the Prime Minister himself. The major cities where the functions will be held on August 28 for the launch of the scheme include Dehradun, Port Blair, Guwahati, Patna, Muzaffarpur, Vizag, Panjim, Mumbai, Gandhinagar, Surat, Bharuch, Bilaspur and Raipur. As many as 76 functions will be held across the country. Besides this, over 60,000 enrolment camps in rural areas will also be set up with a view to make people aware of the importance of bank accounts. Two phases of the scheme, the first phase of the mission, starting this month, would end in August next year. Phase-1 of PMJDY begins on the August 28, 2014 and will last until August 14, 2015. The first phase will be focused on opening a bank account and providing credit facilities to those who are outside the banking system in urban and rural India. The second phase will start from 2015 till 2018. It will cover aspects such as micro insurance and pension schemes like 'Swavalamban'. Why this Yojana? "We want to integrate the poorest of the poor with bank accounts with Pradhan Mantri Jan Dhan Yojana. Today, there are crores of families which have mobile phones but no bank accounts. We have to change this. The economic development must benefit poor and it should start from here." Under the Jan Dhan Yojana, he said, "The person who opens a bank account will get a debit card and the family will get Rs 1 lakh insurance cover. This will help the family to deal with any unforeseen eventuality.

Financial inclusion enables improved and better sustainable economic and social development of the country. It helps in the empowerment of the underprivileged, poor and women of the society with the

mission of making them self-sufficient and well informed to take better financial decisions. Financial inclusion takes into account the participation of vulnerable groups such as weaker sections of the society and low income groups, based on the extent of their access to financial services such as savings and payment account, credit insurance, pensions etc. Also the objective of financial inclusion exercise is easy availability of financial services which allows maximum investment in business opportunities, education, save for retirement, insurance against risks, etc. by the rural individuals and firms.

Planning Commission (2009), financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products. The household access to financial services includes access to contingency planning, credit and wealth creation. Access to contingency planning would help for future savings such as retirement savings, buffer savings and insurable contingencies and access to credit includes emergency loans, housing loans and consumption loans. On the other hand, access to wealth creation includes savings and investment based on household's level of financial literacy and risk perception.

LITERATURE REVIEW: The achievement of objectives of the seminar, the related literature has been reviewed because no research can be completed in itself without its scientific analysis of literature. The review of concerned literature has been completed by taking the help of journals, abstracts, books, web-sites and reports etc. the number of studies related to the PMJDY have been analyzed to identify main gaps in literature.

A group of studies undertaken by Rajnikanta (2014), Harpreet and Nain (2014), Achala and Getanjali (2015), Shanti (2015) and Bijoyata (2016), concluded that the PMJDY was a National Mission on financial inclusion which was concentrated on individual household with an aim to provide formal financial support through the organized financial system.

The studies undertaken by Brij (2014), Ashish and Amrita (2014), Sanjay Tiwari (2015), K. K. Tripathy (2015) and Rajesh & Sarvesh (2016) observed that the PMJDY has created a positive environment and has provided a big push to the government's objective of universal financial inclusion. The success of this Yojana will be judged on the basis of (a) expanding formal banking up till the doorsteps of the rural borrowers (b) making the financing in rural areas profitable and viable.

MATERIAL AND METHODS:

Objectives of the Study: The main objectives of the study as under:

1. To Study the Awareness of the Respondents about the PMJDY in Himachal Pradesh.
2. To Analyze the Respondents Opinion Regarding Benefits Available under PMJDY.
3. To find out the problems faced by the beneficiaries of the PMJDY and advanced suggestions overcome such problems.

Methodology adopted: In order to study the performance of PMJDY and to know the accrued benefits, a sample of 100 customers have been taken. Since the study is based on Hamirpur district of Himachal Pradesh, the sample for the study has taken from the customers who have opened their accounts under the PMJDY scheme in different branches consisting of five commercial banks and one cooperative bank operating in the district. In all, a sample of 100 customers has taken with the help of convenience sampling from the banks selected for study. While selecting the sample, an utmost care was taken that the respondents of all ages, qualifications, sex and occupation were taken into consideration and regional and geographical variations are also duly represented. Consistent with the objective of the study, different techniques like the simple percentage, mean, standard deviation, skewness, kurtosis and chi-square have been used for the analysis of the collected data.

RESULTS AND DISCUSSION:

a) Awareness of PMJDY among Respondents: Table observed that 88 percent of respondents are aware about the PMJDY, out of which maximum number of respondents fall under semi urban area i.e. 95.5 percent, followed by 91.7 percent respondents from urban area and 81 percent respondents are rural area that aware about the PMJDY. It reveals that 19 percent respondents of rural area are not aware to PMJDY, and 8.3 percent of respondents of urban and 4.5 percent of respondents under semi urban reports that they don't know PMJDY. The mean value of the opinion of the respondents is more than the average standard score, which also supports the above opinion. The negative values of skewness also depict that the opinion of the respondents is scattered more towards the higher side of the standard average score 2. The calculated value of kurtosis also supports the above opinion.

The computed value of the chi-square is 14.865 and table value is 9.48 (P-value 0.005) which is found less than table value at 5% level of significance. Therefore null hypothesis is rejected and there is found signifi-

cant relationship between the residence place of respondents and their awareness about PMJDY.

Table 1: Awareness of PMJDY among Respondents.

Residential Background	Responses			Total	Mean	σ	SKW	Kurtosis
	Yes	No	Do not know					
Rural	34 (81.0)	8 (19.0)	0 (0.0)	42 (100.0)	2.810	0.3974	-1.635	0.706
Semi-urban	21 (95.5)	0 (0.0)	1 (4.5)	22 (100.0)	2.909	0.4264	-4.690	22.00
Urban	33 (91.7)	0 (0.0)	3 (8.3)	36 (100.0)	2.833	0.5606	-3.148	8.371
Total	88 (88.0)	8 (8.0)	4 (4.0)	100 (100.0)	2.840	0.4654	-2.996	8.323

Chi – Square (d.f = 4) Value = 14.865 Table Value = 9.48 P Value = .005

Source: Field Survey

Note: Figure in brackets shows percentage

b) Respondents Opinion Regarding Benefits Available under PMJDY: In the following paragraph, an attempt has been made to analyse the account holder's views and their awareness about the benefits available under PMJDY on the basis of educational qualification.

Benefits Available to Account Holders under PMJDY- Interest on Deposit: Table 2 shows that there are 62 percent respondents replied 'yes' about the benefits available to account holder under PMJDY – interest on deposit, out of which, 72.7 percent respondents are qualified up to matric, 54.5 percent respondents are graduate and above and 50 percent respondents are illiterate. It shows that majority of the

respondents are of the opinion that they know that account holder under PMJDY will get benefit in the form of interest on deposit amount. While, 22.7 percent respondents comes under the group of graduation and above, Nearly 18.2 percent respondents of up to matric, about 16.7 percent respondents among the illiterate did not know about the PMJDY that the benefits available to account holder under PMJDY – interest on deposit account. Almost 33.3 percent respondent's are illiterate, nearly 22.7 percent respondents come under graduation and above and 9.1 percent respondents under up to matric are replied don't know about it. The values of mean, skewness and kurtosis also support the above analysis.

Table 2: Benefits Available to Account Holders under PMJDY- Interest on Deposit.

Education level	Responses			Total	Mean	σ	SKW	Kurtosis
	Yes	No	Do not know					
Illiterate	6 (50.0)	2 (16.7)	4 (33.3)	12 (100.0)	2.167	0.938	-0.383	-1.931
Up to Matric	32 (72.7)	8 (18.2)	4 (9.1)	44 (100.0)	2.636	0.650	-1.599	1.348
Graduation and Above	24 (54.5)	10 (22.7)	10 (22.7)	44 (100.0)	2.318	0.829	-0.668	-1.212
Total	62 (62.0)	20 (20.0)	18 (18.0)	100 (100.0)	2.440	0.608	-0.590	-0.557

Chi – Square (d.f = 4) Value = 5.847 Table Value = 9.48 P Value = .211

Source: Field Survey

Note: Figure in brackets shows percentage

The computed value of chi-square is 5.847 at and table value is 9.48 which have found less than table value therefore null hypothesis is accepted and there is found insignificant relationship at 5% level of significance. So it is concluded that there is found insignificant relationship between the education level of respondents and their awareness about PMJDY that the benefits available to account holder under PMJDY – interest on deposit account.

Benefits under PMJDY to Account Holders - Accidental Insurance of Rs 1 Lakh: Table 3 observed that 74 percent of respondents are aware to PMJDY, out of which, majority of respondents 81.8 percent come under the group of up to matric followed by 72.7 percent from graduation and above, 50 percent among illiterate are aware about the benefits available to account holders under PMJDY – accidental insurance of Rs.1 lakh. While 18.2 percent of respondents

under graduation and above, 13.6 percent of respondents up to matric, are not aware about that benefits available to account holders under PMJDY – accidental insurance of Rs.1 lakh. Almost 50 percent of the respondents’ among illiterate, 9.1 percent respondents among graduate and above, 4.5 percent respondents among up to matric are replied don’t know. The

mean scores of the respondents of each qualification level shows that it is above the mean standard score. The negative values of skewness also point out that the majority majority of the opinions of the respondents are highly concentrated towards the higher side on the three point scale.

Table 3: Benefits Available to Account Holders under PMJDY- Accidental Insurance of Rs 1 Lakh

Education level	Responses			Total	Mean	σ	SKW	Kurtosis
	Yes	No	Do not know					
Illiterate	6 (50.0)	0 (0.0)	6 (50.0)	12 (100.0)	2.000	1.044	0.000	-2.444
Up to Matric	36 (81.8)	6 (13.6)	2 (4.5)	44 (100.0)	2.770	5.522	-2.307	4.683
Graduation and Above	32 (72.7)	8 (18.2)	4 (9.1)	44 (100.0)	2.636	0.650	-1.599	1.348
Total	74 (74.0)	14 (14.0)	12 (12.0)	100 (100.0)	2.262	0.693	-1.557	0.918

Chi – Square (d.f = 4) Value = 20.329 Table Value = 9.48 P Value = .000

Source: Field Survey

Note: Figure in brackets shows percentage

The values of mean, skewness, standard deviation and kurtosis also support the above analysis. On application of chi-square test it has been found to be 20.329 at corresponding P-value 0.000 is less than the 0.050. It is significant at 5% level of significance. So it is concluded that there is significant relationship between the education level of respondents and their awareness about the benefits available to account holders under PMJDY – accidental insurance of Rs.1 lakh.

Views of Account Holders under PMJDY- Overdraft Limit upto Rs 5000/- After 6 Months: It reveals from the table that majority of respondents i.e. 86.4 percent up to matric, 77.3 percent respondents’

come under graduate and above, nearly 33.3 percent are illiterate respondents aware about the benefits available to account holders under PMJDY – overdraft limits upto Rs.5000 after 6 month. While 22.7 percent respondents come under graduation and above, approximately 16.7 percent respondents’ are illiterate and 9.1 percent respondents up to matric do not aware about the benefits available to account holders under PMJDY – overdraft limits upto Rs.5000 after 6 month. Almost 50 percent respondents among the illiterate respondents followed by 4.5 percent respondents’ among the up to matric are replied don’t know about it.

Table 4: Views of Account Holders under PMJDY- Overdraft Limit upto Rs 5000/- After 6 Months.

Education level	Responses			Total	Mean	σ	SKW	Kurtosis
	Yes	No	Do not know					
Illiterate	4 (33.3)	2 (16.7)	6 (50.0)	12 (100.0)	1.833	0.937	-0.383	-1.931
Up to Matric	38 (86.4)	4 (9.1)	2 (4.5)	44 (100.0)	2.818	0.495	-2.805	7.312
Graduation and Above	34 (77.3)	10 (22.7)	0 (0.0)	44 (100.0)	2.772	0.424	-1.348	-1.194
Total	76 (76.0)	16 (16.0)	8 (8.0)	100 (100.0)	2.680	0.618	-1.771	1.919

Chi – Square (d.f = 4) Value = 36.703 Table Value = 9.48 P Value = .000

Source: Field Survey

Note: Figure in brackets shows percentage

The individual mean score of each educational group depicts that it is above the mean standard score. It supports the above analysis. The negative values of

skewness of each group of educational level also support the above finding. The computed value of chi-square test is 36.703 and value is 9.48 which are

found less than the calculated value therefore null hypothesis is rejected and there is found significant relationship at 5% level of significance. So it is concluded that there is found significant relationship between the education level of respondents and their awareness about the benefits available account holders under PMJDY – over draft limits up to Rs.5000 after 6 month.

CONCLUSION: The main findings of the study are spelled out as follows:

- The major chunk of the respondents aware about Pradhan Mantri Jan Dhan yojana.
- The majority of the respondents know that account holder will get benefit in the form of interest on deposit amount, accidental insurance of Rs.1 lakh, life insurance of Rs.30000/-, overdraft limit up to Rs.5000/- after 6 month.
- It is observed that 64% respondents are of the opinion that accidental insurance, life insurance and overdraft facility is enough for promotion of scheme.

By inference from the study, the following recommendations and suggestions are made with regard to the improvement and development of the PMJDY:

- Benefits of the scheme should be explained to every person in the country. Pradhan Mantri Jan Dhan Yojana through entitles of an accidental insurance of Rs. 1 lakh, life insurance of Rs. 30000/- and overdraft limit up to Rs. 5000/- after 6 months.
- Financial literacy, awareness should be created about use of RuPay card at least once in 90 days, to get benefits of accidental insurance cover.
- Survey shows that some people still have no bank account. So there is needed to make efforts through government agencies and also through banks for 100% financial inclusion.
- BC's are not fully involved because of less compensation. Being scattered area, BC found difficult to locate customers to earn lively hood so, BCs should be suitably compensated to work whole heartedly.
- Rate of interest on deposit should be increased gradually and rate of interest on loans should be decreased gradually.
- Life insurance coverage to be implemented to all account holders irrespective of family head or earning hand of the family under the scheme. Accidental insurance coverage of 1 lakh and life insurance coverage of Rs. 30000/- should be increased, speedy settlement and less condition at the time of claim settlement be applicable.

- Majority of the respondents are of opinion that Pradhan Mantri Jan Dhan Yojana put an additional pressure on banks account of overdraft facility in the accounts especially when banks are already reeling under rising NPAs, so for availment of overdraft limit of 5000/- in the account under the scheme, seeding of Aadhaar card number and linking of DBT should be compulsory to avoid account becoming NPA and inoperative.
- Proper mechanism should be developed for controlling overlapping of accounts and seeding of Aadhaar card number should be compulsory in each account for availment of benefits of the scheme, which will help government for keeping proper control and for transparent data for future planning.

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