



ORIGINAL RESEARCH PAPER

Economics

A STUDY ON AWARENESS OF PRADHAN MANDRI JANDHAN YOJANA IN ERODE DISTRICT

KEY WORDS: Awareness, PMJDY, Financial Inclusion

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ABSTRACT

Financial inclusion is an important factor for a country's development. Government is continuously taking some measures for financial inclusion, one among such measure is introduction of Pradhan Mandri Jan Dhan Yojan with so many useful features. Even though the Government is taking initiatives, the awareness of public on this scheme questionable. This study is an attempt to study the awareness of PMJDY in Erode District. The researcher has collected 110 samples using convenient sampling technique. The findings stated that, all the socio-economic variables are associated with awareness. Further certain segments are more aware of PMJDY than of others. When it comes to source of awareness, visual media is found to be more influential than others.

INTRODUCTION

Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched by the Hon'ble Prime Minister of India on August 28, 2014. It is the national mission on financial inclusion and adopts an integrated approach to bring about comprehensive access to formal financial channels for all households in the country (Sumathy, 2013; Rajesh Kumar, 2018). The objective of PMJDY is to ensure access to various financial services, such as availability of basic savings bank account, access to need-based credit, remittance facility, insurance, and pension to the otherwise excluded sections, i.e., weaker sections and low-income groups (Sangeetha, 2017). Micro Save conducted three successful rounds of PMJDY assessments from October 2014 to December 2015. The study was conducted in collaboration with, and with funding support from, the Bill & Melinda Gates Foundation (BMGF), under guidance from the Department of Financial Services, Ministry of Finance, Government of India.

Overall Objectives Of The Study Were To

- Verify the availability of BMs at their locations/outlets;
- Assess the quality of services being provided to account holders;
- Assess the quality and spread of BM portfolio offered to account holders;
- Understand issues associated with sustainability of BMs and assess their satisfaction levels;
- Assess support mechanism available to BMs;
- Gather data on PMJDY account holders to understand customer preferences and profiling.

Here are some key features of PMJDY (Gitte Madhukar, 2015):

1. Universal Access: PMJDY aims to ensure that every household in India has at least one bank account. It targets the inclusion of both rural and urban areas, with a focus on reaching the marginalized and underprivileged sections of society.
2. Zero Balance Accounts: Under PMJDY, individuals can open a bank account with zero balance. This makes it easier for people who previously did not have access to banking services due to financial constraints.
3. RuPay Debit Card: Account holders under PMJDY receive a RuPay debit card that allows them to make cashless transactions at ATMs, point-of-sale (POS) terminals, and e-commerce platforms. This card promotes the usage of digital transactions and financial inclusion.
4. Financial Literacy and Education: PMJDY incorporates financial literacy programs to educate account holders about various financial products, services, and digital banking channels. This helps to enhance financial awareness and encourages responsible financial practices.

5. Direct Benefit Transfer (DBT): PMJDY is integrated with the government's DBT scheme, which ensures that various subsidies, pensions, scholarships, and other government benefits are directly credited to the beneficiaries' bank accounts. This helps eliminate leakages and ensures efficient delivery of social welfare benefits.
6. Overdraft Facility: Account holders under PMJDY are eligible for an overdraft facility of up to INR 10,000 (subject to satisfactory operation of the account for a specified period). This feature provides a credit line to individuals for meeting their emergency financial needs.
7. Insurance Coverage: PMJDY offers account holders access to various insurance products such as life insurance, accidental insurance, and disability insurance. This provides a safety net to vulnerable sections of society and encourages them to participate in the formal banking system.
8. Mobile Banking: PMJDY promotes mobile banking by facilitating the use of mobile phones for banking services. Account holders can check their account balance, receive notifications, transfer funds, and avail various banking services using mobile banking applications.
9. Pension Schemes: PMJDY allows individuals to enroll in pension schemes like Atal Pension Yojana (APY) and Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM) through their Jan Dhan accounts. This enables them to plan for their retirement and secure their future.
10. Financial Inclusion Campaigns: PMJDY is accompanied by extensive financial inclusion campaigns to raise awareness about the benefits of banking services and to encourage unbanked individuals to open accounts. These campaigns involve government agencies, banks, and other stakeholders to ensure maximum reach.

It is important to note that while these were the features and objectives of PMJDY up until my knowledge cut off in September 2021, there may have been updates or changes made by the Government of India after that date.

Even though government is taking these much of steps for financial inclusion through PMJDY, awareness of the people regarding the scheme and its benefits is questionable. This study aimed to measure the level of awareness among Erode District people regarding PMJDY.

Review Of Literature

Ankesh and Rathod (2020) have made a study with the objective of evaluating the perception, usage and awareness of PMJDY scheme. Data was collected from 68 respondents by distributing structured questionnaire. Data was analysed by using chi-square, t-test percentage and frequency with the help of SPSS and MS Excel. The study revealed that gender did

not play any role in awareness of PMJDY scheme. There was close relation between educational qualification and awareness of PMJDY scheme. Further the account holders are not fully aware of the benefits provided by PMJDY. The researcher suggested that awareness campaigns must be conducted to provide financial education among the public and more number of bank branches are also required to avoid the commutation problems.

Nidhi Walia and Jaspreet Kaur (2020) have conducted on problems faced by PMJDY. The concept of financial inclusion is providing financial services to the financially neglected segment. Government has taken many steps for the purpose of financial inclusion, whereas PMJDY is the milestone among the schemes, still chances are there for certain problems in utilizing the scheme. To study those problems the researchers have collected 450 samples by using simple random sampling technique from Pradhan Mantri Jan Dhan Yojana account holders of Punjab state. From the list of problems pointed out by the respondents, by using factor analysis the researchers segmented that in to four factors namely the employee's non supportive attitude, disinclination towards work, the delay in processing and lack of support from employee. Study conclude that banker does not provide literacy to account holders regarding used in safety of Rupay cards and lack of awareness among employees is a prominent reason which is creating a problem in availing the benefits of the PMJDY. Similarly, the process involved in distribution of Rupay card and Passbook by the banker is very slow. This behaviour prevents them in taking the advantage of the PMJDY scheme timely. Further study suggested that there is need to conduct financial literacy camps and bank staff needs to be trained on regular basis which will help them in assisting the people more effective level.

Surya Kanta Sahu (2018) has studied the level of awareness of the people of rural area of Odisha, district Sambalpur and the level of reach of benefits under this scheme. With the support of questionnaire, the researcher has collected 37 samples. The notable findings from Chi- square analysis were, there was no significant impact of demographic factors such as Gender, Income, Age, Educational Qualification, Marital status and Sources of Borrowing. The people of rural area are not aware about the different benefits under this scheme and many of them just opened the account because it's available in zero balance. Respondent have also pointed that there is no benefits are given under this scheme and Banks are suggesting opening the account to fulfil their target.

Objectives

The study was conducted to analyse the level of awareness of PMJDY among people of Erode District

Research Methodology

This descriptive study was based on primary and secondary data. Required secondary data was collected from websites and journals. To collect the primary data, the researcher has prepared a structured questionnaire which consist of questions related to socio-economic details of the respondent and questions related to their awareness on PMJDY programme. Through scheduling method 110 samples were collected through random sampling and the data were analysed with Chi square analysis

Questionnaire Design

The questionnaire used for data collection has been divided in to two sections. The first section was related with socio economic profile of the respondent and the second section was related to questions related to the awareness of facilities provided by PMJDY. Those questions have been recoded as follows for convenient purpose. The response for the questions has been given in five-point Likert Scale as Fully Aware (5), Aware (4), Neither Aware (3), Not Aware (2), Fully not Aware (1)

I am aware of Rs 1 Lakh Accidental insurance provided under the scheme	AW1
I am are aware of Rs 3Lakh Life insurance provided under the scheme	AW2
I know there is no need to maintain minimum balance in PMJDY account	AW3
I know the documents required to open PMJDY account is minimal	AW4
I know that opening of PMJDY account is completely free and it doesn't have any hidden charges	AW5
I am aware of pension facility attached with PMJDY	AW6
I know about Overdraft facility available in PMJDY	AW7

Analysis

Association Of Scio-economic Variables With Awareness Of PMJDY

Scio-Economic variables	Awareness of PMJDY							Chi-Square value	P Value
	FAW	AW	N	NA	FNA	Total			
Gender	Male	30	25	4	2	0	59	235.95	0.001
	Female	15	30	0	3	3	51		
	Total	45	55	4	5	3	110		
Age in Years	Less than 20	8	2	0	0	0	10	342.11	0.001
	21-30	11	8	2	0	0	21		
	31-40	16	15	5	1	0	37		
	More than 40	10	12	8	6	6	42		
	Total	45	37	15	7	6	110		
Annual income	Below 1 lakh	5	3	4	0	0	12	554.21	0.001
	1lakh to 5 lakhs	19	15	4	2	3	43		
	More than 5lakhs	29	17	0	5	4	55		
	Total	53	35	8	7	7	110		
Number of members in Family	Less than 3	7	2	0	0	3	12	531.11	0.001
	3-5	22	10	5	7	3	48		
	More than 5	20	18	2	5	5	50		
	Total	49	30	7	12	11	110		
Educa-tional Qualification	School	3	4	2	7	6	22	656.22	0.001
	Diploma	12	8	0	3	2	25		
	UG	10	11	0	0	0	21		
	PG	15	7	0	0	0	22		
	Pro-fessional degree holders	18	2	0	0	0	20		
	Total	58	32	2	10	8	110		

Table 4.2 depicts the association of socio-economic factors with awareness of PMJDY. Probability value depicting the relationship between all the socio- economic variables and awareness of PMJDY is less than 0.01, hence the null hypothesis assuming no relationship between gender, age, educational qualification, annual income and number of members in family with awareness on PMJDY is rejected at 1 per cent level of significance. And these socio-economic variables have significant and prominent relationship with awareness.

Specifically, respondent with good educational and financial background were well aware of PMJDY and its benefits, than others.

Rank The Sources Of Awareness

Source of Awareness to PMJDY	Rank
Through Print Media	5

Through Visual Media	1
Through the awareness camps organized by Local body	2
From friends and relatives	4
Through Social Media sites	3

Table 4.2 Explains the rank on source of awareness of PMJDY features to the respondents. Most of the respondents mentioned that, they got awareness through visual media, such as advertisement in TV and Hoardings. The second place goes to the awareness camps organised by Local body, in the form of announcement and posters and the third place is occupied by social medias followed by reference of friends and relatives, print media.

Findings

- Male has mentioned more awareness compared to Female respondents.
- The young respondents were not much aware of PMJDY, whereas the respondents more than 20 age group were well aware of PMJDY and its benefits.
- Respondents with more than 1 lakh income were more aware than compared to less than 1 lakh annual income earners.
- Family with more than 3 members were more aware of PMJDY benefits than family with less than 3 members.
- Only school qualified were not having much idea about PMJDY, the respondents with rest of mentioned qualification are knowing well about PMJDY.
- When studying the source of awareness advertisement through visual media, by local body and through social media were found to be more influential.

CONCLUSION

PMJDY scheme launched by central Government is providing vast benefits to its beneficiaries. These benefits are specifically to safeguard them from informal money lenders and to insure their family from unexpected events. Even though the educated are much aware of the benefits, the true focus must on deceived sector, they have to be given more awareness and Government has to ensure that, all the required had PMJDY accounts.

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