



## **Pradhan Mantri Jan Dhan Yojna (PMJDY)**

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### **ABSTRACT**

The goal of financial inclusion is to provide low-income and disadvantaged groups in society with access to inexpensive financial services. The government of India launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) in an effort to promote banking habits among those who are financially excluded and to combat poverty. Financial inclusion is a novel idea that works toward both of these goals. This initiative offers additional benefits in addition to creating a bank account, like a zero balance bank account with a RuPay debit card, accident insurance coverage of Rs. 1 lakh, life insurance cover provides Rs 30,000 to the family of the life assured in the event of death, regardless of the cause. The Government of India pays the premium for this life cover. The scheme aims to provide security to families from the economically weaker sections who cannot afford to purchase insurance directly.

Keywords: Pradhan Mantri Jan Dhan Yojana (PMJDY) for financial inclusion.

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### **1. Introduction**

Since nationalizing banks in 1969, many people lack access to banking, particularly in rural areas. Their inability to better their financial situation is a result. By offering these marginalized individuals reasonably priced banking services, financial inclusion seeks to address this. This can improve the economy, lessen poverty, and assist create jobs.

The Indian government launched initiatives such as PMJDY to provide insurance and provide bank accounts to the underprivileged. Among the difficulties include developing financial products that are affordable for those with low incomes and enabling banking in remote locations. In general, financial inclusion makes banks and financial services more accessible to the public, which benefits both individual citizens and the national economy..

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### **2. Concept-**

The primary goal of PMJDY is to give the public access to a range of financial services, including pensions, credit facilities, overdraft protection, and accidental and life insurance. Ensuring financial inclusion for all national residents is viewed as a task. The program seeks to provide each person of the nation with at least one bank account.

The Ministry of Finance oversees the program. Over 1.5 crore accounts have been established under this initiative on the first day alone. More than 27.64 crore bank accounts were established as of January 31, 2017, and money of Rs 60257 crore was placed into these accounts. Several essential components of PMJDY

- Accessible banking services for anyone.
- Inclusion of finances
- Debit card Rupay with overdraft protection
- For the underprivileged, mobile banking
- Fund for credit guarantee
- Mini-insurance

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### **3. Literature Review –**

- 1) According to Sameer Kochaar (2009), poverty is caused by a lack of financial literacy. Achieving development goals and combating poverty can be aided by financial inclusion (FI).

- 2) According to Jalan (2009) concentrates on involving the underprivileged in economic development. One important technique that he mentions is the Self Help Group Bank Linkage Program (SBLP).
- 3) According to Chakraborty (2009), access to large financial institutions is necessary for true FI, not merely local lenders. This guarantees reasonable and equitable services.
- 4) According to Mehrotra et al (2009) An index measuring financial inclusion in India was developed by , taking into consideration things like the availability of rural banks and bank accounts. The World Bank examined government regulations and per capita accounts while examining banking accessibility in 45 different nations.
- 5) 2010's Sarma emphasizes the advantages of financial inclusion. It can lessen dependency on unofficial lenders and enhance everyday money management and resource allocation.
- 6) According to Kumar and Misra (2010) research on financial inclusion (FI) in India . They examined banking data on credits, deposits, branches, and accounts to determine the supply and demand for financial services.
- 7) Rao (2010) notes that a number of FI proposals have not yet been implemented by certain banks.
- 8) Economic growth, according to Chandan Kumar and Srijith Misra (2011), depends on a sound financial system. An essential component of this system is banks.
- 9) Kaul (2011) emphasizes India's recent economic expansion but queries whether everyone is profiting.
- 10) According to Saroj Upadhyay (2010), development depends on having access to financial services. Rather than only giving gifts, inclusion entails empowering the marginalized.
- 11) According to Karmakar et al. (2011) In rural India, financial inclusion was investigated by. They examined variables such as deposits, bank branches, and accounts. A Financial Inclusion Index was developed by the Indian government to monitor the development of public sector banks.

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## 4. Research Methodology

### 4.1 Objectives of the Study

Pradhan Mantri Jan Dhan Yojana (PMJDY), which was introduced in 2014, aims to increase financial inclusion in India. It provides access to advantages including credit and insurance, bank accounts, and financial literacy training. The program has increased financial literacy, decreased the number of people without banks, and established millions of accounts. Low account activity and restricted credit access are obstacles, though. The government is attempting to develop digital payments and enhance these sectors.

### 4.2 Research Design, Data Collection Method, Sample method, Research Instrument etc –

#### • Research Design

A descriptive research design is chosen for this study. This design aims to provide a comprehensive and detailed account of a specific phenomenon without manipulating variables. This design allows you to observe and describe the impact of a particular factor without altering it.

#### • Source's of data

I will be using both primary and secondary data sources for this study. Primary data will be collected directly from your respondents through the survey. Secondary data will involve existing data or literature related to this research topic. This combination helps provide a comprehensive understanding of the phenomenon you're studying.

#### • Data collection method

I have opted for a survey as my data collection method. Surveys involve gathering data by posing a set of structured questions to respondents. This method allows me to collect quantitative data efficiently

#### • Sampling method

Non-probability convenience sampling has been selected as sampling technique. This means that sample is not randomly selected from the population. Instead, participants will be selected. based on convenience and accessibility

#### • Data collection instrument

We will be using Questionnaire method as an instrument to collect the data

## 5. Data Analysis

### 5.1 Demographic Profile –

The Pradhan Mantri Jan Dhan Yojana (PMJDY) survey has shown some intriguing demographic patterns. With 52% of men and 48% of women knowing of the initiative, males are slightly more aware of it than women.

Nonetheless, government banks account for 75% of accounts opened under PMJDY, suggesting that public sector institutions are preferred for this initiative.

The information also clarifies the professions of persons with an interest in PMJDY. At 53.9%, students make up the largest group, followed by workers in the service industry at 35.3%. Professionals and businesspeople are less interested, at 3.9% and 6.9%, respectively. When it comes to money, most of the participants make less than Rs. 200,000 per year. Merely 12% of the participants earn more than Rs. 300,000 every year. This implies that young people, those with steady jobs, and those in lower income groups find PMJDY most enticing.

### 5.2 Nominal Questions-

#### Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Education	102	1	4	273	2.68	1.153
PMJDY prompted banking service among banking service	102	1	4	321	3.15	1.009
PMJDY encouraged more people to save money and use banking	102	1	5	335	3.28	1.214
PMJDY Financial service for women in rural areas	102	1	5	350	3.43	1.206
correct statement	102	1	3	186	1.82	.695
PMJDY has increasing financial awareness and inclusion in india	102	1	2	117	1.15	.356
Family have PMJDY account	102	1	2	150	1.47	.502
Benifits have experienced by PMJDY	102	1	4	242	2.37	1.107
PMJDY account opning reason	102	1	4	239	2.34	.884
How often use PMJDY for financial transaction	102	1	5	307	3.01	1.270
PMJDY contributed in your opinion	101	1	4	243	2.41	1.002
PMJDY is effective to promote financial literacy	102	1	5	367	3.60	1.065
PMJDY role to promotion financial literacy	102	1	4	241	2.36	1.022
Callanges faced PMJDY	101	1	4	246	2.44	1.062

PMJDY has contributed increasing financial awareness	102	1	5	350	3.43	1.206
Valid N (listwise)	99					

## 6. Findings

- PMJDY scheme is known to most of the people. knew it through Bank officials and is followed by Friends & Relatives.
- 66% of the people have opened the accounts under the scheme.
- Lower income earners are more likely to participate in PMJDY (with the majority earning less than Rs. 200,000 annually).
- PMJDY Poll show that people's perceptions of PMJDY's contribution to financial literacy are generally positive.
- PMJDY has been effective in getting those without bank accounts to use banking services.
- PMJDY surveys have promoted saving money and using banking services.
- Thanks to PMJDY the government can now directly deposit subsidies and benefits into the bank accounts of recipients.
- PMJDY in raising financial inclusion and awareness.
- PMJDY aims to give all Indian households access to banking services in order to promote financial inclusion.
- PMJDY in encouraging the use of digital payments and digital financial literacy.
- In order to achieve complete financial inclusion, PMJDY must overcome several obstacles, such as low awareness in rural areas, neglect of remote areas, and inadequate support from banking institutions.

## 7. Conclusion

Millions of unbanked people have had bank accounts opened for them thanks to the PMJDY program, but issues like providing banking services in rural areas and creating low-income groups with appropriate financial products still need to be addressed.

### Acknowledgements

No doubt for PMJDY initiative has been a financial inclusion success story. Now that bank accounts are available, millions of people who were unbanked before may benefit from the financial protection they provide. But there are still issues to be resolved, such making sure that banking services are available in rural locations and creating financial products that are appropriate for low-income populations.

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