

Position of Pradhan Mantri Jan Dhan Yojna in Uttarakhand

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ABSTRACT

The problem with India's development destination is that although a specific section of the population now has access to banking services, another section still remains disadvantaged. Even basic financial services are still not available to the low income group. In spite of the fact that the banking business is expanding both vertically and horizontally, hence this scheme was started so that everyone can get the benefit. Branch penetration in rural areas is still not commensurate with the growing demand for financial services. Pradhan Mantri Jan Dhan Yojana (PMJDY) is a Government of India financial inclusion program aimed at increasing affordable access for Indian citizens (minors) to financial services such as bank accounts, credit, remittances, insurance and pension. The Prime Minister of India, Narendra Modi, unveiled the scheme in his first Independence Day speech on 15 August 2014, launched this financial inclusion initiative on 28 August 2014.

Keywords: *pradhan mantri jan dhan yojna, financial inclusion, growth, banking service*

I. INTRODUCTION

Pradhan Mantri Jan Dhan Yojana (PMJDY) seeks to connect every household in the country with the banking system. Under this scheme, every unbanked adult was re-focused. The main goal of the scheme is to help all residents to get affordable financial services like credit, insurance and pension. The company was established in 2014 and started operations in 2015, benefiting rural and urban residents.

It has been recognized that uneven growth patterns are bound to fail. Social welfare is possible in any country only when every individual is a part of the destination of development. If growth is inclusive, it is important. The previous comment implies that even when growth is assessed correctly, the findings can be good, the availability of financial resources, which can be met by two main sources, the informal and the formal sectors, where the informal is non-institutional. Refers to sources and formally refers to institutional sources, yet at the same time there can be many inequalities in society. It is the backbone of any economic activity.

First, the Government of India worked hard to set up a Committee on Financial Inclusion, which was headed by Dr. C. Rangarajan. According to the committee, financial inclusion is a necessary condition for social change. After the economic changes of 1991, it was discovered that the economy was operating in non-Pareto optimum conditions. As a result, it became important to integrate the poor section into the development paradigm to improve the welfare of the society.

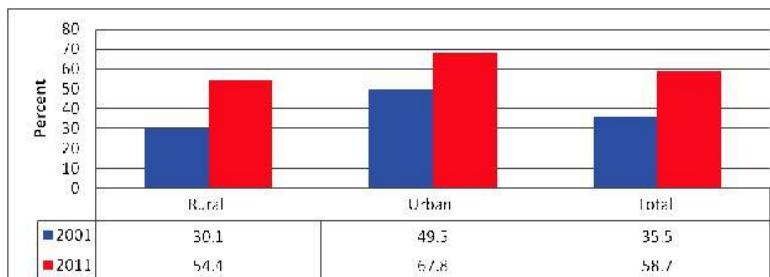
In view of all these issues, there was a desire to change the economy so that the current situation could be given a new face. This includes a strong call to frame policies in favor of those who are institutionally excluded. The administration has already taken several steps. Financial inclusion is a government project aimed at promoting social welfare as it has the potential to generate positive externalities by inculcating savings and investment habits, therefore automatically producing and increasing economic growth.

To run an economy from an inefficient to an efficient one, there is a need to include the economically disadvantaged in the mainstream. As a result, financial institutions will be able to hold credit for inclusive growth. Several studies conducted in India and abroad in the past show that traditional banks have worked hard to reach out to the underprivileged sections of the country with their financial services (Kumar, 2013) and (Sumanthi, 2013).

The scheme also intends to reduce redundancy in government-to-consumer (G2C) financial transfers, such as multiple transaction requirements, ID checks and time delays. Atal Pension Yojana (APY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Mudra Yojana (PMMY), and Pradhan Mantri Suraksha Bima Yojana (PMSBY) all serve as a platform to promote Government Social Initiatives (PMSBY) I use PMJDY. This scheme has taken the country to greater heights.

II. BANKING SERVICES INDIA'S POINT OF VIEW

According to the most recent census estimate (Census, 2011), only 58.7% of households in the country have access to institutionalized banking services.



Source: Census 2001-2011.

As per the data in Table 1, there has been a significant increase in the provision of basic banking services in recent years, whether account opening, village coverage through BC and BF, branch expansion, account maintenance through BC and BF, and so on. That's it. However, in order to achieve financial stability and lead a financially sustainable life, all sectors must be covered financially.

Sadly, even after six decades of independence and many initiatives for financial inclusion, poverty and exclusion continue to dominate India's socio-economic and political discourse. Despite the fact that the economy has grown significantly in the post-liberalization era, its benefits have not reached all sections of the society. The saddest aspect is that India is home to a third of the world's destitute (UN Millennium Development Goals Report 2014).

Table 1: Showing progress of all banks including RRB's in India

Particulars	Year ended 2010	Year ended 2011	Year ended 2012	Year ended 2013	Year ended 2014
Banking Outlets in Villages					
a) Branches	33,378	34,811	37,471	40,837	46,126
b) Villages covered by BCs	34,174	80,802	1,41,136	2,21,341	3,37,678
c) Other modes	142	595	3,146	6,276
d) Total	67,674	1,16,208	1,89,753	2,68,454	3,83,804
Urban locations through BCs	447	3,771	5,891	27,143	60,730
BASIC SAVING BANK DEPOSIT A/c-Branches					
a) No in millions	60.19	73.13	81.20	100.80	126.00
b) Amount in billions	44.33	57.89	109.87	164.69	273.30
BASIC SAVING BANK DEPOSIT A/c-BCs					
a) No in millions	13.27	31.63	57.30	81.27	116.90
b) Amount in billions	10.69	18.23	10.54	18.22	39.00
OD Facility Availed in BSBDA's Accounts					
a) No in millions	00.18	0.61	2.71	3.92	5.90
b) Amount in billions	0.10	0.26	1.08	1.55	16.00
KCCs (No in millions)	24.31	27.11	30.24	33.79	39.90

Source: Data provided by state level banker's committee

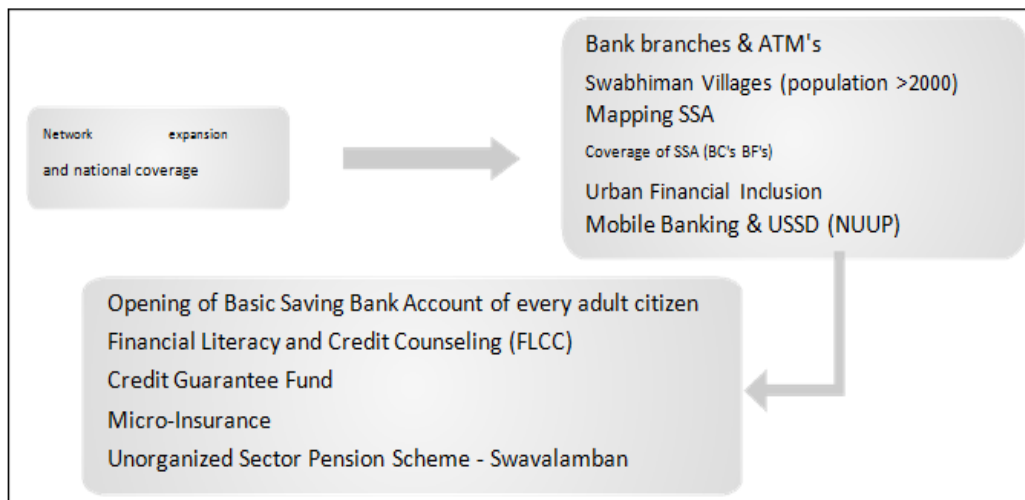
According to a survey, it is believed that only 35% of Indians have access to a formal bank account. Only 8% of this group had borrowed from a formal financial institution in the 12 months before the poll (World Bank Findex Survey, 2012). Such a small figure shows that even more work needs to be done to bring these people into the official financial system which is still unconnected. Hence the Pradhan Mantri Jan Dhan Yojana is built on six pillars:

1. Providing basic banking accounts with overdraft facilities and a RuPay Debit card to all households.
2. Access to banking services for all
3. The creation of a Credit Guarantee Fund
4. Unorganized sector pension systems, such as Swavalamban
5. Financial Literacy Program
6. Micro-Insurance

III. REVIEW LITERATURE

Based on previous research, an attempt has been made to understand the various aspects of the researchers' approach towards financial inclusion. Every researcher has his own point of view and ideology. Through literature research, it was discovered that, despite the fact that India has been independent for seventy years, the country still needs to be free from debt and crooked moneylenders (Bhavna Bhatt 2013). Banks should first identify the difficulties of the rural sector and address them. The primary role of Indian banks should be to solve problems in rural India. In other words, social banking should be established to achieve human development. Co-operative societies and regional rural banks have attempted to address this issue to some extent, but their effectiveness is limited. In a country like India, it is widely believed that social banking can serve as a tool for financial inclusion. It is urged that banks look at financial inclusion as a business strategy to generate profits. In addition, banks should reduce transaction costs and try to provide better services. However, it is observed that UCBs have been more successful in achieving their financial inclusion goals (Singh, 2013). Since inclusion of the economically excluded is a precondition for achieving equitable progress in society, the government took a big step forward by introducing no-frills accounts with the goal of increasing financial inclusion and promoting equity (Puneet, 2006).

Figure: 1: The flow chart depicts the Pradhan Mantri Jan-Dhan Yojana being implemented in Mission Mode.



Financial inclusion, in its broadest sense, refers to the provision of affordable financial services to a large section of society that is largely disadvantaged or low-income. Deposit, lending, payment and remittance facilities are examples of such services. If none of the above services are available, the whole assumption becomes useless (Baric, n.d.). Financial service facilitators include institutions such as private sector banks, public sector banks, RRBs, NGOs, post offices, cooperatives, MFIs, and others. Some of them have a strong presence in rural areas as well. Allocation of KCC and GCC schemes, educating and promoting financial literacy programs across the country, branch expansion, inclusion of low rates of interest for rural people and adoption of new technologies are the four identified to eliminate financial exclusion from the society. The key elements are (Mahendra, 2012). More banking access has been seen and seen. Services promote financial inclusion, especially among the poor (Pankaj, 2012).

IV. METHODOLOGY

The current analysis relies solely on secondary data.

The following are the study's objectives:

- Count the number of rural and urban accounts that have been set up under the scheme.
- A study was conducted in Uttarakhand's districts to investigate the disparity between the aims of the all on and the household's aims.
- To determine the number of accounts with zero balances, Aadhar cards that have been seeded and Rupay cards that has been issued under the Jan Dhan Yojna

V. DISCUSSION OF THE FINDINGS

It was attempted to evaluate numerous bank types as well as 13 Uttarakhand districts using various factors in order to discover relationships and inter linkages. The system has been in place since August 2014, with the primary goal of completing at least one account for each home. Various steps were done in the same direction. The goal of this study is to determine the state of ward allotments and what percentage of the survey is effective. Similarly, the number of rural and urban accounts opened under the scheme will be examined. Allotment by district will also be examined.

Figure 2: The total number of accounts opened in rural and urban locations is shown (Uttarakhand).

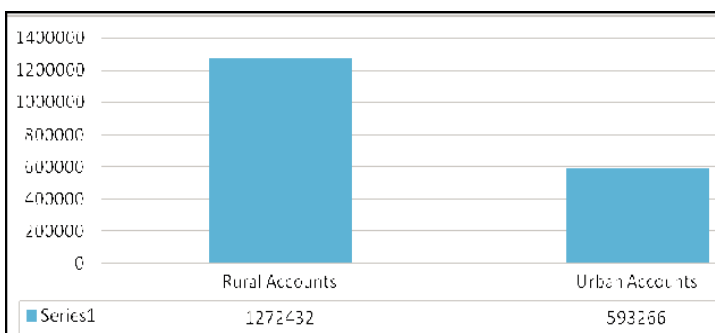


Figure-2: This indicates the total number of accounts that have been created under PMJDY. In the state, a total of 18, 65,698 accounts were being opened. Nearly 70% of the accounts are opened in metropolitan regions, with the remainder of the accounts being opened in rural areas. This demonstrates that even in urban areas, many households do not have a bank account.

Figure 3: The total amount of money deposited in crores as a result of the scheme

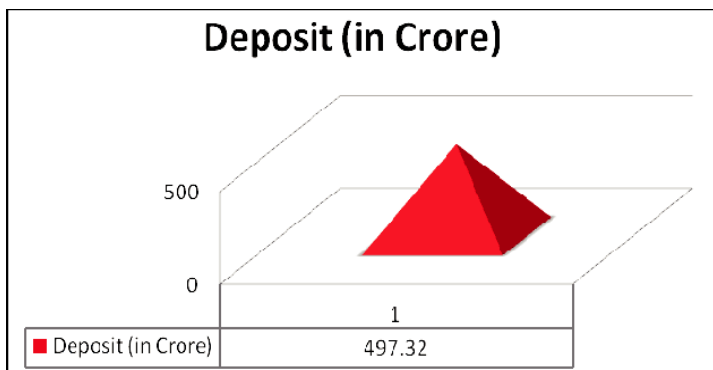


Figure-3: The entire amount of deposits generated under the scheme, in crores, is shown. The state has generated approximately 500 crores from PMJDY.

Figure 4: Shows the overall number of households covered and the total number of households assigned.

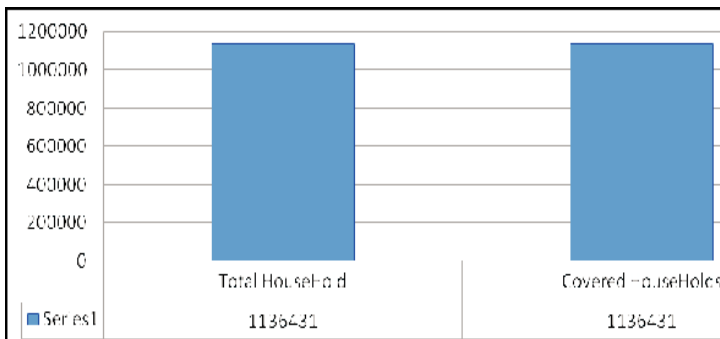


Figure-4 Depicts the overall number of households being awarded as well as the number of families previously covered by the banks. In addition, the statistics show that 100% of houses have been covered with zero percent of pending work.

Figure 5: Wards allotment in Uttarakhand's districts

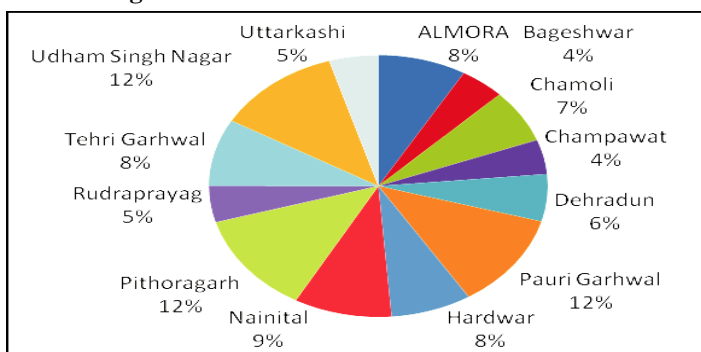


Figure-5: The figure depicts the ward allotments in the state of Uttarakhand. The total number of wards awarded was displayed in figure 2 as 2769. The distribution of the allotment among all of the districts is depicted in this diagram. Pithoragarh has the highest allotment, whereas smaller districts like Champawat have the lowest. It clearly demonstrates the link between population density and the density of the population.

Figure 6: Depicts the state of ward allotment and survey completion in Uttarakhand

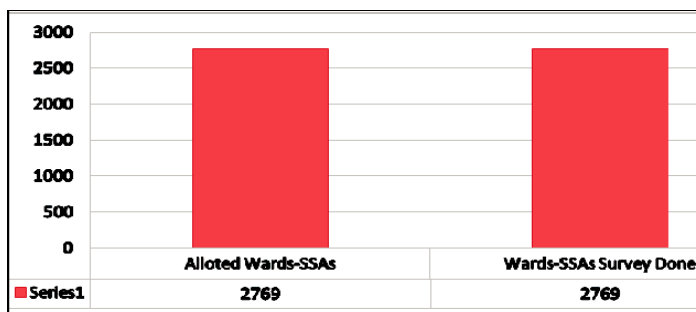


Figure-6: Attempts to demonstrate how many the wards were allotted and how much of the survey had been completed. It can be observed that there were a total of 2769 designated wards, and it is good to know that the survey was completed properly. It denotes that all surveys have been completed 100% of the time and that no surveys are still pending.

Figure 7: Under PMJDY, the accounts with zero balances are shown

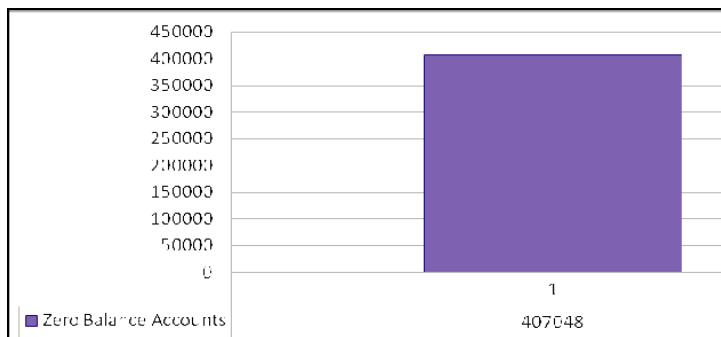


Figure-7: It displays the number of accounts with a zero balance when they are first opened. Almost 4 lakh accounts with no balance have been opened. This type of programme was designed to appeal to even the poorest of those who could never afford to have a bank account.

Figure 8: Aadhar seeded accounts are shown

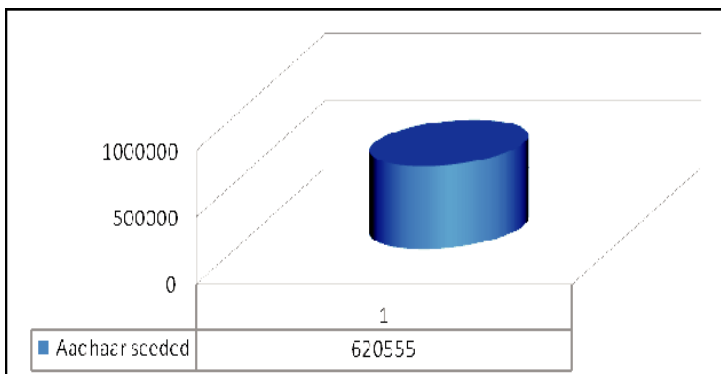


Figure-6: It is clear that at least a third of the accounts in the eighteen lakh are aadhar seeded. It's a promising indication for financial inclusion.

Figure 9: Banks are issuing Rupay cards, which are shown

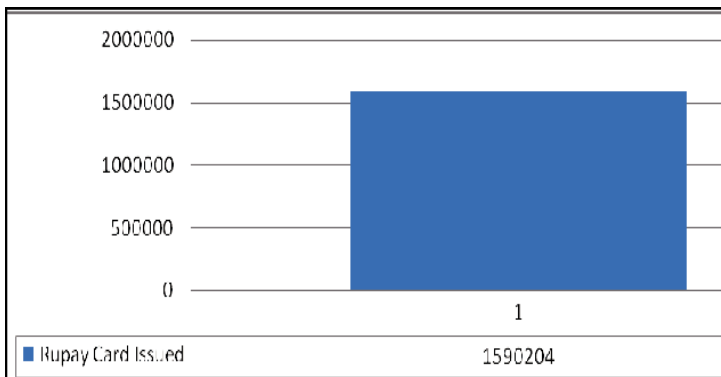


Figure-9: It displays the total number of Rupay cards that have been issued. Rupay is a combination of the words "rupee" and "payment." As a result, it functions as a debit card. On 18,65,698 accounts, about sixteen lakh cards have been issued. The difference between them could be due to zero balance accounts. Many people with zero-balance accounts may not have used a debit card.

VI. CONCLUSION

Because these accounts aren't used frequently, the annual turnover is limited to Rs. 50,000 per account; nonetheless, it should be increased. Employees at banks should also be compensated in order to boost their morale. The report concludes that a full survey of homes and SSA/wards allotments was accomplished with no gaps. It goes on to say that the scheme has resulted in over twelve lakh new accounts being registered in rural areas and around six lakh new accounts being opened in urban and semi-urban areas. On the one hand, four lakh zero-balance accounts were opened, but banks additionally produced around five hundred crores in deposits. It was also discovered that the scheme resulted in the issuance of around sixteen lakh new Rupay cards. More incentives should be considered so that even a layperson is enticed to boost his or her financial transactions.

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