



DIGITAL LINKAGE OF PRADHAN MANTRI JAN DHAN ACCOUNTS TO BELOW POVERTY LINE CARDS FOR ENHANCED INCLUSIVE GROWTH

An empirical study on financial perception of below poverty line cardholders in Sullia Taluk, Dakshin Kannada District

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Abstract: Pradhan Mantri Jana Dhan Yojana is an unprecedented program of the Indian government for inclusive growth and sustainability. It has been designed carefully and launched to make the accessibility of banking and financial needs of marginalized groups in society. And expecting a positive shift in the financial behavior of people below the poverty line. But what seems to be lacking is the active and effective participation of end-users. The purpose of this research is to enable them to come out from financial inertia and participate actively to achieve the national mission of inclusive growth through financial services. It can be made possible through a digital link between the below poverty line ration card and Pradhan Mantri Jana Dhana Yojana. Pure banking conscience, opening a bank account in Jan Dhana, and only the allocation of financial resources by the government, can hardly achieve the goal of poverty eradication. Without the will to rise it is difficult to lift. So, this system will ensure ongoing and effective participation and operation of the accounts. The digital link is to allow the woman in the family (the ration cardholder) to trust, evolve, and avail of all the financial services that the PMJDY program provides. The digital linkage of Jan Dhan accounts and BPL ration cards might trigger a nominal amount of savings in the female community when cardholders go to public distribution points to obtain free or subsidized ration rights every month. It happens because of the high degree of connectivity and is more relatable if such deposit schemes are extended and made available at public distribution outlets. This intuition for saving may occur due to family attachment, self-esteem, entrepreneurial instinctive, emotional drive, personal financial goals, or mandatory requirement of the government.

Keywords: Inclusive Growth, Ration Rights, Cardholders, Financial Inertia, Digital link,

INTRODUCTION:

The people living below the poverty line are almost working in an unorganized sector. The fact is that the people who work in this sector produce essential commodities but are priced much less. Therefore, the intrinsic value of the rupee of GDP they contribute is logically much higher than the intrinsic value of the rupee of GDP contributed by other sectors of the economy. It is one of the reasons for the concentration of economic power. Undoubtedly, the strong wave of concentration of wealth is certainly being undermined by the microfinance instruments of these marginalized social classes. The vicious cycle of poverty kills people's thought processes, creativity, and future goals. Therefore, this article mainly focused on adding value to Pradhan Mantri Jan Dhana Yojana. The success rate is high because of greater connectivity and more relatable if, deposit systems are made available to BPL cardholders instantly at public distribution outlets. The cardholders frequently visit public distribution points to obtain ration rights. It leads to a positive impact on the financial performance of this group.

If "one nation one ration card" is extended to all BPL cardholders, then the card allows the digital transfer of savings to Jan Dhan's bank account. Pradhan Mantri Jan Dhana Yojana is one of the outstanding programs that should aim to offer even more microfinance. The complexity lies in convincing these people to deposit a minimum amount of savings so that their accounts can function normally. If we look closely, it is not as difficult as we think, it seems easy. Expanding bank branches and ATMs is not cost-effective. And it may not have a significant impact on savings. People tend to go to city bank branches or ATMs specially to withdraw money, but not to save money at their banks. The deposit counter extended at the public distribution point accepts savings and should also serve as a help desk system for BPL cardholders. A politically motivated or self-directed poverty reduction program is rarely successful. Therefore, the government and the beneficiaries of this new system

must understand the intensity of the program and commit to working together to achieve the synergy of the system. The main objective of this system is to empower women economically, socially, and emotionally to live happily.

STATEMENT OF PROBLEM:

Inclusive growth is a journey, not an end. The goal of financial inclusion is to achieve inclusive growth and sustainability. Achieving financial inclusion through PMJDY, Bank Mithra, and expansion of bank branches and ATMs to unbanked areas appears to be a one-sided effort. It is difficult to eliminate poverty simply by increasing financial awareness, opening bank accounts, and promoting financial resources on the one side. To be successful, the two parties (the government and the ultimate beneficiaries) consciously determined to put their hands together. The main problem with inclusive growth is financial inertia and the lifestyles of the most vulnerable groups in society. Their financial planning and financial behavior are different from those of the rich. Without the habit of saving, financial services are meaningless. Continuous awareness, inducement, and incentives are needed to motivate their financial, social, and emotional wellness. The proposed research aims to achieve inclusive growth through effective participation in PMJDY. It is an attempt to understand the result through the digital link between Jan Dhana's bank account and the ration card below the poverty line. The system helps accept monthly savings may be recurring deposits when they visit public distribution points to obtain rationing rights to avail micro-financial services.

OBJECTIVES OF STUDY:

- 1.To understand the role of PMJDY in Poverty elevation
- 2.Analyse the financial security, financial goals and food security of BPL cardholders
- 3.Understand what motivates them to increase their propensity to save and strive for self-reliance.
- 4.To know whether the saving habits of the below poverty line people are likely to be self-directed or by external inducement?

METHODOLOGY

The analysis in this present study is based on primary and secondary data. The data has been obtained from 120 women, the BPL cardholders with the holders of Jan Dhan account resides in Sullia Taluk, Dakshin Kannada District. For the study, data has been collected through a structured questionnaire. The information and data have also been collected from published articles, journals, reports, government publications, newspapers, official websites of Pradhan Mantri Jan Dhana Yojana (PMJDY) and Ministry of Consumer Affairs and Public Distribution.

LITERATURE REVIEW

(Badar Alam Iqbbal & Shasti Sami 2017) Researchers in their study have confined to only the role of a financial institution in terms of extension of bank branches and creating awareness for inclusive growth. But the psychological aspects and lifestyle of the poor virtually affect banking habits. These aspects have not been dealt much. The study was made on Banks' role in financial inclusion and its impact on GDP. If a bank succeeds in making an active and continuous involvement of weaker sections in financial services, then only it has an impact on the growth of GDP.

(Sudindra V.R. , Dr. J. Gajendra Naidu February 2018,) Of course, research studies have been made on behavior and attitudes on the investment decisions of the women community. The article focuses on only the women employees in technology services. But the financial behavior of rural women does not match that of women working in the IT sector. The living style, earning capacity, education, region, nature of the work, working conditions, and other factors influence financial behavior.

(SaleemAbid and GhulamSadiq Afridi) The researchers assess the saving patterns of rural households. In their study, they attempted to analyze household savings in rural areas. In the empirical analysis, they constructed an econometric model to study the impact of income, family size, region, and education on the saving behavior of rural households. The analysis concluded that there is a strong correlation between the household's saving behavior and the proposed variables. Other results show that income and region have a positive effect on household saving behavior, while education and family size harm household saving behavior.

(Shanti.S A.V.N. Murty 2019): Aside from political and legal development, financial literacy is critical to a country's socio-economic development. Women play an important role in the country's economic development. In India, where women constitute half of the population, their contribution to economic growth is essential. To be economically strong, a woman must be literate. Women's education is critical for improving their social standing and empowering them. The current study focuses on how different socio-demographic factors influence women's financial literacy in various districts of Andhra Pradesh. He has taken women in general, not just poor women. The lifestyle preferences and dislikes, as well as the attitude towards financial behavior, are different from other women in society.

Unique Reforms of Pradhan Mantri Jan Dhana Yojana

One of the most promising programs on the path to inclusive growth is PMJDY. The ultimate goal is for everyone to have access to banking. These include basic savings, transfers, loans, insurance, and pensions at affordable costs (1) According to the official announcement of the Ministry of Finance, Pradhan Mantri Jan Dhan Yojana (PMJDY) has opened accounts of 41.75 million of which 35.96 million accounts are operating. (2) Provides a free RuPay debit card to PMJDY account holders with built-in accident insurance of Rs. 100,000. It has been raised to 2 lakhs to the beneficiaries opened accounts after 28 August 2018 with an annual premium of Rs. 12 only. Under Pradhan Mantri Jeevan Bhima Yojana (PMJJBY) life insurance coverage of Rs. 2 lakhs with an annual premium of Rs.330 through auto-debit from a bank account with the express consent of the account holder. (3)

On completion of six years to PMJDY, the government claims that PMJDY 's economic initiatives are people-oriented. Since its inception, a total of Rs 1.31 lakh crore has been credited to more than 40.35 crore beneficiary accounts. More than 63.6% of accounts are rural PMJD accounts of which 55.2% are women PMJD accounts. Under Garib Kalyan Yojana, a total of Rs. 30,705 crores have been credited in accounts of women PMJDY account holders during April-June, 2020. The Direct Debit Transfer, financial assistance for the victims of Covid-19, PM-KISAN, MGNREGA, life, and health insurance cover. The total deposits into the accounts opened under PMJDY increased from 1.2 Lakh Crore to 1.28 Lakh crores in April 2020. These substantial deposits in a short period witnessed the government financial supports to help the beneficiaries to face difficulties during the lockdown period.

Hypothesis:

1. (Ho). There is no significant relationship between Jan Dhana accounts and saving inclinations among women in the weaker sections.
2. There is no significant correlation between the age and financial discipline of women in weaker sections of the society.

Data Analysis

This study aims to understand the financial perceptions and attitudes of female BPL cardholders with Jan Dhan accounts. The holder of the BPL card is an elder in the family. Understand whether the digital link between Jan Dhana's accounts and the BPL card can change the financial behavior of the cardholder. The survey was conducted and analyzed in 120 women of different age groups.

Table 1.1 Respondents Profile and status of their Jan Dhana Accounts

Respondent's age group	Total Respondents	Accounts operative	Accounts Non-operative	Percent of Accounts operative	Percent of Accounts Non-operative
25 to 35	30	21	9	70	30
35 to 45	30	20	10	66.67	33.33
45 to 55	30	22	8	73.33	26.67
Above 55	30	19	11	63.33	36.67
Total	120	82	38	68.33	31.67

(Sources: Primary data)

Table 1.1, depicts only 68.33% of the accounts are operational. The remaining 31.67% of the accounts are inoperative. Accounts that have had no transactions in the last two years are considered inoperative.

Table 2.1 The commonly used financial services by the BPL cardholder other than services of Jan Dhana accounts

Types of financial Services availed	Number of respondents	Percent
Loan against gold	8	8.8
Self-employment scheme loan (including SHG's loan)	21	23.1
Housing loans / Vehicle loan	2	2.1
Children education loan	3	3.3
ATM & Remittance of money	18	19.78
Saving Deposits (including SHG's Weekly savings)	39	42.85
Total	91	100

(Sources: Primary data)

From Table 2.1 it can be assumed that BPL cardholders are associated with the banking services even without Jan Dhana Accounts. However, among the services the saving deposits, and self-employment scheme loan contains 42.85% and 23.1% respectively. This significant percentage is mainly because the respondents are additionally the members of SHG's. Saving propensities are by all accounts significantly low except Self-Help Group's ostensible measure of commitment to saving.

Table 3.1 The respondents' family Solely depend on ration entitlements during lockdown Period

Age group of the respondents	Total Respondents	Families Solely depend on ration items in lockdown period	Percentage
25 to 35	30	3	10
36 to 45	30	4	13.33
46 to 55	30	5	16.67
56 and above	30	8	26.66
Total	120	17	14.16

(Sources: Primary data)

The functioning framework in the country region was very little influence in the rural province during the Coronavirus lockdown period. However, that being said, food security among the BPL cardholder is dubious. 14.16% of the beneath neediness families don't have the least food endurance during the crisis.

Hypothesis: (H₀). There is no significant relationship between Jan Dhana accounts and saving inclinations among women in the weaker sections.

Table 4.1 Reasons for Opening Jan Dhana Accounts – Rank wise

Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Government financial support	40	26	28	13	14
Future Financial Security	13	14	23	34	33
Loans and Overdrafts	24	24	35	22	24
Government Subsidies	32	31	21	23	13
Others (ATMs, remittances)	11	25	13	28	36
Total	120	120	120	120	120

The ranks are converted into the former value calculation of the percentage position. Henry Garret table is used to find the Garret value for each percentage position.

Table 4.2 Percent Position and Garret Value

Ranks	Percent Position Formula $100(R_{ij}-0.5)/N_{ij}$	Percent Position	Garret Value
1	$100(1-0.5)/5$	10	75
2	$100(2-0.5)/5$	30	61
3	$100(3-0.5)/5$	50	50
4	$100(4-0.5)/5$	70	40
5	$100(5-0.5)/5$	90	25

Table 4.3 Calculation of Garret Scores

Factors	Rank 1 (75)	Rank 2 (61)	Rank 3 (50)	Rank 4 (40)	Rank 5 (25)	Total Score
Government financial support	3000	1586	1400	520	350	6856
Future Financial Security	975	854	1150	1360	825	5164
Loans and Overdrafts	1800	1464	1750	880	600	6494
Subsidies	2400	1891	1050	920	325	6586
Others (ATMs, remittances)	825	1525	650	1120	900	5020

Table 4.4 Computation of Average Score and determination of the ranks

Factors	Average Score	Average	Ranks
Government financial support	6856/120	57.13	I
Future Financial Security	5164/120	43.03	IV
Loans and Overdrafts	6494/120	54.12	III
Subsidies	6586/120	54.88	II
Others (ATMs, remittances)	5020/120	41.83	V

(Source: Primary data)

Referring to Table 4.4, respondents prioritized the reason for opening Jan Dhan's account specifically for government financial assistance, with future financial security in fourth place. Subsidies, loans, overdrafts, are rated II, III and V. This means that there is no significant correlation between saving behavior and the cardholder's Jan Dhan account. Therefore, there is no statistical evidence to reject the null hypothesis. Therefore, the null hypothesis is accepted.

Table 5.1 The recurrence of respondents who visit the bank

Age group of the respondents	Total Respondents	Average physical visits to their Bank			
		Monthly (12 times)	Quarterly (4 times)	Once in 6 six moths (2 times)	Once in a year (1 time)
25 to 35	30	9	9	6	6
36 to 45	30	6	6	10	8
46 to 55	30	5	6	8	11
56 and above	30	3	4	10	13
Total	120	276	100	68	38
Total visits to bank by 120 members in a year = $(276+100+68+38) = 482$ times					
The average physical visits of an account holder in a year $\frac{482}{120} = 4$ times in a year					
But average visits of the same account holder to her to fair price shops: $= \frac{12 \times 120}{120} = 12$ times in a year					

(Source: Primary data)

As per the study, the number of cardholders' visits to ration stores is 12 times each year. It implies that each cardholder visits her fair price store each month. Yet, Table 5.1 shows that the number of times the same individual goes to the bank is only four times in a year. So, actual

physical visits show cardholders are very close and familiar with ration shops but not much dear to their banks. Close nexus has an impact on saving habits due to trust and concern.

Hypothesis No: 2. (Ho) There is no significant association between the age and financial discipline of the women below the poverty line

**Table 6.1 The relationship between age and financial discipline of the respondents
Financial discipline * Age group of the respondents' Crosstabulation**

		Age group of the respondents				Total
		25-35	35-45	45-55	> 55	
Financial discipline	Hoarding at Home	4	12	5	11	32
	Saving in Bank	6	6	10	4	26
	Loan Repayment	6	4	8	3	21
	Spending Entire Earnings	14	8	7	12	41
Total		30	30	30	30	120

(Source: Primary data)

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.178 ^a	9	.086
Likelihood Ratio	15.320	9	.083
Linear-by-Linear Association	1.234	1	.267
N of Valid Cases	120		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.25.

Chi-square statistical tool is used to examine the association between the age and financial discipline of the women below the poverty line. There is no insignificant relationship at a 5% significance level between the age and financial discipline of the respondents. ($X^2=15.178$, $df=9$, $P=.086$). Hence, we fail to reject the null hypothesis.

(Table 7.1) Willingness to save if, recurring deposit schemes are made available at public distribution shops.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREE	28	23.3	23.3	23.3
	AGREE	39	32.5	32.5	55.8
	NUTREL	26	21.7	21.7	77.5
	DISAGREE	12	10.0	10.0	87.5
	STRONGLY DISAGREE	15	12.5	12.5	100.0
Total		120	100.0	100.0	

Nearly 55% of the below poverty ration cardholders expressed their willingness to save nominal amount regularly to their Jana Dhana Accounts if such facilities are offered at public distribution outlets. And 21.7% are indifferent, only 22.5% of them expressed their dissatisfaction to save monthly.

FINDINGS

Everyone is creative, self-motivated, and more curious about future goals in a proper conducive environment. People below the poverty line are succumbing to despair due to the vicious cycle of poverty. As such the gap between rich and poor continues to widen. While initiating any welfare measures, the beliefs, feelings and cognitive-psychological aspects of the target group should be taken into account. The following key points are discussed based on the study.

1. Extending deposit counters at public distribution points ensures closeness and give the cardholder the impression that the bank is dear to them. (See Table 1.3.) Frequent visits and proper consultation with business correspondents (Bank Mitra as bank help desk) will undoubtedly motivate cardholders to believe in and participate in their financial goals. This shift in internal stimuli prompts them to set aside a small sum of money each month for their benefit. At the fair price store, Bank Mithra will serve as a liaison officer between bankers and cardholders. (See Table 1.3.) Otherwise, they have no intention of going to the bank to save. As a result, saving behavior is not impulsive rather induced.

2. One of the inclusive development schemes is the establishment of new bank branches and ATMs in underserved areas. However, it is costly for the banker. People who save impulsively may benefit from the expansion of bank branches. However, people, particularly BPL cardholders, appear unconcerned, and it is unlikely to motivate them to save. Saving instincts can arise as a result of family attachment, self-esteem, entrepreneurial instincts, emotional drive, personal financial goals, or as a government mandate.
3. Once cardholders see the exponential growth of their small monthly savings, they will continue to save in the absence of additional external forces or efforts. Furthermore, government financial assistance will act as a boost to their financial behavior.
4. The extensive network of public distribution points will undoubtedly aid in reaching 100% of the population throughout the country. Cardholders visit the fair-price shops regularly. No other physical network, including bank branches, will be able to make it happen.
5. The proclivity to save grows as a result of the reverse process of the law of diminishing marginal utility concerning money. Self-generated financial capability fosters entrepreneurial motivations and leads to creative thinking. Jan Dhana Yojana's performance-based provision of microfinance services will assist them in becoming self-sufficient. This undoubtedly fosters a desire to work and contribute to economic development.
6. Peer groups of BPL cardholders can also form Self Help Groups (SHG). Many existing self-help groups have been disbanded due to a lack of understanding and the difficulty of gathering and collecting money consistently. In any case, for this situation, it serves as a legitimate constraint among the gathering to contribute a specific sum. When they come for ration items, they will be required to contribute. This SHG provides loans to women for self-employment and other economic activities. Based on the performance of these SHGs, the government may provide financial assistance or subsidies. As a result, the core mission of women's empowerment is a benefit of this system.
7. KYC Aadhaar seeded bank account and ration card ensures that saved money is directly transferred to their Jan Dhan bank accounts immediately. This real-time process will be communicated to them via mobile text message. The help desk system may initially be limited to only accepting deposits, but it can later be expanded to provide a wide range of financial services. The government can also offer attractive interest rates to BPL women cardholders to encourage savings. This scheme can also be extended to APL cardholders to increase the mobilization of funds deposits.
8. The loan recovery rate of Women Self Help Group is exceptionally high because it is unavoidable for them to approach fair price shops at regular intervals for ration entitlements. Loans to SHG will increase employment opportunities and have a multiplier effect on the economy.
9. The most important aspect is to set aside a portion of one's earnings. Saving and income are, in fact, independent factors for people living on the edge of poverty. People are predisposed to save, but this desire does not emerge until they reach a certain level of income. However, numerous constraints and factors influence these people's ability to attain such a position. Similarly, age and financial discipline among the weaker sections have not had much correlation. Since they have spent a major life span with incredible hardships. They are not worried about their future financial security. Therefore, apart from the government's financial assistance, an external force is required to make it happen. Savings will eventually be sustained indefinitely due to the exponential growth of small savings.

CONCLUSION

Technology has made a tremendous transformation in human life today. Linking the BPL card to Jan Dhan's account is a step towards achieving digital literacy among marginalized segments of society. Small savings made by a large number of people will be a significant source of capital formation. People who use their Jan Dhan accounts wisely should be rewarded with attractive financial assistance and financial services from the government. The exponential growth of small savings has an impact on the thought processes, feelings, behavior, and attitudes of the poor. As a result, it encourages greater creativity and self-esteem, which are complementary aspects of "Athmanirbar Bharath". Poverty alleviation, socio-economic prospects, and women's empowerment are fundamental aspects of the national mission. Therefore, government welfare programs must be free from personal interests and political motivations. To achieve the desired results, each welfare program must be people-centric, must be continuously monitored and nurtured. It is assumed that we will become one of the world's superpowers. But it is a futile dream unless we resolve our internal problems like rampant corruption, caste system, internal conflicts, growing inequalities of wealth and income.

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