



Financial Inclusion of women through PMJDY The Case of Bihar, India

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EDITORIAL BOARD EXCERPT

At the time of Initial Submission (ToS) submitted paper had 15% plagiarism which is an accepted percentage for publication. The editorial board is of an observation that article had a successive close watch by the blind reviewers which at later stages had been rectified and amended by authors (Amir & Shashi) in various phases as and when requisite to do consequently. The comments related to this manuscript are noticeable related to **Financial inclusion of women through PMJDY in Bihar** both subject-wise and research-wise. Financial inclusion is the need of every country for its growth and development. In this Case Study Based Research Paper, the authors tried to explain how Prime Minister Jan Dhan Yojana helped in Women Empowerment in the state of Bihar. The biggest reason for the success of PMJDY is because it is simple and easy to open a bank account. The paper also tried to explain the challenges faced. The paper is kept in “**Case Based Study**” Nomenclature as the study explains the case in Bihar state.

ABSTRACT

Purpose: To explain the role of PMJDY in women empowerment in Bihar

Design/ Methodology/ Approach: It is a case study based paper

Findings: PMJDY has improved the saving behavior of the rural household. We can hope that PMJDY is successful and is reachable to all needy rural areas and it resolves their difficulties. And it provides quantitative and qualitative improvement in rural areas. PMJDY has created a positive and strong environment and has contributed to the purpose of universal financial inclusion of the government.

KEYWORDS Financial Inclusion | PMJDY | Women Empowerment

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Introduction

Financial inclusion provides an environment where the common people have access to the financial institutional system. They will be able to provide various financial products such as deposits, loans, insurance, pension, financial advice and safe deposit at affordable cost and simplicity to use and obtain the same. There are several definition for the Financial Inclusion. According to the Committee on Financial Inclusion, RBI, Chairman Dr. C. Rangarajan". Financial inclusion is also defined as "the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." Further, Planning Commission (2009) defines Financial Inclusion as "universal access to a wide range of financial service at a reasonable cost. These includes not only banking products but also other financial services such insurance and equality products."

Financial inclusion for the rural economy becomes more relevant as rural economy requires financial services in population size, market potential and changing income levels and consumption. A large portion of the population lacks access to basic financial services and meets the need for financial products through informal means which are expensive and unsafe. The objective of financial inclusion is to reduce such risks and to provide safe alternatives. Over the years, various policies failed to increase the presence of banks in rural areas. Pradhan Mantri Jan Dhan Yojana (PMJDY) is covering these areas and connecting large sections of the population, especially in rural areas, inclusive development and economic development with infrastructure.

Most people in India live in rural parts of the country. Therefore, development of rural India is the key to economic growth of the country. Financial inclusion or inclusive financing is the distribution of financial services to the sections of society at a reasonable cost. In India, for the first time, financial inclusion made its mark in 2005 in Mangalam, a small village in Puducherry, where all the households had banking facilities (Ganguli, 2015). The Government of India latest initiative of issuance of license to payments Bank is mainly to encourage micro savings and inculcate banking habits among the rural poor and the financially excluded. The Postal Payments Bank is expected to achieve the last mile in financial inclusion given its wide office network of more than 155000 branches mainly in remote and far-flung areas.

Initiatives regarding Financial Inclusion after Independence

The policy for financial inclusion of the weaker society into formal financial system in our country is not new. Post-independence India has emphasized on progressive institutionalization of rural and agricultural credit. India has promoted an institutional framework for agricultural

and rural credit where cooperative sector gave direct loans to farmers. State Bank of India and its associative banks were involved in financing these cooperative agencies. In 1969, the then government accepted that rural credit cooperatives could not be found and commercial banks needed to play a major role. It inspired Indian government to nationalize major banks in 1969 and 1980. RBI's M. Narasimhan Committee was established in 1975 after the recommendations of the Regional Rural Banks (RRBs). NABARD is a top development bank, which was introduced in 1982, was made capable in a professional and special way to sustain rural banking infrastructure and coordinating directly between rural financial institutions. Launching of Self Help Group Bank Linkage Programme (SHG-BLP) in 1992 was done for the issuance of licenses to new private sector banks in 1993. The Central Government of India took a serious initiative for efforts to the Swabhimaan Campaign, in 2011. Business correspondent were appointed in remote rural area where bank branches were not present. The main objectives of Swabhimaan Campaign were to bring formal banking service in Rural Bharat. However, the Swabhimaan Campaign's approach in terms of reach and coverage was very low. Implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY) was done in 2014 in order to achieve financial inclusion. The Pradhan Mantri Jan Dhan Yojana (PMJDY), initiated by the government, is an addition to the long year mission of financial inclusion. The scheme aims to provide at least one bank account to each household across the country, targeting at those who never had a bank account in their lives. This scheme has simplified the whole process of opening an account by giving them information and banking help by Banking Correspondence and facilitators (BCs & Bank Mitra were deployed on a large scale to help execute the financial inclusion).

PMJDY in Bihar-- Women Empowerment under Prime Minister Jan Dhan Yojana:

Women do not possess adequate financial resources and working capital, their access to credit is limited. In India, in many cases women do not possess any property rights and the extent of their accumulation of wealth or so called bank balance is very much disappointing. In most cases, male members of their family decline to invest in such ventures which are run by the women members perceiving the consequences of their inability to run the business successfully.

Under PMJDY, women who opened their bank accounts have also taken part in various schemes related to social security like Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana and Atal Pension Yojana. Rural women participation in these are more than urban women. If the scheme is seen in context of Bihar, then

significant change can be seen in the rural areas. The biggest reason for the success of PMJDY is because it is simple and easy to open a bank account.

After opening accounts in rural areas in Bihar under PMJDY, women have become more self-sufficient and self-dependent. For instances, Smt. Bachiya Devi of Madhwapur Koith Mishari, Nazirpur, Madhubani said, "I am a labour working in fields. Earlier whatever amount I saved, it would have been spent in needs as I used to stay at home. But now my account is opened in the bank. I had started poultry work with my savings money. I want my kids to study a lot." Similarly, Sunita Devi a resident of Pithwa, Jamuniya Jharaukhar, East Champaran, says that "Whenever we have money, it reflects. Earlier when the money was not in our own hands, how to spend it, now we can take our own decision, it is easier now for the treatment of children and for medicines or it is easier to buy new clothes and sweets for the festivals". Meena Devi of Daprakha, Supaul said, "For the first time went to the bank but when withdrawn the money from the account from the first time, it made me very happy, which I cannot tell."

The situation is changing. Their moral have boost up and they are now more confident. They have feeling of recognition and self-sufficiency. They are more conscious about their rights now. For instances, Safaiya Khaton residents of Jaini Tola, West Champaran said, "Earlier we were not interested in saving money, it was because of lack of confidence, but now when the account is opened in the bank, we can save money. Having an amount of money also boosts confidence. A similar feeling was shared by Meera Devi of same village. She said, "Our saving tendency was over. I could not save money while staying in house. Now I am collecting the amount secretly after the opening the account. So that I don't need to ask money from anyone whenever there is such situation". Akashwa Devi of Khaira, Jamui feels that she is having deposit and can spend based on her need.

Several beneficiaries like Sunita Devi feel secure in depositing money. She said "There was fear of theft of cash from the house. Now my money is safe in the bank." Lalo Devi of Kishanganj said, "I feel safe in taking out the amount from the nearby ATMs". Shabnam Khatun of Mahmaddpur, Vaishali, can fulfill her basic needs from her savings without taking any loan from any relatives or money lenders. "The money can't be saved, staying in the house, now it is saved" says Baby Khaton of Hajarat, Muslim Tola, Jandaha, Vaishali.

Saving in rural area was extremely low. PMJDY has improved the saving behavior of the rural household. Makri Devi said, "If we save the amount after spending the house budgets, then the husband also does not take account of this amount. This is my own money" (From, Bela Tand, Manail, Akbarpur, Nawada). "My relative deposited the savings

by opening an account in the bank and I did the same by watching them. I opened an account & deposited the amount." Says Nasra Khatun of Katai, Dumari, Madhubani. Manju Devi of Pahadchak, Suhirdnagar, Begusarai said, "Money is the form of Goddess Lakshmi, even if there is a small amount then you have Goddess Lakshmi. When there is Goddess Lakshmi there is peace". Savitri Devi of Bawan toil, Kishanganj, a field worker feels easy to handle account and she save money without her work getting interrupted.

Not only general caste but even schedule caste and schedule tribes women and backward caste women are now more self-confident and are now able to take decisions on their own. They can now very well see their bright future in self-employment, various training programs and Entrepreneurship. Due to functional literacy, women who were till now only doing household chores are now ready to step out and go against all negative custom and tradition to utilize their free time to earn more. After analyzing all such scenarios, we can see a new era for Women Empowerment.

Challenges

Even after so many positive impacts, there are still many challenges faced in PMJDY, which are as follows:

1. Multiplicity issue in PMJDY bank accounts and many of these accounts are inactive.
2. To maintain these accounts, bank investments are huge. Poor people's earning could hardly sufficient enough to maintain their account minimum balance.
3. Due to some technical drawbacks, there are deductions in linking of these accounts with mobile and Aadhar.
4. Even though paying banks are reachable, they are several difficulties in accessing the financial services due to complex user interface, lack of internet or slow internet connectivity, limited customer care service and no helplines.
5. The success for various schemes like PMJJBY, PMSBY, APY depends on the reach of such banks to the needful peoples but many of them are unaware about the pension and insurance schemes.
6. Poor mobile connectivity in rural areas.
7. In many elementary areas, loan facilities are not reachable to poor as banks do not provide loans to them. For example, Swarnloan is available for poor people at a very low interest. But people who don't even fall under poor category, they get loans through their reach from these banks via wrong and fraud means. In such areas, it is mandatory to take strict actions against such banks and fraud peoples and make these schemes available to people who actually need them.



Conclusion

PMJDY has improved the saving behavior of the rural household. We can hope that PMJDY is successful and is reachable to all needy rural areas and it resolves their difficulties. And it provides quantitative and qualitative improvement in rural areas. PMJDY has created a positive and strong environment and has contributed to the purpose of universal financial inclusion of the government. The success of this program requires attention to the following:

- a. Expanding formal banking systems till the doorsteps of the villagers
- b. Regular use of finance system in the rural areas
- c. Promoting financial literacy through central and state programs

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The Editorial Board had used the turnitin plagiarism [http://www.turnitin.com] tool to check the originality and further affixed the similarity index which is 15% in this case (See Annexure-I). Thus the reviewers and editors are of view to find it suitable to publish in this Volume-11, Issue-2, Apr-June, 2019

Annexure 1

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Reviewers Comments



Reviewer's comment 1:

Financial inclusion is the need for any country. And there are not many studies available on this topic. By this manuscript author has made a significant addition to the existing literature.

Reviewer's comment 2:

The introduction portion is quite impressive. The author has very well explained how the scenario of women has changed in the state of Bihar because of Prime Minister Jan Dhan Yojna.

Reviewer's comment 3:

It is a very well explained paper. Things are explained in a lucid manner. The author has not only talked about the role of PMJDY but also enlighten the challenges.

Citation

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