

PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY) - NATIONAL MISSION FOR FINANCIAL INCLUSION, COMPLETES SEVEN YEARS OF SUCCESSFUL IMPLEMENTATION

Relevant for: Economy | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

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 Yojna (PMJDY), which is one of the biggest financial inclusion initiatives in the world.

PMJDY was announced by Prime Minister, Shri Narendra Modi in his Independence Day address on 15th August 2014. While launching the programme on 28th August, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle.

On the 7th Anniversary of PMJDY, Finance Minister Smt. Nirmala Sitharaman reiterated the importance of this Scheme *“The journey of PMJDY led interventions undertaken over a short span of 7 years has in effect, produced both transformational as well as directional change thereby making the emerging FI ecosystem capable of delivering financial services to the last person of the society-the poorest of the poor. The underlying pillars of PMJDY, namely, Banking the Unbanked, Securing the Unsecured and Funding the Unfunded has made it possible to adopt multi-stakeholders’ collaborative approach while leveraging technology for serving the unserved and underserved areas as well.”* she said

Minister of State for Finance, Dr. Bhagwat Karad also expressed his thoughts for PMJDY on this occasion. He said *“Pradhan Mantri Jan Dhan Yojana (PMJDY) has been one of the most far reaching initiatives towards Financial Inclusion not only in India but in the world. Financial Inclusion is among top-most priorities of the Government as it is an enabler for inclusive growth. It provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families besides taking them out of the clutches of the usurious money lenders.”*

As we complete 7 years of successful implementation of this Scheme, we take a look at the major aspects and achievements of this Scheme so far.

Background

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.

The scheme was launched based upon the following 6 pillars:

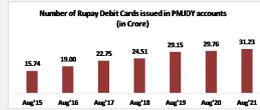
PMJDY has been the foundation stone for people-centric economic initiatives. Whether it is direct benefit transfers, COVID-19 financial assistance, PM-KISAN, increased wages under MGNREGA, life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.

One in 2 accounts opened between Mar'14 to Mar'20 was a PMJDY account. Within 10 days of nationwide lockdown more than about 20 crore women PMJDY accounts were credited with ex-gratia.

Jandhan 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. PMJDY has brought the unbanked into the banking system, expanded the financial architecture of India and brought financial inclusion to almost every adult.

In today's COVID-19 times, we have witnessed the remarkable swiftness and seamlessness with which Direct Benefit Transfer (DBTs) have empowered and provided financial security to the vulnerable sections of society. An important aspect is that DBTs via PM Jan Dhan accounts have ensured every rupee reaches its intended beneficiary and preventing systemic leakage.





A mobile application, was launched to provide a citizen centric platform for locating banking touch points such as bank branches, ATMs, Bank Mitras, Post Offices, etc. in the country. Over 8 lakh banking touchpoints have been mapped on the GIS App. The facilities under Jan Dhan Darshak App could be availed as per the need and convenience of common people. The web version of this application could be accessed at the link <http://findmybank.gov.in>.

This app is also being used for identifying villages which are not served by banking touchpoints within 5 km. these identified villages are then allocated to various banks by concerned SLBCs for opening of banking outlets. The efforts have resulted in significant decrease in number of such villages.



As per announcement made by the Hon'ble Finance Minister on 26.3.2020, under PM Garib Kalyan Yojana, an amount of Rs. 500/- per month for three months (April'20 to June'20), was credited to the accounts of women account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY). A total of Rs. 30,945 crore have been credited in accounts of women PMJDY account holders during Covid lockdown

As informed by banks, about 5 crore PMJDY account holders receive direct benefit transfer (DBT) from the Government under various schemes. To ensure that the eligible beneficiaries receive their DBT in time, the Department takes active role in identification of avoidable reasons for DBT failures in consultation with DBT Mission, NPCI, banks and various other Ministries. With close monitoring in this regard through regular VCs with banks and NPCI, the share of DBT failures due to avoidable reasons as a percentage of total DBT failures has decreased **from 13.5% (FY 19-20) to 5.7% (FY 20-21)**.

RM/KMN

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 Yojna (PMJDY), which is one of the biggest financial inclusion initiatives in the world.

PMJDY was announced by Prime Minister, Shri Narendra Modi in his Independence Day address on 15th August 2014. While launching the programme on 28th August, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle.

On the 7th Anniversary of PMJDY, Finance Minister Smt. Nirmala Sitharaman reiterated the importance of this Scheme *“The journey of PMJDY led interventions undertaken over a short span of 7 years has in effect, produced both transformational as well as directional change thereby making the emerging FI ecosystem capable of delivering financial services to the last person of the society-the poorest of the poor. The underlying pillars of PMJDY, namely, Banking the Unbanked, Securing the Unsecured and Funding the Unfunded has made it possible to adopt multi-stakeholders’ collaborative approach while leveraging technology for serving the unserved and underserved areas as well.”* she said

Minister of State for Finance, Dr. Bhagwat Karad also expressed his thoughts for PMJDY on this occasion. He said *“Pradhan Mantri Jan Dhan Yojana (PMJDY) has been one of the most far reaching initiatives towards Financial Inclusion not only in India but in the world. Financial Inclusion is among top-most priorities of the Government as it is an enabler for inclusive growth. It provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families besides taking them out of the clutches of the usurious money lenders.”*

As we complete 7 years of successful implementation of this Scheme, we take a look at the major aspects and achievements of this Scheme so far.

Background

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.

The scheme was launched based upon the following 6 pillars:

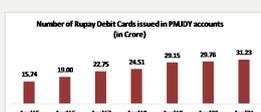
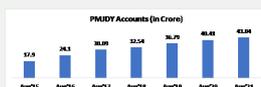
PMJDY has been the foundation stone for people-centric economic initiatives. Whether it is

direct benefit transfers, COVID-19 financial assistance, PM-KISAN, increased wages under MGNREGA, life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.

One in 2 accounts opened between Mar'14 to Mar'20 was a PMJDY account. Within 10 days of nationwide lockdown more than about 20 crore women PMJDY accounts were credited with ex-gratia.

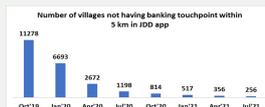
Jandhan provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders. PMJDY has brought the unbanked into the banking system, expanded the financial architecture of India and brought financial inclusion to almost every adult.

In today's COVID-19 times, we have witnessed the remarkable swiftness and seamlessness with which Direct Benefit Transfer (DBTs) have empowered and provided financial security to the vulnerable sections of society. An important aspect is that DBTs via PM Jan Dhan accounts have ensured every rupee reaches its intended beneficiary and preventing systemic leakage.



A mobile application, was launched to provide a citizen centric platform for locating banking touch points such as bank branches, ATMs, Bank Mitras, Post Offices, etc. in the country. Over 8 lakh banking touchpoints have been mapped on the GIS App. The facilities under Jan Dhan Darshak App could be availed as per the need and convenience of common people. The web version of this application could be accessed at the link <http://findmybank.gov.in>.

This app is also being used for identifying villages which are not served by banking touchpoints within 5 km. these identified villages are then allocated to various banks by concerned SLBCs for opening of banking outlets. The efforts have resulted in significant decrease in number of such villages.



As per announcement made by the Hon'ble Finance Minister on 26.3.2020, under PM Garib Kalyan Yojana, an amount of Rs. 500/- per month for three months (April'20 to June'20), was credited to the accounts of women account holders under Pradhan Mantri Jan Dhan Yojana (PMJDY). A total of Rs. 30,945 crore have been credited in accounts of women PMJDY account holders during Covid lockdown

As informed by banks, about 5 crore PMJDY accountholders receive direct benefit transfer (DBT) from the Government under various schemes. To ensure that the eligible beneficiaries receive their DBT in time, the Department takes active role in identification of avoidable reasons for DBT failures in consultation with DBT Mission, NPCI, banks and various other Ministries. With close monitoring in this regard through regular VCs with banks and NPCI, the share of DBT failures due to avoidable reasons as a percentage of total DBT failures has decreased **from 13.5% (FY 19-20) to 5.7% (FY 20-21)**.

RM/KMN

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com