

EVALUATION OF PMJDY: A STUDY OF BAGRU VILLAGE (JAIPUR CITY, INDIA)

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Abstract: *In the era of Liberalization, the banking sector has grown extremely but still money lenders in rural areas are continuously taking advantage of the poor section. Over the years there have been many schemes that had been taken up by the RBI and the government to take forward the financial inclusion process in India. Financial inclusion is a new concept which enables the alternative techniques to promote the banking habits and acts as enabler in reducing the poverty. The main objective of financial inclusion is to connect all individual with banking system. This connection will lead to uplift their standard of living and overall development of the economy. The current government in the last year came up with extremely motivated project, the Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2015. The prime objective of the PMJDY is to ensure financial inclusion of the poor and rural population by giving them self-esteem, financial liberty and financial constancy. This scheme is a national mission on financial inclusion. It has the objective of covering all households in the country having a bank account and other banking facilities. This paper focuses the evaluation of this scheme with reference to rural people of Bagru village of Jaipur City in Rajasthan. It also aims to highlight the present scenario of PMJDY in 2016 with the help of some true stories.*

Keywords: *Financial inclusion, PMJDY, Rural People, Banking facilities, Bank Account, Zero Balance*

INTRODUCTION

The concept to connect all rural people with financial system in India is growing. The concept was first lunched by Reserve Bank of India in 2005 and Banking through Bank Mitra was started in the year 2006. Due to various reasons in Past, the benefits were not observable. To cover the all rural areas a composite approach is proposed through branch and branchless banking. The branch less banking will be provided by Bank Mitra with all banking facilities.

India has a large number of rural population with limited or no financial services. The branch banking route is not possible due to the high cost of opening the branches vis-a-vis volumes expected, limited banking hours, illiteracy, non-availability of alternate channels in rural centres, etc. Further, financial inclusion

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through branch network may negatively affect customer service at various branches because large number of people to be attended to within limited hours of banking.

'Financial Inclusion' should offer a minimum access of financial services which includes savings, long and short term credit, insurance, pensions, mortgages, money transfers, etc. at minimum cost. To ensure banking services are attractive for rural people, banking products must meet the needs of rural consumers. Therefore, the banks has to provide technology driven products such as ATMs, internet kiosks, affordable insurance products for successfully implementing of financial inclusion.

For successful implementation of Financial Inclusion RBI also play important role. Recently RBI has declared following important guidelines on financial inclusion:-

- RBI permitted Aadhaar Card as a proof of Identity & Address for the purpose of opening of bank Accounts
- Aadhaar Payment Bridge System (APBS) was introduced for centralized credit of Social Benefits.
- To ease the account opening process RBI permitted to use e-KYC.
- RBI issues guidelines for scaling up of Business Correspondent model.

National Mission

On 15th August 2014, Honrable Prime Minister Shri N. S. Modi announced a India mission of Financial Inclusion- called PradhanMantri Jan DhanYojana (PMJDY)- The PM people's wealth programme.

It envisions bank account for all Indians. " I wish to connect the poorest citizen of the country with the facility of bank account" (Modi). It is also an effort to reach out to the youth of this country for participate in this Programme.

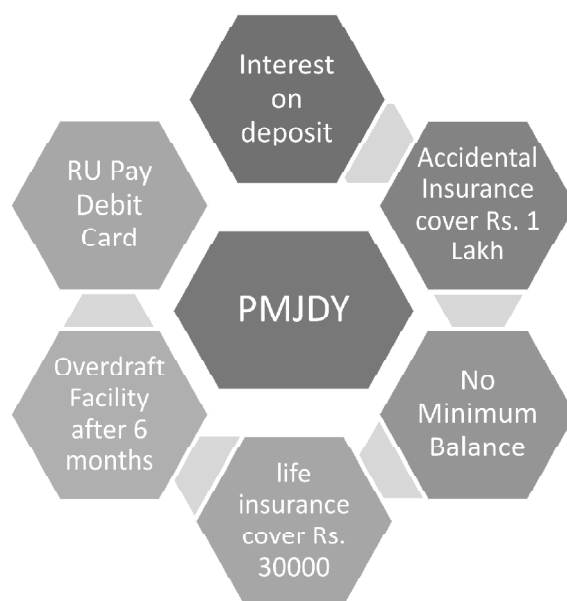
It is National Mission for Financial Inclusion to access all basic financial services, i.e. Banking/ Savings & Deposit Accounts, Loan, Insurance, Pension in an affordable manner. On 28th August 2015, Modi finally lunched the programme. On this occasion Modi said that "it is a beginning of freedom from Poverty".

Under PMJDY scheme account can be opened in any bank branch or Bank Mitr outlet. PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria. On first day more than 15 million bank accounts were opened under this scheme. In Indian history never 15 million bank accounts were opened in a single day.

Documents required to open an account under PradhanMantri Jan-DhanYojana

1. If Aadhaar Card/Aadhaar Number is available then no other documents is required.
2. In the absence of Aadhar Card Voter ID Card, Driving License, PAN Card, Passport & NREGA Card.

Advantages of PMJDY: the benefits of the scheme can be represent as follows:-



Source: Author own compilation

Present Scenario

The PMJDY is successfully working in all states of India. The following table shows the numbers of bank accounts opened under PMJDY till May 2016:-

**PradhanMantri Jan - DhanYojana
(Accounts Opened as on 18.05.2016)
(All Figures in Crore)**

Bank Name	Rural	Urban	Total	No of Rupay Cards	Aadhaar Seeded	Balance in Accounts	% of Zero-balance-acc.
Public Sector Bank	9.60	7.58	17.18	14.50	8.32	29701.69	26.58
Regional Rural Bank	3.33	0.55	3.87	2.73	1.28	6636.33	23.23
Private Banks	0.50	0.31	0.81	0.76	0.32	1436.99	37.82
Total	13.43	8.43	21.87	17.99	9.92	37775.01	26.40

(Source: www.pmjdy.gov.in)

As the above table clearly shows that till May 2016 total 21.87 Crore accounts were opened in this schemes. It is very good indicator that rural people are connecting with banking sector and this connection will lead to the rural development.

The scheme has made life easier for the people of rural India. Andhra Pradesh, one of the first state in India, which has 100 per cent financial inclusion. It is not just insurance claims, the PMJDY has helped needy people in the villages for many day-to-day transactions. Some of the real success cases are as follows:-

- Timely help Ravamma, at her home in Polavaram, was struck by tragedy when her husband died. The insurance money of ₹ 30,000 that came attached with her husband's Jan Dhan Yojana account helped stabilize her life. Her husband complained of chest pain and passed away before medical help could reach him. Despite the irreparable loss, Ravamma got financial support from an unexpected quarter, the insurance claim that came attached with the Jan Dhan Yojana account her husband had.
- A case of S Edukondalu, a farmer who grows bananas. "Till about a year ago, I used to make business related payments in cash but now I am doing them in cheques," he says about his deals with traders from Vijaywada, about 80 kms away. The farmer adds that his average balance in the savings bank account, opened under the scheme, is now adequate to maintain a cheque book.
- Prakash Goud, a vegetable seller in Kandi village in Sangareddy district of Telangana, is elated about the overdraft facility for ₹ 5,000 that comes with the PMJDY account. He said that "This is quite a sum for me and helps in mobilising daily working capital for my business,".
- Till recently, Goud had to depend on the local money lenders who would provide call money, to buy vegetables. Call money is a form of private lending where a loan is available immediately, but comes with exorbitant rate of interest. He would walk back with little returns after paying back the borrowed money to the money lender, who would charge an average interest rate of 10 per cent. But now, thanks to the overdraft facility, the vegetable seller doesn't need the call money anymore. The overdraft facility has also come handy for other purposes such as paying school fee for kids and buying books, points out M Jyothi, a labour whose two children.

IV. LITERATURE REVIEW

According to Arundati Bhattacharya, Chairman SBI, choosing a cost effective model for financial inclusion will require banks to significantly free up human resources, apart from using a banking correspondent model. With increase in financial

inclusion and digitalization of banking, requirement of cash in the economy will reduce thereby helping in controlling unaccounted money in the economy.

Harpreet Kaur and Kawal Nain Singh (2015) studied the recent trends in financial inclusion in India with special reference to PradhanMantri Jan DhanYojana (PMJDY), highlighting its key areas and suggest strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas.

Sonam Kumari Gupta (2015) highlighted on Performance of the PradhanMantri Jan DhanYojana (PMJDY) and latest trends being implemented for financial inclusion by PMJDY. It is found that, of the accounts opened at public sector banks under the Jan DhanYojana, 71% included population are zero balance, against 64% for private banks released by the ministry, only 28% of the accounts opened under the scheme are active, with about Rs.9, 000 crores deposited in these.

Patnaik (2015) analyzed that, only 13.8% of the respondent in Bhubaneswar have access to bank accounts and out of the total respondent who do not have bank account due to various reason are alarming are not aware of PMJDY scheme. The study concluded that, the banks should make more effort in creating awareness on zero balance account and should aggressively campaign for such scheme.

Diveyesh Kumar (2014) discussed the overview of financial inclusion using PMJDY in India. It is revealed that, it is the greatest steps ever taken to eradicate poverty are financial inclusion through PMJDY. It is suggested that, the success of this scheme constant review and regular check is very much essential.

Aishwarya Sigh, Manoj Sharma & MukhesSadana, (Feb, 2015) have concluded that assuming fewteething problems, PMJDY is well positioned for success. Account access alone will not generate limited impact in the lives of the poor- it is account usage that is important.

Dr Kaur & Singh, (2015) have positioned financial inclusion as a business opportunity to banks and the launch of PMJDY strengthens the resolve that when coordination, dedication, commitment trust, satisfaction and continuity is provided by all constituents and stakeholders, a frame work of construct is created which acts as a dominant force for accomplishment of the mission.

RESEARCH METHODOLOGY

For the purpose of this study, Bagru Village in Rajasthan, has been selected. The sample size for this survey was 100. The primary data was collected through questionnaire and the secondary research includes extensive reference to RBI reports & journals, research articles, and relevant websites. The study is descriptive and empirical in nature.

OBJECTIVES

The objectives of the study are:

1. To find out the awareness of PMJDY among the rural people.
2. To evaluate the benefits of the scheme.

Sample Survey & Results

A small sample survey of 100 households was conducted using a close-ended questionnaire. The survey was done in May 2016. The main purpose of the survey was to identify the awareness of the PMJDY scheme amongst the people of Bagru. The scheme has been launched nationwide using various types of media, awareness programs by banks, distribution of literacy materials, help of bank mitr, and many more.

Descriptive Statistics

Table 1
Awareness about the PMJDY

	<i>Frequency</i>	<i>Percentage</i>	<i>Cumulative Percent</i>
Neutral	13	13.0	13.0
Agree	54	54.0	67.0
Strongly Agree	33	33.0	100.0
Total	100	100.0	

Table 1 show that out of 100 respondents of Bagru village total 87% respondents are aware about the PMJDY scheme. It clearly indicates that the awareness among the rural people is exist.

Table 2
Bank Account under PMJDY scheme

	<i>Frequency</i>	<i>Percentage</i>	<i>Cumulative Percent</i>
Yes	87	87.0	87.0
No	13	13.0	100.0
Total	100	100.0	

Table 2 shows that out of 100 respondents 87 respondents have opened bank account under this scheme. It shows that the people those are aware (as per table 1) about PMJDY, all has opened bank account. It is good indicator that rural people are connecting with banking sector.

Figure 1 show that out of 100 respondents 66% respondents (66 respondents) are neutral about the benefits of PMJDY scheme, whereas total 34% respondents

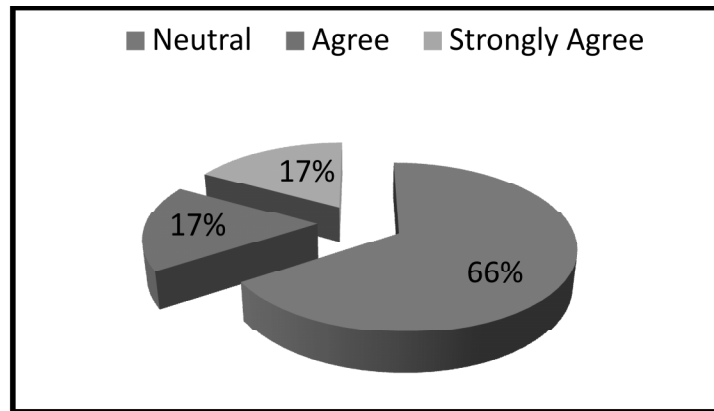


Figure 1: Awareness about the benefits of PMJDY

are completely aware about the benefits of this scheme. It shows that even the all rural people those have bank account under this scheme are not aware about the all benefits of this scheme.

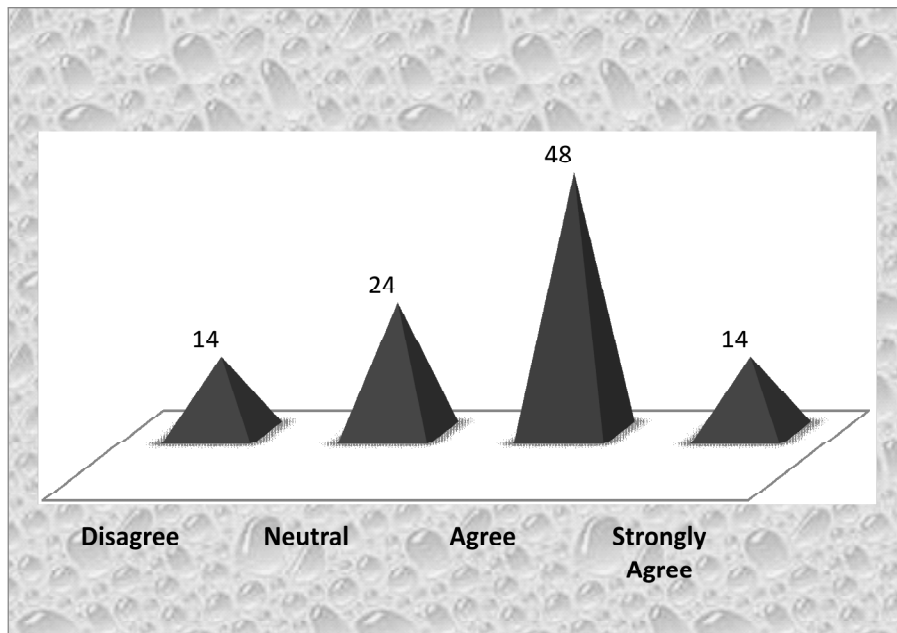


Figure 2: Benefits actually reaching to Rural People

The above figure 2 shows that benefits of PMJDY scheme is actually reaching to the rural people or not. In India is very often that many times actual benefits are not avial by the users due to time limit, corruption, more paper formalities, brokers

etc. The figure shows that 62 respondents (agree & strongly agree) are actually availing the benefits of PMJDY scheme. 24 respondents are availing only some benefits due to some problem or cause. But 14 respondents are disagree, that they are not getting the all benefits of PMJDY scheme.

Table 3
Accidental Insurance Facility Avail under this scheme

	<i>Frequency</i>	<i>Percentage</i>	<i>Cumulative Percent</i>
Avail full amount	35	35.0	35.0
Avail partly amount	20	20.0	55.0
Not avail any amount	45	45.0	100.0
Total	100	100.0	

Table 4
Life Insurance Facility Avail under this scheme

Yes	43	43.0	43.0
No	57	57.0	100.0
Total	100	100.0	

The above table no. 3 clearly indicates that 35 respondents has avail the accidental insurance facility of Rs. 100000 under this scheme. 20 respondents has avail some part of this benefit. This table no 4 also shows that 43 respondents had also taken benefit of life insurance. This research paper also mentions some true stories of rural people of India those are actually given benefits under this scheme.

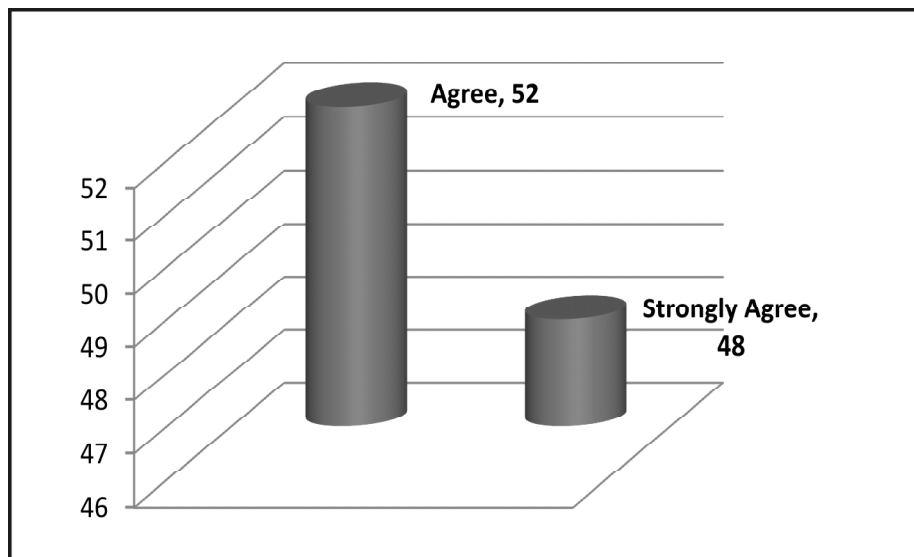


Figure 3: Beneficial for Rural People

The figure 3 shows that 52% respondents are saying that PMJDY is beneficial for all rural people. But also suggest for the maximum benefits of PMJDY, Government should continuously evaluate the performance of Banks.

Table 5
Compulsion to maintain balance in PMJDY bank account

	<i>Frequency</i>	<i>Percentage</i>	<i>Cumulative Percent</i>
No	100	100.0	100.0

The above table no 5 shows that under scheme there has no compulsion to maintain the minimum balance in account. Usually in all banks all types of account customer needs to maintain minimum balance of amount. But under this scheme minimum account balance is not required. In a way it will be great help for all rural people, it will lead to open more and more bank accounts. This will also motivate rural people to utilize maximum banking facilities.

Table 6
PMJDY has enhanced the financial inclusion

	<i>Frequency</i>	<i>Percentage</i>	<i>Cumulative Percent</i>
Neutral	33	33.0	33.0
Agree	34	34.0	67.0
Strongly Agree	33	33.0	100.0
Total	100	100.0	

The above table no 6 shows that out of 100 respondents 67% are agree/ strongly agree that this scheme has enhanced the financial inclusion in India. The initiative of Prime Minister Shri Narendra Modi has actually benefits to many rural people. This is leading to rural development in India. In Future, if all Indian people are connecting with banking sector in any way, it will increase growth rate of India.

Statistical Interpretation

One Sample T-test is chosen to analyze the Awareness about PMJDY and beneficial for rural people in India. This test is used to find out whether the Mean & Standard deviation value of group is significantly different or not.

H₁ : There is no awareness among the rural people about the PMJDY.

H₂ : PMJDY scheme is not beneficial for rural people.

One-Sample Statistics						
	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Std. Error Mean</i>		
Awareness about the PMJDY	100	4.20	.651	.065		
This scheme is beneficial for rural people of India	100	4.48	.502	.050		
One-Sample Test						
	<i>Test Value = 0</i>				<i>95% Confidence Interval of the Difference</i>	
	<i>t</i>	<i>df</i>	<i>Sig. (2-tailed)</i>	<i>Mean Difference</i>	<i>Lower</i>	<i>Upper</i>
Awareness about the PMJDY	64.483	99	.000	4.200	4.07	4.33
This scheme is beneficial for rural people of India	89.222	99	.000	4.480	4.38	4.58

The above table shows P value/ Significant value is .000 which is less than .05. P value is less than α so null hypothesis (H_0) is rejected and an alternative hypothesis (H_a) is accepted. Thus we can say rural people are aware about the PMJDY scheme and it is very beneficial for rural people also. Many rural people are benefited under this scheme through life insurance, accidental insurance, RU pay debit card. Based on this scheme people can get the ration from PDs shop on lower rate.

Hence it is proved that "Rural people of India are aware about this scheme and they are availing benefits under this scheme also." But the government has to continuously evaluate the performance of banks so that actual benefits may reach to poor people.

CONCLUSION

Financial inclusion is not a one-time effort; it is an ongoing process. It is a huge project which requires concerted and team efforts from all the stake holders – the Government, financial institutions, the regulators, the private sector and the community at large. It requires a major mindset change in the minds of every individual of India – banker, bureaucrat, regulator et al, and therefore creating awareness at all levels.

At the same time, the role of technology in the whole situation cannot be diluted. It has to be admitted that today, more than even before, technology plays a vital role in bringing about integration in society of all social and economic classes. Convenience, affordability, suitability and benefits determine how deep financial

inclusion provides the social framework of the village. Financial inclusion can empower even the poorest person and bring about a dramatic change in his destiny. With combined efforts of all the stake holders, viz., policy makers, regulators, banks, NGOs, MFIs and other similar entities, this can be made possible. In world no longer poverty is exit.

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