

HOW MUCH SUCCESSFUL IS PMJDY IN RURAL UPLIFTMENT? : A CUSTOMER'S PERSPECTIVE

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Abstract— Financial inclusion is the delivery of financial / banking services such as access to payments and remittance facilities, savings, loans and insurance services at an affordable cost to all sections of the society in general and the vast sections of underprivileged / disadvantaged and low income groups in particular at an affordable cost and in a fair and transparent manner by the formal financial system. In the study, an attempt is made to know the customers' viewpoint towards financial inclusion through Pradhan Mantri Jan Dhan Yojna (PMJDY), as this scheme is launched by the Indian government to achieve the objective of financial inclusion. A sample of 170 respondents has been taken from Uttar Pradesh state by using convenience and simple random sampling technique through well-structured questionnaire / schedule. In order to test the hypothesis, ANOVA has been applied at five percent level of significance.

Index Terms— Inclusion, remittance, under-privileged, disadvantaged, PMJDY.

I. INTRODUCTION

Today, India boasts growth very fast but still 50 percent of the population lives below the international poverty line. Every nation in the world is stressed with the problem of poverty or financial exclusion and trying to reduce it by different ways or schemes. In order to remove the poverty and to give the benefits of growing economy to the underprivileged / disadvantaged section of the society, not only our government but other countries are trying to deliver the financial or banking products or services to this section of society in particular and to all the population in general. Financial inclusion is the key for this. For achieving the objective of financial inclusion, our government introduced the new scheme named as Pradhan Mantri Jan Dhan Yojna (PMJDY). Before this, various schemes were also launched by our government such as Swabhiman, Self Help Groups Bank Linkage Programme and establishment of NABARD etc. All such schemes were found to be ineffective as far as their impact on financial inclusion is concerned. In order to know the perception of the customers towards financial inclusion through PMJDY, an effort is made by doing this research. Because this scheme is launched on vast scale by our government and become very popular within a very short span of time, therefore, interest has been automatically generated to conduct the survey and know the customers' perception towards this.

II. REVIEW OF LITERATURE

Rao (2013) defined the financial inclusion as the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players. The study was an attempt to comprehend and distinguish the significance of financial inclusion in the context of a developing country like India wherein a large population is deprived of the financial services which are very much essential for overall economic growth of a country.

The study sum up as the financial inclusion is the road which India needs to travel towards becoming a global player. It was stated that an inclusive growth will act as a source of empowerment and allow people to participate more effectively in the economic and social process.

Williams and Abbas (2014) said that financial inclusion has, in reality, far reaching positive consequences which can help resource poor people to access the formal financial services in order to pull themselves out of abject poverty. It was found that, the focus on the common man is particularly imperative in India as he is more often the ignored one in the process of economic development. It was also stated that to achieve the milestone of PMJDY, it is important for both service providers and policy makers to have readily available information outlining gaps in access and interactive tools that help better understand the context at the district level.

Aggarwal (2014) stated that financial inclusion is delivery of financial services, viz., access to payments and remittance facilities, savings, loans and insurance services at an affordable cost to the vast sections of underprivileged and low income groups by the formal financial system. The paper analyses the effectiveness of the financial inclusion programme in India. Some disparities have been found on geographical basis in the study. Moreover, the pace of financial inclusion seems to be slower than the expected one. The prime reason stated as the issues of reach towards the target strata and the demographic characteristics of the target strata itself. It was concluded that financial inclusion programme can be persuaded more effectively by strong political will and a better bureaucratic support. RBIs' efforts are not doubttable but require a better implementation.

Shetty and Deokar (2014) jointly published in their findings that Pradhan Mantri Jan Dhan Yojana is not a new programme but there were various programmes initiated by RBI and Ministry of Finance, but due to lack of co-ordination among people, government and RBI, the objectives of all those programme have not been achieved till now.

It concludes that formulation of programme is not sufficient for conversion of dreams into reality, but this requires effective and transparent implementation of that programme at the ground level with the co-ordination of government, bank and the general public.

Gitte Madhukar R. (2015) has published an article Pradhan Mantri Jan Dhan Yojana: A National Mission on Financial Inclusion in India. The authors revealed that the PMJDY programme is in true sense one of the poverty alleviation programmes. Crores of poor people in India are still outside the organised financial system, despite the nationalisation of commercial banks long ago in 1969. Hence, this is the mission to eradicate poverty through the financial inclusion programme. The poor and the underprivileged people in rural, semi-urban and urban areas are expected to get all the benefits such as financial inclusion, financial stability and financial freedom through the PMJDY.

Paramasivan and Kamaraj (2015) have published an article entitled Commercial Bank's performance on Pradhan Mantri Jan Dhan Yojana. The authors concluded that the PMJDY scheme has created an impressive results in the banking sector with regard to eradication of financial untouchability in the country.

Unnamalai.T (2015) has published an article entitled Role of Indian Banks in Financial inclusion policy through Pradhan Mantri Jan Dhan Yojana (PMJDY). The researcher find out in their study the public sector banks are the leader in opening an account, account balance maintained with them, issue of Rupay debit cards, etc., He also suggests that the government of India can open a number of branches for regional rural banks and may give permission for the private sector banks for opening branches.

Bharati Pajari (2016), "Pradhan Mantri Jan Dhan Yojana (PMJDY) : A Major step towards Financial Inclusion in India". The author suggested that life insurance cover, accidental cover and credit facilities should be given to all account holders

without any exclusion and to open more number of financial literacy center.

III. RESEARCH METHODOLOGY

The study is based on the primary data. The data is collected through well-structured questionnaire / schedule by conducting field survey with a sample size of 170 respondents from the three districts of Uttar Pradesh state. Initially, the sample was set as 200, but 30 questionnaire found to be incomplete/ inaccurate after collection, therefore rejected for final analytical process. The sample was taken randomly for the purpose of data collection. The questionnaire was prepared with the help of expert on five point Likert scales i.e. strongly agree, agree, neutral, disagree and strongly disagree (SA, A, N, D and SD). For doing the entries in the PASW SPSS, SA has assigned the value of 1, A has 2, N has 3, D has 4 and SD has assigned the value of 5. Therefore, the value of mean below average i.e. 2.5 show the agree-ness towards various statement and vice-versa. The data is analyzed with the help of percentage, frequency distribution, mean and standard deviation. And in order to test the hypothesis, ANOVA has been applied.

A. Objective

The study is conducted to achieve the objective of analyzing the customers' viewpoint towards financial inclusion through PMJDY.

B. Hypothesis

H01: There is no significant relationship in the customers' viewpoint towards financial inclusion and PMJDY.

C. Results and Discussion

The demographic profile of the respondents may be seen from the table 1. As we can seen for the demographic factor of gender, male dominates; in case of occupation more respondents are from other categories which includes housewife, self-employed etc; in case of age, more respondents are from the age-group of 25-45 year; as far as educational qualification is concerned, more respondents having education of upto middle classes.

Table 1: Demographic Profile of the Respondents

Sr. No.	Demographic Variables	Frequency	Percentage
1. Gender	Male	112	65.9
	Female	58	34.1
2. Occupation	Farmer	36	21.2
	Labourer	41	24.1
	Hawker	20	11.8
	Service	20	11.8
	Other	53	31.2
3. Age Groups (in years)	Below 25	51	30.0
	25-45	79	46.5
	Above 45	40	23.5
4. Education Qualification	Middle	76	44.7
	Metric	24	14.1
	Senior Secondary	36	21.2
	Graduate	22	12.9
	Postgraduate	12	7.1

Source: Survey

Table 2: Gender-wise Results

Statements	Gender	N (170)	Mean	Std. Deviation	F	Sig.
PMJDY will be helpful to inject habit of saving	Male	112	1.76	1.050	8.701	0.004*
	Female	58	1.33	0.509		
PMJDY helps in accessing the financial services from banks.	Male	112	2.32	1.350	12.202	0.001*
	Female	58	1.66	0.739		
Overdraft facility available in PMJDY helps in women empowerment	Male	112	2.14	1.039	25.899	0.000*
	Female	58	1.36	0.742		
PMJDY will be a juncture to stop leakage of funds i.e. corruption.	Male	112	2.95	1.153	5.996	0.015*
	Female	58	2.48	1.203		
PMJDY helps in social cohesion/Inclusion	Male	112	2.13	0.988	5.07	0.026*
	Female	58	1.78	0.899		
PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion	Male	112	2.45	1.270	10.126	0.002*
	Female	58	1.84	0.996		

Source: Survey (Data Processed through PASW SPSS 20)

Note: df: Between Group=1, Within Group=168, Total=169

*at 5 % significance level

Table 2 shows the gender-wise results. It is found that there is significant relationship in the customers' viewpoints toward financial inclusion and PMJDY as far as the various statements such as PMJDY will be helpful to inject habit of saving ($f=8.701$, $p=0.004$), PMJDY helps in accessing the financial services from banks, ($f=12.202$, $p=0.001$), overdraft facility available in PMJDY helps in women empowerment ($f=25.899$, $p=0.000$), PMJDY will be a

junction to stop leakage of funds i.e. corruption ($f=5.996$, $p=0.015$), PMJDY helps in social cohesion / inclusion ($f=5.07$, $p=0.026$) and PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion ($f=10.126$, $p=0.002$) are concerned, therefore the null hypothesis (H_0) is rejected. In this way, it may be concluded that there is significant relationship in the customers' viewpoint toward financial inclusion and PMJDY.

Table 3: Occupation-wise Results

Statements	Occupation	N (170)	Mean	Std. Deviation	F	Sig.
PMJDY will be helpful to inject habit of saving	Farmer	36	2.19	1.327	5.742	.000*
	Labour	41	1.61	0.802		
	Hawker	20	1.3	0.571		
	Service	20	1.55	0.826		
	Other	53	1.36	0.623		
PMJDY helps in accessing the financial services from banks	Farmer	36	2.94	1.706	6.603	.000*
	Labour	41	2.02	0.821		
	Hawker	20	1.8	0.894		
	Service	20	1.75	0.786		
	Other	53	1.81	1.075		
Overdraft facility available in PMJDY helps in women empowerment	Farmer	36	2.08	1.251	4.088	.003*
	Labour	41	2.27	1.001		
	Hawker	20	1.55	0.605		
	Service	20	1.9	0.968		
	Other	53	1.55	0.867		
PMJDY helps in controlling the leakage of funds	Farmer	36	2.97	1	1.367	0.248
	Labour	41	2.83	1.138		
	Hawker	20	2.45	1.191		
	Service	20	3.15	1.461		
	Other	53	2.62	1.213		
PMJDY helps in social cohesion/inclusion	Farmer	36	2.56	1.206	4.358	0.002*
	Labour	41	2	0.742		
	Hawker	20	1.85	0.671		
	Service	20	1.85	0.933		
	Other	53	1.75	0.939		
PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion	Farmer	36	3.03	1.248	5.439	.000*
	Labour	41	2.22	1.037		
	Hawker	20	1.8	0.894		
	Service	20	2.2	1.322		
	Other	53	1.92	1.186		

Source: Survey (Data Processed through PASW SPSS 20)

Note: df: Between Group=4, Within Group=165

*at 5 % significance level

Table 3 elaborates the occupation-wise results. It is found that there is significant relationship in the customers' viewpoints toward financial inclusion and PMJDY as far as the various statements such as PMJDY will be helpful to inject habit of saving ($f=5.742, p=0.000$), PMJDY helps in accessing the financial services from banks ($f=6.603, p=0.000$), overdraft facility available in PMJDY helps in women empowerment ($f=4.088, p=0.003$), PMJDY helps in social cohesion/

inclusion ($f=4.358, p=0.002$) and PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion ($f=5.439, p=0.000$) are concerned, therefore the null hypothesis (H_{01}) is rejected. However, there is no significant relationship in the customers' viewpoint toward financial inclusion and PMJDY in case of PMJDY helps in controlling the leakage of funds ($f=1.367, p=0.248$), therefore the null hypothesis (H_{01}) is accepted in this case.

Table 4: Age-wise Results

Statements	Age (in years)	N (170)	Mean	Std. Deviation	F	Sig.
PMJDY will be helpful to inject habit of saving	Below 25	51	1.82	1.014	2.162	0.118
	25-45	79	1.48	0.798		
	Above 45	40	1.6	1.008		
PMJDY helps in accessing the financial services from banks	Below 25	51	2.65	1.397	9.313	0.000*
	25-45	79	1.75	1.044		
	Above 45	40	2.08	1.047		
Overdraft facility available in PMJDY helps in women empowerment	Below 25	51	2.04	1.095	1.072	0.345
	25-45	79	1.77	0.947		
	Above 45	40	1.88	1.042		
PMJDY helps in controlling the leakage of funds	Below 25	51	2.65	1.246	0.721	0.488
	25-45	79	2.9	1.139		
	Above 45	40	2.75	1.214		
PMJDY helps in social cohesion/inclusion	Below 25	51	2.16	1.065	0.884	0.415
	25-45	79	1.94	0.837		
	Above 45	40	1.95	1.085		
PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion	Below 25	51	2.72	1.341	5.446	0.005*
	25-45	79	2.01	1.044		
	Above 45	40	2.1	1.231		

Source: Survey (Data Processed through PASW SPSS 20)

Note: df: Between Group=2, Within Group=167

*at 5 % significance level

Table 4 shows the age-wise results. It is found that there is significant relationship in customers' viewpoints toward financial inclusion and PMJDY as far as the various statements such as PMJDY helps in accessing the financial services from banks ($f=9.313, p=0.000$), PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion ($f=5.446, p=0.005$) are concerned, therefore the null

hypothesis (H_{01}) is rejected except for the statements such as PMJDY will be helpful to inject habit of saving ($f=2.162, p=0.118$), overdraft facility available in PMJDY helps in women empowerment ($f=1.072, p=0.345$), PMJDY helps in controlling the leakage of funds ($f=0.721, p=0.488$) PMJDY helps in social cohesion/inclusion ($f=0.884, p=0.415$), therefore the null hypothesis (H_{01}) is accepted for these cases.

Table 5: Qualification-wise Results

Statements	Qualification	N (170)	Mean	Std. Deviation	F	Sig.
PMJDY will be helpful to inject habit of saving	Middle	76	1.71	1.069	0.628	0.643
	Metric	24	1.42	0.654		
	Sen. Secondary	36	1.53	0.878		
	Graduate	22	1.68	0.646		
	Post-graduate	12	1.5	1		
PMJDY helps in accessing the financial services from banks	Middle	76	2.26	1.33	0.896	0.468
	Metric	24	1.88	0.9		
	Sen. Secondary	36	1.89	1.19		
	Graduate	22	2	0.926		
	Post-graduate	12	2.25	1.545		
Overdraft facility available in PMJDY helps in women empowerment	Middle	76	2.03	1.2	1.633	0.168
	Metric	24	1.58	0.717		
	Sen. Secondary	36	2	0.926		
	Graduate	22	1.59	0.666		
	Post-graduate	12	1.67	0.888		
PMJDY helps in controlling the leakage of funds.	Middle	76	2.7	1.143	3.114	0.017*
	Metric	24	2.58	1.283		
	Sen. Secondary	36	3.25	1.273		
	Graduate	22	2.32	0.894		
	Post-graduate	12	3.25	1.055		
PMJDY helps in social cohesion/inclusion	Middle	76	2.04	1.051	0.134	0.97
	Metric	24	1.88	0.947		
	Sen. Secondary	36	2.03	1.028		
	Graduate	22	2	0.69		
	Post-graduate	12	2	0.853		
PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion	Middle	76	2.24	1.282	1.449	0.22
	Metric	24	1.79	0.977		
	Sen. Secondary	36	2.56	1.275		
	Graduate	22	2.24	1.044		
	Post-graduate	12	2.25	1.215		

Source: Survey (Data Processed through PASW SPSS 20)

Note: df: Between Group=2, Within Group=167

*at 5 % significance level

Table 5 explain the qualification-wise results. It is found that there is no significant relationship in customers' viewpoints toward financial inclusion and PMJDY as far as the various statements such as PMJDY will be helpful to inject habit of saving ($f=0.628, p=0.643$), PMJDY helps in accessing the financial services from banks ($f=0.896, p=0.468$), overdraft facility available in PMJDY helps in women empowerment ($f=1.633, p=0.168$). PMJDY helps in social cohesion/ inclusion ($f=0.134, p=0.097$) and PMJDY is scalable and sustainable scheme for achieving the objective of financial inclusion ($f=1.449, p=0.022$) are concerned, therefore the null hypothesis (H_{01}) is accepted. However, there is significant relationship in customers' viewpoint toward financial inclusion and PMJDY for the statement of PMJDY helps in controlling the leakage of funds ($f=3.114, P= 0.017$), therefore the null hypothesis (H_{01}) is rejected.

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