

Analysing The 'Financial Inclusion' Of Women SHG Customers Of Pune District's PSU Banks Through Pradhan Mantri Jan Dhan Yojana

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ABSTRACT

This study investigates the impact of the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' on the 'financial inclusion' of women SHGs in Pune district's 'Public Sector Banks (PSU banks)', specifically examining savings and investment opportunities, credit access, and insurance services. The objectives of the study are to assess differences in these aspects between PMJDY account holders and ordinary account holders among women SHGs and to provide recommendations for enhancing 'financial inclusion' initiatives. The research methodology employs a quantitative approach, with primary data collected through a structured questionnaire administered to 20 PMJDY account holders and 20 ordinary account holders among women SHGs in PSU banks. Descriptive analysis, including 'mean' and standard deviation calculations, is conducted to examine the distribution of responses. 'Independent Sample T-tests' are employed to compare the differences between the two groups. The results indicate significant disparities in savings and investment opportunities, credit access, and insurance services between PMJDY account holders and ordinary account holders among women SHGs. PMJDY account holders exhibit higher levels of savings and investment opportunities and better access to insurance services compared to ordinary account holders. However, they experience relatively poorer access to credit, highlighting an area for improvement in 'financial inclusion' efforts. Based on these findings, recommendations are

proposed to enhance 'financial inclusion' initiatives for women SHGs in Pune district's PSU banks. These include targeted awareness campaigns to promote PMJDY account ownership, streamlining credit application processes, and expanding the range of insurance products available to women SHGs. Additionally, financial literacy and training programs tailored to the specific needs of women SHGs can empower them to make informed financial decisions and improve their economic resilience.

Keywords: 'Financial Inclusion', 'Women Self-Help Groups (SHGs)', 'Pradhan Mantri Jan Dhan Yojana (PMJDY)', 'Public Sector Banks (PSU banks)', Savings and investment opportunities, Credit Access, Insurance services, Economic resilience.

1. INTRODUCTION

'Financial Inclusion', the cornerstone of economic development and poverty alleviation, has been a focal point for governments worldwide. In India, where a significant portion of the population has traditionally been excluded from the formal financial system, initiatives like the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' have played a pivotal role in bridging this gap. One of the most notable achievements of PMJDY has been the inclusion of women Self-Help Group (SHG) customers in Public Sector Banks (PSBs), ushering in a new era of empowerment and economic independence.

Women, particularly in rural and marginalized communities, have long faced barriers to accessing financial services. Deep-rooted socio-cultural norms often restrict their participation in economic activities and limit their control over household finances. Recognizing this, the Indian government launched PMJDY in 2014 with the aim of providing universal access to banking facilities, including 'savings and deposit accounts, credit, insurance, and pension schemes.' A key focus of PMJDY has been on reaching out to women, especially those belonging to SHGs, and integrating them into the formal financial system.

The inclusion of women SHG customers in PSBs through PMJDY has brought about a multitude of benefits, both at the individual and societal levels. Firstly, it has empowered women by granting them control over their finances and fostering a sense of financial independence. By opening bank

accounts, these women now have a safe and secure means to save money, access credit, and manage their earnings, thereby reducing their dependency on male relatives and moneylenders.

Moreover, 'financial inclusion' has provided women with the opportunity to build assets and invest in income-generating activities. With access to credit from PSBs, women SHG members can now start or expand small businesses, purchase agricultural inputs, or invest in education and healthcare for their families. This has not only enhanced their economic well-being but has also contributed to the overall socio-economic development of their communities.

Furthermore, the inclusion of women SHG customers in PSBs has had a ripple effect on societal dynamics, leading to greater gender equality and social empowerment. As women gain financial literacy and decision-making authority, they become active participants in household and community affairs, challenging traditional gender roles and stereotypes. This, in turn, fosters a more inclusive and egalitarian society where women are recognized as agents of change and progress.

The success of PMJDY in promoting 'financial inclusion' among women SHG customers in PSBs can be attributed to various factors. Firstly, the government's proactive approach in leveraging technology, such as biometric identification and mobile banking, has made it easier for women, especially in remote areas, to access banking services. Secondly, the partnership between PSBs and SHGs has facilitated last-mile delivery of financial products and services, ensuring that women are not only included but also actively engaged in the banking process.

However, challenges remain in achieving full 'financial inclusion' for women SHG customers in PSBs. Despite the progress made, there are still barriers related to financial literacy, access to credit, and gender biases that need to be addressed. Efforts should be made to enhance financial education and awareness among women, strengthen the capacity of SHGs to manage financial resources effectively, and promote gender-sensitive policies within PSBs.

2. REVIEW OF LITERATURE

The 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' has emerged as 'one of the most intensive financial inclusion schemes in

India, aiming to provide universal access to banking facilities.' Hussain (2015) emphasizes the significance of PMJDY in 'bridging the gap between the unbanked population and formal financial services.' Through a 'SWOT analysis', Hussain (2015) further elucidates the strengths, weaknesses, opportunities, and threats associated with PMJDY, highlighting its potential to revolutionize 'financial inclusion' in the country. Barhate and Jagtap (2014) delve into the national mission aspect of PMJDY, underscoring its role as a catalyst for financial empowerment at the grassroots level.

Goel and Goel (2015) explore PMJDY as an innovative scheme for 'financial inclusion', emphasizing its transformative potential in bringing marginalized sections of society into the formal banking fold. Malligar and Bankapur (2016) assess the performance of PMJDY, shedding light on its effectiveness in reaching the intended beneficiaries and extending financial services to the last mile. Poorna and Saravanan (2015) investigate customer perceptions of PMJDY, providing insights into the scheme's impact at the grassroots level. Additionally, Poorna et al. (2015) analyse awareness levels among respondents regarding PMJDY, highlighting the importance of disseminating information about the scheme's benefits.

Singh (2015) presents a case study on the implementation of PMJDY in a specific village, offering practical insights into the challenges and opportunities encountered at the ground level. Satpathy and Supkar (2015) view PMJDY as a 'new direction for mainstreaming the financially excluded', emphasizing its potential to empower marginalized communities and foster inclusive growth. Bhandari (2015) provides a statistical analysis of 'financial inclusion' under PMJDY, highlighting key trends and patterns. Shettar (2016) discusses the issues and challenges associated with PMJDY implementation, addressing areas of improvement for policymakers and financial institutions.

Subramanya and Alfia (2015) examine the awareness levels towards PMJDY in Hassan district, Karnataka, underscoring the importance of targeted awareness campaigns to enhance uptake among potential beneficiaries. Lastly, Sukanya (2015) discusses the issues and challenges facing the Jan Dhan Yojana, emphasizing the need for continuous evaluation and refinement of 'financial inclusion' strategies to address evolving socio-economic dynamics.

3. RESEARCH GAP

The endeavour to understand and enhance 'financial inclusion' among women Self-Help Groups (SHGs) in Pune district's 'Public Sector Banks (PSU banks)' through the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' presents a compelling area of research. While the objectives of this study are clear and focused, it is crucial to acknowledge the existing research gap that motivates this investigation.

At present, there is a dearth of comprehensive studies that specifically address the nuanced aspects of 'financial inclusion' concerning women SHGs in Pune district's PSU banks under the PMJDY framework. While some research has explored the general impact of PMJDY on 'financial inclusion' and economic empowerment, there remains a significant gap in understanding how this initiative specifically affects women SHGs in terms of savings and investment opportunities, credit access, and insurance services utilization.

One notable research gap lies in the comparative analysis between PMJDY account holders and ordinary account holders among women SHGs. While previous studies have examined the overall impact of PMJDY on 'financial inclusion', there is a lack of research that delves deeper into the specific differences, if any, between these two groups in terms of their access to financial services. Understanding these differences is crucial for policymakers and financial institutions to tailor their 'interventions effectively and ensure that the benefits of PMJDY reach all segments of society equitably'.

Furthermore, while there is some research on 'financial inclusion' among SHGs, most studies have focused on rural areas or specific socio-economic groups, with limited attention given to urban or semi-urban settings like Pune district. Given the unique demographic and economic characteristics of urban areas, there is a need for research that specifically examines the 'financial inclusion' challenges and opportunities faced by women SHGs in urban settings within the context of PMJDY and PSU banks.

Moreover, the existing literature predominantly focuses on quantitative analysis, providing statistical evidence of the impact of PMJDY on 'financial inclusion' indicators. However, there is a paucity of qualitative studies that explore the lived experiences, perceptions, and barriers faced by women SHGs

in accessing financial services through PMJDY in PSU banks. 'Qualitative research can provide valuable insights into the socio-cultural, institutional, and structural factors that influence women's engagement with financial institutions and shape their financial behaviour.'

Addressing these research gaps is essential for advancing our understanding of the effectiveness of PMJDY in promoting 'financial inclusion' among women SHGs in Pune district's PSU banks. By filling these gaps, this study aims to contribute to the existing literature on 'financial inclusion', inform policy decisions, and ultimately empower women to participate more actively in economic activities and improve their overall well-being.

4. OBJECTIVES OF THE STUDY

1. To investigate whether there is a significant difference in savings and investment opportunities between PMJDY account holders and ordinary account holders among women SHGs in Pune district's PSU banks.
2. To examine whether there is a significant variance in credit access between PMJDY account holders and ordinary account holders among women SHGs in Pune district's PSU banks.
3. To assess if there is a notable distinction in insurance services utilization between PMJDY account holders and ordinary account holders among women SHGs in Pune district's PSU banks.

5. RESEARCH METHODOLOGY

Sampling: A sample of 20 'PMJDY account holders women SHGs' and 20 'ordinary account holders women SHGs' is chosen from Pune district's PSU banks. The selection is made through a random sampling method to ensure representativeness.

Data Collection: Primary data is collected through a structured questionnaire designed to capture the opinions of participants on three aspects of 'financial inclusion': Savings and Investment Opportunities, Credit Access, and Insurance Services. The questionnaire includes closed-ended questions to gather quantitative data on qualitative aspects on a Ten-point scale.

Descriptive Analysis: Descriptive statistics such as 'mean' and 'standard deviation' are calculated for each aspect of 'financial inclusion' based on the responses collected. These statistics provide an overview of the distribution and variability of opinions among the sample groups. Bar diagrams are used to visually represent the descriptive analysis results, allowing for easy interpretation and comparison.

Hypothesis Testing: The 'Independent Sample T-test' is employed to compare the 'financial inclusion' scores of 'PMJDY account holders women SHGs' and 'ordinary account holders women SHGs' for each aspect. 'This statistical test determines whether there is a significant difference in the 'mean' scores between the two groups,' thereby testing the hypotheses formulated.

Data Processing and Analysis: Microsoft Excel is utilized for data processing, analysis, and visualization. The collected data is entered into Excel sheets for organization and manipulation. Statistical functions and formulas are applied to calculate descriptive statistics, conduct hypothesis tests, and generate graphical representations of the findings.

Limitations: Several limitations are acknowledged in this study. Firstly, 'the sample size may not be representative of the entire population, limiting the generalizability of the findings.' Additionally, self-reporting bias and social desirability bias may influence the responses collected through the questionnaire. Furthermore, 'the study's reliance on cross-sectional data restricts the ability to establish causality between variables.' Lastly, the use of Excel for data analysis may impose limitations in handling complex statistical analyses compared to specialized statistical software.

6. RESEARCH HYPOTHESIS

Savings and Investment Opportunities:

H0: The study finds 'no significant difference' in the Savings and Investment Opportunities between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'

H1: The study finds a 'significant difference' in the Savings and Investment Opportunities between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'.

Credit Access:

H0: The study finds 'no significant difference' in the Credit Access between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'.

H1: The study finds a 'significant difference' in the Credit Access between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'.

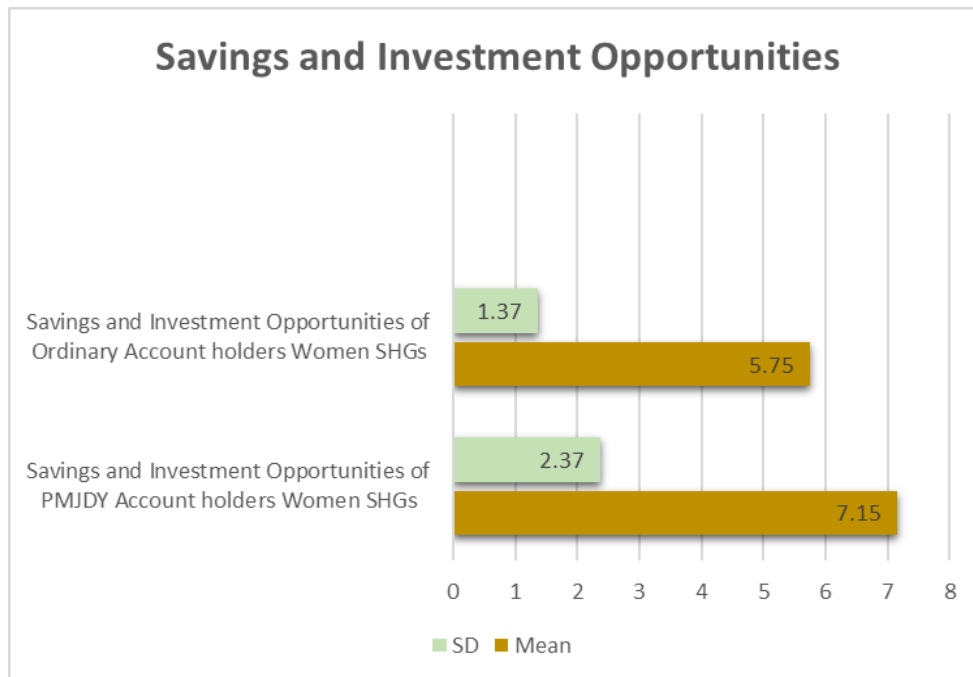
Insurance Services:

H0: The study finds 'no significant difference' in the Insurance Services between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'.

H1: The study finds a 'significant difference' in the Insurance Services between 'PMJDY Account holders Women SHGs' and 'Ordinary Account holders Women SHGs'.

7. DATA ANALYSIS & INTERPRETATION

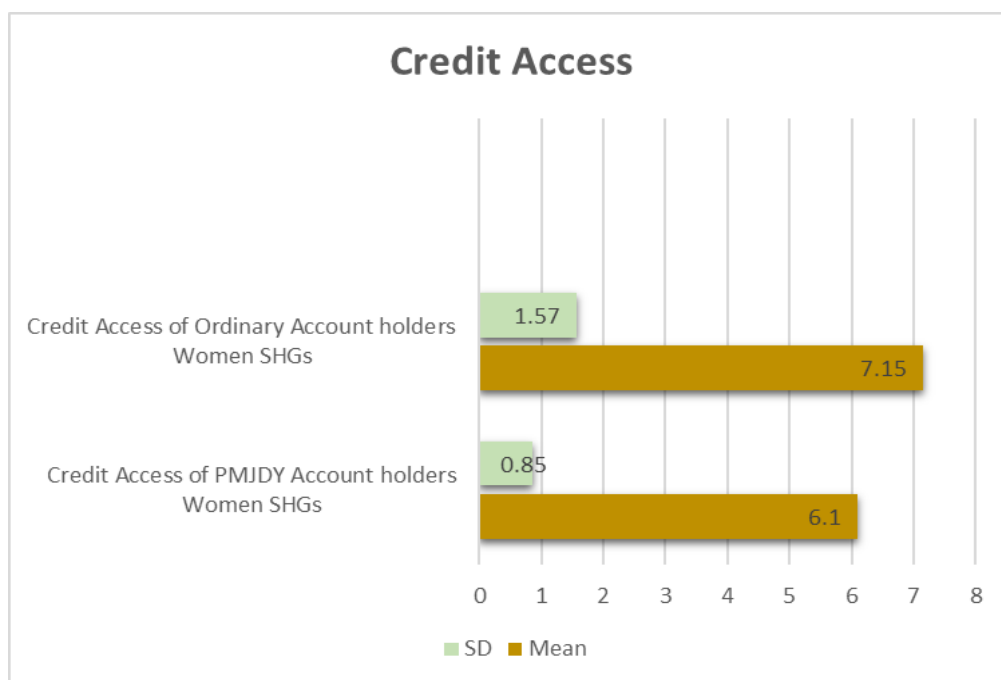
Analysis of Savings and Investment Opportunities:



The results of the 'Independent Sample T-test' reveal a 'statistically significant difference' in Savings and Investment Opportunities between PMJDY Account holders Women SHGs and Ordinary Account holders Women SHGs ($t(38) = 2.28$, $p = 0.02$). With a critical t-statistic value of 2.28 exceeding the critical value at a 5% level of significance, we 'reject the null hypothesis (H0) and accept the alternative hypothesis (H1)', indicating that there is indeed a significant difference in

Savings and Investment Opportunities between the two groups. The 'mean' Savings and Investment Opportunities score for PMJDY Account holders Women SHGs ($M = 7.15$, $SD = 2.37$) is notably higher than that of Ordinary Account holders Women SHGs ($M = 5.75$, $SD = 1.37$), suggesting that PMJDY account holders have better access to savings and investment opportunities compared to their counterparts. This implies that the 'Pradhan Mantri Jan Dhan Yojana' has been effective in improving access to financial resources for women SHGs, enabling them to pursue investment opportunities and enhance their financial well-being.

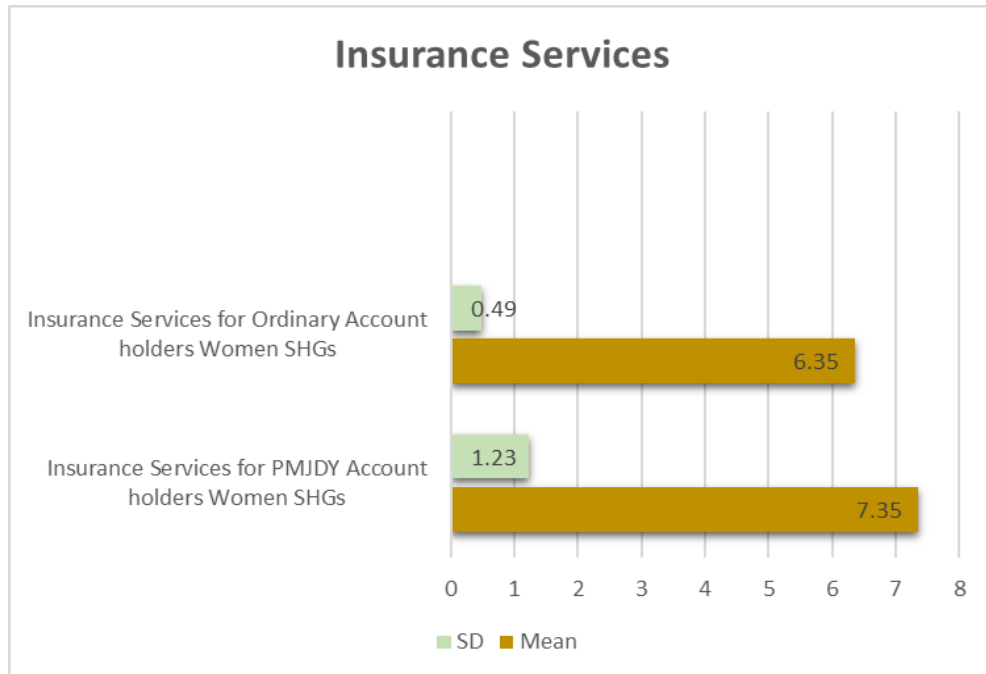
Analysis of Credit Access:



The results of the 'Independent Sample T-test' indicate a 'statistically significant difference' in Credit Access between PMJDY Account holders Women SHGs and Ordinary Account holders Women SHGs ($t(38) = -2.63$, $p = 0.01$). With a critical t-statistic value of -2.63 falling beyond the critical value at a 5% level of significance, we 'reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1)', suggesting that there is indeed a significant difference in Credit Access between the two groups. Interestingly, the 'mean' Credit Access score for PMJDY Account holders Women SHGs ($M = 6.1$, $SD = 0.85$) is lower than that of Ordinary Account holders Women SHGs ($M = 7.15$, $SD = 1.57$). This indicates that PMJDY account holders have relatively poorer access to credit compared to ordinary account holders among women SHGs. It implies that while PMJDY has succeeded in providing basic

banking services to these groups, it may not have been as effective in facilitating credit access, highlighting a potential area for improvement in 'financial inclusion' initiatives targeted towards women SHGs.

Analysis of Insurance Services:



The 'Independent Sample T-test' results reveal a 'statistically significant difference' in Insurance Services between PMJDY Account holders Women SHGs and Ordinary Account holders Women SHGs ($t(38) = 3.38$, $p = 0.002$). With a critical t-statistic value of 3.38 exceeding the critical value at a 1% level of significance, we 'reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1)', indicating that there is indeed a significant difference in Insurance Services between the two groups. Notably, the 'mean' Insurance Services score for PMJDY Account holders Women SHGs ($M = 7.35$, $SD = 1.23$) is higher than that of Ordinary Account holders Women SHGs ($M = 6.35$, $SD = 0.49$). This suggests that PMJDY account holders have better access to insurance services compared to ordinary account holders among women SHGs. The findings imply that the PMJDY initiative has effectively improved access to insurance services for women SHGs, contributing to their financial security and risk mitigation.

8. CONCLUSION

The findings of this study underscore the significant impact of the "Pradhan Mantri Jan Dhan Yojana (PMJDY)" on the 'financial inclusion' of 'Women Self-Help Groups (SHGs)' in

Pune district's "Public Sector Banks (PSU banks)". The study objectives aimed to investigate the differences in savings and investment opportunities, credit access, and insurance services between PMJDY account holders and ordinary account holders among women SHGs. The results reveal that PMJDY account holders have notably better access to savings and investment opportunities and insurance services compared to ordinary account holders, demonstrating the effectiveness of PMJDY in enhancing 'financial inclusion' in these aspects. However, it is observed that PMJDY account holders exhibit relatively poorer access to credit compared to ordinary account holders among women SHGs, indicating a potential area for further intervention to ensure equitable access to financial resources. Overall, the findings highlight the importance of targeted 'financial inclusion' initiatives in empowering women SHGs and fostering their economic resilience and well-being.

9. RECOMMENDATIONS

The following recommendations can be proposed to further enhance the effectiveness of 'financial inclusion' initiatives, particularly targeting 'Women Self-Help Groups (SHGs)' in Pune district's "Public Sector Banks (PSU banks)" under the "Pradhan Mantri Jan Dhan Yojana (PMJDY)".

Firstly, considering the significant difference in savings and investment opportunities between PMJDY account holders and ordinary account holders among women SHGs, it is imperative to continue promoting and expanding the reach of PMJDY. This can be achieved through targeted awareness campaigns and outreach programs to encourage more women to open PMJDY accounts and avail themselves of the associated benefits. Additionally, efforts should be made to provide financial literacy and training programs specifically tailored to the needs of women SHGs, empowering them to make informed decisions regarding savings and investments.

Secondly, addressing the observed disparity in credit access between PMJDY account holders and ordinary account holders among women SHGs is crucial. To bridge this gap, PSU banks should consider implementing measures to streamline the credit application process and reduce barriers to accessing credit for PMJDY account holders. This may include simplifying documentation requirements, offering financial counselling services, and providing tailored credit products designed to meet the needs of women SHGs. Furthermore,

collaborations with microfinance institutions and non-banking financial companies could be explored to expand the range of credit options available to PMJDY account holders, thereby enhancing their financial flexibility and capacity for investment.

Lastly, in light of the positive association between PMJDY account ownership and access to insurance services among women SHGs, efforts should be made to further promote the uptake of insurance products within this demographic. PSU banks can play a proactive role in this regard by offering insurance products bundled with PMJDY accounts or providing incentives for women SHGs to enrol in insurance schemes. Additionally, targeted financial education programs focusing on the importance of insurance and risk management could help raise awareness and encourage uptake among women SHGs. Collaborations with insurance companies and government agencies may also facilitate the development and promotion of insurance products tailored to the specific needs and preferences of women SHGs in Pune district.

By implementing these recommendations, stakeholders can work towards ensuring that women SHGs in Pune district's PSU banks are fully empowered to leverage the opportunities afforded by PMJDY for their 'financial inclusion' and socio-economic advancement. Through targeted interventions addressing savings, credit, and insurance needs, the potential of women SHGs as agents of economic growth and development can be realized, contributing to a more inclusive and resilient financial ecosystem.

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