

Research Article

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A Study of Financial Inclusions in Uttarakhand with Reference to Central Government Schemes (Pradhan Mantri Jan Dhan Yojana in Dehradun District)

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Abstract

Keywords

PMJDY,
Insurance,
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Financial inclusion means to provide the financial services to those people who are unaware and to them who unable to access these financial services, for these people government take an initiative. The government introduce the different types financial inclusion schemes in an economy, so the people can access these financial services. This present paper focus on the Pradhan Mantri Jan Dhan Yojana scheme that started on August 28, 2014, in two phases, the whole implementation process is done by the different commercial banks in a district. The main aim of the study is to know the ground awareness among the people for this scheme and their saving utilisation. it reveals the role of rural section of the society in financial services and shows the lack of awareness among the illiterate people for the financial services, the study finds out the measures that show how the government taken a step for it.

Introduction

Financial inclusion means the provisioning of financial services to the section of society, which is unaware and unable to access these services. Rangarajan (2008) defines 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." Financial inclusion entails opening a bank

account and providing citizens with financial literacy and purchasing power to drive demand for financial services. Furthermore, a society requires essential financial institutions that are both reasonable and accessible with minimal red tape. Financial inclusion is frequently linked to an economy's growth and development, and every country aims toward financial inclusion for all of its residents. For the poor and disenfranchised in developing countries like India, especially in rural regions, access to finance is a substantial barrier.

They have to depend on the informal moneylenders that charge them higher interest rates that they often fail to repay, and hence indebtedness rises, creating a vicious cycle of indebtedness. Access to money is hampered by a scarcity of rural financial institutions, as well as a lack of financial literacy and awareness. A strong financial system will benefit people's well-being and contribute to the channelling of funds for investment, increasing credit availability in the economy and, as a result, capital assets and economic growth.

Dimension of financial inclusion are as follow

1. Bank account
2. Savings
3. Transfer of fund
4. Financial advice
5. Cheaper credit
6. Insurance

From the above it proved that financial inclusion is done by way of opening saving account, offering cheaper credit policy, insurance which is covers life risk and property risk, saving, financial services and easy transfer of fund etc. Financial inclusion offers financial products to those people who are underprivileged and poor. There is no discrimination while offering products to the people. Suppose a person wants to buy a house, the bank gives a loan to buy a house is called a financial solution. While offering a financial solution, there should not be any hidden financial charges to cheat the customers.

Government efforts for financial inclusion: - The government of India has initiated many schemes for financial inclusion and to facilitate the underprivileged people of rural areas of India. The name of the schemes are as follow

1. Atal Pension Yojana
2. Pradhan Mantri Jan Dhan Yojana
3. Stand Up India
4. Pradhan Mantri Mudra Yojana
5. Pradhan Mantri Surakshha Yojana
6. SukanyaSmrudhi Yojana
7. Jeevan Suraksha Yojana

8. Credit Enhancement Guarantee Scheme for Schedule Castes
9. Varishtha Pension Bima Yojana
10. Venture Capital Fund for Schedule Caste Under the Sector Initiates

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The RBI announced the commencement of the "Pradhan Matri Jan Dhan Yojana" as part of the government's public wealth development initiative on August 28, 2014, in order to address "financial untouchability." PMJDY is a nationwide financial inclusion initiative that aims to provide inexpensive financial services, such as banking/savings and remittance, deposit accounts, pension, insurance, and credit. The program's goal was to give every household within a year, a bank account. Every household that opened an account was offered personal accident insurance worth INR100,000 and life insurance worth INR30,000 as part of the incentive package. In addition, after a few months of credit evaluation, every household will be eligible for an overdraft facility of INR5,000. A legitimate document must be presented in order to open an account. Even those without proper documentation can open a "Small Account" with a bank by self-attesting a photograph and signing his or her thumbprint/signature in the presence of bank authorities. The validity of such account was 12 months extendable to another 12 months if the account holder provides a proof that he/she has applied for any of the valid documents within 12 months of opening the account. The scheme was launched on August 26th, 2014 with 15 million new accounts being opened on a single day.

Review of Literature

According to kijkasiwat. P, and Chancharat. N,(2022) they perform research on financial inclusion in the industry and discuss the implications for electronic payment in Thailand. This study looks into the factors that influence financial inclusion in Thailand, specifically how financial inclusion is linked to electronic payments. This study compiles financial data

from 147 nations using Global Findex and analyses it using partial least square structural equation modelling. Financial inclusion has the greatest impact on the Bank of Thailand's automated high-value transfer network (BAHTNET), followed by online retail funds transference, bulk payments, and credit card payments, according to the data. Furthermore, it was discovered that the quality of financial goods and service delivery had a 1% impact on financial inclusion.

According to Thomas. T, and Suresh. T, S,(2018) the world is currently in a technological period, in which technology offers a variety of opportunities for future growth. Technology is now playing a significant role in finance as well. India has begun the process of achieving digital financial inclusion. Knowledge or understanding of new technology or functionality will undoubtedly encourage the prospective users to give it a try. The study's goal is to assess the understanding of scheduled castes and tribes on digital financial inclusion and related issues. According to the findings, the large number of respondents are aware of some forms of digital financial inclusion, while others remain unknown and unexplored. Digital financial inclusion facilitates banking at any time and from any location, as well as proper distribution of benefits to the most marginalised members of society. The validity and fit of the knowledge model generated based on the study were tested using structural equation modelling. Mann Whitney is a character in the film Mann Whitney the hypothesis is tested using the U Test.

Teker, S., Teker, D., Guzelsoy, H., (2021) states that financial inclusion is defined as a process that guarantees all people of a community have easy access to, and use of, the formal financial system of economy by emphasizing the use of accessibility, availability of financial services. A financial sector is measured and compared on four main features; debt is the size of financial institutions, access is the use and accessibility of financial services by the users, efficiency is the efficiency in the provision of financial services,

stability is the constant in financial services provision. In a nutshell, financial inclusion refers to adults' ability to access and use financial services. The goal of this study is to determine the level of financial inclusion in Turkey from 2000 to 2017.

According to Bayan. S, and Ajmera. B, (2021) financial is a way of providing banking and financial services to individuals. It aims to involve all members of the public in providing them basic with financial services, regardless of how they earn or saved. It is intended to provide financial solutions to those at risk of economics hardship. The term is widely used to describe the provision of affordable, easy to use savings and credit services to the poor. In this research, an attempt has been made to understand the concept of financial inclusion, key issues of financial inclusion, and challenges for financial inclusion and identified some challenges for financial inclusion like low literacy rate in a rural area, lack of documents which are required as proof, poor cyber security, a deprived section of society particularly women and poor people, and inoperative Jan Dhan account, etc. some of the key issues have been also discussed with which financial inclusion become easy.

Gokilavani. R, and Durgarani. R, (2018) Discuss the 'Evolution of India's Digital Economy.' The Digital India is the outcome of several innovations and advances. These will improve the lives of individuals from a variety of perspectives, as well as the entire public. The notable Prime Minister Mr. Narendra Modi's 'Digital India' programme will build new motions in each portion and create innovative attempts for geNext. The idea's thought process is to create a framework that is participatory, clear, and responsive. The Digital India initiative is a dream project of the Indian government to transform India into an educated economy and carefully engaged society, with excellent administration for citizens, by bringing synchronisation and coordination in public accountability, carefully associating and conveying administration projects and administrations, and building the ability of data innovation across government divisions.

Today, every country must be entirely digitalized, and this programme aims to provide a level playing field for both clients and professional organisations. As a result, an attempt has been made in this study to perceive Digital India as a struggle in which innovations and networks would collide to affect all aspects of administration and improve the quality of life of the general public and the nation as a whole. There has been a specific effort made to recognise the efforts of many stakeholders in the economy to turn India into a digital economy.

Shahid. M, and Irshad. M, (2019) Financial inclusions, sometimes known as inclusive funding, is a federal government initiative aimed primarily at helping the poor and low-income. Financial inclusion refers to the timely provision of necessary financial services at a fair cost to vulnerable groups such as low-income individuals and those from the socially disadvantaged who lacking even the most fundamental banking services. In India, financial inclusion has a long history. It has long been considered to imply the establishment of additional bank branches in rural and underserved communities. This research study focuses on the problems and prospects of financial inclusion in India, with an emphasis on the opportunities afforded to low-income groups to use banking goods and services.

Mose. N, and Thomi. J, (2021) there are a variety of factors that contribute to financial inclusion. These sources might come from both the demand and supply sides. Several policy efforts are used by the government and financial institutions to stimulate the provision of financial services to the excluded sector. The demand-side aspects of financial access, on the other hand, have received less attention. This report gives an overview of financial inclusion sources and highlights policy approaches from the demand-side perspective of financial services users. The ordinary least square approach was used to estimate secondary series data. The study's findings show that economic growth and the number of internet users in East Africa have a favourable and considerable impact on financial access. The outcome, on the other hand, suggests that the deposit interest rate was

inconsequential. According to the report, the deposit interest rate should be increased to encourage ongoing saving and access to loanable funds in the financial system. As a result, policy initiatives should be directed at fostering a favourable financial system that maintains financial access-demand-driven rates in order to support financial growth.

According to Paramasivan. C, and Kamaraj. R, (2015) For many years, the Indian government and RBI have attempted to bring all citizens into the banking system. Prime Minister Narendra Modi announced the PMJDY just before the big day of India's 68th Independence Day, with the goal of bringing 7.5 crore people into the financial mainstream the 26th of January, 2015. By cooperating with those at the bottom of the economic pyramid, our programme will propel our economy to new heights. The plan is to provide these account holders insurance and pension options in the future. In India, around 60% of the population lacks to obtaining banking services. Low-income groups, such as urban labourers, city slum residents, and socially excluded communities, make up the majority of the financially excluded urban population. In India's PMJDY, this article looks at the performance and contributions of public sector banks.

Bhosale. T, Padad. S, and Kakad. S, (2020) India is the fastest growing economies of the world, and finance is the primary requirement of development of an economy. The study is focus on understanding the effect of financial inclusive in the growth of Indian economy and the steps taken by government and RBI in India to full fill the inclusive growth It was observed from the study period the bank focused more on rural and semi-urban area. The bank introduces inclusive banking measures in the country, such as corporative movement, bank nationalisation, and the establishment of regional rural banks, among others. The study was conducted utilising secondary data, and it can be inferred that financial inclusion aids in the development of the Indian economy.

Research Methodology

Objectives

-) Analyze the role of different banks in financial scheme specially PMJDY in Dehradun District.
-) Analyze the motivation towards the government scheme PMJDY in Dehradun District.
-) To examine the awareness amongst the people for PMJDY in Dehradun District.

Sources of data collection

Primary source: - The study is based on 130 respondents of different commercial banks from the field survey of Dehradun district. It includes respondents from different wards, villages and areas.

Limitation of the study

-) Some respondents have opened their account before PMJDY.
-) Some respondents have opened their account under PMJDY. But they are not using it.

Date analysis and Interpretation

Table 1 Demographic Profile of Respondents

Serial No.	Gender	Frequency	Percentage
1	Male	77	59
2	Female	53	41
	Total	130	100
	Age Group		
1	0-20	20	15
2	21-40	80	62
3	41-60	25	19
4	Above 60	5	4
	Total	130	100
	Qualification		
1	Graduation & above	77	59
2	Up to Metric	42	33
3	Illiterate	11	8
	Total	130	100
	Job		
1	Government	24	18
2	Private	106	82
	Total	130	100
	Category		
1	General	80	62
2	EWS	11	8
3	OBC	14	11
4	ST	18	14
5	SC	7	5
	Total	130	100

Source: - field survey

The table reveals the demographic picture of the respondents, it shows that 59% respondents are male and remaining 41% are female. Female contribution is nearby male respondents. The maximum age group that belongs to 21-40 age group that have 62% and the minimum age group is above 60 it has 4% respondents. The literate

respondents that are 92% and remaining 8% is illiterate respondents. It also shows that 82% respondents are private employee and only 18% are government employee. The maximum respondents are belonging to the general category that is 62% and the least belong to SC category it has 5%.

Table 2 Bank Profile

Serial No.	Name of Bank	Frequency	Percentage
1	Bank of Baroda	10	8
2	Bank of India	10	8
3	Bank of Maharashtra	12	9
4	Canara Bank	8	6
5	Central Bank of India	10	8
6	Indian Bank	10	8
7	Indian Overseas Bank	10	8
8	PNB	9	7
9	Punjab & Sind Bank	10	8
10	SBI	18	13
11	UCO Bank	12	9
12	Union Bank of India	11	8
	Total	130	100

Source: - field survey

This table shows the contribution of different bank in the Pradhan Mantri Jan Dhan Yojana scheme, it clearly that twelve nationalization banks are successful implement this scheme. Out of these banks the SBI has maximum respondents, that is 13% and least respondents are 6% from

Canara bank, other banks like Central bank of India, Indian bank, Indian Overseas bank, Punjab & Sind bank, Union bank of India, bank of Baroda and Indian bank are 8% respondents, PNB have 7%, UCO and Bank of Maharashtra have 9%.

Table 3 Awareness about PMJDY

Serial No.	PMJDY	Frequency	Percentage
1	Bank	23	18
2	Friend	15	12
3	Newspaper	33	25
4	Other	42	32
5	TV	17	13
	Total	130	100

Source: - field survey

This table shows the awareness of PMJDY amongst the respondents, it shows that 18% respondents get the information from bank, 12% respondents get information from friend and

relative, 25% respondents get information from newspaper, 13% respondents get information from TV while remaining 42% get information from others sources.

Table 4 Motivation for PMJDY

Serial No.	PMJDY motivated	Frequency	Percentage
1	Bank Mitra (BC)	16	12
2	Banker	31	24
3	Govt.	29	22
4	Other	54	42
	Total	130	100

Source: - field survey

This table shows that 12% respondents get motivated towards PMJDY by Bank Mitra, 24% respondent get motivated by the Bankers, 22% respondent get motivated by Government while remaining 42% is motivated by some other sources.

Conclusion

-) Banks plays a major role in PMJDY schemes for financial inclusion almost twelve nationalization banks are able to implement successfully.
-) A large number of respondents are get Awareness for PMJDY from some other source of information.
-) The illiterate respondents are get awareness about PMJDY scheme from friend relative and radio specially those belong to rural areas.
-) Some respondents are not satisfying with the paper work of bank.
-) Majority of respondents those who have their account in banks under PMJDY are motivated by friend, relative, TV and neighbours.

Suggestions

-) Government needs to spread more awareness for PMJDY scheme in rural areas of district, especially for illiterate peoples.

-) Banks needs to verify that particular bank account under PMJDY scheme is in use or not.
-) Banks also needs to come ahead and taking the initiative for the awareness about PMJDY scheme.
-) The Indian Post office have a good network system at ground level particular rural areas. It should also take the participation in financial inclusion schemes of government.

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