

PG Department of Geography, Patna University

Paper – Regional Geography

Unit- V

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Pradhan Mantri Jan Dhan Yojana

Pradhan Mantri Jan Dhan Yojana (PMJDY) or National Mission for Financial Inclusion was launched on 28 August 2014 to ensure affordable access to financial services viz. Bank accounts, remittance, credit, insurance and pension.

Ministry of Finance is committed to provide financial inclusiveness and support to the marginalized and hitherto socio-economically neglected classes. Financial Inclusion is a national priority of the Government as it is an enabler for inclusive growth. It is important as it provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders. A key initiative towards this commitment is the Pradhan Mantri Jan Dhan Yojana (PMJDY), which is one of the biggest financial inclusion initiatives in the world.

Objectives


This scheme was launched to provide basic banking accounts to 7.5 crore unbanked people with RuPay debit card and overdraft facility (after six months).

Facilities

Thus the scheme provided:

- A bank account with no minimum balance; and interests on deposits
- Debit cards

- Accidental Insurance Cover of Rs. 1 Lakh; life cover of Rs.30000/- payable on death of beneficiary.
- Overdraft facility up to Rs.5000/- on satisfactory operation of 6 months.
- Easy transfer of money across India.
- Transfer of benefits under DBT in these accounts.
- Access to pension and insurance products.



MINISTRY OF FINANCE **PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)** 




National Mission for Financial Inclusion launched on 28th August 2014

BASIC TENETS OF THE SCHEME

- 01** Banking the Unbanked
- 02** Securing the unsecured
- 03** Funding the unfunded

OBJECTIVES

-  Ensure access of financial products & services at an affordable cost
-  Use of technology to lower cost & widen reach

 FinMinIndia  Finmin.goi  www.finmin.nic.in

PMJDY and Supply Side Approach to Financial Inclusion-

The scheme was based on a *supply side model by improving the delivery systems*. Though these efforts did not make success in past, the Government's campaigning resulted in success of this scheme. The new scheme has tried to include each of them by bringing various facilities under one umbrella.

Mission Mode and Pillars of PMJDY-

PMJDY to be executed in the Mission Mode, envisages provision of affordable financial services to all citizens within a reasonable distance. It comprises of the following six pillars:

A. Universal access to banking facilities

Mapping of each district into Sub Service Area (SSA) catering to 1000-1500 households in a manner that every habitation has access to banking services within a reasonable distance say 5 km by 14 August, 2015. Coverage of parts of J&K, Himachal Pradesh, Uttarakhand, North East and the Left Wing Extremism affected districts which have telecom connectivity and infrastructure constraints would spill over to the Phase II of the program (15 August, 2015 to 15 August, 2018)

B. Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households

The effort would be to first cover all uncovered households with banking facilities by August, 2015, by opening basic bank accounts. Account holder would be provided a RuPay Debit Card. Facility of an overdraft to every basic banking account holder would be considered after satisfactory operation / credit history of six months.

C. Financial Literacy Programme

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.

D. Creation of Credit Guarantee Fund

Creation of a Credit Guarantee Fund would be to cover the defaults in overdraft accounts.

E. Micro-insurance

To provide micro- insurance to all willing and eligible persons by 14 August, 2018, and then on an ongoing basis.



PRADHAN MANTRI JAN-DHAN YOJANA

2/2



Achievements under Pradhan Mantri Jan Dhan Yojana

32.41 crore accounts opened

More than **7.5 crore** Jan Dhan accounts receiving Direct Benefit Transfer

13.98 crore subscribers under Pradhan Mantri Suraksha Bima Yojana

1.11 crore persons have subscribed for Atal Pension Yojana