



# Assessing the Progressive Impact of Pradhan Mantri Jan Dhan Yojana on Women Self Help Group Beneficiaries in Selected Public Sector Banks in Pune

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4970

## ABSTRACT

This study investigates transformative impact of 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' on 'women Self-Help Group (SHG)' beneficiaries in selected Public Sector Banks in Pune. The objectives include assessing differences in key indicators between women SHGs with PMJDY accounts and those without. A research methodology is employed, comprising sample of women SHGs from three Public Sector Banks in Pune, with perception ratings collected through primary survey. Descriptive and inferential statistical analyses, including t-tests, are conducted to compare mean values. Results indicate difference in financial literacy, income generation, and social empowerment between women SHGs with PMJDY accounts and those without. Based on findings, recommendations are proposed like expanding financial literacy programs tailored to needs of women SHGs' in urban areas like Pune and facilitating access to credit and financial resources for women entrepreneurs. By addressing issues faced by women SHGs, implementing targeted interventions, policymakers can maximize transformative potential of PMJDY, advances socio-economic status and women empowerment.

**Keywords:** Pradhan Mantri Jan Dhan Yojana (PMJDY), Women Self-Help Groups (SHGs)', Financial Literacy, Income Augmentation, Social Empowerment, Public Sector Banks

**DOI Number:** 10.48047/nq.2022.20.22.NQ10508

**NeuroQuantology2022;20(22): 4970-4978**

## 1. INTRODUCTION

'Financial inclusion' has been a cornerstone of economic development strategies worldwide, with governments striving to ensure that 'all segments of society have access to basic financial services.' In India, the 'Pradhan

Mantri Jan Dhan Yojana (PMJDY)' stands as a landmark initiative aimed at bringing the unbanked population into the formal financial system. Among its beneficiaries, women belonging to Self-Help Groups (SHGs) have experienced significant transformations,



particularly in urban centres like Pune, where selected Public Sector Banks have played a pivotal role in implementing the scheme.

The transformative impact of PMJDY on women SHG beneficiaries in Pune's selected Public Sector Banks transcends mere 'Financial inclusion'; it embodies empowerment, economic independence, and social upliftment. By facilitating the opening of bank accounts, PMJDY has provided women SHG members with a gateway to the formal banking sector, breaking barriers that once hindered their access to financial services. Through this initiative, 'women who were previously excluded from the banking system can now save their earnings securely', access credit facilities, and avail themselves of insurance and pension schemes, thereby enhancing their financial resilience.

Empowerment lies at the heart of PMJDY's impact on women SHG beneficiaries. By gaining control over their finances through bank accounts, women have shattered traditional norms of financial dependency, thereby asserting their autonomy and decision-making authority. This newfound empowerment extends beyond economic realms, permeating into social spheres as well. Women who were once confined to domestic roles now actively participate in financial discussions within their households, thereby challenging gender stereotypes and fostering more equitable family dynamics.

Access to credit, a fundamental aspect of PMJDY, has been a game-changer for women SHG beneficiaries in Pune. With bank accounts serving as a testament to their financial credibility, 'women can now access credit facilities to invest in income-generating activities' such as entrepreneurship, agriculture, or small-scale enterprises. This access to capital not only fuels economic growth at the grassroots level but also enables women to break free from the cycle of poverty, thereby creating a ripple effect of prosperity within their communities.

Financial literacy, an integral component of PMJDY, has equipped women SHG beneficiaries in Pune with the knowledge and skills necessary to navigate the complex terrain of the formal financial system.

Through financial literacy programs conducted by selected Public Sector Banks, women have gained insights into various financial concepts, including savings, investments, and insurance. Armed with this knowledge, 'women are better equipped to make informed financial decisions, thereby safeguarding their financial well-being and mitigating risks associated with financial vulnerabilities'.

The transformative impact of PMJDY on women SHG beneficiaries in Pune extends far beyond economic and social realms; it embodies a paradigm shift in gender dynamics and community development. As women assert their financial independence, they emerge as catalysts for change, inspiring others within their communities to embrace the path of empowerment and economic self-reliance. Through their entrepreneurial endeavours, women contribute to local economic growth, thereby creating a ripple effect of prosperity that transcends socio-economic barriers.

## 2. REVIEW OF LITERATURE

Afrin (2008) explores the relationship between 'microcredit and rural women entrepreneurship development in Bangladesh', highlighting the multifaceted 'impact of microcredit on women's economic empowerment'. Similarly, Al-Mamun et al. (2014) empirically investigate the 'influence of microcredit on women's empowerment in urban Peninsular Malaysia', shedding light on the socio-economic factors that contribute to 'women's empowerment outcomes.'

Bandiera et al. (2018) present evidence from a randomized control trial in Africa, demonstrating the effectiveness of interventions in promoting women's empowerment. Bapat and Bhattacharyaya (2016) analyse the 'determinants of financial inclusion among the urban poor in India, emphasizing the importance of addressing socio-economic barriers to financial access.' Barik and Sharma (2019) offer insights into the 'progress and prospects of Financial inclusion in India', highlighting the policy implications for promoting inclusive growth.

4971



Bhutoria and Vignoles (2018) examine the impact of financial education interventions on women's financial behaviours in India, providing experimental evidence of the effectiveness of such interventions. Chatterjee et al. (2018) explores the role of micro-entrepreneurship in 'empowering women and stimulating development at the bottom of the pyramid, emphasizing the potential of entrepreneurship as a tool for socio-economic empowerment.'

Chiapa et al. (2016) investigate the 'effects of financial inclusion on children's schooling and parental aspirations' in developing countries, highlighting the intergenerational implications of financial access. Datta and Singh (2018) analyse 'aspects of inclusion and empowerment related to the National Rural Employment Guarantee Scheme in India', underscoring the importance of social protection programs in promoting inclusive development.

Deininger and Liu (2013) assess the 'economic and social impacts of a self-help group model in India,' emphasizing the role of collective action in enhancing 'women's economic empowerment'. Fernandes et al. (2014) explore the 'relationship between financial literacy, financial education, and downstream financial behaviours,' highlighting the importance of 'financial literacy initiatives' in promoting responsible financial behaviour.

Fletschner (2009) examines 'rural women's access to credit, emphasizing the role of market imperfections' and 'intra-household dynamics in shaping women's access to financial resources.' Guérin et al. (2013) critically examine 'women's empowerment within the context of Indian microfinance,' highlighting the complexities of power dynamics and agency within microfinance institutions.

Lastly, Kim (2016) investigates the 'effect of Financial inclusion on the relationship between income inequality and economic growth', providing insights into the broader macroeconomic implications of inclusive financial policies.

### 3. RESEARCH GAP

Research in the field of 'Financial inclusion' and 'empowerment of women', particularly through initiatives like the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)', has garnered significant attention in recent years. However, despite the growing body of literature on this topic, there remains a notable research gap that warrants further investigation. Specifically, there is a lack of comprehensive studies focusing on the transformative impact of PMJDY on 'women Self-Help Group (SHG)' beneficiaries in selected Public Sector Banks in Pune, particularly concerning financial literacy, income Augmentation, and social empowerment.

Firstly, while numerous studies have examined the overall effectiveness of PMJDY in promoting 'Financial inclusion' across various demographic groups, there is a dearth of research specifically analysing its impact on the financial literacy of women SHG members. Existing literature often overlooks the nuances of how PMJDY contributes to enhancing financial literacy among women, particularly those engaged in SHGs. Understanding the extent to which PMJDY facilitates financial education and empowerment among women SHG beneficiaries is crucial for designing targeted interventions and policies aimed at fostering sustainable economic development.

Secondly, although some studies have explored the economic outcomes of PMJDY, such as increased access to credit and income Augmentation, there remains a research gap regarding its impact on income Augmentation specifically among women SHGs in Pune. While anecdotal evidence suggests that PMJDY has facilitated access to credit and resources for women entrepreneurs, empirical studies focusing on income Augmentation dynamics within SHGs are limited. Exploring the factors influencing income Augmentation among women SHG beneficiaries with PMJDY accounts could provide valuable insights into the pathways through which 'Financial inclusion' initiatives translate into economic empowerment at the grassroots level.

Thirdly, while PMJDY is often lauded for its potential to empower marginalized

populations, including women, there is a need for more in-depth research on its broader social empowerment effects. Existing studies tend to focus primarily on economic indicators, overlooking the complex interplay between 'Financial inclusion', social dynamics, and gender relations within SHGs. Investigating how PMJDY contributes to enhancing women's social status, decision-making power, and agency within their communities could shed light on the broader socio-cultural implications of 'Financial inclusion' initiatives.

Moreover, the geographical context of Pune, as a rapidly urbanizing city with diverse socio-economic profiles, adds another layer of complexity to the study. While there is a burgeoning literature on 'Financial inclusion' in urban settings, there is a paucity of research specifically examining the experiences of women SHG beneficiaries in urban areas like Pune. Understanding how urban-specific factors, such as access to markets, infrastructure, and social networks, intersect with PMJDY's impact on women's empowerment could provide valuable insights for policymakers and practitioners seeking to address urban poverty and gender disparities.

#### 4. OBJECTIVES OF THE STUDY

1. To assess the Transformative Impact of 'Pradhan Mantri Jan Dhan Yojana' on the Financial Literacy of women SHG beneficiaries in selected Public Sector Banks in Pune.
2. To evaluate the Transformative Influence of 'Pradhan Mantri Jan Dhan Yojana' on Income Augmentation among women SHGs in Pune.
3. To examine the extent to which 'Pradhan Mantri Jan Dhan Yojana' transforms the status of Social Empowerment of women SHG beneficiaries in Pune.

#### 5. RESEARCH METHODOLOGY

##### Sample Selection:

The study selects 20 'Women Self-Help Groups (SHGs)' with 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' accounts from three

'Public Sector Banks (PSBs)'—'State Bank of India (SBI)', 'Bank of Maharashtra', and 'Bank of India'. Additionally, 20 Women SHGs without any bank account are chosen for comparison.

##### Data Collection:

Perception ratings on 5 relevant questions corresponding to each of Financial Literacy, Income Augmentation, and Social Empowerment are collected through a primary survey conducted among members of both PMJDY account holder Women SHGs and those without any bank account. Participants rate each variable on a scale from 1 (Lowest) to 10 (Highest).

##### Descriptive Analysis:

Mean and 'standard deviation' (SD) are calculated for each perception rating variable to provide a descriptive analysis of the data. Bar charts are used to visually represent the distribution of perception ratings across different groups.

##### Inferential Analysis:

T-tests are employed to compare the significance of mean values of the impact variables (Financial Literacy, Income Augmentation, and Social Empowerment) between Women SHGs with PMJDY accounts and those without any bank account. This statistical analysis helps 'determine whether there are significant differences' in the perceived impact of PMJDY on the target variables.

##### Data Processing and Analysis:

Microsoft Excel is utilized for data processing, analysis, and visualization. Data collected from the survey are entered into Excel spreadsheets for organization and calculation of descriptive statistics. Excel's built-in functions and tools are leveraged to perform inferential analysis and create visualizations such as bar charts to illustrate the findings.

##### Limitations:

The study acknowledges several limitations, including:

- Potential bias in perception ratings due to respondent subjectivity.
- Limited generalizability of findings to other geographic regions beyond Pune.

- The cross-sectional nature of the study may not capture long-term effects of PMJDY.
- Possible influence of external factors (e.g., economic conditions, government policies) on the perceived impact of PMJDY.
- Sample size constraints may affect the statistical power of the analysis.

## 6. RESEARCH HYPOTHESIS

### Financial Literacy:

H0: There is 'no significant difference' in Financial Literacy between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

H1: There is a 'significant difference' in Financial Literacy between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

### Income Augmentation:

H0: There is 'no significant difference' in Income Augmentation between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

H1: There is a 'significant difference' in Income Augmentation between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

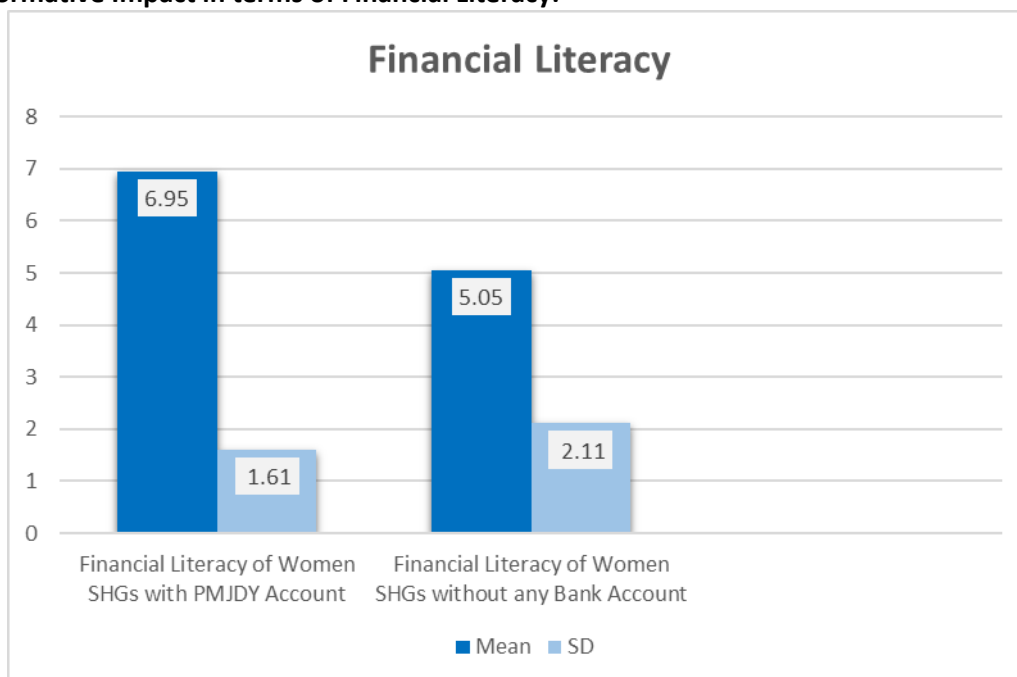
### Social Empowerment:

H0: There is 'no significant difference' in Social Empowerment between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

H1: There is a 'significant difference' in Social Empowerment between 'Women SHGs with PMJDY Account' and 'Women SHGs without any Bank Account' in Pune.

## 7. DATA ANALYSIS & INTERPRETATION

### Transformative Impact in terms of Financial Literacy:



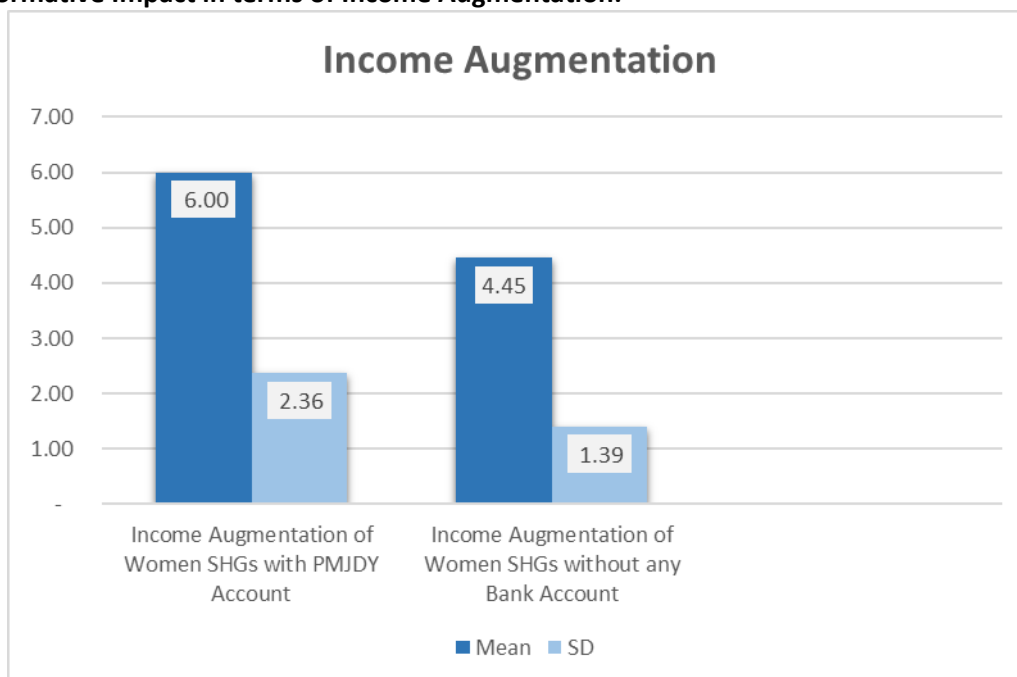
Based on the results of the t-test analysis, which yielded a critical t-statistic value of 3.20 and a corresponding p-value of 0.002, significant at the 1% level of significance, we 'reject the null hypothesis (H0) and accept the alternative hypothesis (H1)'. This indicates that there is indeed a 'significant difference' in Financial Literacy between Women SHGs with PMJDY accounts and those without any

bank account in Pune. The mean Financial Literacy score for Women SHGs with PMJDY accounts is 6.95 with a 'standard deviation' of 1.61, while the mean Financial Literacy score for Women SHGs without PMJDY accounts is 5.05 with a 'standard deviation' of 2.11. This suggests that the PMJDY scheme has led to enhanced Financial Literacy among its beneficiaries, aligning with the scheme's

objective of providing financial literacy programs to educate women SHG members about various financial concepts such as savings, investments, and insurance. The higher mean Financial Literacy score among Women SHGs with PMJDY accounts implies

that these beneficiaries have acquired greater knowledge and skills necessary for making 'informed financial decisions', thus underscoring the effectiveness of PMJDY in improving 'financial literacy levels' among women SHGs in Pune.

### Transformative Impact in terms of Income Augmentation:



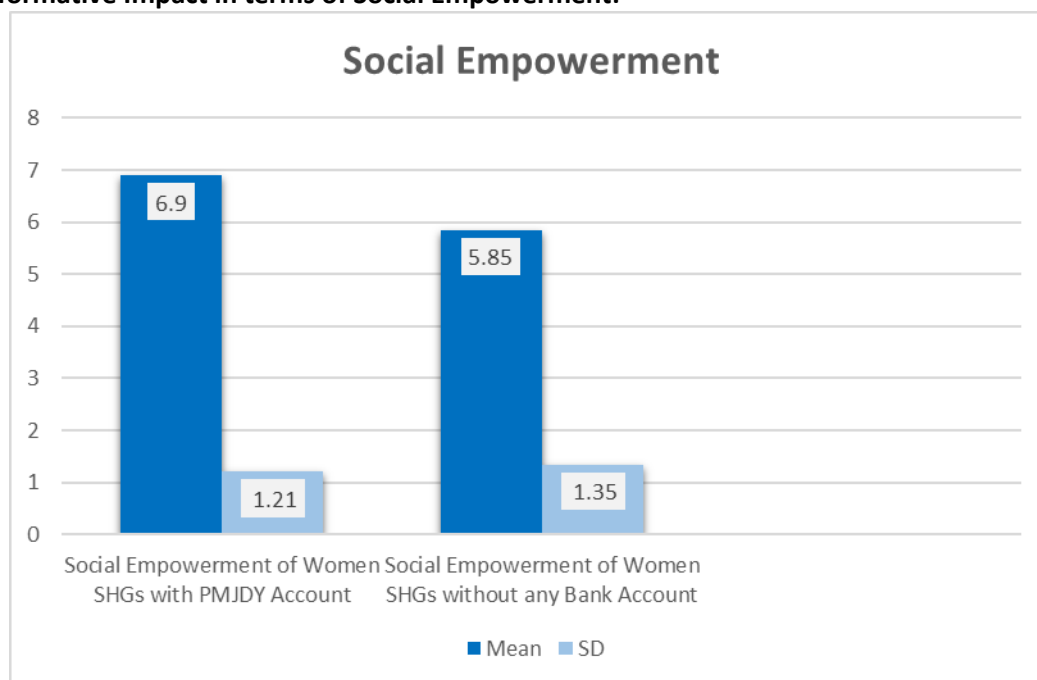
4975

Based on the results of the t-test analysis, with a critical t-statistic value of 2.52 and a corresponding p-value of 0.016, significant at the 5% level of significance, we 'reject the null hypothesis (H0) and accept the alternative hypothesis (H1)'. This implies that there is a 'significant difference' in Income Augmentation between Women SHGs with PMJDY accounts and those without any bank account in Pune. The mean Income Augmentation for Women SHGs with PMJDY accounts is 6 with a 'standard deviation' of 2.36, whereas the mean Income Augmentation for Women SHGs without PMJDY accounts is 4.45 with a 'standard

deviation' of 1.39. This suggests that the PMJDY scheme has indeed facilitated increased income generation among its beneficiaries, aligning with its objective of providing 'access to financial services' and credit to enable women SHG members to start or expand their businesses. The higher mean Income Augmentation score among Women SHGs with PMJDY accounts indicates that these beneficiaries have experienced greater economic development and income generation, highlighting the effectiveness of PMJDY in fostering economic empowerment and development at the grassroots level among women SHGs in Pune.



### Transformative Impact in terms of Social Empowerment:



Based on the results of the t-test analysis, with a critical t-statistic value of 2.59 and a corresponding p-value of 0.013, significant at the 5% level of significance, we 'reject the null hypothesis (H0) and accept the alternative hypothesis (H1)'. This suggests that there is a 'significant difference' in Social Empowerment between Women SHGs with PMJDY accounts and those without any bank account in Pune. The mean Social Empowerment score for Women SHGs with PMJDY accounts is 6.9 with a 'standard deviation' of 1.21, whereas the mean Social Empowerment score for Women SHGs without PMJDY accounts is 5.85 with a 'standard deviation' of 1.35. This indicates that the PMJDY scheme has indeed contributed to enhanced social empowerment among its beneficiaries, aligning with the notion that as women become more financially independent, they are likely to gain more respect and decision-making power within their families and communities. The higher mean Social Empowerment score among Women SHGs with PMJDY accounts suggests that these beneficiaries have experienced greater levels of respect and decision-making power, highlighting the effectiveness of PMJDY in

fostering social empowerment among women SHGs in Pune.

### 8. CONCLUSION

The study aimed to evaluate the transformative impact of the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' on 'women Self-Help Group (SHG)' beneficiaries in selected Public Sector Banks in Pune, focusing on financial literacy, income generation, and social empowerment. Through statistical analysis, it has been established that PMJDY has significantly influenced these key areas among women SHGs in Pune. The findings indicate that women SHGs with PMJDY accounts exhibit higher levels of financial literacy, experience greater income augmentation, and demonstrate enhanced social empowerment compared to those without PMJDY accounts. These outcomes underscore the effectiveness of PMJDY in promoting 'Financial inclusion', economic empowerment, and social upliftment among marginalized women in Pune. Therefore, the study concludes that PMJDY has played a pivotal role in advancing the socio-economic status and empowerment of women SHG beneficiaries in Pune, aligning with the

objectives of the scheme to foster inclusive growth and development.

## 9. RECOMMENDATIONS

Based on the findings of the study regarding the transformative impact of the 'Pradhan Mantri Jan Dhan Yojana (PMJDY)' on 'women Self-Help Group (SHG)' beneficiaries in Pune, several recommendations can be made to further enhance the effectiveness of the scheme and promote sustainable development.

Firstly, given the significant difference observed in financial literacy between women SHGs with PMJDY accounts and those without, it is imperative to continue and expand financial literacy programs targeted towards women in SHGs. These programs should focus on equipping women with practical knowledge and skills in areas such as savings, investments, and insurance, thereby empowering them to 'make informed financial decisions and manage their finances effectively.' Additionally, efforts should be made to tailor these programs to the specific needs and contexts of women in urban areas like Pune, considering factors such as literacy levels and access to resources.

Furthermore, considering the notable increase in income augmentation among women SHGs with PMJDY accounts, policymakers should prioritize measures to further facilitate 'access to credit and financial resources for women entrepreneurs.' This could involve streamlining loan application processes, providing preferential interest rates or collateral-free loans to women SHGs, and fostering partnerships between banks and SHGs to promote entrepreneurship and income-generating activities. Additionally, initiatives aimed at promoting market linkages and access to markets for products produced by women SHGs can further enhance their income-generation potential and contribute to economic growth at the grassroots level.

Moreover, considering the enhanced social empowerment observed among women SHGs with PMJDY accounts, efforts should be made to leverage this momentum to promote gender equality and women's empowerment more broadly within communities. This could

involve conducting awareness campaigns and sensitization programs to challenge gender norms and stereotypes, promote women's participation in decision-making processes, and foster supportive environments for 'women's economic and social empowerment'. Additionally, initiatives to strengthen women's leadership skills and networks within SHGs can further empower women to advocate for their rights and interests at the local level.

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