



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## ROLE OF PMJDY IN CHANGING LIVES OF PEOPLE IN INDIA

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**Abstract:** PMJDY (Pradhan Mantri Jan DhanYojana) launched as a scheme under NFIS (National Financial Inclusion Scheme). It has been officially launched on 28 August 2014 by the Prime Minister. The objective of increasing banking penetration at the national level and promoting financial inclusion. PMJDY intends to cover all family across the nation over with at least one bank account per family unit. The study has investigated the motivational variables of the respondents and their preference for opening bank accounts and nationalized banks under PMJDY in India. Objective of the paper is to study the impact on change in behaviour of account owners.

**Index Terms:** Financial Inclusion, Pradhan Mantri Jan DhanYojana, National Schemes

### I. INTRODUCTION

There is a National Comprehensive Plan by the Government of India on 28 August 2014. PMJDY, the program of flagship financial inclusion of the central government, was launched by the Narendra Modi scheme. The main objective of the scheme is to extend the availability of basic savings bank account within financial services, need-based loans, facilities, insurance, and pensions to the otherwise excluded sections like every part of society. Other weaker sections and low income groups. In the truest sense, PMJDY is a poverty eradication program and therefore the poor should be the biggest beneficiary of the scheme.

The present research aims to study the effect of PMJDY on socioeconomic status and saving pattern of the people. The study uses both deductive and inductive approach to analyze the effect of government flagship program on saving pattern and economic status of the people. The study found that the Indian rural population had developed a behavior of negative savings pattern because of poor banking penetration. This behavior is expected to change after the implementation of PMJDY as the programme has been successful in opening of around 16.75 crore bank accounts i.e. 60% of the total bank accounts opened under the scheme. Also various other schemes for providing easy insurance and pension policies have received immense response propagating the idea of savings amongst the earlier negligent population. The percentage of non-operative and dormant accounts has also gone down. Public sector banks have been enabled to play a part of stronger incentives under the scheme. When compared with private sector banks and regional rural banks in both rural and urban areas.

### II. OBJECTIVE

To study impact on change in behaviour of PMJDY account owners.

### III. REVIEW OF LITERATURE

The term of financial inclusion spread over and it has been instituted contrastingly by various sources/bases. As per two committee one of Rangarajan Committee Report and second one is Chakrabarty [1,2] as undeviating and uniform on admittance to various fiscal/financial administrations by the oppressed gatherings of the general public at a moderate expense; evenhandedly just as straightforwardly [3,4]; a longing to create elective, solid and reasonable admittance to fund [5] and as a device to mitigate destitution [6]. The Indian government has received numerous measures to incorporate the rejected under the proper financial administrations, yet the objective is as yet distant. Examination on financial rejection has comprehensively clarified 'prohibition' as those obstacles which forestall unbanked individuals to profit the advantages of the formal financial framework [7,8], detours for poor to get to [9] and absence of access by specific areas of the majority [10]. Further, concentrates in abroad has distinguished variables liable for such rejection is going from low-pay, ethnic minorities, settlements [11-13]; pay imbalance [11,14]; apathetic demeanor by banks [15]; joblessness [16]; to access, condition, cost and self-avoidance [17].

KC Chakrabarty [2] additionally helps assemble capacities with respect to continued turn of events and to meet the arising formative necessities. It likewise gets worldwide point of view which is genuinely necessary. Inside the neediness decrease topical region, UNDP has additionally connected itself with state governments to encourage the plan and usage of favorable to poor and comprehensive business advancement systems with center around barred gatherings, for example, ladies, Scheduled Castes (SCs), Scheduled Tribes (STs), Minorities, beneath the-destitution line and transient family units and automatically dislodged individuals. It is without a doubt a lucky time for FICCI-UNDP to deliver the paper on 'A Study on the Progress of Financial Inclusion in India' which plans to examine the pretended by banks in making financial inclusion and the future procedure they need to embrace to gain further progress.

Iyer (2015)[18] stated the reason about why there is a need to include the relatively poor people in the financial system too. In his view such initiative will assist the poor in money saving which can further lead to investment and progress of the poor. The national bank of India 10 years earlier has started the action for financial inclusion to cover the financial shadow under the correct financial gathering, where banks have depended the key job. Despite the fact that endeavors like getting sorted out mindfulness programs, work of business journalists (BCs) in provincial territories, presentation about no-ornament financial records, arrangement intended for overall charge cards using or having overdraft offices, presentation of Monetary venture as Financial Literacy scheme, Establishment of various properties, opening of bank offices in economically unworkable areas of north-eastern localities on cost-offering premises to separate state governments, opening of Basic Saving Bank Deposit (BSBD) accounts, dismantling of Branch Authorization Policy, loosening of KYC standards, mandatory pre-establishment of branches in unbanked cities, changing rules on Financial Literacy Centers (FLCs), need. Explores has approved that the explanations behind avoidance in India are many overlay e.g., usage issues [19]; between state varieties [20]; low-level of schooling [21], need of access by specific gatherings of the general public [10] and suspicious execution of self improvement gatherings (SHGs) in conveying miniature credit [22].

The unique features of the scheme include: One essential saving bank account is opened for unbanked individual. There is no prerequisite to keep up any minimum balance in PMJDY accounts. Premium is procured on the store in PMJDY accounts. Rupay Debit card is given to PMJDY account holder. Accident Insurance Cover of Rs.1 lakh is accessible with RuPay card given to the PMJDY account holders. Life coverage Cover of Rs. 30,000 to qualified PMJDY account holders.

The current study looks to uncover the elements which spur the poor people for opening the bank saving account under PMJDY. It also stresses to understand that why the poor people mostly thought about the PSU banks in compare to private players. When people save money, they eventually have access to surplus for themselves. The surplus amount that is getting deposited in the banking system is further been given to other people who need money for any of the reason. It is significant to note that people when keep money in banks they assume it to be risk free.

#### IV. CONCLUSION

The significant impact under PMJDY is financial inclusion. The objective is to meet the financial needs of poor people, to provide government benefits and protection and to arrange for an annuity directly for these growing accounts. PMJDY has gone beyond mass campaign. It has led to increased awareness, and for many years, bank officials, who can open individuals' accounts to meet their financial targets.

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