



ROLE OF PMJDY IN THE BETTERMENT OF LIVING STANDARDS AND EMPLOYMENT IN SLUMS OF HALDWANI

MERAJ

Research Scholar,
Dept. of Commerce,
Kumaun University,
Nainital

hussain.meraj786786@gmail.com

ABSTRACT

The PMJDY-Pradhan Mantri Jan-DhanYojana launched on August 28th, 2014 by Prime Minister Mr. Narendra Modi, is the most ambitious scheme of the present NDA Government as a part of Financial Inclusion drive in the country. It is a flagship scheme for the inclusion of deprived section of the society into financial structure of the country who has been at the stake so far in terms of banking and finance and ensuring their access to the banking and financial services so that they could also be the part of mainstream financial structure of the country and could contribute to the growth and development of the nation. The scheme holds a world record conferred by the Guinness Book of world Records for the most bank accounts opened in a week on the globe. The prime objective of the scheme was to achieve a target to get opened minimum one bank account in every households of the country. The present paper focuses on determining the role of the PMJDY in the betterment of living standards in slums and how it can be helpful in improving saving habits of the residents of slums as well as promoting self-employment in these areas.

KEYWORDS: *Financial Structure, PMJDY, Growth and Development and Self-employment*

INTRODUCTION

India once known as "Golden Bird" is a country which has different demographic and geographic conditions with high volume of diversity in all spheres. As India has been a colonial country under different countries and has been ruled by different dynasties. Thus its natural and social resources have been exploited by different rulers from time to time. Consequently its development has been hit by several forces which led to economic inequalities in all social as well as economic aspects. Following which Banking and other Financial Services have been untouched by many with low income groups or deprived section of the society. This deprived or say economical weak section has always been far away from using banking services for their savings and other purposes due to lack of accessibility and affordable banking and financial services which has always been pesky for Indian government. Therefore, governments have put into effect different schemes and ran several drives. Financial Inclusion has been in the priority of the government for last couple of decades and governments have taken various steps in this regard like nationalisation of banks, establishment of Regional Rural banks, appointment of



banking ombudsman, launching of Kisan Credit Card and most recently Pradhan Mantri Jan-DhanYojana (PMJDY), Mudra Yojana and Atal Pension Yojana etc. Pradhan Mantri Jan-DhanYojana is a recently launched with an objective to bring the last person of the country into mainstream by providing him an access to affordable banking and financial services. The PMJDY is a mission to meet a complete financial inclusion of all the households residing within the territory of India. According to the Department of Financial Services, Government of India, main objective of the PMJDY is "ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. This deep penetration at affordable cost is possible only with effective use of technology". The PMJDY was launched on 28th August 2014 by Shri Narendra Modi, Honourable Prime Minister of India. It set a world record of opening most bank accounts opened in a week ever in the world. As per the Guinness Book *"Most bank accounts opened in one week as part of the Financial Inclusion Campaign is 18,096,130 and was achieved by the Department of Financial Services, Government of India from August 23 to 29, 2014."*The scheme's main focus is on covering of rural households as well as urban households. Under the PMJDY scheme, all villages or gram-panchayats are to be covered and every household therein is to be assigned with at least one bank account. According to scheme, every household can have a zero balance saving bank account and a free of cost *Rupee Card* is issued to him/her. Using these PMJDY accounts, money can be easily transferred across India and one can also get Direct Benefit Transfer in his PMJDY accounts. Apart from it, there is an accidental insurance cover of Rs. one lakh and a life cover of Rs. 30,000 which is payable on the death of the beneficiary on meeting all the eligibility conditions. There is also a provision of an overdraft of up to Rs 5,000 if the account holder operates the account satisfactorily for six months.

LITERATURE REVIEW

Harpreet Kaur & Kawal Nain Singh (2015), studied the recent trends in financial inclusion in India with special reference to Pradhan Mantri Jan DhanYojana (PMJDY), highlighting its key areas and suggests strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas.

SonamKumari Gupta (2015), highlighted on Performance of the Pradhan Mantri Jan DhanYojana (PMJDY) and Latest trends being implemented for Financial Inclusion by PMJDY. It is found that, of the accounts opened at public sector banks (PSBs) under the Jan DhanYojana, 71 per cent are zero-balance, against 64 per cent for private banks. released by the ministry, only 28 per cent of the accounts opened under the scheme are active, with about Rs. 9,000 crore deposited in these.

Jitender Goel and Rashmi Goel (2015), revealed that more than eight crore bank accounts were opened. In these accounts, 74.27 % were zero balance. Public Banks played a significant role in



PMJDY by contributing more than 80% bank accounts. Rest of the accounts were shared by Regional Rural Banks, cooperative banks and Private Banks.

RajanikantaKhuntia (2014), focused on the recent trends in financial inclusions in India with especial reference to Pradhan Mantri Jan DhanYojana.

Brij Mohan (2014), examined PMJDY scheme, its performance, products, obstacles and potentials.

Divyesh Kumar (2014), studied financial inclusion in India through PMJDY and revealed PMJDY can be helpful and determining in financial inclusion and poverty elimination but its regular monitoring is a must.

Patnaik (2015) revealed still there are some people who are not aware of PMJDY. He further stated almost 86% respondents were unaware of the scheme and among which women were less aware in comparison to male. He concluded that efforts must be made by the banks to aware people about PMJDY and its products and for this a campaign can be carried out.

RESEARCH PROBLEM

The present paper is an effort to know the reason of opening PMJDY Accounts by individuals, the level of awareness about the PMJDY and its products and the extent of which these products being used as well the role of the PMJDY in the Betterment of Living Standards and Employment in Slums of Haldwani, the frequency of operations of these accounts which is very essential to achieve the objective the scheme as well as the success of the scheme quite depends upon this. The study will attempt to find out the hindrances to the smooth operation of these accounts and also challenges in achieving the objectives of the PMJDY.

OBJECTIVE OF THE STUDY

- To study the Pradhan Mantri Jan DhanYojana.
- To examine its products and benefits.
- To examine the role and contribution of PMJDY in the slums HaldwaniTehsil .

RESEARCH METHODOLOGY

The success of any research is far dependent upon a sound research design. The research design adopted in this study is empirical as well as descriptive. The study is based exploratory and descriptive in nature and both primary and secondary data were taken into account. The secondary data and information were collected through various Books, Journals, Media Reports, websites etc. while primary data were collected through direct interview of the individuals. The study area is confined to a slum of Haldwani known as *Chiragh Shah Baba MalinBasti*.80



respondents were interviewed randomly selected through random sampling method. The presentation of data is done through Bar diagram and Pie Charts.

HALDWANI: AN OVERVIEW

Haldwani the third most populous city and generally known as economical capital of Uttarakhand lies in the district of Nainital of Kumaun region was established in 1834 by. The city expands in the area of 10.62 Square KMs has a population of 171353 with a literacy rate of almost 85%. The city is generally known as gateway of Kumaun and is situated on the banks of the Gola River. Haldwani was declared as notified area in the year of 1904 during British period and turned into third-category Nagar Palika in 1942. In 1956 and 1966 it got the status of second and first-category Nagar Palika respectively. On 21st May, 2011 it was declared as Nagar Nigam. After the formation of Uttarakhand in 2000 it got development at a large scale. Today, it witnesses almost all facilities and amenities a well-developed city requires. It is connected through Rail, Road and Air with rest part of India.

The PMJDY: A BRIEF OVERVIEW

PMJDY stands for Pradhan Mantri Jan Dhan Yojana was launched on 28th August 2014 by Shri Narendra Modi, Honourable Prime Minister of India to bridge the gap between the poor and deprived sections of society and the banking system of the country by enabling every household of the nation to have at least one bank account so that this gap between poor and other resourceful sections of the society could be fulfilled in respect of using banking services. The PMJDY with its launching nation-wide achieved the benchmark as it got a place in Guinness Book of world Records in just one week by opening 18,096,130 Jan Dhan Bank Accounts. It was the largest Financial Inclusion drive in Indian after its independence. The PMJDY aims to strengthen the weaker and deprived section of society by making them able to access the banking and financial services of the country. Through the PMJDY, almost 35.59 crore people have been banked and a deposit of INR 98,434.07 crore was collected in beneficiaries' accounts with the help of 1.26 lakh Bank Mitras throughout the country.

SPECIAL BENEFITS UNDER PMJDY

As per the Department of Financial Services, Government of India, the following are the special benefits of the PMJDY:

1. Interest on deposit.
2. Accidental insurance cover of Rs. 1.00 lakh.
3. No minimum balance required.
4. The scheme provides life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfillment of the eligibility condition.



5. Easy Transfer of money across India.
6. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
7. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted.
8. Access to Pension, insurance products.
9. The Claim under Personal Accidental Insurance under PMJDY shall be payable if the *Rupay Card* holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/*Rupay Card* holder transacting at same Bank channels) and off-us (Bank Customer/*Rupay Card* holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the *RupayInsurance Program* 2016-2017.
10. Overdraft facility up to Rs.5000/- is available in only one account per household,

DATA ANALYSIS AND INTERPRETATION:

In the present sample, 47 were female leaving 33male and of which 92% were married. The maximum of respondents were aged between 30-60

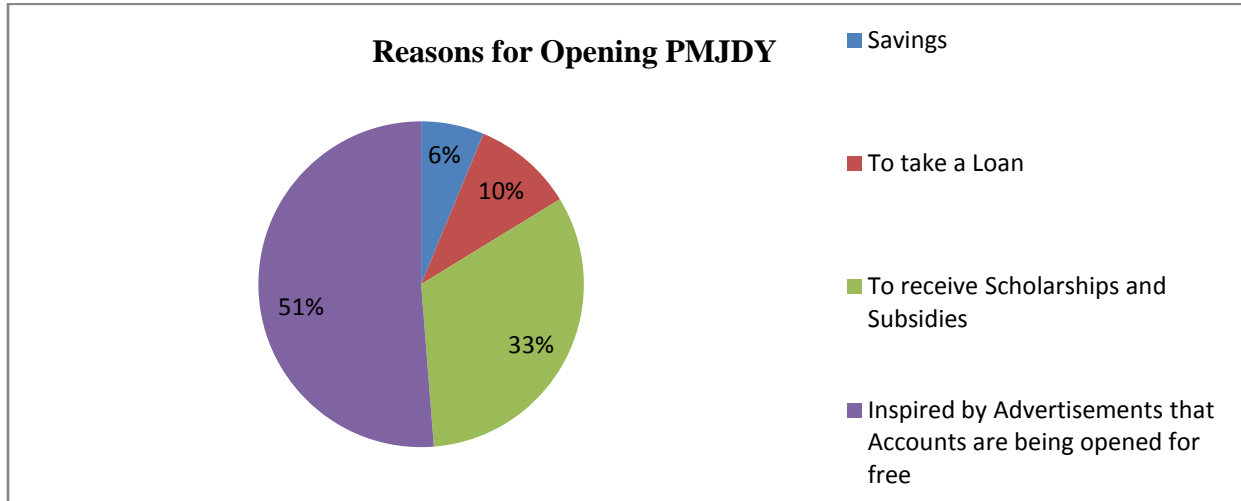
Demography of the Respondents	Respondents		Total
	Male	Female	
Age of the Respondent			
20-30	07	05	12
30-40	12	09	21
40-50	06	12	18
50-60	06	18	24
More than 60	02	03	05
Total Number of Respondents	33	47	80
Educational Qualification of Respondents			
Illiterate	01	02	03
Literate	04	08	12
High School	14	12	26
Intermediate	08	17	25
Graduation	05	06	11
Post Graduation	01	02	03
Total Number of Respondents	33	47	80



Marital Status of Respondents			
Married	28	45	73
Unmarried	05	02	07
Total Number of Respondents	33	47	80
Occupation of Respondents			
Labourer	21	04	25
Self-employed	07	02	09
Farmer	-	-	-
Salaried Person	02	-	02
House wife	00	39	39
Student	03	02	05
Total Number of Respondents	33	47	80
Average Monthly Income of Respondents			
Nil	03	39	42
Upto 5000	26	07	33
5000-10000	04	01	05
10000-15000	-	-	-
15000-20000	-	-	-
20000-25000	-	-	-
More than 25000	-	-	-
Total Number of Respondents	33	47	80

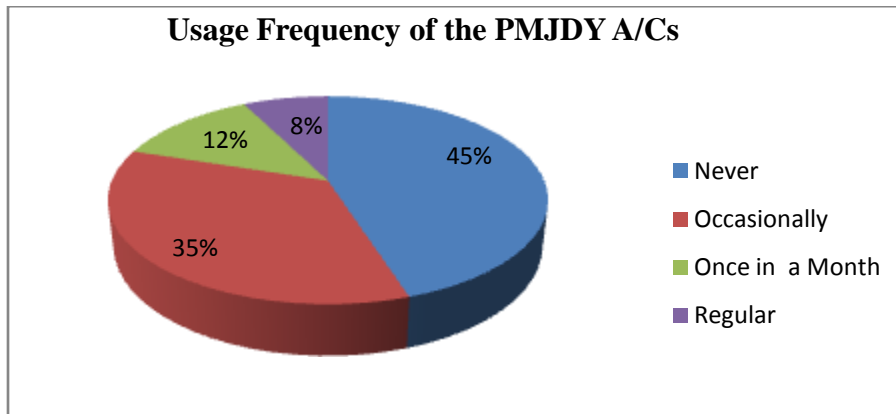
Reasons for Opening PMJDY

Reasons	Frequency	Percentage
Savings	05	6.25
To take a Loan	08	10
To receive Scholarships and Subsidies	26	32.5
Inspired by Advertisements that Accounts are being opened for free	41	51.25
	80	100



Usage Frequency of the PMJDY A/Cs

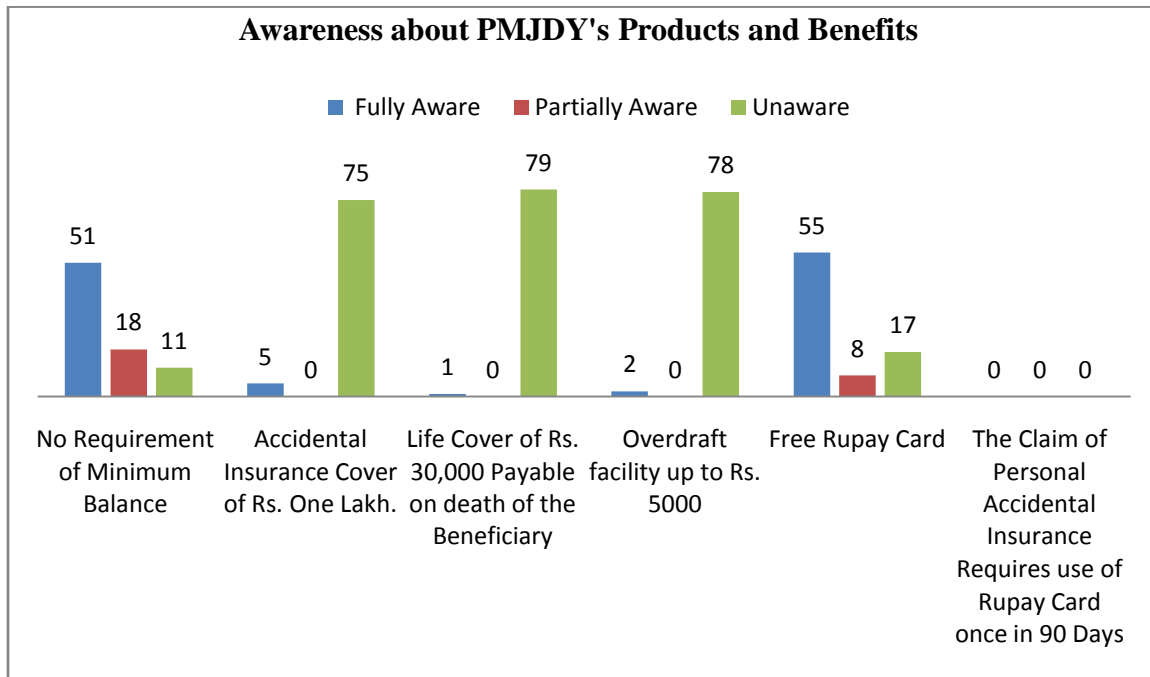
Usage	Frequency	Percentage
Never	36	45
Occasionally	28	35
Once in a Month	10	12.5
Regular	06	7.5
	80	100



The 5.25% of the total respondents opened PMJDY A/Cs for savings but were not frequent in savings. 33% of the PMJDY A/Cs were opened to receive scholarships and subsidies. 45% of the respondents never banked after opening the PMJDY and thus number of regular operators of account is very low i.e. 08%.

Awareness about PMJDY's Products and Benefits

Products & Benefits	Fully Aware	Partially Aware	Unaware
No Requirement of Minimum Balance	51	18	11
Accidental Insurance Cover of Rs. One Lakh.	05	-	75
Life Cover of Rs. 30,000 Payable on death of the Beneficiary	01	-	79
Overdraft facility up to Rs. 5000	02	-	78
Free <i>Rupay Card</i>	55	08	17
The Claim under Personal Accidental Insurance shall be payable if the <i>Rupay Card</i> holder performs minimum one successful financial or non-financial transaction within 90 days prior to date of accident	-	-	-

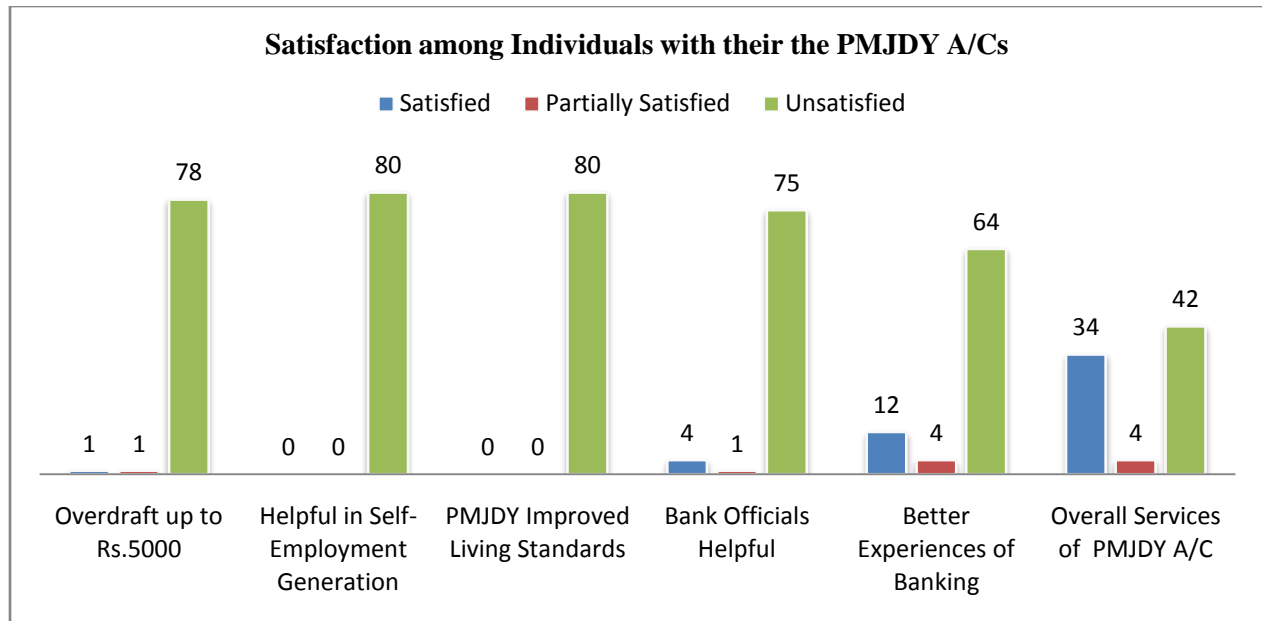


As per the study, very low numbers of respondents were aware of the products and benefits of the PMJDY and even no one was aware of the Claim under Personal Accidental Insurance shall be payable if the *Rupay Card* holder performs minimum one successful financial or non-financial transaction within 90 days prior to date of accident.

Satisfaction among Individuals with their the PMJDY A/Cs

PMJDY's Products and Benefits	Satisfied	Partially Satisfied	Unsatisfied
-------------------------------	-----------	---------------------	-------------

Overdraft up to Rs.5000	01	01	78
Helpful in Self-Employment Generation	00	00	80
PMJDY Improved Living Standards	00	00	80
Bank Officials Helpful	04	01	75
Better Experiences of Banking	12	04	64
Overall Services of PMJDY A/C	34	04	42



FINDINGS:

- Bankings is accessible to Slum Individuals but they are indifferent to use it continuously.
- However Banking officials were not excited to deal with PMJDY A/C holders nor were they eager to help opening the PMJDY accounts.
- Maximum respondents opened PMJDY accounts to receive scholarships and subsidies.
- There is very low level of awareness among the people of slum area about the products and benefits of the PMJDY.
- There were some people who opened the PMJDY by inspiring the advertisements only.
- There is no role of PMJDY in generating self-employment among people of slum area.
- There is no role of PMJDY of the PMJDY in the betterment of living standard of the people living in slum areas.
- Very few people of slums think that the PMJDY has improved their banking experiences.

CONCLUSION:



The study reveals that people have opened the PMJDY AC/s but are not regular at its use. This is also because people are not aware about products and benefits of the scheme. Another loophole of no encouragement among the slum people was that local bank officials are rude to the customers and they remain indifferent for the promotion of the scheme as well as its products and benefits and their conduct is not satisfactory for the PMJDY account holders as most of PMJDY account holders are either illiterate or their educational level is very low and bank officials were not interested to assist them in operating the bank accounts as well as transaction processes. Most of the people opened the PMJDY accounts to collect scholarships and subsidies but local bank officials have been unable to motivate them for regular savings in the PMJDY accounts which refrain slum people from visiting banks and thus as per study no individual of slum area could get even the benefit of overdraft facility of up to Rs. 5,000. People were also unwilling in using the *Rupay Card*. So, there is a strong need to encourage people of slums for savings and using the products of the PMJDY at the end of local bank officials then only the purpose of the scheme can be met and objectives of PMJDY are achieved.

REFERENCES:

1. Dr. Vinit Kumar, and Dolly Singh (2015). *PMJDY: A CONCEPTUAL ANALYSIS AND INCLUSIVE FINANCING* "International Journal of Innovative Social Science and Humanities Research.
2. Mr. Santana Guha (2015) "The role of Pradhan Mantri Jan DhanYojana in Financial Inclusion-An Evaluative Study", *GJRA-Global Journal for Research Analysis*, July, 2015.
3. RajanikantaKhuntia (2014) "Pradhan Mantri Jan DhanYojana (PMJDY): A New Drive towards Financial Inclusion in India, *International Journal of Business Economics and Management Research*.
4. Ahmed Hussain (2015) "Pradhan Mantri Jan DhanYojana: The most intensive Financial Inclusion scheme in India, *International Journal of Core Engineering and Management (IJCEM)*.
5. Harpreet Kaur and Kawal Nain Singh (2015) "Pradhan Mantri Jan DhanYojana (PMJDY): A Leap towards FinancialInclusion in India, *International Journal of Emerging Research in managementand Technology*.
6. Rajeev Singh Bhandari (2015) "AStatistical Note: FinancialInclusion-Pradhan Mantri Jan DhanYojana", *International Journal of Science Technology and Management*.
7. Mr.S. I. Malligar and Mr. B. Bankapur (2016) "Performance of Pradhan Mantri Jan-DhanYojana", *Indian Journal of Applied Research* January, 2016.
8. Shri Lakshmi and D. Mamatha and Dr.Ponniiah V. M. (2014)"A study on Pradhan Mantri Jan DhanYojana-with reference to Nationalized bank (Bank of Baroda)", *SAMZODHANA-Journal of Management Research*.



9. *Kavidayal, P.C &KandpalVinay (2016), A Study on Extent of Financial Inclusion among Rural Households in Bageshwar District of Uttarakhand. Shodh-Sandhan, 2016, Vol. 01, Issue 2.*
10. <https://www.rbi.org.in>
11. https://en.wikipedia.org/wiki/List_of_cities_in_Uttarakhand_by_population
12. <http://www.nagarnigamhaldwani.in/index.php/2015-09-22-15-37-34>