



## Research Article

# EFFECTIVENESS OF PRIME MINISTER JAN DHAN YOJANA (PMJDY) IN BOOSTING PUBLIC WEALTH – A STUDY

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Received April 07, 2018; Accepted April 26, 2018; Published May 01, 2018;

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**Cite This Article:** G., A.(2018). Effectiveness of prime minister jan dhan yojana (PMJDY) in boosting public wealth – A study. Journal of Social Sciences & Humanities Research, 4(1). 1-5

## ABSTRACT

The present paper discusses the role of Prime Minister Jan Dhan Yojana (PMJDY) in boosting the public wealth. This scheme provides financial inclusiveness and banking access to millions of households across the country and provides the insurance cover and gives a sense of security to millions of households across our country. By linking this scheme with various other government schemes money will be directly credited into the accounts of the beneficiaries thereby eliminating the intermediaries and curbing the leakages. This scheme providing access to micro-credit in the later phases of the scheme. But, many accounts opened under this scheme were lying dormant though this problem would rectify once the government links this scheme with other schemes such as MNREGA and other direct cash benefit transfer schemes. Overall this scheme could be a game changer and has potential to change the face of the country. It could help plug the leakages and improve the efficiency of targeted public distribution systems. The analysis made with the help of both primary data through structured questionnaire and secondary data through various sources like books, articles and published materials. Finally, it attempts to offer suitable suggestions to improve the status of PMJDY in uplifting then public wealth.

**KEYWORDS:** *Micro-credit, MNREGA, PMJDY, Public Wealth.*

## INTRODUCTION

**P**radhan Mantri Jan Dhan Yojana (PMJDY) is a social upliftment scheme will ensure financial access to everyone who was not able to get benefits of many other government related financial schemes. This scheme is available to every individual in the country include banking/savings and deposit accounts, transfer of funds, credit facilities insurance coverage, pension/ annuities cover in an easy and affordable mode. This scheme launched in the year 15<sup>th</sup> August, 2014 by Prime Minister Narendra Modi to integrate the poor section with bank accounts. Under the PMJDY, anyone who is an Indian citizen above age of 10 years and does not have a bank account can open the account with zero balance. Account can be opened in any bank branch of India. The procedure to opening an account is made too easier to bring up the every households of the country.

## STATEMENT OF THE PROBLEM

Jan Dhan Yojana was launched with the aim of enhancing saving attitude of public. Perhaps the schemes at inception stage created record in the form of opening bank account. Later the scheme was turn down its strength due to many reasons. The present paper helps to understand the current position of Jan Dhan Yojana and to know at what extent it is useful to public.

## OBJECTIVES OF THE STUDY

- i. To study the reasons behind the introduction of Jan Dhan Yojana in India
- ii. To highlight the usefulness and review the present status of Jan Dhan Yojana to increase financial inclusion.
- iii. To assess the effectiveness of Jan-Dhan Yojana in

- iv. boosting public wealth.
- To study the problems connected with Jan-Dhan Yojana.

**Sample size and design**

The present study selects 60 respondents by using random sampling technique.

**SCOPE OF THE STUDY**

The present paper confined to understand the effectiveness of Jan Dhan Yojana in public wealth and covers the respondents of Shivamogga Town.

**RESEARCH METHODOLOGY**

**Sources of data**

The primary data is collected by way of preparing structured questionnaire and remaining part of information collected through personal interaction with employees. The secondary source of information collected from reputed journals, magazines, books, and from internet sources.

**REASONS BEHIND INTRODUCING JAN DHAN YOJANA**

- i. The main reasons for introduction of Pradhan Mantri Jan-Dhan Yojana are to uplift millions of Indians into the main financial stream through financial inclusion.
- ii. Universal access to banking facilities
- iii. Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households.
- iv. Financial literacy would be an integral part of the Mission in order to let the beneficiaries make best use of the financial services being made available to them.
- v. Creation of a Credit Guarantee Fund would cover the defaults in overdraft accounts.
- vi. Provide micro- insurance to all willing and eligible persons by 14 August, 2018, and then on an ongoing basis.

**PRESENT STATUS OF PMJDY**

**Table 1:** Number of Accounts and Balance in Accounts as on March 21, 2018.

Bank Type	Number of Accounts				Balance in Accounts	Number of RuPay Cards
	Rural	Urban	Total	Female		
Public Sector Banks	13.63	11.73	25.36	13.29	62,454.15	19.05
Regional Rural Banks	4.25	0.78	5.03	2.75	12,973.28	3.67
Private Banks	0.6	0.39	0.99	0.52	2,171.27	0.92
Total	18.48	12.9	31.38	16.57	77,598.70 crore(US\$12 billion)	23.64

Source: [https://en.wikipedia.org/wiki/Pradhan\\_Mantri\\_Jan\\_Dhan\\_Yojana](https://en.wikipedia.org/wiki/Pradhan_Mantri_Jan_Dhan_Yojana).

**Table 2:** Beneficiaries as on 28/03/2018 (Figures in crores).

Bank name/type	No. of beneficiaries at rural/semiurban centre bank branches	No. of beneficiaries at urban metro centre bank branches	No. of rural-urban female beneficiaries	No. of total beneficiaries	Deposit in accounts (in crores)	No. of Rupay debit cards issued to beneficiaries
Public Sector Banks	13.67	11.75	13.32	25.42	63021.9	19.06
Regional Rural Banks	4.25	0.78	2.75	5.04	13296.3	3.67
Private Sector Banks	0.6	0.39	0.52	0.99	2175.79	0.92
Grand Total	18.25	12.92	16.6	31.44	78494	23.65

Source: <https://www.pmjdy.gov.in/account>.

**RUPAY DEBIT CARD AND ITS USES**

**Faster processing of transactions**

Since all the transactions will be taking place through domestic means within India, the processing will pace up.

**Lesser processing fee**

Again, since all the transactions will be taking place within India through RuPay, there will be lesser processing fee per transaction that will be beneficial for the banks and the users as well.

**Cost**

These cards are quite affordable. Thus it allows the card technology and the banking facility to reach remote villages.

**Acceptance in ATM's and other transaction portals**

RuPay card is accepted widely in over 1.45 lakhs ATM's. Over 8.75 lakhs POS terminals allowed its use and over 10000 e-commerce sites use this card.

**Customized products and services**

Since RuPay card is a domestic card, it offers a variety of benefits to the Indian users. A large range of customized products and services are being offered for the native consumers.

**Protection of Indian citizen's privacy**

All the transactions through RuPay card are limited to India only. Thus all the consumer data related to the transactions and transaction history will reside to India only.

**No issues about quarterly processing fee**

RuPay is issued by a government body that allows various banks to use its services without any extra quarterly processing fee.

**ANALYSIS AND INTERPRETATION OF DATA**

**Table 3:** Demographic Profile of Respondents.

Particulars	No. of Respondents	Percentage (%)
<b>Age</b>		
Below 20	0	0
20-40	24	40
40-60	28	46.67
Above 60	8	13.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Gender</b>		
Male	42	70
Female	18	30
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Marital Status</b>		
Married	46	76.67
Unmarried	14	23.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Qualification</b>		
Uneducated	42	70
Below SSLC	14	23.33
PUC	0	0
Graduate and above	4	6.67
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Occupation</b>		
Student	40	6.66
Businessman	22	36.66
Employee	20	33.34
House wife	14	23.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Annual Income</b>		
Below 50000	6	10
50000-00000	38	63.33
100001-150000	12	20
Above 150000	4	6.67
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Field Survey.

**Table 4:** Opinions of Respondents towards PMJDY.

Particulars	No. of Respondents	Percentage (%)
<b>Annual Savings</b>		
Below 10000	4	6.67
10000-20000	38	63.33
20001-30000	14	23.33
30001-60000	2	3.33
Above 60000	2	3.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Total number of Family members having JDY a/c</b>		
2-Jan	40	66.67
3-Feb	16	26.67
3-4	4	6.67
Above 4	0	0
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Frequency of operating JDY a/c</b>		
Very often	10	16.67
Once in fortnight	8	13.33
Once a month	36	60
Never	6	10
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Customers knowledge about the benefits of the Yojana</b>		
Yes	46	76.67
No	16	23.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Customers opinions about RuPay card</b>		
Very useful	36	60
Not essential	2	3.33
Not useful	8	13.33
Don't know how to use	14	23.33
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Satisfaction level towards Facilities under yojana</b>		
Satisfied	45	75
Not-satisfied	15	25
<b>Total</b>	<b>60</b>	<b>100</b>
<b>Customer view about this Yojana</b>		
Useful	52	86.67
Not useful	8	13.33
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Field Survey.

**FINDINGS**

- i. Jan DhanYojana is led to enhanced habit of bank account creation and savings
- ii. The amount of benefit provided under this scheme not reasonable to the public to meet their expectations.
- iii. There is no feasibility in the number of accounts created and amount of deposit
- iv. The major target this scheme is towards improvement of wealth of the below poverty line public by enhancing saving nature.
- v. The scheme helps public by providing loans to meet their requirement.
- vi. Cost of operating account is not so high for banks but some extent of high clerical work hampered the employees.
- vii. The infrastructures of many banks are digitalized

- viii. for the efficient functioning of Jan DhanYojana. The Jan DhanYojana is the most effective financial inclusion scheme among other schemes and it has gained world record of “Most bank accounts in a week as a part of financial inclusion”.

**SUGGESTIONS**

- i. Attach high amount credit assistance to the Jan DhanYojana to assures maximum extent of benefits to the required public.
- ii. Frame the strategies to increase amount of deposit per account rather than increasing number of accounts
- iii. Open separate cell at least one in each district, for assuring and guiding utmost information about Jan DhanYojana to ensure its popularity and to make better utilization of Jan DhanYojana

- iv. Create a link between Aadhar card and Jan DhanYojana to get maximum level of clarity in the schemes.

#### LIMITATIONS OF THE STUDY

- i. Many beneficiaries who are interviewed are unaware about its overall pros and cons  
ii. The opinion of respondents differs due to differential benefits arose before and after December 2017.

#### CONCLUSION

One of the greatest steps ever taken to eradicate poverty is financial inclusion through PMJDY. For the success of any scheme constant review and regular check is very much essential. Successful implementation would not only reduce poverty but also puts a check on corruption. A bold first step by Government indeed helped many to come into the main stream of economy and reduce financial untouchability

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