Stakeholder Experiences of Programme in Mission Mode: Insights from Study on Pradhanmantri Jan Dhan Yojna and Implications for Social Work

Sagar Rajput

Senior Research Fellow, Ph. D. at Faculty of Social Work, The M. S. University, Baroda, India

Abstract: ***Government of India, in its Ten - dimensional vision for the country, Vision 2030 enlisted various areas, which are important for the development of the country. In the list, a vital area of creating physical and social infrastructure for a ten trillion dollar economy finds an important mention. For an economy to develop, all of the dimensions are important, but the beginning happens at the creation of bridges connecting the services to the stakeholders and service users. When it comes to the stakeholders for economic development, people (service users) and implementing agencies, (service providers) are at the centre. India's villages in which more than 65 percent of its population lives, demands first attention for any development activity, programme or project. In the process of bringing economic development too, covering all the people, productive age group and willing to engage in economic activity, is important. For this process of financial inclusion, one such programme that was implemented in India, in year 2014, is Pradhan Mantri Jan Dhan Yojna (PMJDY). This paper, with the grassroots level study of people from Vadodara District (Rural), highlights the experiences of beneficiaries and service providers of the scheme PMJDY. The study conducted in the nine villages of Vadodara district with 150 villagers and 15 bank officials provides a holistic picture of the intervention that Social work professionals can make in the dream of achieving the vision 2030. This study includes both quantitative and qualitative responses from two important stakeholders, Beneficiaries of the PMJDY scheme and Implementing authorities (i. e., Bank officials and Bank Mitras). Through this paper, author is willing to highlight the experiences of these stakeholders and suggest Social work interventions to address difficulties faced for achieving this policy's vision.***

Keywords: PMJDY, Financial Inclusion, Vision 2030

1. Introduction

The power to imagine future and work for it is ingrained in human nature. It is this action of envisioning the future which makes all the discoveries and change take place for the betterment of all. The Sustainable Development Goals (SDGs), 2030 are the result of this collective vision to make the world a better place. It aims to influence the future by putting efforts at present. These efforts makes the rout and actions clear - enabling people to be aware of their actions and consequences. This paper is an attempt by the author to highlight role of Social work professionals in the attaining these goals in general and attaining goal 8 in particular.

Government of India, in its Ten - dimensional vision for the country "Vision 2030" enlisted various areas, which are important for the development of the country. In the list, a vital area of creating physical and social infrastructure for a ten trillion dollar economy finds an important mention. For an economy to develop, all of the dimensions are important, but the beginning happens at the creation of bridges connecting the services to the stakeholders and service users.

When it comes to the stakeholders for economic development, people (service users) and implementing agencies, (service providers) are at the centre. India's villages in which more than 65 percent of its population lives, demands first attention for any development activity, programme or project. In the process of bringing economic development too, covering all the people, productive age group and willing to engage in economic activity, is important. The paper involves details about the study and background for Social work intervention. For understanding the context of the study, following is the discussion on financial inclusion and status of India in achieving SDG 8.

In achieving any developmental objective, financial institutions play a major role. Inclusion of all the stakeholders in the services offered by financial institutions is of utmost importance. When broadly defined, Financial inclusion is when every individual has access to services offered by the financial institutions at a price which is reasonable. The services ranges from the accessing banking services to availing insurance and schemes.

When statistics about people having access to financial services are looked at, 2011 census reveals that only 58.7 % households in India are able to avail the financial services. It is even more worrying that only in rural areas, only 54.46% are able to utilise financial services. When the avenues for getting financial help is considered for people in rural area, they rely on indigenous rural financing. With this method, problems such as people not being able to pay for the loans and lack of collateral arises. To achieve the goal of financial inclusion in India, there is a need of better policies and programmes that can bring equality in getting available services.

Following is a timeline of Financial Inclusion efforts in India and the subsequent discussion on the scheme this paper is concerned with, to discuss the programmes in mission mode for nation buidling:

- 1904: Cooperative movement in India
- 1955 - 1980: Fourteen banks and subsequently Six banks were Nationalised in India
- 1980: 20 - point programme in India
- 2011: "Swabhiman" Scheme - No - frills accounts
- 2014: Pradhan Mantri Jan Dhan Yojna

Pradhan mantra Jan Dhan Yojana (PMJDY) was a scheme launched by incumbent government on 28th August, 2014. It aimed at Financial Inclusion in India. It also aimed at the provision of ease of access to all the people for financial services. Services such as, banking facility, savings, remittance, Insurance and pension. The scheme called for connecting every citizen in the country with a bank account so that it would be easy for every person to avail the benefits put forward by government. The scheme envisaged about removing the people who may serve as middlemen - leading to exploitation of people, so that the citizens can be uplifted from their present condition. It was implemented in two phases, from August 15, 2014 to August 14, 2015 and August 15, 2015 to August 14, 2018. The present study was done at the end of its second phase. The PMJDY scheme based on following five pillars aimed to cover all the citizens in banking services:

Universal Access of Banking Facilities, Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households, Financial Literacy Program, Creation of Credit Guarantee Fund, Micro - Insurance and Unorganised sector Pension schemes like ‘Swavalamban’. Major benefits under the scheme, which were measured by the current study also, are as follows:

1) With the help of bank branch or Business Correspondent (Bank Mitra) outlet (Post Offices’ Gramin Dak Sewaks who were to be made Mitrs).
2) Access to every citizen of India, above the age of 10 years, to open a bank account with zero balance in it.
3) Mobile banking through a normal cell phone and Rupay Debit Card with Overdraft facility up - to Rs.5000/ - , available in only one account per household, for lady member of the family.
4) Life insurance: Rs.30000 insurance coverage and accidental insurance coverage of over Rs.200000.5. Direct Benefit Transfer in these accounts for government scheme beneficiaries.

In India Financial inclusion is needed because it will help people in saving behaviour for their bad times. The rural population is prone to get out of funds when in need as their is a lack of saving behaviour. This scheme’s major thrust area was to increase this saving behaviour among people and provide access to formal credit. This is a challenge for the world in general and India in specific, because in India, more than 65% of its population lives in rural areas.

Because of the lack of financial literacy and saving behaviour, majority of them stay at the peripheries of the development efforts. Inclusion of all the strata in development is needed for the sustainable and inclusive development of India. Bringing it will definitely benefit people by enabling them equal access to opportunities. This study was an attempt to provide a detailed account of the Financial Inclusion process in India with a focus on analysing the Pradhan Mantri Jan Dhan Yojna.

2. Method

The investigation attempted to examine the knowledge level about Jan Dhan Yojana schemes and usage / adoption of scheme benefits upon three years of PMJDY implementation among the people of Vadodara (Rural), Gujarat State. Financial Inclusion schemes aims to allow the poorer sections to avail themselves various financial products and services through bank account. The present paper, based on this study, focuses on status of implementation of this scheme in the Rural areas of Vadodara district, Gujarat. The paper also discusses the perception of the account holders as well as the perception and challenges faced by the implementing authorities of this scheme, majorly, Banks.

Research Design:

The study was a Descriptive study using Quantitative method of research. The researcher approached available respondents from the selected villages - those who have opened Jan Dhan accounts. For the purpose of data collection the researcher used Interview Schedule with different sections having structured questions for Village respondents and implementing authorities. The questions were translated in Gujarati language for receiving the responses. A total sample of 150 respondents (86 - F, 64 - M) from the villages was selected.

The villages were selected using the Multi - phasic Sampling method. The list of all the states in India was made. State of Gujarat was selected from all the 29 states as the researcher belongs to the same state. After that the districts in Gujarat state were listed out by the researcher. From 33 districts of Gujarat Vadodara district was chosen by the researcher for the convenience of data collection. After that from 8 talukas of Vadodara district Vadodara Rural was selected by the researcher to get the sample of villages suiting the purpose of this study.

Vadodara (Rural) taluka has 82 villages from which the researcher selected villages according to the reachability and convenience for data collection. The Villages from where the data was collected on availability of the respondents were namely, Asoj, Dhanora, Fajalpur, Khalipur, Navapura, Rayaka, Samiyala, Shankarpura, and Sukhlipur.

For the objective to know difficulties faced by the implementing authorities, the banks coming in the contact with the villages, from which the data for assessment objective was collected, were contacted and were interviewed for the implementation of this scheme and the experiences they had in the same area. A total of 15 Bank officials were contacted and interviewed by the researcher for the achievement of the objective. The banks for the collection of data for the implementing authorities were taken according to the bank where the people of those villages largely have accounts of Jan Dhan which were taken as the sample for this study (mentioned above). Banks included 2 Union bank, 6 BOB, 1 IOB, 1 BOI, 2 SBI, 1 Central bank, 1 HDFC bank, and 1 ICICI bank.

Limitations of the Study

This study was limited to rural areas of Vadodara district - Gujarat. The sample size was small due to the constraints of time and costs. The study was limited by availability of appointment of officers at bank / implementing agencies.

3. Research Findings

1) Financial Literacy:
A majority 44.67 percent of the account holders opened the account due to all of the benefits of PMJDY followed by and almost equally 40 percent as they felt that their savings would be more secured. A 10 percent felt it only beneficial due to the direct transfer of funds benefit, a 3.33 percent due to direct transfer of subsidy benefit and 2 percent for its overdraft facility.

A majority of 89.33 percent of the respondents were not aware of the minimum balance requirement and only 10.67 being aware about it. It was found that a majority of the respondents 55.33 percent had not attended any financial literacy program and only a 44.67 had attended such a program. Of the responded who attended a financial literacy program majority 85.71 percent said that it was arranged and organised by the banker; only 8.58 percent attended a government organised program and 5.71 percent arranged by an NGO.

A majority 93.33 percent have not received any remittance or benefit on their PMJDY account whereas just 6.67 percent said that they have benefitted. An 84.67 percent of the respondents have not received a cheque facility under their PMJDY account leaving on 15.33 percent of having so. A 92 percent of the respondents said that they have not received any loan on their PMJDY account leaving a mere 8 percent said of having so. A 96 percent of the respondent said that they have not yet received any electronic fund transfer on their PMJDY account leaving a mere 4 percent having said - so.

A majority 52 percent felt they were paying higher financial charges prior to PMJDY accounts whereas a 48 percent do not feel so. Although 44.58 do not use the Rupay card only 7.23 of these find it difficult to use; 32.53 percent do use and find it easy; another 22.89 percent also use the card but find it difficult to operate. Most of the respondents 98.67 percent were unaware of zero minimum balance accounts for pensioners, and minor children. PMJDY account holders a majority 87.33 percent were unaware of insurance and pension policy.

A majority 98 percent of the respondents were unaware of the 5000 credit available to them after six months of opening of their PMJDY account. None of the respondents of PMJDY accounts have received any credit to their account. A majority of respondents 76.67 percent said that they have not been enrolled under any insurance or pension policy whereas only 23.33 percent have said that they have so been enrolled. Of those who did not enrol under insurance and pension schemes 41.74 said that they have no idea about the schemes, 28.7 percent had no funds, 23.46 percent feel no need for insurance and 6.1 percent cited religious reasons.

Except 0.67 none of the respondents were aware that they are entitled to an insurance - cover of 30, 000 under PMJDY scheme if the account was opened by 26th January 2015. A majority of 94 percent respondents were unaware of the up - to 1 lakh accident insurance scheme under PMJDY. A majority 84.67 percent respondents are not aware of mobile banking. A majority of respondents of PMJDY account holders 85.33 percent were not aware of that they can check their balance on phone. Only 14.67 percent were aware of which 6.67 were using it.

2) Saving behavior:
It was found that a majority of respondents 60 percent saved their savings with the bank, although a significant 39.33 percent still preferred to keep the money at home and a small fraction of 0.67 percent preferred to keep it with friends and family. Of the respondents who preferred to keep the money at home a majority 78.33 percent felt that it was safer to keep savings at home; while 11.67 percent could not find time to go to a bank and an another 5 percent each of found bank far away or could not understand banking and felt it is difficult for them.

Only a 21.33 percent banked their entire savings while another 36 percent also did so but with a provision of some cash at home for emergency use. But a majority of 42.67 percent did not save with their PMJDY account. A majority 94.67 percent did not feel that PMJDY has increased their investments whereas only 5.33 percent felt of having so. Of the PMJDY account holders a majority 85.67 percent borrow from the bank in times of need; only 6 percent borrow from money lender or friends and family leaving 1.33 percent who depend on community finances.

A majority 92.67 percent do not borrow form non institutional lenders but do - not find any difference either in rates of interest only 6 percent feel the need to burrow from them. Of the respondents who prefer to borrow from money lenders, a majority 67.86 percent feel money lenders are fast and lend on need; 14.29 percent also find them lending on trust; whereas 10.71 percent find borrowing from banks difficult and another 7.14 were refused lending by banks.

3) Gender Equality in Financial Inclusion:
Females were better off as PMJDY account holders with 57.33 percent as compared to males 42.67 percent accounts. A majority of 89.67 percent of the respondents did not have PMJDY account for the women in their family and they did not find it helpful. Only 10.33 percent felt so otherwise.

4) Financial Inclusion and SDGs (Indicator 8.10.1 and 8.10.2):
A majority of 83.33 percent PMJDY respondents did not have a bank account prior to the PMJDY account and only 16.67 percent already had a bank account. It was observed that 54 percent of the account holders were operating the PMJDY account but 46 percent of them had not started to use it. Most of the PMJDY account holders 74.66 percent had to travel more than 3 km to a bank and about.67 percent needed to travel more than 2 but less than 3 km distance; with only a 24.67 percent having the bank in less than a km distance. A majority of 84.82 percent of PMJDY account holders who did not have a bank in their village banked in a nearby village only 15.18 percent of them had to travel to a far off town.

A majority 90.24 percent of the account holders who operated the account had hardly one or two transactions per month and only 8.55 percent had between 3 to 4 transactions followed by a mere 1.21 percent with 4 to 10 transaction in a month. Of the respondents who did not have any banking transactions a majority 83.82 percent did not felt any need to bank followed by 11.76 percent giving a reason of the bank being far off for not transacting while the few rest felt that the timing and attitude of the bank was not proper.

Only 42.67 percent respondent had a service of bank mitr while a majority of the PMJDY account holders 57.33 percent did not have this help. It was found that a majority of the 44.67 percent respondents felt that due to PMJDY account not they don't have to worry about receiving government subsidy followed by a 37.33 percent feeling safe after opening the account with an another 12.67 percent looking forward to the help insurance will provide to their families and also a 5.33 percent on the assurance of availing the overdraft.

Stakeholder 2: Implementing authorities:
On the basis of data collection from the implementing authorities, namely Bank official and Bank Mitras, the following findings were drawn from the study. It was found out that the financial inclusion to be brought about in India needs much more strong steps than these where the realistic efforts can be put. The Jan Dhan accounts which have been opened nationwide and so in the sample which was studied by this research shows the widespread dormancy of the account use. Majority of the accounts are dormant or have been closed by the account holders.

The study included interactions with the bank officials, who were largely in favour of the conclusion that the target of financial inclusion has not been met, even at the end of the third phase of the implementation of the PMJDY scheme. People have opened more number of accounts without the need of one. They have opened it due to the advertisements which were done to lure people to open a bank account, the disguise being money to be transferred in each account by the government.

The study also found out that even after such a scheme planned for spreading financial literacy and propagation of saving behaviour, the sample for this study exhibited a reliance on the money lenders and the family/ community members at the emergency financial need. Though majority of them told that they have a bank account and are saving a bit of their earning, whatever they get, but they are still trusting the non - institutional means to get financial aid in emergency. The reason which they put forward being on time and in need help.

4. Suggestions from the Findings

4.1 Suggestions for the Government and Implementing authorities

The government can look into the spreading of not only financial literacy but also the institutions that can deliver a proper literacy to the people living in rural areas who don't have access to the education and information. The need to create the accessibility of financial institutions needs to be taken into consideration for better access to people living in interiors and the remote areas. Due to the distance and the timings getting clashed with timings of earning livelihoods people tend to avoid indulging into the banking behaviour.

The government can also look into the inconvenience caused to the implementing authorities regarding the work load increase and the loss they had to face due to the non performing bank accounts. The Bank Mitras (BM) faced an irregularity of the payment of their salaries due to which many of them left the job as a BM and joined other avenues for better prospects. Banks and the Bank Mitra can contribute towards the reaching out to the people who don't know about the banking and its benefits. The implementing authorities under this scheme have been able to reach out to people in huge number and have been able to teach people about the benefits of banking behaviour. Still an improvement in the follow up mechanism needs to be taken so as to not leave anybody behind in the path of development.

4.2 Suggestions for Social work profession

Social work being the profession which touches the Micro, Mezzo and Macro levels of the systems. Social work professionals can work toward the awareness building regarding the financial security.

They can contribute in availing the benefits given by the government and the resolving of the problems caused by the lack of education at the Micro levels. The institutions where in the secure financial help can be received, telling the people about those existing institutions and making them reach out to those institution is the role the social workers can play in the Mezzo level work. At macro level building policies to contribute in the causes such as this, Financial Inclusion. Not only formulating the policy appropriate to the population but also researching about the implementation, taking feedback from the implementing authorities about the achievements made by these policies which are made by keeping in mind the social grassroots realities of the country.

5. Conclusion

The present study on the assessment of Pradhan Mantri Jan Dhan Yojna revealed some very important findings which can be utilised for the scheme implementation authorities in the future. The data collected had many dimensions such as the awareness and perception of the sample population (holders of Jan Dhan account) and the perception and difficulties faced by the implementing authorities (Banks) in PMJDY scheme. In conclusion, the author wants to mention that there is a need for more stronger steps to be taken to make the goal of SDGs and Vision 2030 be attained in its full spirit. The exclusion of people from the financial services can make them not reap the fruits of development that those with proper access can. It is duty of Social workers to make this aim a reality.

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