

## COVID-19 Crisis: A study on the Missing Woman in Benefit Transfer through PMJDY

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### ABSTRACT

During COVID-19 pandemic lockdown government of India announced a policy of direct cash transfer to women PMJDY (Prime-minister Jan-dhan yojana, a Govt. of India scheme on financial inclusion) bank accounts, Rs.500/- for a period of three months April-June 2020 to all 0.2 billion women PMJDY accounts holder. This study is to find out the missing poor women in PMJDY bank accounts, and to discuss the causes of exclusion, limitation of the policy to achieve the goals. Since the success of distribution of benefit transfer through PMJDY account is mainly depends upon the Indian banking system efficiency to meet the urgency cash transfer during lockdown. Literature reviewed to find out present status of Indian banking system. Authors are conceptualized a mathematical research model for the development of objective and hypothesis of this study. PMJDY bank account of women is taken as dependent variable. DBT, density of rural bank branches and, digital payment authentication systems are taken as independent variables. COVID-19 impact is taken as the control variable for this study. Due to COVID-19 pandemic social distancing norms, only secondary data are collected for analysis and hypothesis testing. These data are taken from government PMJDY portal, FII-2018-survey (PPI-Index), and World Bank's estimates. During disaster or pandemic, government policy should be for all. Because during pandemic, every individual of the country was impacted. Supply of Adhar based digital authentication payment machines can improve the transparency and optimal utilization of government relief fund. Since this study has been done after COVID-19 lockdown, so analysis are done by taking only secondary data from government websites, and reports, and survey.

**Keywords:** COVID-19, Pandemic, PMJDY, DBT, Digital Payment, Relief Fund, Aadhar.

### Introduction

The relief package was announced by Indian union finance minister, Ms Nirmala Sitaraman, on 26<sup>th</sup> march 2020 in response to Coronavid-19 pandemic lock down. It is correctly compliments with cash transfer to the list of women using PMJDY (Prime-minister Jan-dhan-yojana, a Govt. of India scheme on financial inclusion) account, and food rations. Some people say, during any pandemic gender biasness strategy of the government is not correct while distributing relief packages. Due to

lockdown several people were bound to become job-less. So they now become poor and excluded from this benefits, since they do not have PMJDY account earlier. This creates a huge disappointment among excluded people.

### Government policy of benefit transfer

During COVID-19 pandemic lockdown government of India announced a policy of direct cash transfer to

women PMJDY bank accounts, Rs.500/- for a period of three months April-June 2020 to all 0.2 billion women PMJDY account.

to find out the excluded cash relief coverage of this policy due to its certain limitations.

### Statement of problem

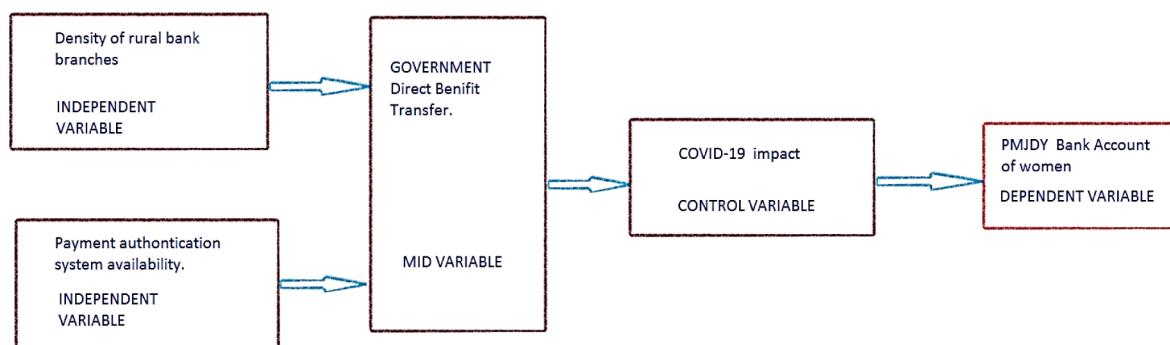
Some nationally representative household surveys done after lock down and government data are not sufficient to find out the real house hold coverage of this policy package due to several reasons. This study has been done

### Historical background

Since the success of distribution of benefit transfer through PMJDY account is mainly depends upon the Indian banking system efficiency to meet the urgency cash transfer during lockdown. Literature review has been done to find out present status of Indian banking system.

Year	Authors Name	Prospective on Banking financial services.
1988	OCC Report[8]	This report identified the reasons of banking system failure during 1980 and highlighted the fact that, economic slowdown and poor banking management policy are the reasons for banking system failure.
1996	Deolalkar[1]	Indian banking system has started giving credit loan, with less risk, due to this growth of banking system are not visible. Banking services are penetrates lessin rural areas compared to urban areas.
1998	Milanovic[2]	In this world bank report it was highlighted that due to the fall of communism and rise of capitalism, in 18 countries in the world were affected by the income level gap between rich and poor.
1999	Morduch (1999)	The author analyzed Grameen banks financial statements and found that these banks were managed to get profit by providing subsidy to their customer.
2004	Rishi et al.(2004)	Authors have found that to deliver the banking services in cost effective manner, technology is an important tool.
2004	Barr (2005)	Authors highlighted that poor people have less access to banking services, which force them to be a migrant labour, and force them to stay away from their family.
2010	BCG-FICCI report (2020)	This report gives suggestion that to serve the wider consumer base it is essential to increase the use of net banking, and installations of 'ATM' in rural areas.
2015	Parker and Sachdeva (2015)	Authors said modification of existing infrastructure of banks can improve the commercial viability of banks.
2016	CVR Rao et al. (2016)	Authors analyze the success of PMJDY scheme, and found that it has got a vital role in economical development of the country.

### Mathematical Research Model



Conceptualized by the Authors

The above mathematical research model was conceptualized for the development of objective and hypothesis of this study. PMJDY bank account of women is taken as dependent variable. DBT is taken as mid variable,

density of rural bank branches and, digital payment authentication systems are taken as independent variables. COVID-19 impact is taken as control variable for this study.

From the above variables our objectives are chosen as follows.

### Objectives

- To find out the missing poor women in PMJDY account.
- To discuss the limitation of the policy to achieve the success.

### Hypothesis

Ho- There is no exclusion of poor women in distribution of COVID-19 cash relief.

H1- There exist some exclusion of poor women in distribution of COVID-19 cash relief.

### Methodology

Basically, due to COVID-19 pandemic social distancing norms, only secondary data are collected for analysis and hypothesis testing. These data are taken from government PMJDY portal, FII -2018-survey (PPI-Index), and World Bank's estimates.

### Data

**Table 2:** Indicators of PMJDY

Sources of Data	Values of the Indicator
PMJDY portal, April 2020	Total number of PMJDY accounts = 382.3 million
	Total number of rural /semi urban PMJDY account = 226.7 million
	Total number of female owned PMJDY accounts = 207.2 million
WORLD BANK estimation report 2018	Total number of adults (above 15 years of age) = 986.7 million
	Total number of adult female (above 15 years of age) = 475.8 million
	Percentage of population living in rural areas = 0.66, 66%
2018, FII Survey	Percentage of poor women among all adult women = 0.69, 69%
	Percentage of PMJDY accounts holder poor women = 0.75, 75%
	Percentage of all adult do not possessing a PMJDY account = 56%
	Percentage of adult poor women does not possess a PMJDY account becomes 43%.

### Data Interpretation

Assumptions taken by authors for hypothesis testing are mentioned as below.

- No one from the population has two PMJDY bank accounts.
- Across the adult population, the PMJDY bank accounts are normally distributed.

Basing on the above assumptions and the data from table 2, PMJDY portal, April 2020, the total number of PMJDY accounts are 382.3 million, and total number of female owned PMJDY accounts are 207.2 million. As per WORLD BANK estimation report 2018, total number of adults (above 15 years of age) are 986.7 million, and total number of adult female (above 15 years of age) are 475.8 million. From 2018, FII Survey PPI, percentage of poor women among all adult women = 0.69, 69%, and percentage of PMJDY accounts holder poor women are equal to 0.75, 75%. Now percentage of all adult, not possessing a PMJDY account are 56% and adult poor women does not possess a PMJDY account are 43%.

Now using z test for Proportion > .43, for value,  $\alpha = 0.05$ , with 95% confidence and 50% favourable out comes (assumed for survey data) one side right tailed test,

$$Z = \frac{(\hat{p} - p) / \sqrt{pq}}{n} = 2.03, p = .43, q = .57$$

### Decision obtained

Since Z value is 2.03 which is much greater than z statistical value 1.645, our null hypothesis is rejected and some exclusion in benefit transfer is proved.

### Findings and Suggestions

Due to COVID-19 pandemic it is not possible for women account holder to reach the ATM or the banks near to them. More than 43% women poor people are under exclusion for this. Government Survey also suggest exclusion under not having any women PMJDY account in a house hold. So these limitations in government survey force some amount of exclusion in benefit transfer under COVID-19 cash relief. As per FII-2018 survey within 1 km distance financial services available for each individual is approximately 28 numbers of bank branches, 22 numbers of ATM machine, 13 numbers of banking agent or correspondence and 8 numbers of Adhar linked ATM

for authentication and digital gate way payments. Due to the gender biasness of government policy COVID-19 relief transfer, several poor are not able to reach financial institution for cash collection due to pandemic situation and not avail the cash transfer from government. So our suggestions government should take necessary steps to include them under PMJDY scheme to give them cash relief to meet COVID-19 pandemic crisis. Another point digital authentication payment should give priority to avoid miss-utilization of relief fund. Lastly the amount is only Rs.500/- per month for three months, which is very little amount to fulfill their essential need during pandemic. Because of the COVID-19 lock down several migrant labour became jobless and becomes zero income group. Government should take necessary steps to address these limitation while DBT (direct benefit transfer to PMJDY accounts).

## Scope

This study has been done after COVID-19 lockdown, so analysis are done by taking only secondary data from government websites, and reports, and survey. No primary data are used in this study. This gives a immense scope to future researcher to use primary data and make generalization to get the exact figure of inclusion/exclusion of different rural and urban areas in India.

## Conclusion

During disaster government policy should be for all not for certain groups, because during pandemic each and every individual of the country was impacted and face difficulties while collecting the essential need products for their livelihood. Still now after unlock no covid pandemic vaccine is tested yet. And this impact will continue for some time as per media report. So, if government will increase the relief cash amount from INR 500, and extend time duration from 3 months to at least for one year, then the economical condition of the poor people will definitely improve. Supply of Adhar based authentication payment machines can improve the transparency and optimal utilization of government relief fund.

## Abbreviations

DBT: Direct Benefit Transfer;

PMJDY: Prime-minister *Jan-dhan-yojana*, (a Govt. of India scheme on financial inclusion).

## Competing Interest Statement

All authors have read and approved the manuscript and take full responsibility for its contents. No potential conflict of interest was reported by the author(s).

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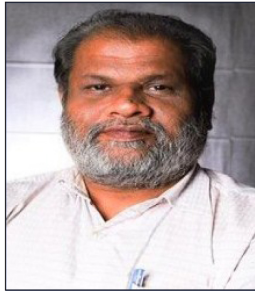
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