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## PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

*This article covers "Daily Current Affairs" and the topic details "Pradhan Mantri Jan Dhan Yojana (PMJDY)". The topic "Pradhan Mantri Jan Dhan Yojana (PMJDY)" has relevance in the economy section of the UPSC CSE exam.*

**For Prelims:**

About Pradhan Mantri Jan Dhan Yojana (PMJDY)

**For Mains:**

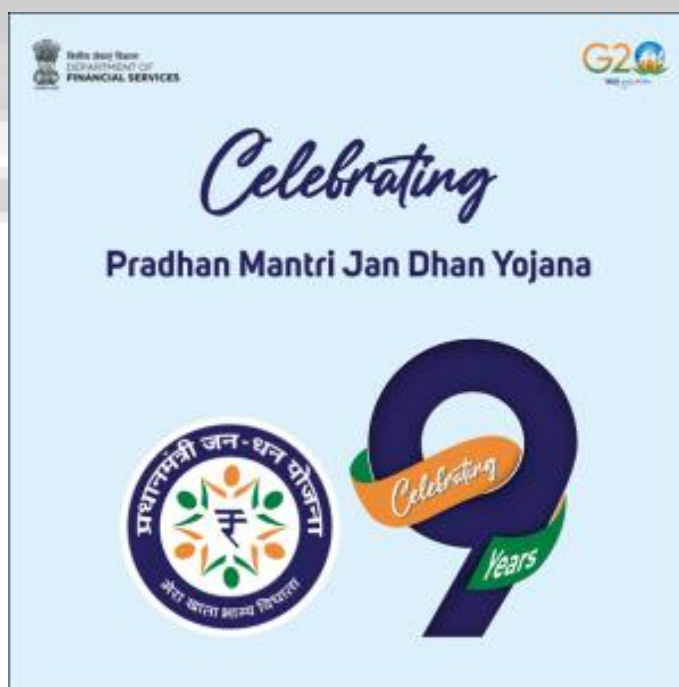
GS 2: Economy

Significance of PMJDY?

Achievements of PMJDY?

**Why in the news:**

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has now completed nine years of successful implementation, marking a substantial milestone in its efforts to promote financial inclusion and provide accessible financial services



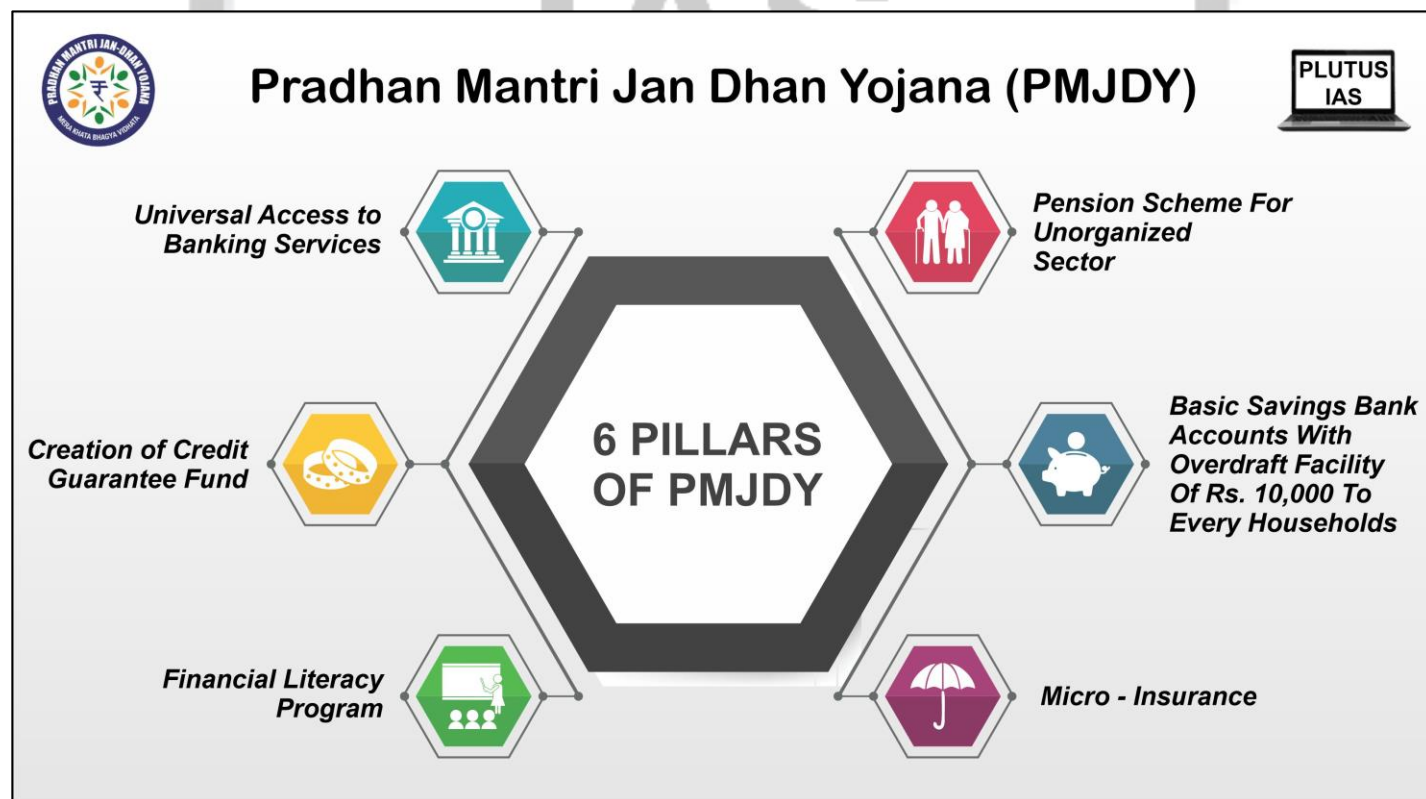
## About Pradhan Mantri Jan Dhan Yojana (PMJDY)

Launched on August 28, 2014, the Pradhan Mantri Jan Dhan Yojana (PMJDY) stands as one of the world's most extensive financial inclusion initiatives. This initiative, led by the **Ministry of Finance**, is dedicated to offering affordable financial services to vulnerable and economically disadvantaged sections of society.

It aims to create a platform for universal access to banking services, ensuring that every household has at least one basic banking account. This program also focuses on promoting financial literacy and providing access to credit, insurance, and pension facilities.

### Key features of PMJDY include:

- **Expanding Banking Services:** PMJDY seeks to expand banking services by establishing branches and Banking Correspondents (BCs) to reach both urban and rural areas.
- **RuPay Debit Card:** Individuals who open PMJDY accounts receive an indigenous Debit Card known as the RuPay card.
- **No Minimum Balance Requirement:** There is no requirement to maintain a minimum balance in PMJDY accounts.
- **Accident Insurance Cover:** PMJDY account holders receive accident insurance coverage of Rs. 1 lakh, which was increased to Rs. 2 lakh for new PMJDY accounts opened after August 28, 2018. This coverage is provided through the RuPay card issued to account holders.
- **Overdraft Facility:** Eligible adults can access an overdraft facility of up to Rs. 10,000.
- **Access to Government Schemes:** PMJDY accounts are eligible for various government schemes, including Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Atal Pension Yojana (APY).



### Significance of PMJDY:

- **Promoting Inclusive Growth:** PMJDY plays a crucial role in promoting equitable growth by facilitating Financial Inclusion (FI). This strategy ensures that affordable financial services are accessible to low-income and disadvantaged segments of the population, thereby contributing to inclusive economic development.
- **JAM Architecture Benefits:** The Jan Dhan–Aadhaar–Mobile (JAM) architecture has streamlined the transfer of government benefits directly to the accounts of common citizens. This seamless process ensures that welfare benefits reach the intended recipients efficiently and without intermediaries.
- **Formalizing Savings:** PMJDY has successfully integrated the savings of economically disadvantaged individuals into the formal financial system. This shift has liberated them from the clutches of usurious money lenders, offering them a safer and more secure means to manage their finances.
- **Women's Empowerment:** Notably, approximately 55.5% of Jan Dhan accounts are held by women, contributing significantly to their financial empowerment. This encourages financial independence and greater participation in economic activities for women.
- **Overdraft Accessibility:** PMJDY allows for overdraft facilities, but they are limited to only one account per household, with a preference for the lady of the household. This provision ensures that financial resources are made available to households while promoting responsible financial management.

### Achievements of PMJDY:

- **Massive Financial Inclusion:** PMJDY has successfully integrated over 50 crore people into the formal banking system through Jan Dhan accounts. This achievement signifies a significant stride towards financial inclusion in India.
- **Rural and Semi-Urban Reach:** Approximately 67% of these accounts have been opened in rural and semi-urban areas, demonstrating the program's effectiveness in extending financial services to underserved regions.
- **Widespread RuPay Card Issuance:** Around 34 crore RuPay cards have been issued to these accounts, ensuring access to financial services and providing accident insurance coverage of ₹2 lakh to the account holders, enhancing financial security.
- **Guinness World Records Recognition:** PMJDY's remarkable success has earned it recognition from Guinness World Records. It holds the record for the "Most bank accounts opened in one week as part of the Financial Inclusion Campaign," with an astounding 18,096,130 accounts opened, achieving this milestone under the Department of Financial Services, Government of India.

Source:

<https://pib.gov.in/PressReleaseframePage.aspx?PRID=1952793>

### Q.1 Consider the following statements regarding Pradhan Mantri Jan Dhan Yojana (PMJDY):

1. Its main aim is to provide finance for setting up of small businesses to disadvantaged sections of society.
2. It excludes high income groups from opening accounts under the scheme.

### Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**ANSWER: D**

**Q.2 Consider the following statements regarding Pradhan Mantri Jan Dhan Yojana (PMJDY):**

1. It requires a minimum balance of Rs. 1,000 in every account.
2. RuPay cards issued under PMJDY provide a maximum accident insurance cover of Rs. 5 lakh.
3. PMJDY offers an overdraft facility of up to Rs. 10,000 to eligible adults.

**How many of the above statement/s is/are correct?**

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

**ANSWER: A**

**Q.3 Discuss the significance and impact of the Pradhan Mantri Jan Dhan Yojana (PMJDY) on financial inclusion and economic empowerment in India. How has PMJDY contributed to improving the socio-economic landscape of the country? Provide your insights and suggestions for further enhancing the effectiveness of this flagship financial inclusion program.**

**Rishabh**

## STATE OF THE RIGHT TO INFORMATION ACT

*This article covers "Daily Current Affairs" and the topic details "State of the Right to Information Act". The topic "State of the Right to Information Act" has relevance in the "Polity and Governance" section of the UPSC CSE exam.*

**For Prelims:**

*What is the Right to Information Act?  
What are recent amendments to the RTI Act?*

**For Mains:**

*GS2: Polity and Governance*

**Why in the news?**

India's RTI Act, once celebrated as one of the world's most comprehensive transparency laws, is now facing effectiveness challenges, raising concerns about its role in holding public officials accountable.

**About Right to Information Act (RTI)**

The Right to Information Act (RTI) was passed by the Indian Parliament in May 2005. It gives citizens the right to access information held by public authorities, except in cases where the information is exempted under the Act. The RTI Act aims to promote transparency and accountability in government, and to combat corruption.

- **Coverage:** The RTI Act defines a "public authority" as any body or institution that is funded by the government, or that exercises a power or function in the public interest. This includes

government departments, local bodies, public corporations, and private companies that provide a public service.

- **Time Frame:** Under the RTI Act, citizens can request information from a public authority in writing. The authority is required to provide the information within 30 days, or give reasons for refusing to do so. If the citizen is not satisfied with the response, they can appeal to the Central Information Commission (CIC) or the State Information Commission (SIC).
- **Information covered by the Act:** The Act defines information broadly to include any material in any form, such as documents, records, emails, samples, etc. It also allows partial access to exempted information and disclosure of information in public interest.
- **Information Commissions and penalties:** The Act establishes Central and State Information Commissions to receive complaints, conduct inquiries and impose penalties. The Commissions have the powers of civil courts and can recommend disciplinary action against erring PIOs.
- The RTI Act has been hailed as a major step forward in promoting transparency and accountability in government. It has helped to expose corruption and inefficiency, and has empowered citizens to hold their governments to account.



#### **Achievements of RTI Act:**

- The number of RTI applications filed has increased steadily since the Act came into force. In 2021, a total of 3.2 million RTI applications were filed, up from 0.2 million in 2006.
- RTI applications have led to the uncovering of several scams and irregularities, including the 2G spectrum scam, the coal block allocation scam, and the Adarsh Housing Society scam.
- RTI applications have also helped to improve the delivery of government services. For example, RTI applications have led to the closure of fake schools, the provision of benefits to eligible beneficiaries.

#### **Earlier Problems with regard to the Right to Information Act (RTI):**

- **Limited applicability to political parties:** The RTI Act does not apply to political parties, which are considered to be private bodies. It allows political parties to operate in secrecy and makes it difficult to hold them accountable.
- **Broad exemptions for the judiciary:** The RTI Act does not apply to the judiciary, except for information that is related to the administration of justice. It undermines the public's right to know about how the judiciary operates.

- **Broad exemptions for intelligence agencies:** The RTI Act does not apply to intelligence agencies, except for information that is related to the security of the state. This exemption has been justified on the grounds that it is necessary to protect national security. However, transparency activists argue that it allows intelligence agencies to operate in secrecy and makes it difficult to hold them accountable.
- **Lack of awareness:** Many people in India are not aware of the RTI Act, or they do not know how to use it. This makes it difficult for them to exercise their right to information.
- **Delays in responding to requests:** Public authorities often take a long time to respond to RTI requests. This can be frustrating for citizens, and it can also make it difficult to hold public authorities accountable.
- **Denial of information:** Public authorities sometimes deny RTI requests, even when the information is not exempted under the Act. This can be done for a variety of reasons, such as a desire to protect their own interests or to avoid embarrassment.
- **Harassment of RTI applicants:** RTI applicants are sometimes harassed by public authorities, such as by being threatened with legal action or by being denied government services. This can discourage people from exercising their right to information.

#### **Recent Issues relating to amendments and Implementation of RTI Act:**

- **Digital Personal Data Protection Act, 2023** prohibits the disclosure of personal data of citizens by the government, even if there is a public interest. This could hamper social audits and accountability of public officials.
- **Right to Information (Amendment) Act, 2019** gives the Union Government the power to decide the tenure and salary of information commissioners, who hear appeals under the RTI Act. This could compromise their independence and autonomy.
- **Issues with RTI Implementation:**
  - Dependence on subordinate Rules set by Union and State Governments.
  - Delayed appointments to information commissions, affecting the timely resolution of appeals.
  - Inadequate online RTI portals and difficulties in filing applications and accessing information.

While the RTI Act has been instrumental in advancing transparency and accountability in Indian governance, there is a pressing need to address its shortcomings and ensure that it continues to serve as a robust tool for citizens to hold public officials accountable and promote good governance in the country.

**Sources:**

[Explained | Has the Right to Information been weakened over the years? – The Hindu](#)

#### **Q1. With reference to Right to Information Act (RTI), consider the following statements:**

1. Citizens have the right to access information held by public authorities under the Right to Information Act.
2. The RTI Act defines a “public authority” as any government-funded body or institution.
3. The definition of “public authority” excludes private companies that provide a public service.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) None

**Answer: (a)**

**Q2. Consider the following:**

1. Local bodies
2. Public corporations
3. Supreme Court Collegium
4. Private companies
5. National and State Political Parties

**How many of the above mentioned institutions come under the ambit of RTI act?**

- (a) Only one
- (b) Only two
- (c) Only four
- (d) All five

**Answer: (b)**

**Q3. Discuss the Right to Information Act (RTI) highlighting its achievements and challenges related to recent amendments. Suggest measures to ensure effectiveness of RTI.**

PLUTUS  
IAS

Gaurav Nikumbh