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Pradhan Mantri Jan Dhan Yojana and Women Empowerment

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ABSTRACT

The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched by the Government of India on 28 August 2014, is an ambitious financial inclusion programme aimed at providing banking services to every section of society, especially the poor and marginalized. This study is based on secondary data and the main objectives of the study are to examine the effectiveness of PMJDY and to analyse the impact of this scheme on women empowerment. This research paper analyses various dimensions of women's empowerment through PMJDY, including economic independence, decision making ability, saving habits and improvement in social status.

Introduction

Financial inclusion has become an important policy objective for many developing counties as it contributes to economic growth, poverty reduction and social equality. Access to banking services allows individuals to save money safely, obtain credit and participate in financial activities that improve their economic stability. However, a large section of the population, particularly women and rural communities, has historically remained outside the formal financial system.

In India, women have often faced social, economic and institutional barriers in accessing financial services. These barriers include lack of financial literacy, limited mobility, traditional gender roles and absence of required documentation. As a result, many women have relied on informal sources of credit such as moneylenders, which often involve high interest rates and financial risk.

Recognizing these challenges, the Government of India launched the Pradhan Mantri Jan Dhan Yojana (PMJDY) in August 2014. The scheme was introduced as a national mission to promote financial inclusion by ensuring that every household has access to basic banking services. PMJDY provides facilities such as zero-balance savings accounts, access to credit, insurance coverage and pension schemes.

The scheme aims to bring economically weaker sections of society into the formal banking system. It also encourages the use of digital financial services and direct transfer of government benefits into beneficiaries' bank accounts. Women form a significant proportion of beneficiaries under the PMJDY scheme.

Due to low education level and weak economic conditions, women are considered inferior to men. Women have not assigned effective role in day-to-day decision making as well. As men earn money and have strong financial condition compared to women therefore, all the important decisions are taken by them. In such circumstances there is need to empower the women and ensure the effective participation of women in economic activities. Empowerment is the process of enabling a person to think, be independent, take decisions and work in an autonomous way. Thus, to empower the women it is essential to improve their socio-economic status. (Kumari 2013)

Pradhan Mantri Jan-Dhan Yojana

Pradhan Mantri Jan Dhan Yojana launched on 28th August 2014, is India's flagship financial inclusion programme designed to provide universal access to banking facilities, basic saving-deposit accounts and financial services such as remittances, credit, insurance and pension. PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. 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 pension facility. In addition, the beneficiaries would get RuPay Debit Card having in built accident insurance cover of Rs. 1.00 Lakh. The plan also envisages channeling all government benefits (from Centre/State/Local Body) to the beneficiaries' accounts and pushing the Direct Benefits Transfer (DBT) Scheme of the Union Government. The technological issues like poor connectivity, online transactions will be addressed. Mobile transactions through operators and their established centres as Cash Out Points are also planned to be used for financial inclusion under the scheme. An effort is also being made to reach out to the youth of the country to participate in this mission mode programme.

Financial Inclusion of Pradhan Mantri Jan Dhan Yojana

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI), known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2010 in 2 phases as under:

- **Phase I (15th August, 2014 – 14th August, 2015):** Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1.00 Lakh and organizing Financial Literacy Programmes.
- **Phase II (15th August, 2015 – 14th August 2018):** Overdraft (OD) facility up to Rs. 5000/- to be given after six months of satisfactory operation/ history. Creation of credit guarantee fund for coverage of defaults in overdraft accounts and unorganized sector pension scheme like Swavlamban.
- **Extension of PMJDY** – PMJDY was extended beyond 14.08.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" while making the scheme more attractive with upward revision in –

  a. OD limit from Rs. 5000 to Rs. 10000.

  b. Accident insurance cover on RuPay Card holders from Rs. 1 lakh to Rs. 2 lakhs;

  c. Age limit for availing OD facility from 18-60 years to 18-65 years; and

  d. No condition attached for OD up to Rs. 2000.

Benefits of the Scheme:– This scheme of government started on 14th August, 2014 has many benefits for the one who availed its benefit. Some of them are mentioned below.

(a) Personal Saving Account: An unbanked person will be opened with one basic saving bank account.

(b) Zero balance and no minimum balances: The zero-balance account service can easily be used and the minimum balance in PMJDY accounts is not required which is usually requested in other accounts.

(c) **Interest:** The amount invested by the account holders the citizens become interested i.e. interest on the PMJDY account deposit will be earned.

(d) **Insurance benefits:** Coverage up to INR 1 lakh (enhanced to INR 2 lakhs to new PMJDY accounts opened after 28.08.2018) for accidental insurance is provided to the account holders who are the citizens of India. The citizens also get a life cover of INR 30,000, the benefit of which can be availed by the beneficiary on the death of the person covered under the scheme, provided all the necessary conditions are fulfilled.

(e) **RuPay Debit Card:** A RuPay debit card is available to Jan Dhan Yojana accounts holders that can be used to withdraw cash at all ATMs or for transactions is most department store. RuPay is India's only national card network that is part of the Indian National Payment Cooperation. These cards were developed for visa and mastercard alternatives.

(f) **Benefits of the Loan:** An overdraft facility up to INR 10,000 is provided to the account holders under this scheme. The amount offered is small as regards the need of the people but all those below the poverty line can take advantage of this facility and re-invest the amount obtained more profitably. Per household, one account, this is the additional condition associated with the scheme.

(g) **Beneficiary Transfer:** All the accounts under this scheme are eligible for Direct Benefit Transfer (DBT). The benefit can be easily transferred to the beneficiaries through direct means under this government scheme.

(h) **Pension Scheme** – Accounts opened under the PMJDY Scheme can easily be made available for easy access to pensions and other insurance facilities, such as Pradhan Mantri Jeevan Jyoti Bima Yojana (BMJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY). Atal Pension Yojana (APY), Microunits Development and Refinance Agency Bank (MUDRA).

(i) **Mobile Banking Benefits:** The account holders can easily check the balance in their accounts through the mobile banking benefits which are associated with the same. The citizen can also transfer money all across India using such services.

Review of the Literature:

Research on PMJDY indicates that the scheme has significantly increased the number of bank accounts in India since its launch. Many previously unbanked individuals, including women from rural areas, have gained access to banking services through the program. In a study **Joshi and Rajpurohit (2015)** examined the objectives, achievements and prospectus of PMJDY. They explored that this scheme provides various services such as access to need based credit, insurance, remittances and pension etc. **Kaur and Singh (2015)** explored that this scheme has helped a lot to empower the women, as among the total beneficiaries the ratio of women beneficiaries is greater than the men beneficiaries. **Kumar (2018)** made an attempt to study the awareness of PMJDY among the people of Coimbatore district of Tamil Nadu. This study is based on Primary data. Author found that majority of the respondents were satisfied with services of this Yojana. **Bhatia and Singh (2019)** have analysed that financial inclusion is considered to be a critical indicator for the well-being of society. This study is based on the primary data and the data has been collected from 737 account holders female living in urban slums. Authors have found out that PMJDY has been extremely effective, particularly for slum dwelling women and it has a favorable impact on social, political and economic aspects of women's empowerment. **World Economic Empowerment (2020)** conducted a study to analyse the women's economic empowerment in India. This study was based on secondary data.

Financial inclusion schemes introduced at national and state level have been briefly discussed in this study. It is noticed that financial inclusion proves to be one of the pivotal instruments capable of empowering women by enabling them to take control of their own lives. The study concluded that PMJDY is not only empowering the deprived women, it is also focusing on women entrepreneurs, as this Yojna helped in a higher share of loan disbursements to women.

Objectives of the Study –

The main objectives of the study are:

- To examine the role of PMJDY in increasing access to banking services among women.
- To identify challenges faced by women in accessing and utilizing financial services.
- To evaluate the contribution of PMJDY to women's financial independence and empowerment.

Methodology

The present study is descriptive in nature and this work is based on secondary data. The information and data for the paper have been collected from the economic survey of India. Government publications, published articles, journals, reports, books and official websites of Pradhan Mantri Jan Dhan Yojana (PMJDY).

PMJDY and Women Empowerment

PMJDY has positively influenced the deprived women of the society. Over the past few years this scheme has not only brought millions of previously unbanked households into the financial fold but has also emerged as a powerful tool for women's empowerment. Before this initiative, most women, especially those working in unorganized sector lacked access to formal old-age income security schemes. Their financial vulnerability was exacerbated by inconsistent incomes and limited access to social security, making them more susceptible to economic shocks. PMJDY has served as a foundation stone in bringing women under the ambit of financial inclusion, providing them with a safety not that was previously unavailable.

The impact of PMJDY on women's financial inclusion is evident in the data. The percentage of women who own and use a bank or saving account has surged from 53% in the National Family Health Survey-4 (2015-16) to 79% in the National Family Health Survey-5 (2019-21). The gap between men and women in access to financial services has been reduced from 20% in 2011 to just 6% in 2017, surpassing the global average of 9%. This progress is a testament to the scheme's effectiveness in empowering women and ensuring equal opportunities to participate in the formal financial system.

PMJDY has not only increased women's access to financial services but has also proven to be a vital lifeline during times of crisis. The scheme's impact was particularly evident during the COVID-19 pandemic, providing essential financial support to millions of women. From providing a safety net during crises to facilitating access to credit, PMJDY has played a pivotal role in breaking down barriers and creating a more equitable financial landscape for women.

ROLE OF PMJDY IN WOMEN EMPOWERMENT

(1) **Economic Empowerment** – One of the most significant contributions of PMJDY is the economic empowerment of women. Before the introduction of the scheme, many women did not possess personal bank accounts and relied on male family members for financial transactions. PMJDY enabled women to open their own bank accounts with zero balance requirements, allowing them to save money independently and manage their finances more effectively.

(2) **Promotion of Financial Inclusion** – PMJDY has brought previously unbanked women into the formal banking system. Financial inclusion also allows women to build a financial identity, which can be useful for obtaining loans and participating in economic activities.

(3) **Encouragement of Saving Habits –** PMJDY has encouraged women to develop regular saving habits. Access to bank accounts provides a safe and secure method for saving money. Savins improve women's ability to manage emergencies healthcare expenses, education costs and household needs.

(4) **Promotion of Entrepreneurship and Self-Employment –** Financial access through PMJDY has encouraged women to start small businesses and income-generating activities such as tailoring, handicrafts, dairy farming, food processing and retail trade. Women entrepreneurs can use banking facilities and retail trade. Women entrepreneurs can use banking facilities to receive payments, save profile and access financial assistance for business expansion.

(5) **Improvement in Decision-Making Power** – Economic independence contributes to greater self-confidence and autonomy. That's why ownership of financial resources enhances women's participation in household decision making. They are taking decisions related to education, healthcare, savings and investments.

(6) **Digital Financial Inclusion** – PMJDY has promoted digital financial services through RuPay Cards, Mobile banking and digital payment systems. Women have gradually become familiar with AIM's digital transactions and online banking system.

(7) **Social Empowerment and Increased Status** – Women who contribute financially to their households generally enjoy greater respect and recognition within their families and communities. Financial independence strengthens women's social position and helps challenge traditional gender roles.

(8) **Empowerment of Rural Women** – The impact of PMJDY has been particularly significant in rural areas where women previously had limited access to formal financial institutions. Women in remote areas have gained access to financial services for the first time through banking correspondents and rural banking outreach programmes.

Challenges

Despite achievements, several challenges continue to limit the full empowerment potential of PMJDY.

- Many accounts remain inactive or have low transaction volumes.

- Financial literacy among women remains inadequate in some regions.
- Male family member often controls women's bank accounts.
- Rural banking infrastructure remains insufficient in certain areas.
- Limited digital literacy restricts effective use of banking technologies.

Suggestions for Strengthening Women Empowerment through PMJDY:

- Expand financial literacy programmes for women.
- Promote digital literacy and mobile banking training.
- Increase awareness regarding banking rights and services.
- Encourage active usage of bank accounts rather than mere account ownership.
- Strengthen the linkage between PMJDY and women self-help groups.

Conclusion

The Padhan Mantri Jan Dhan Yojana has not only expanded access to banking but has also laid a strong foundation for women's empowerment in India. By enabling women to save, transact, access credit, receive welfare benefits directly and participate more confidently in economic activities, PMJDY has transformed them from passive recipients into active contributors to development. Its true significance lies in the fact that it has given millions of women a financial identity, greater dignity and a stronger voice in both household and society. With continued awareness, digital literacy and active account usage, PMJDY can become an ever more powerful instrument for building a self-reliant, inclusive and empowered India.

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