

9.

Financial Literacy Among Citizens of Haryana State in India

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ABSTRACT

A destitute would wish to be financially embraced. A financially deprived would definitely wish to enjoy the financial inclusion status. Considering the importance of such wishes, United Nations developed SDGs i.e., Sustainability Development Goals. Signatories, to this, have tried to attain the mentioned goal of financial inclusion. India too had joined the pursuit and enunciated programs that may lead to its attainment. PMJDY, Pradhan Mantri Jan Dhan Yojana is one of such initiatives. The present paper is an attempt to roadmap the story of Haryana respondents through a structured questionnaire.

Keywords: Finance, Inclusion, Pradhan Mantri Jan Dhan Yojana, Sustainability Development Goals

INTRODUCTION

Financial Inclusion, as appraised by UN Sustainability Development Goals, is one of the goals towards attainment of Sustainable Development. World Bank also thrived to gain the aforementioned. Across the world, each and every country tends to accomplish in view of its precedence, political dominance, financial abilities of common masses etc. RBI has defined Financial Inclusion as “the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players.”

Enormous economic development benefits are associated with financial inclusion as revealed by research. Consider an instance of Kenya (as per World Bank Report, 2017), where a study discovered that especially women were benefitted with mobile money. Houses which were headed by them, such inclusion helped them to increase their savings and yield a better life for the inmates. The poverty was reduced to 22% there. Similarly in the country like Niger, it was found that there was reduction in waiting time by 20 hours as they may receive cash quickly now. According to the statistics of World Bank, in India however, only 35.2% adults above the age of 15 years possess bank accounts with financial institutions. Nearly 55% have deposit accounts and only 9% have certain credit accounts.

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It is also brought to the light that there exists only one branch per 18,000 persons. Pradhan Mantri Jan Dhan Yojna (PMJDY) program has six crucial pillars which include access to banking facilities, opening of bank accounts, creating financial literacy, generation of credit funds, micro-insurance and pension schemes.

REVIEW OF LITERATURE

Gupta and Gupta (2008) found that mobile penetration has created new landscape of opportunities for financial inclusion of rural areas. Ravichandran and Alkhathlan (2009) mentioned that in India very few have access to banking services. Awareness deficient people exist who have low income along with illiteracy. Researcher proposed RBI education institute linked models. Biswas (2010) said that banks have positioned Biometric ATMs to yield banking services to the rural population. Shetty and Deokar (2014) observed that mere policy creation won't help, the efficient execution at the ground level is also required. Gitte (2015) supported by saying that financial inclusion would be boon for the underprivileged.

OBJECTIVES

1. To know the salient features and benefits enjoyed from PMJDY account holders.
2. To analyze the current status and progress of the PMJDY scheme

SCOPE

The study intends to understand the financial literacy among divergent class of people, as it will include all like private/public employees, businessmen, and unemployed. The study is targeted towards natives of Boh and Baldev Nagar of Ambala, Haryana.

RESEARCH METHOD

Research Design

Research design is descriptive. Random and Convenience Sampling has been employed

Data Collection

Primary data is collected with the help of questionnaire.

Secondary data is collected from already available published information like journals, newspapers etc.

DATA ANALYSIS

1. Are you the benefiter of PMJDY scheme?

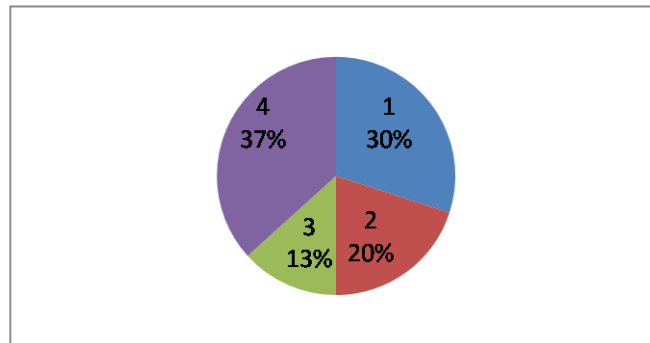


Fig 1. Benefiter of PMJDY

Interpretation:- Fig 1 shows that 37% respondents were strongly agree, 30% were agree, 20% disagree and 13% were strongly disagree. We have seen that various people have been benefited from PMJDY scheme. They avail those benefits from the nearby bank in their area. (The above question has been asked on likert scale)

2. PMJDY aids in improving the country's economic growth

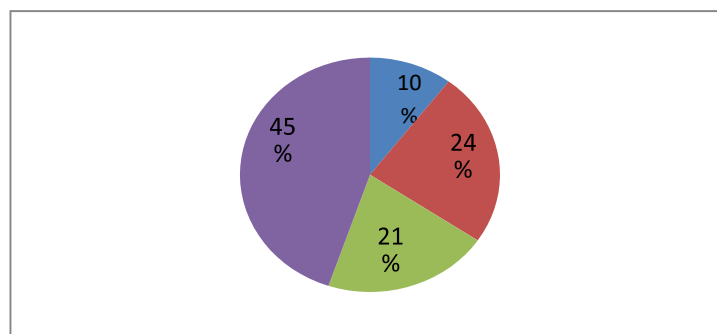


Fig 2. PMJDY contribution towards economic growth

Interpretation: - PMJDY is helpful in economic growth. Fig 2 shows that 45% respondents were strongly agree, 10% were agree, 24% were disagree and 21% were strongly disagree. There were various benefits availed by people in that particular area. PMJDY provides financial help to poor people who were living in remote areas.

3. PMJDY is an effective policy measure to solve the problem of financial inclusion

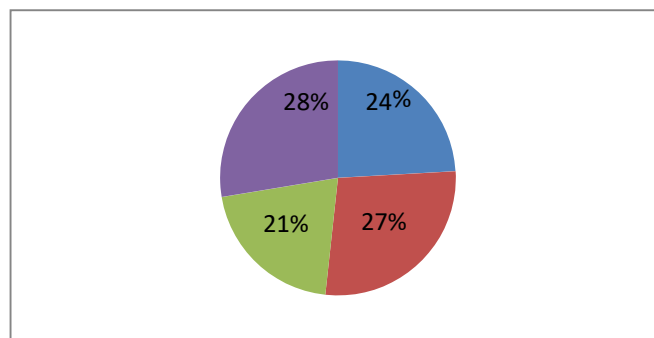


Fig 3 Effective Policy

Interpretation: - PMJDY is an effective policy measure to solve the financial inclusion. Likert scale was used like there are people who believed that it is very effective policy measure, less effective policy measure and not effective policy measure. It was found that 28% respondents were strongly agree, 24% agree, 21% responded strongly disagree and 27% respondents were disagree.

4. People are aware of the provision of accidental insurance worth Rs. 100,000 under this scheme

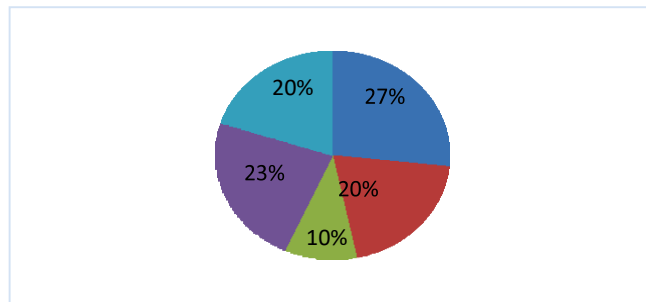


Fig 4. Scheme Awareness

Interpretation: - There were few people who were aware of the provision of accidental insurance worth Rs.1 lac under this scheme, because people don't know the correct way to open the accounts and this scheme is only for those people who belong to the below poverty line population. It was found that 23% respondents were strongly agree, 27% were agree, 20% neither agree nor disagree, 20% disagree and 10% were strongly disagree.

5. Processing under this scheme is easy

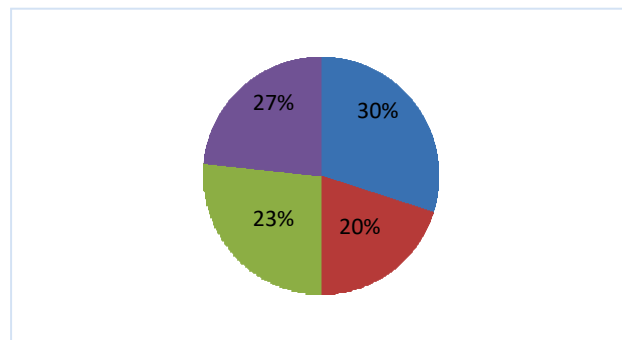


Fig 5. Processing

Interpretation: - Financial Inclusion is not easy process because there are various steps involved in the financial inclusion. It was found that 23% respondents were strongly agree, 30% respondents were agree, 27% respondents were disagree and 20% were strongly disagree.

6. PMJDY is effectively advertised / published

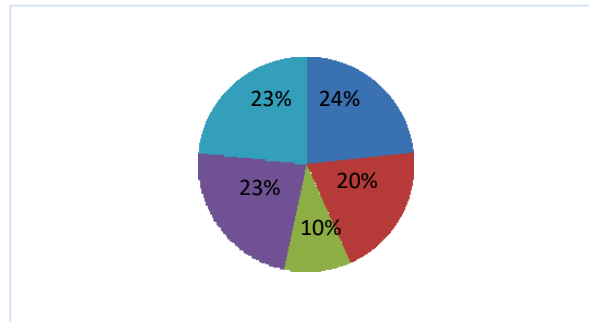


Fig 6. Advertisements of PMJDY

Interpretation: - It has been seen that advertisements and published sources are used for financial inclusion. It was found that, 23% respondents were strongly agreed, 24% respondents were agree, 23% responded neither agree nor disagree, 20% were disagree and 10% respondents were strongly disagree.

7. PMJDY is an eye-wash

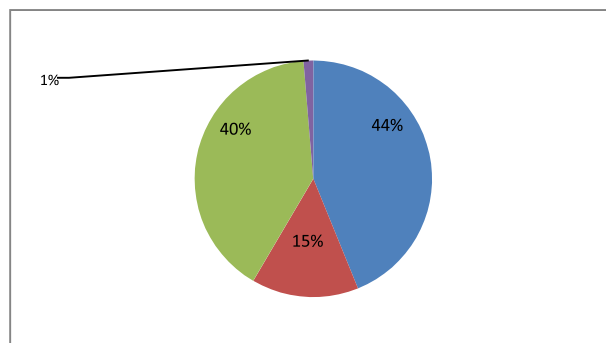


Fig 7. Eye Wash

Interpretation: -It is an eye-wash for most of the people who are living in Haryana. It was found that 1% respondents were strongly agree, 44% respondents were agree, 40% were strongly disagree and 15% respondents were disagree.

8. Information regarding this scheme is not adequately available at the bank

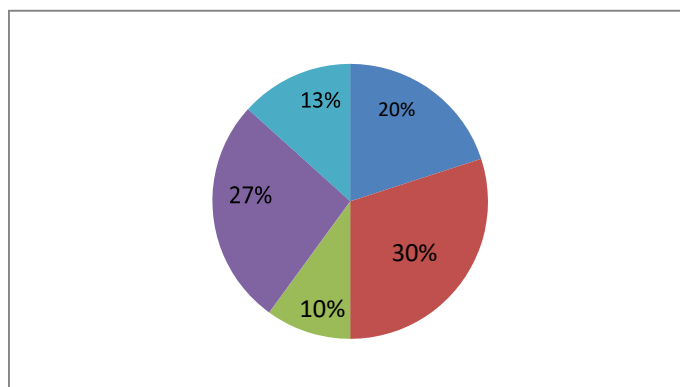


Fig 8. Information availability

Interpretation: - Information regarding this scheme is not adequately available at the bank. It was found that 27% respondents were strongly agree, 20% were agree, 13% responded neither agree nor disagree, 30% were disagree and 10% respondents were strongly disagree

9. Over the past couple of years, have you been anywhere for taking advice about money matters?

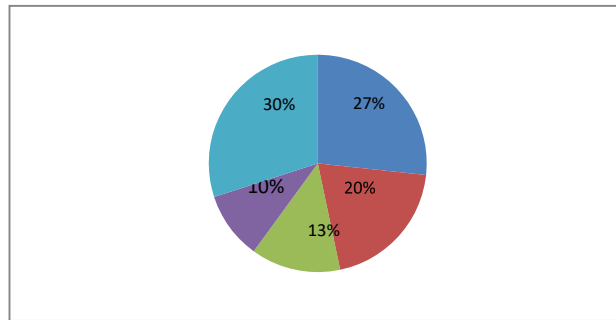


Fig 9. Money matter advice

Interpretation: - Many are taking advice about money matters. It was found that 10% respondents were strongly agree, 27% were agree, 30% responded neither agree nor disagree, 20% were disagree and 13% respondents were strongly disagree.

10. PMJDY is an important scheme for human welfare

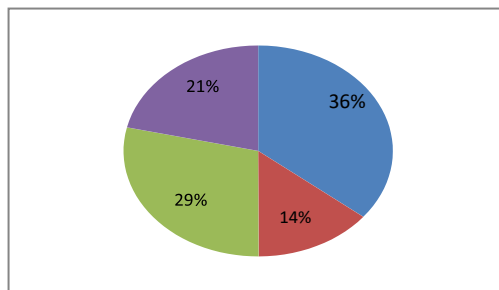


Fig 10. Scheme for human welfare

Interpretation: - PMJDY is an important scheme for human welfare. It is helpful for poor people who belong to the below poverty line population. It was found that 21% respondents were strongly agree, 36% were agree, 14% were disagree and 29% respondents were strongly disagree.

FINDINGS

- There are lots of initiatives which are taken by banks and some of them are quite successful.
- Out of 150 villages having population above 2000 (as per census 2002), 65 villages were already having access to banks before initiation of Swabhimann. In the span of two years remaining 62 villages were equipped with financial access and services.

- According to PMJDY progress report on the website, the coverage is 100% in Ambala district of Haryana.
- Public sector banks have the highest share in Ambala district.
- Only one RRB was allotted financial inclusion initiative in Ambala district.
- The share of Private sector banks in promoting financial inclusion is less than Public and Cooperative banks.
- There is only one branch to cover the 19 sq. km. area of Ambala district
- In every tehsil of Ambala district, there are 37 branches of banks.
- On an average one branch is doing business with 1988 households.

CONCLUSION

The paper was an attempt to understand the financial inclusion among the natives of Haryana and found that PMJDY was successful in attaining the stated objectives. And the scheme was a success as it was able to include the financially excluded.

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