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Content

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Pradhan Mantri Jan Dhan Yojana as a Giant Step Towards Financial Inclusion: Some Reflections

Prasanna B. Joshi

ABSTRACT

Though, India is rated as the one of the fastest developing Asian economies, but still there exists economic backwardness particularly amongst the weaker sections of the society and the rural people. It has been stated that India lives in villages, in order to attain economic development it is paramount important to develop the rural economy. To develop the rural economy, it is very necessary that people should have access to adequate finance and cultivate banking habits. With this in view, the concept of micro finance is being well executed. Its become popular among the rural masses, artisans, farmers, self help groups (SHGs) and entrepreneurs. The concept of financial inclusion being given due consideration, the Government of India has introduced various schemes to help the weaker and the needy. The Pradhan Mantri Jan-Dhan Yojana(PMJDY) has helped lot of people and gained popularity amongst the rural masses which has itself resulted in entering the Guinness World Records. The present is an attempt to understand the prospects of Pradhan Mantri Jan-Dhan Yojana (PMJDY) in meeting the credit requirements and other financial services to the rural people.

Keywords: Financial inclusion, Pradhan Mantri Jan-Dhan Yojana(PMJDY), rural economy.

1. INTRODUCTION : It is a well established fact in economic thinking and literature that finance is the life and blood for undertaking any economic activity. To support agricultural, industrial and technological development adequate finance is very much indispensable. But a growing country like India suffers from financial deficiency particularly the rural masses. Therefore, the Government has periodically introduced various financial assistance schemes to help the Indian farmers and more importantly to release them from the clutches of the money lenders. The Government emphasizes the attainment of inclusive growth but this can be more possible if it is supported by financial inclusion. Financial inclusion is a must for the economic development of the country. To achieve financial inclusion, the Government of India introduced Pradhan Mantri Jan-Dhan Yojana (PMJDY) to enable the rural masses the provision of easy and adequate finance to undertake economic activities.

REVIEW OF LITERATURE

Bagli (2012) has found that a strong positive association between the human development and the financial inclusion of the states in India. He also found that it would be helpful to the governments or financial regulators or other bodies of policymakers in near future to enhance financial inclusion but till date in financial inclusion the plight of the states in India is not commendable. He has also concluded that the mass financial literacy and awareness among the marginalized sections of people are absolutely necessary to achieve financial inclusion. Sri Narendra Modi, Hon ble Prime Minister of India (2014) in report of PMJDY indicated few challeges in implimenting mission. In that one of the challege was related to Brand awareness and sensitization about channel of Business Correspondent Banks Outlets and Rupay Cards which is important to achieve a "demand" side pull effect. In this report it is also mentioned about the financial tripod for financial inclusion, in which financial education is one of the important mainstays.

Chowhan & Pande (2014) concluded that by bringing low income groups within the perimeter of formal banking sector; financial inclusion protects their financial wealth and other resources in exigent circumstances. Financial inclusion also mitigates the exploitation of vulnerable sections by the usurious money lenders by facilitating easy access to formal credit. To mitigate such sufferings, the Pradhan Mantri Jan Dhan Yojna lies at the core of Govt of India development philosophy of Sab Ka Saath Sab Ka Vikas. In projecting brighter future of PMJDY they further mentioned that its huge success will enable the Bank Managers to understand and utilize the opportunity provided by Financial Inclusion to their advantage, by participating in Govt's poverty alleviation programmes for weaker section, improving their CASA base, raising theirdeposit base through direct fund transfer scheme of the Govt. etc.

Kaur & Singh (2015) found that financial inclusion in India will help government and banker to reach at untapped potential of bottom of the pyramid section of Indian economy. They have also described that The widely acknowledged & successful launch of this PMJDY scheme also strengthens the resolve that when coordination, dedication, opportunism, commitment, formalization, dependence, trust, satisfaction, cooperation and continuity is provided by all the constituents and stakeholders, a framework of construct is created which acts as a dominant force for accomplishment of the mission.

Raval (2015) in his research mentioned about importance of inclusion of people of low income or deprived class in economic development. PMJDY is such an initiative in this direction by the government of India. He also studied that an initiative to cover "excluded segment" can be successful if government is backed with efforts of private sectors and involvement of people beyond just policy formation of government.

Balasubramanian (2015) has focused on importance of financial literacy focusing on saving habit among poor. He has build decision tree model indicated that the number of earning members, family size, average monthly income and nature of employment are the deterministic independent variables which influence the regular saving behavior of the poor.

CONCEPT AND GOALS OF FINANCIAL INCLUSION

The concept of financial inclusion has a special significance for a growing economy like India as it brings all the productive sectors of the economy under formal financial network that work towards economic development. It has been observed that financial inclusion has a multiplier effect as it helps in pooling the large savings from the rural masses by providing access to expansion in credit and investment by banks.

Financial inclusion is one of the most important aspects in the present scenario for inclusive growth and development of economies. The financial inclusion term was first time used by British lexicon when it was found that nearly 7.5 million persons did not have a bank account.

But financial inclusion concept is not a new one in Indian economy. The nationalisation of banks in 1969, establishment of regional rural banks (RRBs) in the year 1975 and introduction of self help group (SHG) bank linkage programs were initiatives taken by the Reserve Bank of India (RBI) to provide financial accessibility. Financial inclusion is to provide equal opportunities to vast sections of population to access mainstream financial services for better life, living and better income. It provides path for inclusive growth.

The very perspective of financial inclusion is to establish the basic right of every person to have access to a bank account. It is stated that this very concept of financial inclusion is based on the principle of 5A's namely adequacy, availability, awareness, affordability and accessibility of financial services to all sections of the society through the formal financial system covering savings, credit, remittance, insurance. The Reserve Bank of India (RBI)has therefore been pursuing a multi-pronged strategy for enhancing the outreach of financial services including the delivery channels across all sections. The entire spectrum of the financial system which comprises commercial banks, regional rural banks (RRBs), urban co-operative banks (UCBs), primary agricultural credit societies (PACS) and post offices is, therefore, geared for this purpose. Besides, self-help groups (SHGs) and Micro Finance Institutions (MFIs) also meet the financial service requirements of the poorer segments.

According to World Bank report "Financial inclusion, or broad access to financial services, is defined as an absence of price or non price barriers in the use of financial services."

Rangarajan's committee (2008) on financial inclusion defines it as, "Financial inclusion may be 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."

Financial Inclusion as defined by the Reserve Bank of India (RBI) is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by main stream institutional players.

In India, financial inclusion was introduced by K C Chakraborthy, the chairman of Indian Bank in the year 2005. Mangalam Village became the first village in India where all households were provided banking facilities. Norms were relaxed for people intending to open accounts with annual deposits of less than Rs. 50,000. General credit cards (GCCs) were issued to the poor and the disadvantaged with a view to help them access easy credit. In January 2006, the Reserve Bank of India (RBI) permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions, and other civil society organizations as intermediaries for providing financial and banking services. Reserve Bank of India's (RBI) vision for 2020 is to open nearly 600 million new customers' accounts and service them through a variety of channels by leveraging on information technology (IT).

A nation can grow economically and socially if its weaker section can turn out to be financial independent. Financial inclusion denotes delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include credit, savings, insurance and payments and remittance facilities. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes.

The objectives of financial inclusion includes the extension of banking habits among the less privileged in urban and rural areas in India, protecting the weaker sections of the society from the unorganized money markets and money lenders, creating and spreading financial awareness that will enable them to make financial decisions and help them to face financial uncertainties.

The Reserve Bank of India(RBI) has issued directions to the banks to attain financial inclusion which are as follows:

i) All villages with a population over 2000 should have access to access to financial services through a banking outlet by March 2012 through low cost technology and innovate Low Cost business model.

ii) The approval of Financial Inclusion plan (FIPs) have to be rolled out by banks over the next three years.

iii) To propagate financial literacy and Inclusion in performance evaluation of the staff.

Financial Inclusion Goals in partnership with the National Bank for Agriculture and Rural Development, the UN aims to increase financial inclusion of the poor by developing appropriate financial products for them and increasing awareness on available financial services and strengthening financial literacy, particularly amongst women.

The United Nations defines the goals of financial inclusion which are as follows:

- Access at a reasonable cost for all households to a full range of financial services, including savings or deposit services, payment and transfer services, credit and insurance.
- Sound and safe institutions governed by clear regulation and industry performance standards.
- Financial and institutional sustainability, to ensure continuity and certainty of investment.
- Competition to ensure choice and affordability for clients.

PRADHAN MANTRI JAN-DHAN YOJANA(PMJDY)

The National Mission on Financial Inclusion (NMFI) implemented as a Mission Mode Project with an integrated approach for providing banking, insurance and pension products together to the beneficiary.

The Pradhan Mantri Jan-Dhan Yojana(PMJDY) introduced by the national mission on financial inclusion (NMFI) is an economic vehicle of streamlining and providing financial services like bank deposit accounts, credit and insurance facilities to the masses. It also aims at securing subsidies, overdraft facilities and pension schemes for the poorer sections of the society.

Pradhan Mantri Jan-Dhan Yojana is a mega financial inclusion plan with the objective of covering all households in the country with banking facilities along with inbuilt insurance coverage. The purpose is to accelerate growth, fight poverty effectively and to empower the last man in the last row in Indian economy. The aim is to cover 7.5 crore households (15 crore bank accounts) by the year 2018.

The Pradhan Mantri Jan-Dhan Yojana(PMJDY) was launched on 28th August 2014. The Prime Minister Mr. Narendra Modi flagged off the scheme with an address to the nation. The name Jan Dhan was chosen through an online competition on the My Govt. Platform and the slogan of this scheme is "Mera Khata – Bhagya Vidhata ' which means 'My Bank Account- The Creator of the Good Fortune'.

Prior to the launch, the Prime Minister's Office had sent out about 7.25 lakh e-mails to bankers across the country entreating their cooperation in making the scheme a success. Over 77,862 enrolment camps were set up nationwide to handle the initial spate of account openings. Thereafter the banks took up the account opening process under the directives of the Reserve Bank of India (RBI).

On the very day of its launch the Pradhan Mantri Jan-Dhan Yojana (PMJDY) set a record with the opening of over 1.5 crore bank accounts nationwide which is the largest such exercise undertaken in any country ever on a single day and entered into the Guinness World Records. Within the first 10 days, about 3 crore accounts were opened under the scheme according to reports from the Ministry of Finance. The Bill and Melinda Gates Foundation have offered to assist the Indian government in monitoring the progressof Pradhan Mantri Jan-Dhan Yojana (PMJDY).

The objective of Pradhan Mantri Jan-Dhan Yojana (PMJDY) is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups which is possible only with effective use of technology.

The objectives of the Pradhan Mantri Jan-Dhan Yojana(PMJDY)

Universal access to banking facility: It aims to remove untouchability in financial sector. District will be divided into sub service area catering to 1000 to 1500 household for access to basic banking facility by 14th August,2015.

·Providing Basic Banking Accounts with overdraft facility: This would cover all uncovered households with banking facilities by opening basic bank accounts.

- Financial Literacy Program: Financial literacy would be an integral part of the Mission in order to let the beneficiaries make best use of the financial services being made available to them.
- Creation of Credit Guarantee Fund: Creation of aCredit Guarantee Fund would be to cover the defaults in overdraft accounts.
- Micro Insurance: It provides micro- insurance to all willing and eligible persons by 14th August, 2018, and then on an ongoing basis.

Pradhan Mantri Jan-Dhan Yojana (PMJDY) provides basic zero-balance bank accounts with accident insurance cover of 1 lakh, along with an overdraft facility of Rs 5,000 available for account holders. The scheme would facilitate the use of mobile banking among the poor through the National Unified USSD Platform (NUUP) and according to the National Payments Corporation of India, 2014 , this scheme would allow customers to access banking services using a single number across all banks, irrespective of the telecom provider or mobile handset being used. The launch of this scheme received strong support from public sector and private sector commercial banks, resulting in significant uptake. There is a clear focus on expanding the portfolio of financial instruments available to all households in the country.

This scheme will be implemented into two phases. Phase One which comprises the time period from 15th August,2014 till 15th August, 2015 includes the universal access to banking facilities, providing basic banking accounts with overdraft facility of up to Rs. 5000/- , RuPay Debit Card with inbuilt accident insurance cover of Rs. 1 lakh and financial literacy programmes.

Phase Two comprises the period from 15th August, 2015 till 14th August, proposes the creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts, micro insurance, unorganised sector pension schemes, like Swavlamban, coverage of households in hilly, tribal and difficult areas, coverage of remaining adults in the households and students.

The Pradhan Mantri Jan-Dhan Yojana (PMJDY)was launched immediately after its announcement on 28th August,2014. On the inauguration day itself, 1.5 crore bank accounts were opened. Within three months, the figure multiplied to 7.5 crore across India. This is recognised as a remarkable achievement in an endeavour to financial inclusion.

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) was introduced in the year 2014, has successfully helped the rural people to have access to banking facilities and creating a Guinness World Records for opening the largest bank account in a week. Therefore, the present paper is an attempt to understand Pradhan Mantri Jan-Dhan Yojana (PMJDY) in fulfilling the financial needs of the people. Pradhan Mantri Jan-Dhan Yojana (PMJDY) which is an innovative scheme of financial inclusion for the poor helps in bringing them to the mainstream of economic growth and development, this would also result in opportunities for the financial institutions in attaining inclusive growth.

The announcement of 'Pradhan Mantri Jan Dhan Yojana' by the Honorable Prime Minister of India has helped push the agenda on financial inclusion program in India. The efforts to include the financially excluded segments of the society in India are not new but the vision of reach and benefit convergence committed under PMJDY has been unparalleled. The drive has already featured in the Guinness Book of World Records, with over 12.5 crore accounts opened in the first 9 months of the scheme launch. This is a National Mission on Financial Inclusion and is implemented in Mission Mode under two phases and six pillars. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and old age security. The structural, infrastructural and technological issues like poor connectivity, on-line transactions, and sustenance of "live" accounts will have to be addressed to ensure effective implementation. Mobile transactions through telecom operators and their established hubs as Cash Out Points are also planned to be used for Financial Inclusion under the Scheme. The ability to navigate through the above challenges will help enhance the impact of PMJDY. It will require a collaborative stakeholders approach with clearly laid out roles and accountabilities towards building an advantageous ecosystem. The eco-system would have to include a robust technology infrastructure to facilitate technology enabled banking activities and affordable reach, increased human connect for effective adoption, consumer protection measures, innovative product solutions to make business per account viable and an effective monitoring mechanism for due course correction.

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a nationwide scheme flagged off by Honourable Prime Minister of India Shri Narendra Modi in August 2014. The scheme was announced on the eve of Independence Day and officially launched a fortnight later on August 28th with the core development philosophy of Sab ka Sath, Sab ka Vikas. Backed by the National Mission for Financial Inclusion, the PMJDY aims to provide at least one bank account to every Indian household. It is meant to be the launch vehicle of economic streamlining, providing access to a host of financial services including bank deposit accounts, credit, and going forward even insurance and pension. While launching the Yojana, the Prime Minister had described the occasion as a festival that marks liberation of the poor from a vicious cycle. It is no new knowledge that in India, while one segment of the population has access to a bouquet of financial services, the lower income group is almost deprived of even the basic financial services. Keeping a large set of the society financially excluded doesn't bode well for the overall economic development of the country. This makes financial inclusion a global concern. Canada law requires Banks to provide accounts without minimum balance to all Canadians regardless of employment / credit history. France and Sweden are legally bound to open an account for anyone who approaches them. In India, however even after decades of bank nationalization, whose rationale was to shift the focus from class banking to mass banking, financial access and security for the underprivileged is still a luxury. With this awareness, the PM in his speech referred the Sanskrit verse: Sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam – and put the onus on the state to involve people in economic activity. Since the banking services are in the nature of the public product, its availability to the entire population without any structural discrimination is the prime objective of financial inclusion in public policy. Access to a bank account builds further access to banking and credit facilities, which enables moving out of the grip of moneylenders, benefit from financial products and thus manage any financial crisis that comes from emergent needs. The PMJDY was launched by the NDA government with the motto - "Mera Khata - Bhagya Vidhaata".

It would be implemented in multi-phases: · Phase-1: 28 August 2014 till 15 August 2015 · Phase-2: August 2015 till August 2018 The scheme was initially launched with a target of opening 7.5 crore bank accounts by January 26, 2015. The target has been later revised to 10 crore bank account, on account of an outstanding show of achievement in the first few days of the launch.

Need for PMJDY Over the years, the government and RBI has taken up various initiatives to ensure financial inclusion. Some of those being Nationalization of Banks, Expansion of Banks branch network, Lead Bank Scheme, State specific approach for Govt sponsored schemes by state level bankers' committee, and in more recent years Business Correspondent Model, Mobile banking, Aadhar enabled banking accounts, e KYCs etc.

Despite various measures for financial inclusion, the impact is yet to percolate across society strata, with still a large part of country remaining unbanked. As per the latest Census of 2011, out of 24.67 crore households in the country, only 14.48 crore (58.7%) households have access to banking services, and the number dwindles further in Rural India (54.46%). The same holds true for the reach of banking and ATM network — present banking network of the country (as on 31.03.2014) comprises of a bank branch network of 115,082 and an ATM network of 160,055. Of these, only 43,962 branches (38.2%) and 23,334 ATMs (14.58%) are in rural areas. While there has been a progress above on coverage through Business Correspondent Model, banking network has not been able to scale up and expand reach beyond a point. According to World Bank Index Survey (2012), only 35% of Indian adults had access to a formal bank account and 8% borrowed from a formal financial institution in last 12 months. The miniscule numbers suggest an urgent need to further push the financial inclusion agenda to ensure that people at the bottom of the pyramid join the mainstream of the formal financial system a majority of the country's population lacks access to the banking system making it susceptible to Approach money lenders for loans, Ponzi scheme operators for deposits, lose interest on savings on idle money, and lack any insurance cover. The PMJDY came up as PM Modi's solution to extend such financial services to the entire country and end an era of what he called "financial untouchability" through the promise of economic security. The PMJDY is also meant to become a potent tool to combat corruption of any form in government offices. When the bulk of the Indian populace has a bank account, it facilitates direct bank transfer of any funds, averting the need for a bribe. The PMJDY also neatly ties in with PM Modi's vision of a Digital India - a country where the economy shall grow increasingly cashless. The reliance on technology helps build reach for the program at affordable costs, with increased transparency and transaction security. Lastly, the scheme also aligns the social benefits within its scope. Through Accidental Insurance cover, Life Insurance cover (as per specified criteria) and proposed old age security benefits like unorganised sector pension funds, the need of social security is well covered under the scheme. The impact of the financial inclusion scheme thus delivers on multi aspects of security a) economic b) transaction and c) social security.

During the 1st year of implementation under Phase I (15th August, 2014-14th August 2015),three pillars as mentioned below are targeted to be covered: 1.

Universal access to banking facilities: This requires working at district level by mapping of each district into Sub Service Area (SSA). This will be done in a manner that every habitation has access to banking services within a reasonable distance say 5 km by 14 August, 2015. Certain parts of the country with telecom and infrastructure constraints like J&K, Himachal Pradesh, Uttarakhand, North East and the Left Wing Extremism affected districts would spill over to the Phase II of the program (15 August, 2015 to 15 August, 2018) 2. Financial Literacy Programme: Access is held complete only with awareness. Building financial literacy as part of the pillars would ensure beneficiaries make the best use of the financial services made available to them. 3. Providing Basic Banking Accounts with overdraft facility and RuPay Debit Card: The first effort would be to cover all excluded with banking facility by opening an account and account holders would be provided with RuPay Debit card with inbuilt accident insurance cover of Rs 1 lakh and Kisan card. OD facility would be extended to the extent of Rs.5000 only after six months of satisfactory operation and credit history. Aadhar numbers will be seeded to make account ready for direct transfers. Phase II, beginning from 15th August 2015 upto15th August, 2018 will address 4. Creation of Credit Guarantee Fund: This fund will be built for coverage of defaults in overdraft A/Cs 5. Micro Insurance : Provide to all willing and eligible, and then carry forward on an going basis, and 6. Unorganized sector Pension schemes like Swavlamban.

FINDINGS OF THE STUDY

Technology has been the key in reducing the problem of access to banking services with this scheme. The technological options are now wide ranging, and with India's booming telecom sector, the option of using mobile payments as a means for financial inclusion is feasible.

According to the finance minister 11.5 crores Jan Dhan accounts were opened as Prime Minister Narendra Modi said the success of Jan Dhan is a matter of pride for India.

Public sector banks alone opened 9.06 crore accounts, followed by regional rural banks which opened about 2 crore accounts. 13 private sector banks together open just 36 lakh accounts. India has created a Guinness World Records in the financial sector by 18,096,130 accounts were opened in one week from 23rd to 29th August,2014 by the Department of Financial Services, Government of India.

After the highly successful Pradhanmantri Jan Dhan Yojana, the Government of India launched Sukanya Samriddhi Account in January, 2015 which is a special small deposit savings scheme for a girl child. The main objective behind the launch of this scheme was to secure financial future of the girl as there is still a belief that having a girl means financial burden (either marriage or education) and this scheme is an answer to their conservative thinking of financial burden.

Policy Level Recommendations to Impel Jan Dhan Yojana

1. Convergence of G2P direct benefit transfer schemes (MGNREGS/PDS) and PMJDY would help to build transaction volumes and improve profitability of Bank Mitras (BMs). MicroSave survey reports that 32% of agents are not profitable.
2. RBI should come up with minimum capitalisation requirements for BC companies (BCNM). Banking, even as agents, is a capital-intensive business and some threshold capitalisation should be stipulated. Similar requirements can further be extended to BMs, depending on business potential and geography allocated.
3. Agent dormancy has risen to 10% and seems to be inching up. RBI has to have service level commitments from banks; once opened, a BM outlet should not be allowed to close for five days in a row, ever (force majeure events excluded).
4. Overdraft facility has been a pull factor for opening PMJDY accounts. However, only 7% of account holders received an average of INR 815 as credit. Data analytics based credit scoring model needs to be piloted for PMJDY accounts.
5. Standard operational guidelines for Banks, BCNMs and BMs. These guidelines should cover aspects like mandatory GPS tagging, digital attendance, adequate compensation level and audit policies/processes (for BMs and 9 PMJDY – WAVE III Assessment controlling branch), making banks responsible for every BM outlet they operate. A master circular on PMJDY, stating operational guidelines by RBI, is necessary to build in transparency, efficient responsibility allocation across stakeholders, and sustainability.
6. The agency model has the potential to transform into a 'White Label BM', with payment banks, SFBs and other financial players scouting for potential partners. They can act as interoperable and independent business units capable of facilitating transactions of multiple providers, depending on customer preference. An effective step in this direction will be to promote non-exclusive and interoperable BMs.

QUICK STEPS TO IMPROVE PMJDY – OPERATIONAL

1. Increase commission for transactions - BMs tend to open accounts to maximise commission income. This has partly contributed to high account duplication (33%). Banks should reduce compensation for account opening and increase commission for transactions in order to motivate BMs to promote transactions and not re-open accounts.
2. One "financial inclusion" officer for every 2/3 rural branches - BMs performance depends on support he/she receives from link branches. BMs complain of low level of support from branches. Employ one "financial inclusion" officer for

every 2/3 rural branches to cater to BMs. 3. Robust "toll free" enquiry and grievance redressal system for BMs and customers - Only 59% of the agents know that there is a call centre to resolve their queries. Many customers and BMs were unaware about PMJDY's product offerings and scheme riders. Instances such as miscommunication of OD as "free money" motivated many to open PMJDY accounts. A robust "toll free" enquiry system for BMs and customers should be set up to provide scheme details in different languages and resolve customer queries. Empirically, new customers call 3.2 times/day to check their balance.

4. Provide Jansuraksha policy documents to customers - PMJJBY/PMSBY/APY customers are not given policy documents and product registration details. Provide policy documents to customers upon enrolment, detailing registration details and other vital information.
5. Conduct behavioural economics research to reduce prevalent customer account dormancy - 28% of the PMJDY accounts are dormant. Also 28.88% of the customer accounts are zero or nil balance accounts. Behavioural economics based research is needed to better understand reasons for customer dormancy and product preferences to drive usage of these accounts for real savings.
6. BMs to be trained and re-trained - Agents in India receive less support visits (58%) as compared to other ANA countries. BMs to be trained and re-trained on PMJDY scheme features and customer service aspects and not just on handling transaction devices

CONCLUSIONS OF THE STUDY

No doubt, it's a very big number in terms of bank accounts opened in this scheme but what really is important that there should be more emphasis on quality as well. To meet this, the Government should constantly review the targets and the mechanism used to bring more people under financial inclusion. As more and more people from various sections get enrolled, this itself will act as a dominant force for utilizing the financial credit and other services in building the rural economy. Financial inclusion is the essence of sustainable economic growth and development in a country like India and an effective implementation of the innovative scheme like the Pradhan Mantri Jan-Dhan Yojana(PMJDY) does makes a difference through which even inclusive growth can also be attained. An access to banking and financial services will certainly improve the income of the rural poor people helping them to lead a life of dignity as this scheme helps not only in providing credit but also in opening new avenues of work that will raise their standard of living.

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