
The Impact of PMJDY on Micro Entrepreneurs - A study in Karnataka state

Ms. Gowri Hebbar, Assistant Professor, VET First Grade College, J P Nagar, Bengaluru

Dr. Abhijit Chakraborty, Associate Professor, School of Commerce and Management Studies, Dayananda Sagar University, Bengaluru.

Abstract

This study provides an extensive overview of the current status of PMJDY in Karnataka. Through a systematic review of literature, government reports and statistical data it examines the implementation progress, financial inclusion of people, direct benefit transfer and digitalization. Furthermore, this article examines the impact of PMJDY on Micro - Entrepreneurs with respect to banking the unbanked, securing the unsecured and funding the unfunded. District wise data of PMJDY account holders are observed to find out the level financial inclusion of people in different districts of Karnataka. Case studies of Microentrepreneurs who availed loan under PMJDY extension MUDRA which is specifically launched by Government of India in the year 2015 for their business and succeeded in the business to analyses the impact of MUDRA in Karnataka state. This paper found that Karnataka state stands at 16th Position in the financial inclusion through PMJDY and a greater number of PMJDY accounts was found in all districts of Karnataka. Greater number of women account holders was found in Coastal Karnataka and men account holders were opened in North Karnataka. MUDRA, an extension of PMJDY supported to the core to the needy people in most of the districts of

Karnataka. Greater number of women were Benefitted from PMJDY and MUDRA yojana than the men. 64% of the beneficiaries of MUDRA have taken loan under Shishu which extends loan up to 2,50,000 for businesses like flower garlanding, coffeeshop etc. & 36 % of the beneficiaries have availed loan under Kishore category for their business.

Key words: PMJDY, MUDRA, Micro entrepreneurship, financial inclusion.

Introduction

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

-Franklin D Roosevelt

Government has launched the financial inclusion program the Pradhana Mantri Jan Dhan Yojana on 28th August 2014. The Prime minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle. It has been 10 years now and a large number of unbanked sectors have come under the purview of financial inclusion. The

government has decided to extend the comprehensive PMJDY Program beyond 28/8/2018 with the change in focus on opening accounts from every household to every adult with the following modifications.

1. Existing OD limits of Rs 5.000 revised to Rs. 10000.
2. No conditions attached for active PMJDY accounts availing OD up to 2,000.
3. Accident insurance cover of Rs. 1.00.000 enhances to Rs. 200000 for the account holders and Rupay cards are issued to the holders to promote online transaction.
4. These accounts are eligible for direct benefit transfer Pradhan Mantri Jeevan Jyothi Bhima Yojan, Pradhan Mantri Suraksha Bima Yojana Atal Pension Yojana and Micro units Development & Refining Agency Bank (MUDRA) scheme.

MUDRA Yojana Is the scheme initiated by Government of India as an extension of PMDJY which focuses on rural and Micro entrepreneurship by assisting credit facility without collateral security. Entrepreneurs can avail three types of MDRA Loans viz 1. SHISHU, 2. KISHORE & 3. TARUN.

This paper aims to understand current status of PMJDY in different districts of Karnataka to analyze how far this scheme has reached rural people and the impact of opening an account in

PMJDY which led them to take a loan under MUDRA Yojana.

Review of Literature

Below n articles are reviewed and the summary is been given in a stanza and arranged in chronological order from past to present.

1. *Jeet Singh & et al. (2012)* has conducted a study on micro finance as a tool for financial inclusion & reduction of poverty. This paper throws light on the problems of micro finance in India and to the different government initiatives on micro finance and found that Micro finance as a powerful tool in poverty alleviation and there is an urgent need for proliferation of this tool in a systematic and steady pace in the urban and rural areas.
2. *Shamika Ravi & et al. (2015)* this paper interestingly states that micro entrepreneurs and farmers are required lump sum of cash to purchase fertilizers, agricultural tools or for school fees, wedding and for medical emergency. They also require money for day-to-day expenditure and health emergencies. To support such needs Government has initiated MUDRA scheme which enables the needy public to access lump sum amount to go ahead with starting entrepreneurial activities.

-
3. *V. Balachandran & et al. (2017)* have done a study to identify the determinants of financial literacy and education and role of PMJDY in India. Authors defined gender, age, education and income, geographical region and employment as determinants and concluded that 35% Zero balanced accounts were opened under PMJDY scheme. This research was done on secondary data and gives scope to find the benefit of PMJDY.
 4. *Muhammed Umer Niaz & et al. (2021)*. This is the review paper focused on the effect of financial inclusion through micro finance on entrepreneurial development. Easy access to micro finance enables potential entrepreneurs to have market share, production, productivity number of employees and growth of SMEs. This paper found that large number of literature shows a significant positive impact of financial inclusion on entrepreneurial development.
 5. *Amanisha Borah (2022)* highlighted the importance of financial inclusion and tried to study the overall progress under PMJDY. A descriptive study has conducted and found that financial inclusion in the rural areas is a win-win opportunity for the people who involved in the banking system.
 6. *Kamal Bhatta & et al. (2022)* this research paper focuses on Micro unit schemes and its benefits. MUDRA Yojana Was thoroughly analysed and found that “it will significantly boost the self-assurance of young, educated or skilled workers who can now persevere becoming first generation entrepreneurs.” MUDRA yojana empowered the life style and socio economic conditions of the beneficiaries across the country.
 7. *Krishna Dey (2022)* this study examined the performance of PMJDY in various states of India by collecting data from secondary sources from the year 2015 to 2019. He assessed each state with respect to PMJDY beneficiaries and the extent to which people are using this facility and found that Chhattisgarh has a greater number of beneficiaries as percentage of population. And Goa is worst performer in this case. He found that proper implementation of PMJDY can change the life of millions of people.
 8. *Pankaj Gupta & et al. (2022)* have conducted a study on status of PMJDY and analyzed the data based on state wise account opening report, Bank Category, Public Sector Banks etc. and found that PMJDY marks a turning point in the government’s efforts to increase financial inclusion particularly in economically weaker section. This study further leads to analyses the progress of PMJDY and
-

benefits of PMJDY in each state and to find the impact of PMJDY on each state.

9. *Neeraj Shah (2023)* in his research paper investigated about the effect of PMJDY on access of credit by individuals who are below poverty line. He has conducted an elaborated survey and used Regression analysis to analyze the data at national level to examine the relationship between the number of PMJDY account holders and the population in different states. Major finding of the research paper is that the increasing trend in total PMJDY account across states shows the program's effectiveness in the financial inclusion of unbanked people below poverty line. This study opens up the further discussion for types and volumes of the credit extended to the beneficiaries.

Statement of the problem

Impact of PMJDY can be analysed on the basis of the number of PMJDY accounts opened in each district of Karnataka. This study has done to Gender wise and region wise analysis of PMJDY account holders to know about the number of beneficiaries of PMJDY and the percentage of men and women involvement in financial inclusion. This paper also tried to find the impact of MUDRA the extension of PMJDY on micro entrepreneurs by analysing few case

studies belong to different districts of Karnataka.

Objectives of the Study

1. To understand the current status of PMJDY in various districts of Karnataka gender wise.
2. To analyze the impact of MUDRA, an extension of PMJDY on Micro entrepreneurs.

Methodology

The Impact of PMJDY on Micro entrepreneurs - This study is a descriptive study mainly concentrated on Karnataka state. The information has been collected from all the districts of Karnataka to understand the current status of PMJDY in Karnataka. The research is done on secondary data. Many papers have been reviewed and data has been collected from reputed journals, books, published articles, government websites, internet sources and newspapers. Pie chart is used to compare the total number of women PMJDY account holder to the Men PMJDY account holder in the state and district wise analysis is done by using Bar diagram. Districts of Karnataka has been divided in to three The parts, North Karnataka, South Karnataka and Coastal Karnataka and Cross tab has been prepared to understand the total number of male account holders and

female account holders in three parts of the state. Practical instances from few districts have been studied to find the impact of PMJDY through MUDRA Yojana and also to find out the beneficiary's gender wise.

Current Status of PMJDY

As per the report of technical group by the national commission, the population of the Karnataka is projected to be 67,833,000 on July 1, 2023. There are 34,413,000 males and 34,419,000 females in Karnataka. Total PMJDY accounts opened in Karnataka state is 1,74,72,330 and it stands in 16th position in financial inclusion through PMJDY. It is further divided in to Male account holders and female account holders to understand the level of women inclusion in banking activities.

Table No 1.1 Table Showing Gender Wise Pmjdj Beneficiaries- Karnataka State

Gender wise Population / PMJDY beneficiaries	Male	Female	Total
Population	3,44,13,000	3,44,19,000	6,78,33,000
PMJDY beneficiaries	76,77,573	97,94,757	1,74,72,330
% of Beneficiaries	22	28	26

Source : <https://pmjdy.gov.in/account>

The table shows that among the total population 6,78,33,000 of Karnataka there are 3,44,13,000 and Female 3,44,19,000. The total number of people opened JanDhan Yojana is 1,74,72,330 among which 76,77,573 are male and 97,94,757 are women. The above table clearly shows that total 26% of total population have opened Jan Dhan Yojana and among them total 28 % are women and 22 % are male. It can be interpreted that more number of women have opened PMJDY account compared to Men in Karnataka state.

To study further, District wise data has been taken and analysed.

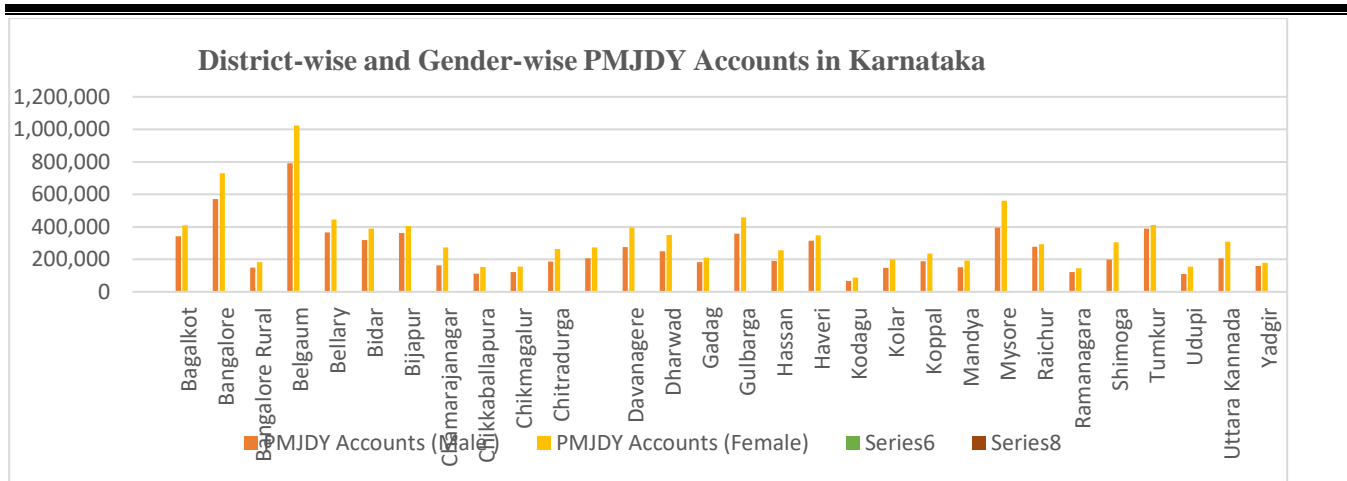
Table No 1.2 District wise And Gender Wise PMJDY Accounts in Karnataka

S.No	District	Total PMJDY accounts	PMJDY Accounts (Male)	% of Male Account Holder	PMJDY Accounts (Female)	% of Female Account Holder
1	Bagalkot	7,51,356	3,42,013	46	4,09,343	54
2	Bangalore	13,00,984	5,71,307	44	7,29,677	56
3	Bangalore Rural	3,32,432	1,49,990	45	1,82,442	55

4	Belgaum	18,16,311	7,91,910	44	10,24,401	56
5	Bellary	8,11,134	3,66,468	45	4,44,666	55
6	Bidar	7,07,779	3,17,888	45	3,89,891	55
7	Bijapur	7,67,189	3,62,305	47	4,04,884	53
8	Chamarajanagar	4,37,552	1,63,988	37	2,73,564	63
9	Chikkaballapura	2,64,828	1,11,982	42	1,52,846	58
10	Chikmagalur	2,76,817	1,22,478	44	1,54,339	56
11	Chitradurga	4,50,389	1,87,064	42	2,63,325	58
12	DakshinaKannada	4,79,627	2,07,031	43	2,72,596	57
13	Davanagere	6,70,837	2,75,771	41	3,95,066	59
14	Dharwad	6,00,908	2,50,372	42	3,50,536	58
15	Gadag	3,92,208	1,82,365	46	2,09,843	54
16	Gulbarga	8,16,408	3,57,580	44	4,58,828	56
17	Hassan	4,46,375	1,90,786	43	2,55,589	57
18	Haveri	6,62,807	3,14,206	47	3,48,601	53
19	Kodagu	1,54,516	66,294	43	88,222	57
20	Kolar	3,47,997	1,48,062	43	1,99,935	57
21	Koppal	4,24,324	1,88,832	45	2,35,492	55
22	Mandya	3,45,570	1,52,117	44	1,93,453	56
23	Mysore	9,55,576	3,95,567	41	5,60,009	59
24	Raichur	5,70,860	2,77,633	49	2,93,227	51
25	Ramanagara	2,66,514	1,22,129	46	1,44,385	54
26	Shimoga	5,03,195	1,98,209	39	3,04,986	61
27	Tumkur	8,00,516	3,89,113	49	4,11,403	51
28	Udupi	2,65,098	1,09,948	41	1,55,150	59
29	Uttara Kannada	5,14,408	2,05,760	40	3,08,648	60
30	Yadgiri	3,37,815	1,58,405	47	1,79,410	53

Source: <https://m.data.gov.in/resource/district-wise-pradhan-mantri-jan-dhan-yojana-pmjdy-accounts>

Figure 1.2 District wise and Gender wise PMJDY Accounts in Karnataka



Source: Self Compiled

Total number of JanDhan Accounts of each district has been collected and analyzed number of accounts on Gender wise.

The above table shows the Total number of PMJDY account holders in each District followed by Number of Male Account holders and Female Account Holders. There are total 7,51,356 JanDhan Accounts in Bagalkot in which 46% of account holders are Male And remaining 54 % account holders are female. Bengaluru Urban has 13,00,984 number of accounts and in that 44% are male account holders and 56% are female account holders. Bengaluru Rural alsohas a greaterpercentage of female accountsi.e. 55% than the male accounts 45%. Belgaum District has total number of 18,16,311 accounts in which 44% are male account holders and 56% are of female accountholders. In Bellary there are total 8,11,134 number of accounts opened, among

them 45% are male and 55% are female. Bidar has 7,07,779 PMJDY Accounts in which 45% are male and 55% are female account holders. There are total number of PMJDY accounts 7,67,189 in Bijapur in which 47% are male beneficiaries and 53% female accounts holders. Chamaraj Nagar ‘s total PMJDY accounts are 4,37,552 which is consisting of 37% male account holders and 63% female accounts holders. 42% male accounts and 58% female accounts are opened in Chikkaballapura in Toto 2,64,828 accounts are opened. In Chikmagaluru, 2,76,817 accounts have opened among which 46% account holders are male and 54% are female account holders. There are 4,50,389 accounts in Chitra Durga ,42% male accountholders and 58% female accounts holders. There is total 4,79,627 PMJDY accounts in Dakshina Kannada in which 43% male account holders and 57% female account holders. Davanagere district is witnessed for

opening 6,70,837 Jan Dhan accounts in which 41% are male account holders and 59% Female account holders. 6,00,908 Jan Dhan Accounts are opened in Dharwad among those accounts 42% account holders are male and 58% of total account holders are female. Gadag has 3,92,208 accounts in which 46% are of male and 54% are female account holders. There is total 8,16,408 PMJDY accounts in Gulbarga among that 44% are male account holders and 56% female account holders. There are 4,46,375 accounts have opened in Hassan and 43% accounts belong to male and 57% are female account holders. 6,62,807 accounts are opened in Haveri in which 47% accounts belong to male and 53% are women accounts. Total 1,54,516 accounts are in Kodagu District in which 43% are male account holders and 57% are female account holders. Kolar District has total 3,47,997 PMJDY accounts in which 43% belong to Male and 57% are female account holders. 4,24,324 PMJDY account are seen in Koppala and in that 45% are male account holders and 55% are female account holders. Mandya District reflects 3,45,570 PMJDY accounts in which 44% are male account holders and 56% female account holders. Mysore has 9,55,576 PMJDY accounts in which 41% Male account holders and 59% women account holders. Raichur has 49% of Male account holders and 51% of

female account holders. Ramanagar has 46% of male account holders and 54% of female account holders. Shimoga has 39% of male account and 61% of female account holders. Tumkur district has 49% of male accounts and 51% of female account holders. Udupi has 41% of male account holders and 59% female account holders. Uttara Kannada district includes 40% of male accounting holders and 60% female account holders. Yadagiri is consisting of 47% of male account holders and 53% of female account holders.

The above analysis clearly shows that Chamaraja Nagar District has highest women PMJDY accounts 63% whereas Raichur and Tumkur consist of only 51% of female account holders. But more Male PMJDY account holders are more in Raichur and Tumkur (49%) whereas Chamaraj Nagar (37%) is the district which has lowest male account holders. Hence all the districts of Karnataka majorly have women PMJDY Accounts i.e. PMJDY has given chance to economically backward women to have at least one bank account for financial transactions. Having one bank account can streamline financial management for women by specifying transactions and providing a clearer overview of their financial situation.