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AN ANALYSIS OF THE UNIQUENESS OF PMJDY (CONCERNING SELECTED PEER SCHEME)

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Abstract: Financial Inclusion is the most potent method to alleviate poverty and help in inclusive economic growth. After many ineffective government schemes to achieve Financial Inclusion like 'No Frills Accounts,' 'Swabhimaan scheme,' in August 2014, PMJDY was launched by PM Narendra Modi announced in his Independence Day speech. This scheme is a determined yojana for complete financial Inclusion to provide a savings bank account to every Indian. An attempt has been made herewith to study the various features of PMJDY and learn how this scheme differs from other previously introduced schemes for financial inclusion purposes. The study is based on secondary sources collected from published articles, various journals, and the official website of PMJDY. The study accomplishes that PMJDY has created a remarkable effect in the banking sector by opening large savings accounts, which help reduce financial untouchability in the country.

***Index Terms* - PMJDY, Financial Inclusion, Poverty alleviation, Peer Schemes, Financial untouchability**

I. INTRODUCTION

"Economic resources of the country should be utilized for the well-being of the country's poor. The change will commence from this point" (2014, Hon. PM Shri Narendra Modi). India is in unbalanced development where one portion of the populace has admitted to a wide range of financial services. The other portion of the population faces the problem of opening a bank account or satisfying their small banking and credit needs. After more than 70 years of independence, a predominant part of the population is still fighting to fulfil their basic needs. The major problem in economic development is the Irregular distribution of wealth and opportunities. There are many reasons for less development in India; financial exclusion is one of them. Financial exclusion is directly correlated with poverty. "Subka Saath, Subka Vikas" has been a slogan of our present Honorable PM Narendra Modi to highlight the importance of financial Inclusion while launching the PMJDY in 2014. Financial Inclusion is defined by the Committee of Financial Inclusion (Chairman Dr C Rangarajan 2008) as "the procedure of confirming admittance to financial facilities and adequate loan were wanted to a vulnerable group at an inexpensive cost."

The RBI Annual Report 2019 on Financial Inclusion- Progress Report shows that the improvement in financial Inclusion as bank divisions in rural are increasing from 2017 to 2019. The same happens with bank overdraft facilities, Kissan Credit cards, basic saving bank deposit accounts, and general credit cards. GOI, RBI, and other agencies took numerous paces to make easy availability of banking and financial services to promote financial Inclusion. Some of these steps are mentioned below:

1. No Frills Account in 2005-06, General Credit Card (GCC) 2005,
2. Business Facilitator and Business Mitra (B.M.) Model 2006,
3. Simplified Know Your Customer (KYC) procedure 2006-07,
4. Credit Counselling and Financial Education 2007,
5. Use of Technology, Simplified Branch Authorization,
6. Banking services in Unbanked Villages,
7. Financial Inclusion Plan (FIP) of the Bank for Three years, 2010 to 2013.
8. National Bank for Agriculture and Rural Development (NABARD) was set up in 1982 to provide financial assistance in agriculture and microfinance, which help satisfy vulnerable groups' financial needs.

All the above steps show promising results; still, Indian faces a financial Inclusion problem. On August 14 2014, Honorable PM Shri Narendra Modiji announced the Financial Inclusion scheme PMJDY, implemented on August 28 2014. The scheme creates a record of account opening in the history of India. Although figures show the best result, why is PMJDY a successful scheme compared to the previous schemes? What is so unique about PMJDY that it makes it popular among the unbanked population? A comparative analysis of the peer schemes Vs. PMJDY has mentioned this scheme's uniqueness in this research paper

1.1 INTRODUCTION OF PMJDY

PMJDY is a prize scheme for comprehensive Financial Inclusion for the country's economic development. On August 15 2014, PM Modiji mentioned that "Mahatma Gandhi worked toward removing the society's untouchability. If we want to remove poverty, we have to dump financial unapproachability. We have to attach everyone with the financial system". "Mera Khata Bhagya Vidhatha" is the essential tenet of this plan. This program's goal is inclusive growth, supported by six pillars. The following six pillars are listed as being accomplished in two phases:

- Phase I started from August 15, 2014, to August 14, 2015, and states about universal access to banking facilities and offering debit cards and other banking services to all account holders, including overdraft protection. Financial education and literacy programme
- Phase II provides the facilities like credit funds, pensions for unorganized schemes and Insurance for small and medium sectors

The benefit of the PMJDY Scheme:

a. Saving and fixed deposit interests
b. Insurance against accidents of Rs. 1 lac.
c. Zero account balances.
d. Insurance cover on life is Rs. 3 lac
e. Easy money transmission through India.
f. Benefits provided by the Government transfer directly to accounts,
g. Overdraft facility will be allowed, without defaulting in the operation of the saving account after six months, up to Rs 5000/- to only one account holder in each household.
h. Admittance to various Pension schemes and various life cover insurance products.
i. Rupay Debit card is insured in Accidental Insurance up to two lakhs after 45 days.

II. REVIEW OF LITERATURE

Dr Geetha. R and Dr Kumar Ramesh (2020) focused on PMJDY and analyzed how bank accounts have been utilized. The finding of this study shows that financial services have been provided to a vulnerable group of people, mostly female, and the rural people of that block have been aware of the scheme and various facilities of this scheme; they are satisfied with the account features, facilities, and services of this account. This study shows that the adoption of this scheme among males is still greater than among females, but the age group has a less significant effect on adopting this scheme.

Yadav Vishal et al. (2020) discussed the impact of PMJDY and found the difference between this scheme and the low-income and unbanked populations. The conclusion arrived in the study comparing bank accounts under this scheme from 2011 to 2018 based on secondary data and proving the point that the is a remarkable increment in financial Inclusion in past years in India after the introduction of this scheme per the financial Inclusion index.

Prof. Ashwitha and Prof. S. Manjunath (2020) explain PMJDY's impact on itinerant labourers in Mangalore. This scheme is based on the impact of this scheme on Financial Inclusion to know that financial Inclusion can finally cover unorganized sector that sustains their daily requirement based on their daily wages. This research paper thus focuses on analyzing how far the financial inclusion policy has covered the benefit of daily wage itinerant labourers in the developing city of Mangalore. Based on the data collected, the conclusion has been made that PMJDY is a great effort to include the vulnerable population in our financial system.

Ashok, Nair, and Krishna (2019) studied the impact on financial Inclusion after introducing PMJDY. In this study, they compare the increment of Financial Inclusion in various years and find that the Inclusion rate has increased after the introduction of PMJDY. They concluded the effect of PMJDY on economic growth by incrementing Financial Inclusion.

III. RESEARCH GAP

PMJDY is a comprehensive financial inclusion scheme. Poor and disadvantaged groups uplift through Financial Inclusion. This study's main intention is to find out what makes this scheme unique and popular compared to previous peer schemes. Since 2004, RBI and GOI have taken various measures to keep pushing for a comprehensive financial inclusion plan. These plans were competent enough to make an impression on financial Inclusion but not at a satisfactory level.

Many researchers have attempted to analyze the impact of PMJDY on Financial Inclusion and various other studies based on the knowledge about features of this yojana. Nevertheless, very few studies have been conducted to know what makes PMJDY so popular among disadvantaged populations; why, after introducing this scheme, the more unbanked population opened a savings bank account. In this study, an attempt has been made to know about this scheme's uniqueness

IV. NEED OF THE STUDY

In the 2011 Census, 2/5th of households do not access essential banking services, whereas about 3/5th of the household has the facilities to access banking services. India's Government has reported that over 62% of the total population comes below the poverty line. Despite the different measures for advancing Financial Inclusion, paucity and omission continue to lead the country's social and economic development. 100% financial inclusion remains an unachieved dream till the launch of PMDJY on August 24 2014. This scheme's prime objective is "Sub Ka Saath Sub Ka Vikas," which stands for complete financial Inclusion. This study's implication is to know about the changes in financial Inclusion after the introduction of this yojana and to do a comparative analysis of this scheme with other peers to measure the newness of this scheme.

V. OBJECTIVE OF THE STUDY

a. To evaluate the uniqueness of PMJDY.
b. To find out various problems for the betterment of PMJDY.

VI. METHODOLOGY OF THE STUDY

Research Design

This study is descriptive. Descriptive research design can define as "to answer questions based on the ongoing events of the present" by Jones and Bartlett.

Data Source

This study depends on secondary sources. The research information and data has composed from publications, journals, newspapers, reports, books, and official websites of PMJDY.

VII. ANALYSIS AND INTERPRETATION

7.1 Evaluation for Uniqueness of PMJDY

The aim behind evaluating the uniqueness of PMJDY is to find whether this yojana is something new or just a repetition of the old yojana for the elevation of financial Inclusion. To find the uniqueness of PMJDY, we compare this yojana in two parts:

a) PMJDY Vs its predecessors' yojanas, i.e., before 2014.
b) Similar yojanas after 2014.

7.1.1 PMJDY Vs. Swabhimaan Yojana

'Swabhimaan' – the Central Government flung a financial security program to ensure banking facilities inhabitation with a population above 2000 by March 2012. This nationwide program on Financial Inclusion was launched in February 2011, focusing on enhancing economic growth by including the unbanked part of the population in the existing banking network to avail the benefit. The key idea is that the bank branches should be present at village levels, and bank Mitras should be close to the customer, preferably at a distance of up to three to four kilometres. For this, it is essential to have entities that are good at delivering outreach while operating in challenging remote conditions. Besides giving admittance to banking, this scheme provides the direct credit facility of government benefits or subsidies to the beneficiary accounts. PMJDY is an advanced form of 'Swabhimaan', including the overdraft service of Rs 5000 per household and Life Assurance cover of Rs 30000 for the first time. Swabhimaan yojana focused only on villages, while PMJDY focused on every household in rural and urban areas.

7.1.2 PMJDY Vs. SHG Bank Linkage Programmed.

A self-help group is also known as a mutual help or support group that provides mutual support. It is a committee of 10-20 local men and women who help the financially deprived population financially. The model of 'SHG-BLP' has been introduced by NABARD (National Bank for Agriculture and Rural Development) as a cost-effective tool for providing financial facilities to unreached and underserved low-income families. This bank linkage program provides cheap refinancing to support other financial institutions lending to SHGs. RRBs and NGOs have provided exceptional assistance and become Self-Help Promoting Institutions. A self-help group model endorses reducing poverty, empowering women, provide a reliable source for lending, which helps in the elevation of financial Inclusion and can use for better implementation of PMJDY.

7.1.3 PMJDY Vs. No Frills Accounts.

To provide the most basic banking financial facilities, RBI introduced "No Frills" accounts in 2005. The No-Frills account aimed to provide essential banking services to low-income backgrounds. The concept was formulated to provide credit and saving facilities to individuals from low-income backgrounds. In 2012, RBI renamed this scheme as Basic Saving Deposit Account. There is no obligation to minimum balance in the No Frills Saving Account, and an ATM cum debit card is provided without any charges. Compared to the No-frills account, PMJDY provides the facilities of overdraft in a saving account, the opening of a current account, including insurance facilities, and the transfer of Government benefits directly to the saving account opened under Jan Dhan Yojana.

7.1.4 PMJDY Vs. PMMY

Pradhan Mantri Mudra Yojana (PMMY) is India's Government's prize scheme to "fund the unfunded" by conveying such organization to the recognized monetary scheme and spreading reasonable solvency to them. It allows the debtor to take credit from Public Sector Banks for credits up to Rupees ten lakhs for non-farm income-generating activities. The yojana was launched on April 8 2015, by the existing PM Narendra Modi. The overdraft amount of Rs 5000 sanctioned under PMJDY has also been classified as MUDRA loans under PMMY. The Mudra Loan is extended under the following three categories:
Loans up to ` 50,000/- (Shishu)
Loans from ` 50,001 to ` 5 lahks (Kishore)
Loans from ` 5,00,001/- to ` 10 lahks (Tarun)
The comparison between PMJDY and PMMY is made because these two schemes promote Financial Inclusion. From the above decision, we can say that PMMY promotes PMJDY.

7.1.5 PMJDY Vs. Stand-Up India

The Stand-up India scheme goals to encourage private enterprise among women and scheduled castes and tribes. The scheme is introduced by the Department of Financial Services (DFS). Stand-Up India Scheme (SUIS) provides bank loans between Rupees ten lakh to Rupees one Crore to at least one Scheduled Caste (S.C.) or Scheduled Tribe (S.T.) debtor and a woman debtor each bank division to establish a Greenfield enterprise. This greenfield enterprise may belong to the manufacturing, services, or trading sector. In non-individual enterprises, more than half of the shareholding and controlling stake should be held by either an SC/ST or a woman entrepreneur. This scheme aims to provide affordable financial services to the unbanked population, especially women and ST/SC. This scheme also provides loans to women and ST/SC. It also helps in the promotion of PMJDY.

7.2 Critical Evaluation of PMJDY

Critical evaluation implies evaluating a theory, situation, statement, or other targets to uphold its dominant paradigms or disprove them and suggest a better alternative view.
Here is a critical evaluation of PMJDY's policies, implementation, and other aspects.

1. While implementing this scheme, the focus was made on opening bank accounts as much as possible and as soon as possible and neglecting this scheme's proper implementation.
2. Threats of fake accounts: According to the RBI executive, people can open accounts using identity documents like PAN and aadhar cards to get accidental insurance coverage. By recognizing this challenge, GOI has now enlisted KPMG to undertake verification.
3. The former governor of RBI, Raghuram Rajan, also warned banks in contrast to the rushed execution of PMJDY, "The objective of the scheme is universality (of bank accounts); it is not just speed or numbers."
4. Recently Supreme Court of India has given its verdict in the Aadhar case and provided "The Right to Privacy" to every individual in the country. On its face, connecting bank accounts with aadhar numbers can generate problems for the scheme in providing direct benefit transfers.
5. Overdraft facilities and insurance schemes can also increase the NPA of the banks stressed due to stalled projects of the public and private banks.
6. Lack of infrastructure is a significant hurdle to the effective implementation of PMJDY.
7. Finally, the Government has not made a Budgetary Provision to provide incentives; otherwise, the bank's financial status may be ruined.

7.3 Suggestion and Recommendation

First, the Government should consider the budgetary provisions for eradicating poverty, under which a sizable fee might be charged through nationalized banks for passing the benefits to the recipients.
Public sector banks and Indian posts can press into action to implement the Jan Dhan Yojana.
More financial literacy centres may be established to bring excluded people under financial Inclusion.
ATMs need to be strengthened in terms of more kiosks in urban and rural areas of India.
No Frills accounts should be encouraged by banks in India; otherwise, Financial Inclusion will have a backseat, especially for those deprived of banking services.

CONCLUSION

In order to achieve the nation's inclusive growth, it is vital to include all society sections financially. PMJDY is a yojana for comprehensive Financial Inclusion, focusing on an individual household to ensure enough financial backing via the established monetary system. In order to keep their bank accounts active and the PMJDY scheme running smoothly, participants must create a reasonable setting backed up by a robust regulatory structure. The difficulty is changing inactive accounts with a zero balance into active ones, which calls for increased emphasis on financial literacy. This study shows the extensive growth of several account holders in rural and urban areas. We can also conclude that the public sector's contribution to promoting this scheme is appreciable. Exclusion from the banking system excludes people from all benefits of a modern financial system. The mere opening of bank accounts may not fulfil the scheme's aim, but bank accounts should be continuously operated to give the scheme real success. This policy's purpose is financial Inclusion, but unrealistic targets and hasty numbers make this scheme lose its purpose.

Consequently, there will be a greater need for various financial aid forms. In a country as large as India, there is no simple answer to the problem of financial exclusion. Since banking is a habit that takes time to establish, a shift in perspective should prioritize realizing the policy's underlying goals rather than focusing on short-term metrics.

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