



WOMEN EMPOWERMENT THROUGH PRADHAN MANTRI JAN DHAN YOJANA DURING COVID 19 AND BEYOND : UNDER GENDER INEQUALITY IN INDIA

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ABSTRACT

INDIA is a developing nation with global gender gap ranking 135 out of 146 countries (gender gap report ;world economic forum 2022).During the spur period of Covid 19 and beyond that; Pradhan Mantri Jan Dhan Yojana (PMJDY) has acted as the Financial Inclusion tool for empowering of underserved women amid the socio economic challenges and persisting Gender Inequality in India. Financial inclusion is critical to achieving the economic empowerment of women—one of the targets under the fifth Sustainable Development Goal on gender equality. India, in 2014, launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) to promote financial inclusion in every household in the country. The aim of the initiative is to provide the 'financially excluded' access to financial services such as basic savings bank accounts, need-based credit, remittances facility, insurance, and pension. Since then, according to data from the Ministry of Finance, over 460 million bank accounts have been opened; 67 percent of them are in the rural and semi-urban districts, and 56 percent are owned by women.

The significance of this article is to analyze the extent to which the PMJDY acted as a successful tool to bring the women from underserved sector to the center of economy to generate the income ,saving , investment and raising standard of living by empowering women with socio economic gender inequality . The article will also highlight new findings on financial resilience and explore what the data reveal about the most effective strategies reaching those who remain unbanked through the secondary data sources.

KEY WORDS: Financial inclusion, PMJDY, Gender inequality, Unbanked Women

INTRODUCTION

Empowering women through Financial Inclusion has always been the center of policy formulation of Government in India to bring the underserved women to the lime light of economy in order to increase Income, Saving ,Investment and Standard of living along with Education, Health and Survival on economic front .

Pradhan Mantri Jan Dhan Yojana has been one of them which played a vital role in recognizing the potential and giving the opportunity to the weaker portion of society specially to the Unbanked Women of the India not only during the COVID Period but also beyond that.

Economic participation and health survival of women has been increased through many government sponsored programs which are running along with the PMJDY .Some of them are as follows:

- Beti Bachao Beti Padhao
- Mahila Shakti Kendra
- Mahila Police Volunteers
- Rashtriya Mahila Kosh
- Sukanya Samridhhi Yojana
- Female entrepreneurship (Stand up India/Mahila e-haat)
- Kasturba Gandhi Balika Uchh Vidyalaya etc

More than 46.25 crore beneficiaries banked under PMJDY since inception, amounting to Rs. 1,73,954 crore. (1) PMJDY Accounts grow 3-fold from 14.72 crore in Mar'15 to 46.25 crore as on 10-08-2022. Around 56% Jan-Dhan account holders are women and 67% Jan Dhan accounts in rural and semi-urban areas. About 5.4 crore PMJDY account holders received direct benefit transfer (DBT) from the Government under various schemes in June, 2022. (2)

The JAM (Jan Dhan Aadhaar Mobile) pipeline created through account holders' consent-based linking of bank accounts with Aadhar and mobile numbers of the account holders, which is one of the important pillars of FI ecosystem, has enabled instant DBT under various government welfare schemes to the eligible beneficiaries. The advantage of the architecture created under FI ecosystem came handy during the Covid-19 pandemic when it facilitated direct income support to farmers under PM-KISAN and transfer of ex-gratia payment to women PMJDY account holders under PMGKP in a seamless and time-bound manner.

Amid the various socio economic difference and gender inequality perceptions PMJDY provided of Unbanked women to bank accounts for maintain savings, loans for the development of Startup Programs to generate employment , insurance for the life and after life security , and other financial services, result in direct improvements in outcomes of health, education, and employment. In turn, such progress helps achieve collective goals of eradicating poverty, promoting inclusive growth, and reducing inequality.

The whole article could be studied under five sections:

- Benefits of PMJDY
- Impact of Benefits of PMJDY (financial inclusion tool)with special focus on women
- Progress in women Empowerment during the period of pandemic and beyond that
- Extent of gap in Success :Unbanked Women (Women left behind)
- Conclusion and new avenues which could to be included

1. Benefits of PMJDY

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

- One basic savings bank account is opened for unbanked person.
- There is no requirement to maintain any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- Rupay Debit card is provided to PMJDY account holder.
- Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018) is available with RuPay card issued to the PMJDY account holders.(3)
- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

2. Impact of Benefits of PMJDY (financial inclusion tool)with special focus on women

Wage inequality and the burden of unpaid care has pushed more women out of employment and into poverty. Women's earned income in India was just one-fifth that of men's even before the pandemic. Globally, and in India, more women have lost jobs during COVID-19. A recent report by the Center for Sustainable Employment at Azim Premji University in India shows that during the first lockdown in 2020, only 7 per cent of men lost their jobs, compared to 47 per cent of women who lost their jobs and did not return to work by the end of the year. In the informal sector, women fared even worse. This year, between March and April 2021, rural Indian women in informal jobs accounted for 80 per cent of job losses.

PMJDY has been the foundation stone for people-centric economic initiatives. Whether it is direct benefit transfers, COVID-19 financial assistance, PM-KISAN, increased wages under MGNREGA, life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.

Women who were left under served with banking facilities were came to the front line to develop themselves on different front of life .Women were helped with many government schemes during pandemic by providing financial assistance to make them strong and empowered on Economic, Social, Political and Medical Front .

- Around 56% Jan-Dhan account holders are women and 67% Jan Dhan accounts in rural and semi-urban area according to the reports of Finance Ministry of India.
- Under PM Garib Kalyan Yojana, an amount of Rs. 500 per month for three months (April 2020 to June 2020), was credited to the accounts of women account holders under PMJDY. A total of Rs. 30,945 crores has been credited in accounts of women PMJDY account holders during COVID lockdown. (4)
- Around 68% Pradhan Mantri Mudra Yojana accounts held by women entrepreneurs, availing 44% of sanctioned amount. (5)

As per data uploaded by MLIs on Mudra portal, as on 26.11.2021, the details of loans availed by Women entrepreneurs under the Scheme is as follows : (6)

	No. of A/Cs (in crore)	Sanctioned Amount (in Rs. Lakh crore)
All India	32.11	17.00
Out of which		
Women Entrepreneurs	21.73	7.42
% share of Women Entrepreneurs	68%	44%

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1783537>

- With the help of financial inclusion during the Covid 19 and Quarantine Period a Significant number of women involved themselves in starting the self owned Start Ups thus generating the business amid the Pandemic situation which further work as the support engine to run the Household Effectively with opposite gender.
- To promote female entrepreneurship, the Government has initiated programs like Stand-Up India and Mahila e-Haat (online marketing platform to support women entrepreneurs/ SHGs/NGOs), Entrepreneurship and Skill Development Programme (ESSDP).
- Total RuPay cards issued to PMJDY account holders: 31.23 Crore. (7)

3. Progress in women empowerment during the period of pandemic and beyond that

➤ A number of measures of women's financial resources were included in the latest round of National Family Health Survey (NFHS-5, 2019-21).

- (i) The percentage of women who have a bank or savings account that they themselves use has increased from 53 percent in NFHS-4 (2015-16) to 79 percent in NFHS-5.
- (ii) Women's access to credit remains low, even as awareness about microcredit programs has increased from 41 percent in NFHS-4 to 51 percent in NFHS-5. Only 11 percent have ever taken a microcredit loan. Women's use of microcredit programs is higher in rural areas (12 percent) than in the urban regions (9 percent)
- (iii) The digital gender divide remains pervasive, both in terms of access and literacy—53.9 percent of women have a mobile phone that they themselves use; 71 percent of women who have a mobile phone can read text messages. Only 22.5 percent of women with mobile phones use them for financial transactions.

➤ According to a report published by the National Association of Software and Services Companies (Nasscom) in collaboration with Zinnov, 18 per cent of startups in India are led by at least one woman founder or co-founder. Of these, the number of unicorns and potential unicorns come up to around 36 in 2022.(8)

➤ Indicating the rise of women leaders in India's start-up ecosystem, the report also found that between 2019 and 2022, 17% of investment deals in India were raised by startups with women leaders.

➤ The report read, "The percentage share of women-founded start-ups across stages of growth is in line with their participation in the ecosystem - indicating equal odds of success compared to their male counterparts. Thus, providing evidence of the women's intent and capability to play a role in the nation's economic growth and the crucial need for accelerating DE&I initiatives."

➤ According to the report, the percentage of startups established in emerging locations rose from 34% in 2021 to 39% in 2022. India continues to play a dominant role taking the third spot in the global startup sector with at least 25,000-27,000 active tech startups.

➤ Pradhan Mantri Jan Dhan Yojana along with the other Government sponsored scheme for the Women helped them to deliver extraordinary vision to generate income.

➤ Global Findex Database 2021 shows that women and the poor are more likely to lack proof of identity or a mobile phone, live far from a bank branch, and need support to open and effectively use a bank account. (9)(10)

➤ The average deposit amount in PMJDY accounts has increased by nearly three times, from INR 1,279 in 2015 to INR 3,761 in 2022. (11) However, nearly 20 percent of women in India remain without access to a bank account. Among those who do have a bank account, there are gaps in use of such accounts, and they also continue to lack access to savings and credit.

➤ The Reserve Bank of India, releasing the National Strategy for Financial Inclusion (2019-2024), defined 'financial inclusion' 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."(12)

➤ PMJDY gave access to bank accounts, loans, insurance, and other financial services, result in direct improvements in outcomes of health, education, and employment. In turn, such progress helps achieve collective goals of eradicating poverty, promoting inclusive growth, and reducing inequality among the women and men.

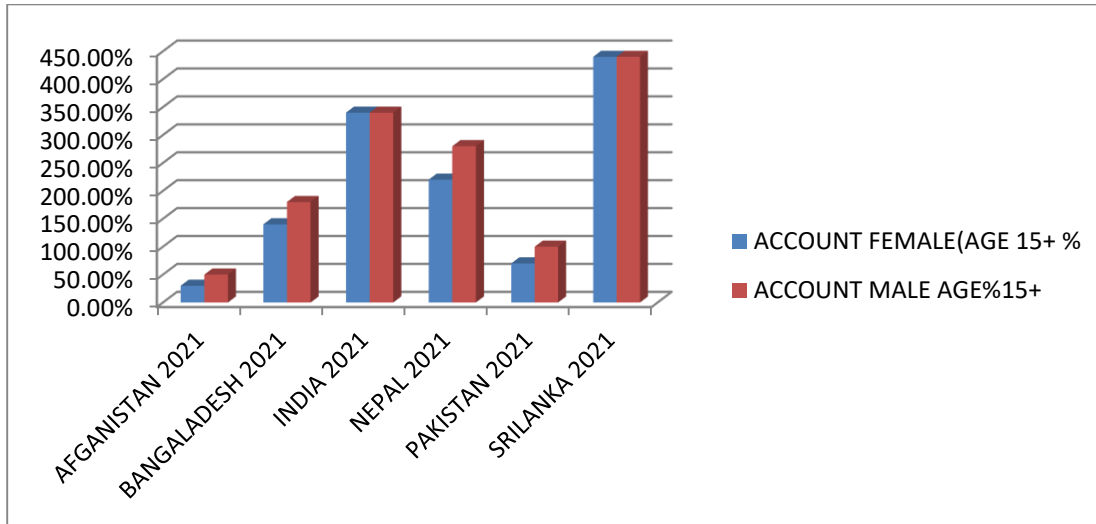
4. Extent of gap in Success :Unbanked Women (Women left behind)

According to the Index survey (data base 2021), 13 percent of those who are unbanked globally are women. Between 2011 and 2021, the gender gap in account ownership in developing economies declined from 9 percentage points to 6 percentage points. In 2021, 74 percent of men and 68 percent of women in developing economies had a bank account. More than half of the world's unbanked adults live in only seven economies, including India and China. Despite having high rates of bank account ownership, China and India have large shares of the global unbanked population (130 million and 230 million, respectively) because of their sheer size.

INDIA is a developing nation promoting the women through different modes of Financial Assistance techniques and tools to upgrade their Economic status .But still a major section of society of women is beyond the Economic Eco System which is needed to be focused to bring them in main stream.

In South Asia, barring Sri Lanka and India, all countries are experiencing significant gender gaps in bank account ownership which is shown by the data provided by Global Index Data base.

Figure 3: Bank Account Ownership, South Asia (2021)



Source: Global Index Database 2021

The principles of financial inclusion aim to equip women not only with access to a bank account, but with affordable financial tools that will allow them to save money, access credit, make and receive payments, and access insurance and pension to manage risk. However, gaps remain in savings and credit—what can be considered the essentials of financial inclusion.

According to the Index survey 2021, of the women-owned bank accounts in India, more than 32 percent are inactive. The gender gap in account inactivity is highest in the country at 12 percentage points. Of the women who have a bank account, less than one-fifth save formally with the bank; for many, usage is limited to withdrawal for emergencies, withdrawing salary, or availing government benefits. Women continue to save in informal systems such as community-based savings groups.

- The Pradhan Mantri Mudra Yojana targets the financial inclusion of women by providing collateral-free loans up to INR 1 million for small and micro enterprises. Under the scheme, 68 percent of the loans were disbursed to women entrepreneurs in 2021, yet 88 percent of these were under the ‘Shishu’ category (covering loans up to INR 50,000 in Mudra Yojanas).⁽¹³⁾ Though women clearly benefited from the scheme, the loans have largely been small-ticket.

- The data from NFHS-5 which mapped digital access and literacy, shows ownership of a mobile phone that women themselves use increases with age, from 32 percent among women age 15- 19 to 65 percent among women 25-29, and then decreases among older women. When it comes to literacy, among women with a mobile phone, the ability to read text messages, however, declines with age from 89 percent among women age 15-19 to 53 percent among women 40-49.

5. Conclusion and new avenues which could to be included:

Financial inclusion is essential for economic growth and sustainable development; for women, it is a pathway to economic and social empowerment. Expanding financial access for women is proven to have a positive impact not only on the women themselves but, consequently, on household incomes.

The momentum created by policy responses to the pandemic and the consequent shift to digital services, offers the opportunity to address the gender gap in financial inclusion in India. The barriers that women face are gendered: restrictive social norms, mobility constraints, lack of identification, limited financial literacy, and insufficient assets for collateral, and low levels of digital literacy. These challenges must therefore be addressed through a women-centric approach to financial inclusion that prioritizes equal access for women to the full range of financial services available to men. This will allow them the same opportunities as men to participate fully in economic activity.

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End note :-

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