



Pradhan Mantri Jan Dhan Yojna: Effects on women Empowerment

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Abstract- Financial inclusion is an important indicator for the progress and well-being of the society. In the past few years government of India has launched number of schemes to boost the economic development of country. Pradhan Mantri Jan Dhan Yojna is one of them; it is a large scale financial inclusion scheme introduced by Sh. Narendra Modi, honorable Prime Minister of India. This study is based on the secondary data and the main objectives of the study are to examine the effectiveness and implication of PMJDY and to analyze the impact of this yojna on women empowerment. It is found the people belonging to rural areas especially women are taking greater benefit of this scheme as the 51 per cent of account holder are women. Under this scheme government has started several offers to thrift the saving habits among illiterate women, which will help to empower them. It is concluded that Pradhan Mantri Jan Dhan Yojna is playing an important role in empowering women, especially to those women who are illiterate or less educated and belonging to the very low income sectors. At the end of the study few suggestions have been given to overcome the limitations of the study.

Keywords- Financial Inclusion, Progress, PMJDY, Women, Empowerment.

I. Introduction-

Women have a significant role in our society and are required to fulfill a variety of roles in today's globalized world as a home maker, as a mother, as a working woman and so on. According to a well-known quote, "Train a man and you can train an individual, train a woman and you build a nation;" Due to exclusion of household work from gross domestic product, less education level and

weak economic conditions, women are considered inferior to men. They are no longer valued in society as a result of this discrimination. Due to low education level their participation is low in economic activities. Women have not assigned effective role in day to day decision making as well. As men earn money and have strong financial condition compared to women therefore, all the important decisions are taken by them. In such circumstances there is need to empower the women and ensure the effective participation of women in economic activities. Empowerment is the process of enabling a person to think, be independent, take decisions and work in an autonomous way. Thus, to empower the women it is essential to improve their socio-economic status (Kumari,2013).

According to several studies, the empowerment of women is a necessary prerequisite for eliminating global poverty since it helps to build a base for social change at the individual level. Women's empowerment is primarily measured by six factors: their contribution to household income, their access to resources, their ownership of assets, their involvement in household decision-making, their perception of gender awareness, and finally their ability to deal with shocks to the household. It has been noted that exposure to information media, education, and training all significantly contributed to the empowerment of women. Some beneficial efforts made by the NGOs helped to improve the women's self-esteem, education level and skills. Thus it is necessary to make some more programs and policies in favour of women to make them more empowered. The progress in women's status is crucial in the fight against poverty, the improvement of women's health, the abolition of



various limitations, etc. (Parveen and Leonhauser,2004).

Every country is particularly concerned about financial inclusion in order to advance its economy. The ultimate goal of financial inclusion is to engage everyone in financial activities and assist them in generating income, which raises savings and investment levels. In order to protect the lower-income and more vulnerable segments of society from financial hardship, it also creates a platform for thrift among them. This will help the nation's inclusive growth, social development, and business opportunities (Shafi and Reddy, 2016).

Financial inclusion is the process of ensuring that all segments of society, including vulnerable groups like weaker sections and low income groups, have access to appropriate financial products and services they need at an affordable price in a fair and transparent manner by mainstream institutional players. The main goal of financial inclusion is to make banking services available to everyone without discrimination (Mundra, 2016). According to the World Bank, financial inclusion, is the "access by people and businesses to meaningful and affordable financial products and services that fulfill their needs transactions, payments, savings, credit, and insurance delivered in a responsible and sustainable manner."(Worldbank.org).

In the last few years government of India has launched numerous schemes such as 'Pradhan Mantri Jan Dhan Yojna', Skill India Mission, Make in India, Swachh Bharat Mission, PM Mudra Yojna, Ujala Yojna, Atal Pension Yojna, Atamnirbhar Bharat Rozgar Yojna and so on. Although most of the schemes have different targets and features but the central aim of all these schemes is common, this is to strengthen then vulnerable section of the society and boost the economic development (Chanda,2016).

Introduction to Pradhan Mantri Jan-Dhan Yojana

Pradhan Mantri Jan-Dhan Yojana (PMJDY), a national initiative for financial inclusion, is to ensure that everyone has inexpensive access to financial services like basic savings and deposit accounts, remittance, credit, insurance, and pensions. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account. PMJDY was announced on 15th August 2014 by Sh. Narendra Modi, the prime minister of India. This scheme is one of the

biggest financial inclusion initiatives in the world (pmjdy.gov.in,2022).

Banks have opened 12.54 crore accounts as of January 31, 2015, surpassing the initial target of creating bank accounts for 7.5 crore. At present, approximately 100 per cent coverage has been attained. Out of the total opened accounts, the share of people of urban areas is quite less than rural. It is 40 per cent in case of the urban areas and 60 per cent in case of rural areas. 51 per cent of account holders are women (pmindia.gov.in,2022).

Features / Benefits of Pradhan Mantri Jan Dhan Yojna: The key features and benefits of PMJDY are discussed below-

- It is a national mission for financial inclusion.
- One basic savings bank account is opened for unbanked person.
- Accounts can be opened with zero bank balance as the primary aim of this yojna is to promote banking habits among the weaker sections of the society.
- Life insurance cover of Rs. 30,000 payable on death of the beneficiary.
- Accident insurance cover of Rs. 1 lakh or Rs. 2 lakh (2 lakh in case of new accounts opened after 28th august 2018.).
- Rate of interest is earned on the deposits and an overdraft facility up to Rs. 10,000 is available to eligible account holder.
- Rupay debit card is provided to the account holder.
- Account holders of this scheme are eligible for Pradhan Mantri Jeevan Jyoti Bima Yojna, Pradhan Mantri Suraksha Bima Yojna, Direct Benefit Transfer, Atal pension Yojna and for Micro Units Development & Refinance Agency Bank scheme.

II. Review of the Literature

Husain (2015) analyzed that PMJDY is an innovative idea to empower the vulnerable sections of the society. He discussed that this yojna is a bunch of gifts in the form of financial support and services. This yojna not helped to eliminate poverty but also puts a check on corruption that is the burning issue faced by India. At the end of the study author have suggested that some needful modifications in Rupay card program.

In another study Joshi and Rajpurohit (2015) examined the objectives, achievements and prospectus of PMJDY. This scheme is successfully established in rural and urban areas. They explored that this scheme provide various services such as



access to need based credit, insurance, remittances and pension etc. **Kaur and Singh (2015)** explored that under the PMJDY financial inclusion in India had helped the government and bankers to eradicate poverty and resolve their issues in trustworthy manner. He observed that this yojna has helped a lot to empower the women, as among the total beneficiaries the ratio of women beneficiaries is greater than the men beneficiaries.

Kumar (2018) made an attempt to study the awareness of Pradhan Mantri Jan Dhan Yojna among the people of Coimbatore district of Tamil Nadu. This study is based on primary data. The sample of this study was 576 account holders under PMJDY. The main objective of this study was to know about the satisfaction level of respondents (beneficiaries) of this scheme. Simple percentage method and Friedman rank test have been used to analyze the result of the study. Author found that majority of the respondents were satisfied with services of this yojna. At the end of the study it is suggested that under this scheme government should give more services to society such as social benefit scheme, direct benefit transfer etc.

Bhatia and Singh (2019) have analyzed that financial inclusion is considered to be a critical indicator for the well-being of society. Pradhan Mantri Jan Dhan Yojna has emphasized on financial inclusion as a facilitator for achieving gender equality. This study is based on the primary data and the data has been collected from 737 account holder female living in urban slums. To obtain the results from the collected data Exploratory Factor Analysis, Confirmatory factor Analysis and One-way ANOVA methods had been applied. Authors have found out that PMJDY has been extremely effective, particularly for slum-dwelling women, and it has a favourable impact on social, political, and economic aspects of women's empowerment.

World Economic Empowerment (2020) conducted a study to analyze the women's economic empowerment in India. This study was based on secondary data. Financial inclusion schemes introduced at national and state level have been briefly discussed in this study. It is noticed that financial inclusion proves to be one of the pivotal instruments capable of empowering women by enabling them to take control of their own lives. Overall, access and usage of formal financial

services can not only induce a sense of empowerment in women by making them feel equipped with greater control over their finances, but it can also benefit the society at large. The study concluded that PMJDY is not only empowering the deprived women, it is also focusing on women entrepreneurs, as this yojna helped in a higher share of loan disbursements to women.

Objective of the study- To examine the effectiveness and implication of PMJDY and to analyze the impact of PMJDY on women empowerment are the main objectives of this study. **Data Methodology-** The study is based on secondary data. Relevant websites, magazines, government publications have studied in order to conduct the study in effective manner.

PMJDY and Women Empowerment

PMJDY has positively influence the deprived women of the society. There are six pillars of this scheme which is further divided into two phases. Time period of phase one was started from August 2014- August 2015, and phase two operated between the August 2015-2018. Under the phase one of this yojna each household will have at least one bank account and Rupay debit card is given to each beneficiary. Households will receive an additional Rs. 30,000 worth of life insurance coverage if they open an account before January 26th, 2015. Each household would receive a Rs. 5,000 overdraft if they have a good credit history for the first six months. If a household has numerous accounts, only one account receives this benefit, which is given to female accounts first (Chaudhary, 2017).

As per the progress report of PMJDY published by the government of India that the total number of beneficiaries as on December, 2023 is 51.11 crore, and it is pleasant to know that the number of women beneficiaries is more than half of the total, it is 28.36 crore. By observing the table it can be seen that Rs. 162380.47 crore has been deposited in the accounts of public sector banks and Rs. 40246.34 crore deposited in the accounts of regional rural banks, whereas deposits in private sector bank accounts are just Rs. 6010.63 crore (Table 1).



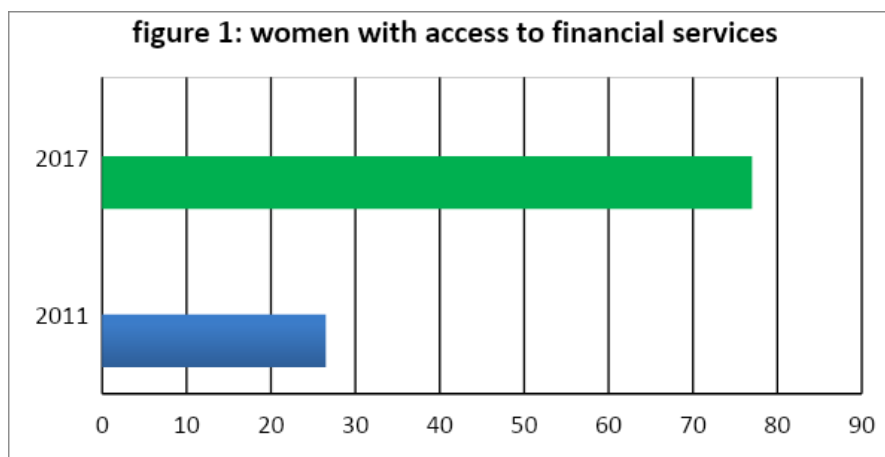
Table 1: Pradhan Mantri Jan- Dhan Yojna : Progress Report
(All figures in Crore)
Beneficiaries as on 06/12/2023

Bank Type	Name/ Sector	Number of Total Beneficiaries	Number of Rural- Urban Female Beneficiaries	Deposits in Accounts	Number of Rupay Debit Cards Issued
Public Banks	Sector	39.90	21.96	162380.47	30.09
Regional Banks	Rural	9.55	5.52	40246.34	3.46
Private Banks	Sector	1.47	0.77	6010.63	1.16
Rural Cooperative Banks		0.19	0.10	0.01	0.00
Grand Total		51.11	28.36	208637.46	34.71

Source- PMJDY Progress Report, Government of India.

As per the report which is jointly published by Women’s World Banking and Bank of Baroda, that India has achieved a lot of success in empowering women after introducing the PMJDY. According to Global Findex Report 2017, in year 2017, 77 per cent women are having bank accounts as compared to 43 per cent in 2014. In year 2011, merely, 26 per cent women had the

access to financial services which has been grown to 77 per cent in year 2017 (figure 1). Government initiatives like the Pradhan Mantri Jan Dhan Yojana are responsible for this progress (PMJDY). Since the program's started in 2014, more than 42.89 crore economically underprivileged citizens have benefited (pmjdy.gov.in).



Source- Global Findex Report,2017.

Although the proportion of people with Jan Dhan accounts has increased, many women still do not actively use their accounts to save money. This yojna offers an opportunity to motivate women to use their accounts more frequently, especially to develop saving habits that will protect them from upcoming economic crises. Even though the global pandemic caused women's monthly household income (MHI) to drop

significantly from about INR 12,000 before COVID-19 to about INR 9,000 after COVID-19, it is found that some women who signed up sustained their saving habits because the overdraft feature made the solution an alluring offer (Clingain et.al.,2021).

Jan Dhan Plus- With the help of Women’s World banking, Bank of Baroda has launched the third and expanded phase of Baroda



Jan Dhan Plus. It is initiated in 25 districts of Uttar Pradesh and 13 districts of Uttarakhand. Baroda Jan Dhan Plus' is built on the strong infrastructure of Pradhan Mantri Jan Dhan Yojana (PMJDY), which has brought about 25.11 crore women into the banking system with Jan Dhan bank accounts. It is a solution which combines a Jan Dhan account with Rs.500 incentive to save over the course of four months. In exchange, the saver is given access to a Rs. 10,000 credit/overdraft facility. This solution also entailed the use of reminders and targeted "nudges" to encourage women to save (Bank of Baroda,2021).

Features of Jan Dhan Plus-

- Jan Dhan Plus is a small savings scheme that encourages women to become active savers.
- Boosting the number of female business correspondents in the workforce to increase gender equality.
- Auto-approval of microcredit for Jan Dhan customers using the service.
- Improving the Business Correspondent channel to aid agents in developing stronger relationships.

Key Reasons why PMJDY has a Crucial Role in the Financial Inclusion of Women

- PMJDY proactively offers women bank accounts, eliminating the necessity of extensive paperwork and avoiding the problem of illiteracy, which is common a problem among the vulnerable households.
- The various offers and services of this scheme have a favourable impact on the economic aspects of women's empowerment. Without requesting security or inquiring how the money will be used, PMJDY offers the woman an overdraft facility of Rs. 10,000 in exchange for successfully managing the savings account. All these facilities make a woman financially independent and confident.

III. Conclusion

Based on the above analysis, it can be concluded that in recent times government of India has launched numerous schemes associated to financial inclusion, PMJDY is one of them. This scheme helped to eliminate financial untouchability and encouraged the saving habits among poor people. Pradhan Mantri Jan Dhan Yojna is also playing important role in empowering women, especially to those women who are illiterate or less educated and belonging to the very low income sectors. According to the government resources

several women have opened their bank account to avail the benefits of this scheme. Initially this scheme has been launched in two phases and after the successful completion of two phases third phase is launched with some advanced services. Digital banking, over drafting, Rupay debit card etc. number of facilities are provided under this scheme.

Limitation of the Study- This yojna recognizes the importance of making women an integral part of the financial inclusion movement and has greatly increased the number of female account holders. Though, many women still save outside the formal banking system, and many rely on financial advice from their husbands/family members, which limits their involvement in PMJDY financial instruments.

Suggestions- However, the government continually works to improve the lives of rural people by launching numerous programmes. But still, government has had little success in making the rural people aware about this scheme. Therefore, for the successful and fruitful implementation of this scheme at national level it is suggested that both centre and state governments should put some efforts such as: organize some informative seminars; make announcements and advertisements on radio and television in local language, put posters and flexes at the central places of villages or towns. All these efforts will help to create awareness among the illiterate and rural people and they avail the full advantages of this scheme.

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