

## A STUDY ON STREET VENDORS AWARENESS OF PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY) IN DOMBIVLI CITY

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### ABSTRACT

*Financial inclusion has been practiced in India for over a century, but it is only now, in the twenty-first century, that it is being prioritized through focused government programmes. Pradhan Mantri Jan Dhan Yojana (PMJDY) is a National Mission for Financial Inclusion that entails an integrated approach to ensuring that all households in the country have access or benefit to financial services. Financial inclusion is an important component of social inclusion, as it helps to alleviate poverty and income disparity by allowing disadvantaged people to advance. The study was undertaken with an objective to study the PMJDY a financial inclusion program by the Govt. and awareness level of Street Vendors towards PMJDY. Primary data have been collected from Dombivli city, through structured questionnaire from 100 respondents by convenient random sampling techniques. It was found that there were no statistically significant difference in the Awareness towards PMJDY by the categories of the gender & Age. Most of the respondents are not aware about the benefits of the schemes.*

**Keywords:** PMJDY, Financial Inclusion, Street Vendors.

### Introduction

Financial inclusion began in India more than a century ago, but got top priority in the twenty-first century through targeted state policies. Financial inclusion, according to the Rangarajan Committee (2008), is "the process of giving vulnerable groups, such as weaker portions and low-income groups, affordable access to financial services and timely and adequate financing when needed." NABARD (National Association for Business and Economic Research, 2008) Financial inclusion can be defined as a movement aimed at bringing low-income and economically disadvantaged people into the realm of banking and financial services. Savings, short and long-term credit, leasing and factoring, mortgages, insurance, pensions, payments, local money transfers, and overseas remittances are all examples of basic financial services. (2016, Guntupalli)

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a National Mission for Financial Inclusion that encompasses an integrated approach to ensure that all households in the country are financially included. Village coverage was emphasized in previous plans. It is focused on both rural and urban areas. It provides financial services to the weaker sectors and low-income groups, such as a basic savings account and the remittance facility including insurance, and pension. The Prime Minister had called the occasion as a festival to celebrate the poor's escape from a vicious cycle when announcing the Yojana. On August 28, 2014, Prime Minister Narendra Modi announced the ambitious PMJDY, which aims to open at least one bank account for every family. The PMJDY, according to Union Finance Minister Shri Arun Jaitley, was a game changer for the economy since it has established a platform for Direct Benefits Transfer (DBT), which will help plug subsidy leakages and save money for the

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government. The Guinness Book of World Records has now acknowledged the PMJDY as the holder of the "Most Bank Accounts Registered in a Single Week" record, which was set between August 23rd and August 29th, 2015, when 18 million new bank accounts were opened. Financial inclusion is an important component of social inclusion, as it helps to address poverty and income inequality by allowing disadvantaged people to grow.

#### Objective

- To Study the PMJDY a financial inclusion program by the Govt.
- To Study the awareness level of Street Vendors towards PMJDY
- To investigate how street vendors has benefited from PMJDY

#### Literature Review

**Jain, G., & Jain, N. (2017).** The study was conducted to understand Jan Dhan Yojana (PMJDY). The purpose of this study was to see how PMJDY affects people's socioeconomic level and saving habits. The study investigates the impact of a government flagship programme on people's saving patterns and economic position using both deductive and inductive approaches. Because of low banking penetration, the Indian rural population has created a negative savings pattern, according to the report. This habit is projected to alter as a result of the execution of PMJDY, which has resulted in the opening of around 16.75 crore bank accounts, or 60% of the total bank accounts opened under the plan.

**Sharma, N., & Goyal, R. (2017).** According to researcher PMJDY is a large financial plan with the goal of providing banking services and insurance coverage to all households in the country. In light of this, a study was done to determine the success rate of the inclusion process in rural parts of the Jaipur district. Both primary and secondary data were collected for the objective of the study. The correlation (r) test is used to determine the link between socioeconomic backgrounds and the process of financial inclusion. Income, financial information from multiple sources, and understanding of PMJDY are all factors that influence inclusion, according to the findings. Inclusion is more likely if you're close to a bank.

**Chowhan, S. S., & Pande, J. C. (2014).** Even after 67 years of independence, despite great expansion in the banking system in India-both horizontally and vertically-a large portion of the Indian population remains unbanked. Though the Indian government and the Reserve Bank of India have pushed the concept of financial inclusion in recent years, there has been no discernible improvement in the status of these financially vulnerable people. Prime Minister Narendra Modi proposed a new initiative dubbed the National Mission on Financial Inclusion (NMFI) for weaker sections and low-income people in his Independence Day speech on 15th August 2014, in order to alleviate these long-term financial hardships. The significance of financial inclusion and the impact that the Pradhan Mantri Jan Dhan Yojana (PMJDY) will have on all stakeholders in our country was the focus of this article.

**Chauhan, J., & Joshi, D. Y. C. (2018).** The purpose of this research paper was to scrutinize the effectiveness of PMJDY by determining the effectiveness of a financial literacy programme and raising awareness about PMJDY. The research was conducted among rural residents in Gujarat's southern region. The information was gathered from both primary and secondary sources. In the year 2017, primary data was acquired through an open discussion with respondents. Secondary data was gathered from a variety of published and unpublished sources. The report concludes that there is still a long way to go to truly eliminate financial discrimination in the country.

**Bhatt, A. P., & Pawar, G. (2017).** The article aims to investigate the financial inclusion programme in India and conduct a literature analysis on financial inclusion programmes, with a focus on the Pradhan Mantri Jan Dhan Yojana (PMJDY) and its major areas and methods for long-term sustainability. The study found that the PMJDY scheme's effectiveness is dependent on an effective regulatory mechanism and regular monitoring of the program's successful execution. According to the survey, more than half of the poor population is still unaware of the PMJDY plan, and account holders are not keeping their accounts active or able to deposit funds due to poor connectivity to banking facilities.

**Unnamalai, T. (2016).** The study was carried out in order to determine the success rate of the inclusion process in the Tiruchirapalli district. Both primary and secondary data were collected for the objective of the study. The correlation (r) test is used to determine the link between socioeconomic backgrounds and the process of financial inclusion.

**Kapoor B and EktaTyagi(2020),** have studied effect of digitisation of finance on financial inclusion, and arrived at the conclusion that PMJDY and DBT linked with Aadhaar is good step towards digital financial inclusion

### Statement of the Problem

Its more than 7 years since inception of the PMJDY scheme which has got popularity and the number of accounts also increased to 44.23crores with balance of 1,50,939.36 crore at dec 2021 end (source latest finance ministry data). The maximum accounts opened were with public sector banks(34.9 crores) as against private sector banks(1.28 crores). The researcher wanted to find out as of today whether the account holders are really aware of all the financial benefits that comes with the account and level of awareness among the lower income section of the society. The present study was taken up focusing on the street vendors who already have lot of challenges to face on a daily basis.

### Research Hypotheses

**H<sub>0</sub>:** There is not a statistically significant difference in the **Awareness towards PMJDY** by the categories of the Gender

**H<sub>01</sub>:** There is not a statistically significant difference in the **Awareness towards PMJDY** by the categories of the Age

### Methodology of the Study

Both primary data and secondary data have been collected for the study. Primary data have been collected from Dombivlicity, through structured questionnaire from 100 respondents by convenient random sampling techniques. Secondary data have been collected from the journals and websites

### Results

The most frequently observed categories of Gender were Male and Female, each with an observed frequency of 50 (50%). The most frequently observed category of Age was Below 30 Years ( $n = 36$ , 36%). The most frequently observed category of PMJDY Benefits was No ( $n = 58$ , 58%). Frequencies and percentages are presented in Table 1.

**Table 1: Frequency Table for Nominal Variables**

Variable	n	%
Gender		
Male	50	50.00
Female	50	50.00
Age		
Below 30 Years	36	36.00
31-50 Years	31	31.00
Above 50 Years	33	33.00
PMJDY Benefits Taken		
No	58	58.00
Yes	42	42.00

### Cronbach's Alpha

A Cronbach alpha coefficient was calculated for the Awareness towards PMJDY scale.

- **Results:** The items for Awareness towards PMJDY had a Cronbach's alpha coefficient of 0.71, indicating acceptable reliability.

**Table 2: Awareness towards PMJDY**

Awareness towards PMJDY							
1= Not at all aware, 2= Slightly aware, 3= Moderately aware, 4= Very aware, 5 = Extremely aware							
	1	2	3	4	5	Total	Mean
One basic savings bank account is opened for unbanked person.	10	33	37	13	7	100	2.74
No requirement to maintain any minimum balance under PMJDY	54	33	9	2	2	100	1.65
Rupay Debit card is provided	13	33	41	11	2	100	2.56
Accident Insurance Cover of Rs.2 lakh	36	43	18	2	1	100	1.89
An overdraft (OD) facility up to Rs. 10,000	32	45	17	5	1	100	1.98

When it comes to the awareness towards PMLDY , the sum of responses of the respondents means score were found to be higher as compared to the overall mean score (Overall Mean = 2.16) .57%

of the respondent were aware that under the scheme saving account is opened for unbanked person. 87% not aware that there is no requirement of minimum balance. 57% of the respondent were aware that Rupay Debit card is provided. 79% of the respondent where not aware that Accident Insurance Cover of Rs.2 lakh available. 77% of the respondent where not aware that overdraft (OD) facility up to Rs. 10,000 is available.

#### Research Hypotheses 1: H<sub>0</sub>

There is not a statistically significant difference in the **Awareness towards PMJDY** by the categories of the Gender

- **Results:** The result of the two-tailed Mann-Whitney *U* test was not significant based on an alpha value of 0.05,  $U = 1219.5$ ,  $z = -0.21$ ,  $p = .832$ . The mean rank for group Male was 49.89 and the mean rank for group Female was 51.11. This suggests that the distribution of Awareness towards PMJDY for group Male ( $Mdn = 10.00$ ) was not significantly different from the distribution of Awareness towards PMJDY for the Female ( $Mdn = 11.00$ ) category.

#### Research Hypotheses 2:H<sub>0</sub>

There is not a statistically significant difference in the **Awareness towards PMJDY** by the categories of the Age

- **Results:** The results of the Kruskal-Wallis test were not significant based on an alpha value of 0.05,  $\chi^2(2) = 1.85$ ,  $p = .396$ , indicating that the mean rank of Awareness towards PMJDY was similar for each level of Age. Table below presents the results of the Kruskal-Wallis rank sum test.

Kruskal-Wallis Rank Sum Test for Awareness towards PMJDY by Age

Level	Mean Rank	$\chi^2$	df	p
Below 30 Years	50.58	1.85	2	.396
31-50 Years	55.50			
Above 50 Years	45.71			

#### Limitations of Study

The primary data was gathered using a convenient random sampling technique due to financial and time constraint, only 100 responders were chosen from DombivliCity. Because of this reason the results may not be generalize.

#### Major Finding& Discussion

The null hypothesis were accepted. There were no statistically significant difference in the Awareness towards PMJDY by the categories of the gender & Age. Only 42% of the respondents have taken benefits of PMJDY.

#### Conclusion

The basic objective of the study was conducted to understand the awareness level of respondent towards PMJDY and the benefits taken by them of the scheme. The study came to the conclusion that still major section of the street vendors have not taken the benefits of the scheme because of the poor awareness toward the scheme. Only 42% of the respondents have taken benefits of PMJDY. 57% of the respondent where aware that under the scheme saving account is opened for unbanked person. Many of them are not aware about the overdraft facility which has been increased to ₹10,000 as only 23% respondents were about this as per the findings of the study.

The Prime Minister's People Money Scheme (PMJDY), which promotes financial inclusion, has set a Guinness World Record for the largest rise in deposit holders and deposits. More infrastructure, such as bank branches and ATM machines, is required in order to access financial services. Providing knowledge to the lower sections with less or no educational background is to be taken up with The strategy draws more customers regardless of their location (rural or urban), gender, education, or money. The dream of universal financial services can be realised in the near future in more enhanced way if the government provides a network to equip the underprivileged section with requisite knowledge and skill.

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