Journal of International Business and Economy (2023) **24**(2): 73-91 (19 pages)

JIBE
Journal of International Business and Economy

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FINANCIAL INCLUSION REVOLUTION IN INDIA: A DECADE OF PROGRESS WITH PMJDY EMPOWERING MILLIONS

ABSTRACT

The Pradhan Mantri Jan Dhan Yojana is a noteworthy initiative aimed at improving financial inclusion in India (PMJDY). "Rural India," in particular, is empowering the long-marginalized economically disadvantaged element of society. The PMJDY's ability to swiftly expand financial inclusion by providing basic banking services to millions of previously unbanked individuals is essential to its success as it fosters inclusive growth and economic empowerment in India. This research attempts to explore the many government initiatives and RBI regulations that have allowed India's Financial Inclusion Revolution, in addition to showcasing PMJDY's ten-year success story. This study provides a thorough evaluation of the program's successes and shortcomings. The study offers several noteworthy contributions, such as a detailed analysis of the program's impact on empowering rural, a critical look at the integration of digital financial services, and a nuanced understanding of regional differences in account usage. Although PMJDY has greatly expanded banking access, the findings indicate that specific policy measures are required to close ongoing gaps and guarantee long-term financial inclusion.

Keywords: PMJDY, A decade of Success, Financial Inclusion Revolution, Empowering Rural India, Descriptive

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https://doi.org/10.51240/jibe.2023.2.4

INTRODUCTION

The recent years have seen notable changes in India's socio-economic and cultural landscape. A transformational change aimed at guaranteeing that a larger portion of the population has access to formal financial services is represented by the financial inclusion revolution in India. The Indian government has launched a number of programs to entice those who lack or have inadequate access to banking services into the official financial system throughout the last ten years. The creation of simple bank accounts, the widespread use of digital payment methods, and the support of financial literacy initiatives are important components of this revolution. These initiatives have empowered underprivileged populations by giving them the means to save, invest, and obtain credit, in addition to making financial transactions simpler and safer. In India's diversified terrain, the focus on technical solutions has been crucial in promoting economic inclusion and closing the wealth gap. With a developing middle class and a strong startup environment, the nation has demonstrated economic resiliency and is witnessing a shift in consumer behavior. India's economy has grown gradually, with the World Bank estimating that in 2020 it would reach around $2.9 trillion. More than 600 million people will be using the internet by 2021, indicating a clear social trend toward urbanization and more connectedness. The growing literacy rate, which reached around 77.7% in 2019 (Bijoy, 2017), further demonstrates the emphasis on education. India's entertainment industry and lifestyle choices represent the country's cultural blending of traditional values with influences from across the world.

However, it is evident that all these developments are not at the same pace in all the regions of India. Some areas are developing fast but some regions, especially rural areas stand backward in the development process. The vital reason for this under development is financial exclusion. The condition in which certain individuals or groups of persons cannot obtain fundamental financial services and goods that are generally accessible to the general public is known as financial exclusion. There are several reasons why this exclusion could happen, including poverty, prejudice, lack of access to banking facilities, inadequate financial literacy, and remote location. For these people, financial services such as basic banking, savings accounts, loans, insurance, and other formal financial goods may be out of their price range. Exclusion from the financial system has serious repercussions that can prolong a poverty cycle and reduce prospects for economic development. Broadening the reach of banking services, fostering financial literacy among marginalized communities, and developing more inclusive financial institutions are common strategies used to combat financial exclusion. A tiny percentage of people are not part of this financial inclusion circle.

India's population has to be better informed about financial services and how to obtain them at a reasonable price. The government should prioritize addressing the root causes of everyone's educational shortcomings (Teeli, Dar, and Sheikh, 2023).

When we discuss financial exclusion, access to bank accounts becomes a factor as well, as not everyone who has an account uses it for transactions or to deposit money. Supply-side restrictions and the use of banking services are negatively correlated, suggesting that limited access to financial services both in terms of availability and timing is a barrier to financial inclusion (Yadav and Siva Reddy, 2023). Access to and usage of digital financial services are mostly hindered by poverty. This is because the income of the impoverished is meager, just enough to satisfy their basic needs. The inability of the poor to maintain a steady source of income further limits their access to these programs. It is difficult for the poor to use these services because of this as well as the fees associated with digital transactions (Bathula and Gupta, 2021).

To tackle financial exclusion and promote equitable economic growth, the Indian government has initiated several initiatives. The Pradhan Mantri Jan Dhan Yojana (PMJDY), which was unveiled in 2014, is one such program that aims to provide financial products, such as savings accounts, insurance, and pension plans, to every family. Millions of people who were unbanked before have been brought into the official banking system thanks to PMJDY. Furthermore, the government has made use of technology to improve financial inclusion by encouraging digital payments and extending the availability of banking services to outlying areas. One of the other efforts is the Direct Benefit Transfer (DBT) system, which facilitates the direct transfer of welfare payments and subsidies to the bank accounts of the recipients. This approach minimizes leakages and ensures a more effective and focused distribution of benefits. All these endeavors help to lessen economic marginalization and promote economic inclusion among India's heterogeneous populace.

In India, a sizable section of the population had limited access to formal banking services before 2014, making financial inclusion a serious concern. Dr. KC Chakraborthy, the head of the Indian bank, introduced financial inclusion as a pilot project in Puducherry in 2005. The first hamlet to offer banking services to every family was Mangalam. One of the numerous initiatives the government and other financial institutions have put in place to address this issue is the Pradhan Mantri Jan Dhan Yojana (PMJDY), which was started in 2014 with the aim of providing financial services to all households in the country. Hence this study investigates the the RBI's strategies and measures that enabled India's revolution in financial inclusion. Particularly, examining the growth of the National Mission for

Financial Inclusion, also known as PMJDY, the milestones in its ten-year journey to transform the Indian population from "unbanked to banked," therefore facilitating financial inclusion and contributing to the attainment of the primary Sustainable Development Goal “No Poverty."

Especially in emerging economies, financial inclusion has been a key component of economic growth policies all over the world. With the introduction of the Pradhan Mantri Jan Dhan Yojana, India is making a major effort to give all citizens access to banking services, which will empower underprivileged groups and promote financial stability. Even with significant advancements, the path to complete financial inclusion is still intricate and multidimensional. In order to assess PMJDY's decadal progress, this study will address important inquiries on its effectiveness and implications. This study attempts to evaluate the significant increase attained under PMJDY since its launch and to look at the strategies and policies used by the Reserve Bank of India to support this revolution in financial inclusion. This study adds distinctively to the body of literature by identifying areas that need policy attention and outlining specific solutions for sustainable financial inclusion through a thorough analysis of regional variations, gender-specific outcomes, and the adoption of digital financial services.

REVIEW OF LITERATURE

An overview of the literature on PMJDY and financial inclusion is given in this section. Numerous scholarly works have been discovered that examine the financial inclusion movement, specifically focusing on PMJDY.

“Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost” (Rangarajan, 2008). According to Hannig and Jansen (2010) “Financial inclusion aims at drawing the “unbanked” population into the formal financial system so that they have the opportunity to access financial services ranging from savings, payments, and transfers to credit and insurance”. Sarma (2008) also gave prime importance for access to a bank account in order to be included in the circle of financial inclusion. According to him “financial inclusion is the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost”. Though the notion of financial inclusion has several aspects, it is most frequently associated with the ability to obtain credit from a formal financial institution. Formal accounts, which encompass both deposits and loans, may be analyzed based on how often they are used, how easy it is to access them, and what their objectives are. In addition, there could be alternatives to official accounts, including mobile money using cell phones. Insurance, particularly health, and agricultural insurance is the primary financial service that banks do not provide (Demirgüç-Kunt and Klapper, 2012). An intervention method called financial inclusion aims to reduce market friction, which prevents the markets from working in the impoverished and disadvantaged groups' best interests. In order to combat poverty, advance inclusive development, and meet the MDGs, financial inclusion provides step-by-step and complementary solutions (Chibba, 2009). Only in a nation with a well-functioning financial system can an economy achieve sustainable growth, development, and advancement. In the interest of achieving equitable and sustainable development goals for the Indian economy, all available resources, capital, and cash must be allocated appropriately (Kandpal, 2020).

Under the current circumstances, financial institutions are the strong foundations of economic growth, development, and advancement. The number of bank branches and the credit deposit ratio have been proven to have a positive and considerable influence on the GDP of the nation; however, the expansion of ATMs has been found to have an inconsequential impact on GDP (Iqbal and Sami, 2017). A statistical output demonstrates that, for public sector banks alone, there are statistically significant negative correlations between financial inclusion and deepening and the poverty ratio. This finding implies that, given the advantages of financial inclusion and expanding financial integration, promoting the scope and depth of public sector banks may have a synergistic effect on poverty reduction in India (Inoue, 2019). Contradiction to this finding was put forth by Archana (2013), as the public and private sectors are collaborating to capitalize on their respective advantages and promote financial inclusion since it is an essential part of the inclusive growth that is intended for the economy's overall development. In the years following the merger, RRB's performance in India increased. Although there are fewer RRBs now, there are more branches in the network. Following the merger in the fiscal year 2005–2006, total capital funds expanded significantly. SHGs have prospered throughout the nation despite the existence of several programs aimed at reducing poverty and empowering rural residents. A new vision of inclusive MFIs and commercial banks is offered by the plan. These institutions can be formal or non-formal combinations that work together to route money for loans to low-income households (Archana, 2013). Debit card usage has skyrocketed, with banks placing a greater emphasis on rural and semi-urban regions. Even years after inclusive banking initiatives such as cooperative movement, nationalization of banks, the establishment of regional rural banks, etc., were introduced in the country, it is disheartening to observe how few individuals still have access to the goods and services offered by the banking system. This leads to the conclusion that more effort has to be done to achieve inclusive growth and that financial inclusion has significantly contributed to the expansion of the Indian economy (JishaJoseph and Varghese, 2014).

The majority of Indians are classified as having poor financial inclusion. The central, eastern, and northeastern regions do badly in financial inclusion, whereas the southern regions do better (Yadav et al., 2020). With a huge proportion of the populace having inadequate ingress to formal banking services, financial inclusion was a major concern in India before 2014. A number of measures have been put in place by the government and other financial organizations to solve this problem. One such program is the Pradhan Mantri Jan Dhan Yojana (PMJDY), which was introduced in 2014 and aims to give all families in the nation access to financial services. Pradhan Mantri Jan Dhan Yojana (PMJDY), aims to expand the scope of formal financial institutions while granting global ingress to banking services and financial literacy (Khuntia, 2014). Financial inclusion via PMJDY is one of the best initiatives ever attempted to end poverty. Any system must undergo ongoing evaluation and regular inspection in order to succeed. A successful implementation will curb corruption in addition to reducing poverty. Indeed, the NDA government's audacious initial move assisted many in entering the mainstream economy and lessening financial untouchability (Kumar and Venkatesha, 2014). A survey reveals that women, small-scale and marginal farmers, and rural individuals lacking formal education are the main groups opening new accounts. The effectively managed Common Service Centers have played a significant role in helping the rural populace access banking services (Singh and Naik, 2018). An analysis of financial inclusion before and after PMJDY was implemented shows that while not all public sector banks perform at the same level, overall average efficiency toward financial inclusion rises dramatically during the post-phase. Within them, and even between the two periods, there is a notable difference in terms of efficiency (Maity and Sahu, 2020).

It has been discovered that while PMJDY has expanded the number of bank accounts, relatively few transactions occur in the accounts, which weakens KYC for underprivileged and marginalized persons. Many accounts lie inactive because there aren't enough funds to put into them or there isn't enough income to fund them (Bijoy, 2017). It is imperative to acknowledge the substantial and affirmative correlation that exists between economic advancement and financial inclusion throughout the states of India. The PMJDY program did not increase state-by-state economic prosperity; instead, it just slightly accelerated economic growth (Singh et al., 2021). The government is unable to dramatically change rural customers' understanding of financial inclusion plans, despite all of its attempts to spread the program throughout India. Our study revealed that rural clients are not only underexposed to a wide range of banking services, but they also fail to recognize the significance of these services (Joshi and Rajpurohit, 2016).

Based on the review of the aforementioned literature, it is evident that contradictory conclusions are drawn by different authors regarding the effectiveness of PMJDY on the financial inclusion revolution of India. Further, there is no sufficient literature that portrays all the milestones of PMJDY in the decade's path of transforming the "unbanked" to "banked". Hence in two respects, the current study adds to the body of literature. First, the study discusses all the critical contributions of a decade's journey of PMJDY towards the process of financial inclusion. Secondly in light of those contributions, critically examines and compares the performance of all the states in successfully implementing the scheme and achieving the ultimate objective of promoting financial inclusion via providing all Indian residents, particularly those in underprivileged and economically excluded segments of the population, with access to essential banking services including insurance, pensions, and savings accounts.

RESEARCH METHODOLOGY

Using a descriptive research methodology, this study examines how the Pradhan Mantri Jan Dhan Yojana has empowered millions of people by promoting greater financial inclusion over time. The procedure of collecting data includes obtaining secondary data from reliable sources, including publications from the Reserve Bank of India, government reports, and pertinent databases on financial inclusion. Over a ten-year period, these sources offered detailed information on important metrics such the quantity of new accounts opened, account holders' demographics, usage trends, and availability of financial services. The rise of PMJDY from 2014 to 2023 is shown statistically in this study. The study uses graphical representations to show trends and changes in financial inclusion measures in order to give a clear and thorough analysis. These graphic aids serve to illustrate the development and effects of PMJDY across a range of geographic and demographic contexts over the years. Descriptive statistics were employed as part of the analytical procedures to compile the data and provide a broad overview of the program's accomplishments. Furthermore, a comparison study was performed in order to pinpoint trends and inequalities among various demographic segments. This method made it possible to fully comprehend the elements that made the outcome successful as well as the areas that still need work.

RESULTS AND DISCUSSIONS

In India, financial inclusion is critical because it may spur economic expansion, lower poverty rates, and advance social progress. Financial inclusion gives low-income and excluded groups access to formal financial services so they may invest, save, and build assets. Consequently, by giving people and households more financial power, this helps to reduce poverty. Numerous tactics, regulations, and plans have been put into place to accomplish this goal. A "No Frills" account, also referred to as a "Basic Savings Bank Deposit Account" (BSBDA) in Indian contexts, is a zero- or low-cost savings account that is simplified and intended to make basic banking services available to all population segments, particularly those who might not be able to meet the requirements of a regular savings account. These accounts allow users to deposit and withdraw money, among other crucial banking functions. On the other hand, their monthly transaction limit can be restricted. Accounts with No Frills are designed to be as economical as possible, with little or no fees for standard banking services. This promotes the opening and upkeep of such accounts by people from various socioeconomic backgrounds. To enable electronic transactions, account holders may receive a basic RuPay debit card. Pradhan Mantri Jan Dhan Yojna, one of the main initiatives for financial inclusion is PMJDY, which debuted in August 2014. It seeks to guarantee that each and every home in the nation has a bank account. Basic banking services like an overdraft facility, insurance, and a RuPay debit card are offered by the plan. The Business Correspondent Model allows financial institutions to build branches in rural locations, but not before appointing commission agents to deliver financial services at the public's doorstep. This approach results in a huge client base at a cheap cost. Thus, the term "cost-efficient model" is also applied to this paradigm. An attempt to close the economic divide between rural and urban India is being made by the Indian Banks Association and the Union Government. With the goal of providing financial services to sizable rural regions, it was introduced in February 2011. In order to make sure that everyone, at all levels, benefits from economic progress, banks designate business correspondents who serve as go-betweens between rural residents and the banks under this program. There are several benefits for both people and the economy as a whole from the financial inclusion revolution. It empowers underprivileged populations and promotes economic growth and poverty reduction by increasing access to formal financial services. With the opportunity to save, invest, and obtain credit, people are better equipped to handle their money and make long-term plans. By decreasing the reliance on unofficial and sometimes riskier methods, digital payment technologies and improved financial literacy help to create a more transparent and efficient financial environment. Increasing financial inclusion boosts general economic development, promotes entrepreneurship, and improves liquidity for the economy as a whole. Additionally, by guaranteeing that a broader range of people may engage in the formal financial system, it breaks down barriers and builds a more robust and inclusive financial environment, all of which contribute to social fairness.

A combination of government efforts, technology developments, and changing customer tastes has led to a substantial rise in the provision of financial services in India in recent years. With the introduction of basic savings accounts, the Pradhan Mantri Jan Dhan Yojana (PMJDY), which was introduced in 2014, significantly contributed to the inclusion of millions of unbanked people in the formal financial system. Developments in digital technology have also resulted in an explosion of mobile banking services and digital payment systems, greatly expanding the pool of people who can use financial services. Financial access has become even more accessible due to the growth of fintech businesses that provide creative solutions, as well as the rising use of smartphones and internet connectivity. This increased accessibility covers a range of financial goods including mutual funds, digital lending, insurance, and other services that are typically provided by banks. The country's overall economic growth and stability are bolstered by the transformational influence of these advancements, which is demonstrated by enhanced financial inclusion, higher efficiency in financial transactions, and the empowerment of citizens to make educated financial decisions (see Table 1).

Table 1. Expanded availability of financial services

	2018	2019	2020	2021	2022
Number of ATMs per 100,000 adults	21.40	20.69	21.23	21.21	24.64
Number of commercial bank branches per 100,000 adults	14.30	14.42	14.57	14.42	14.31
Outstanding deposits with commercial banks (% of GDP)	60.50	64.15	70.75	66.89	63.50
Outstanding loans from commercial banks (% of GDP)	46.39	49.23	53.05	47.20	45.06

Outstanding small and medium enterprise (SME) loans from commercial banks (% of GDP)	6.08	6.53	7.13	6.32	5.90
Number of registered mobile money accounts per 1,000 adults	535.71	1,249.12	1,650.86	1,917.04	1,151.11
Value of mobile money transactions (during the reference year) (% of GDP)	0.58	0.91	0.91	0.65	0.81

Source: data.imf.org

All the aspects that define financial services show an upward trend, but it is notable that there is a slight decrease from 2020 to 2021. But even then, while considering the whole trend of access to financial services, it is expanding.

The JAM trinity, another initiative for the financial inclusion revolution is centered on utilizing mobile phones, Aadhaar (unique identity), and Jan Dhan accounts to enable direct benefit payments and subsidies to the targeted recipients. Easy KYC (Know Your Customer) guidelines: The KYC process has been streamlined to make sure that those in the lower income bracket don't have any trouble getting a bank account because of administrative complexities (see Table 2).

Table 2. Beneficiaries of PMJDY as of 20.12.2023

Bank Name / Type	No. of Beneficiaries at rural/semi-urban Center Bank branches	No. of Beneficiaries at urban metro Center Bank branches	No. Of Rural-Urban Female Beneficiaries	No. of Total Beneficiaries	Deposits in Accounts (In Crore)	No. of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	25.10	14.91	22.02	40.01	164625.34	30.17
Regional Rural Banks	8.20	1.38	5.54	9.58	40632.65	3.47
Private Sector Banks	0.72	0.74	0.77	1.47	5968.91	1.16
Rural Cooperative Banks	0.19	0.00	0.10	0.19	0.01	0.00
Grand Total	34.21	17.03	28.43	51.25	211226.91	34.80

Source: pmjdy.gov.in

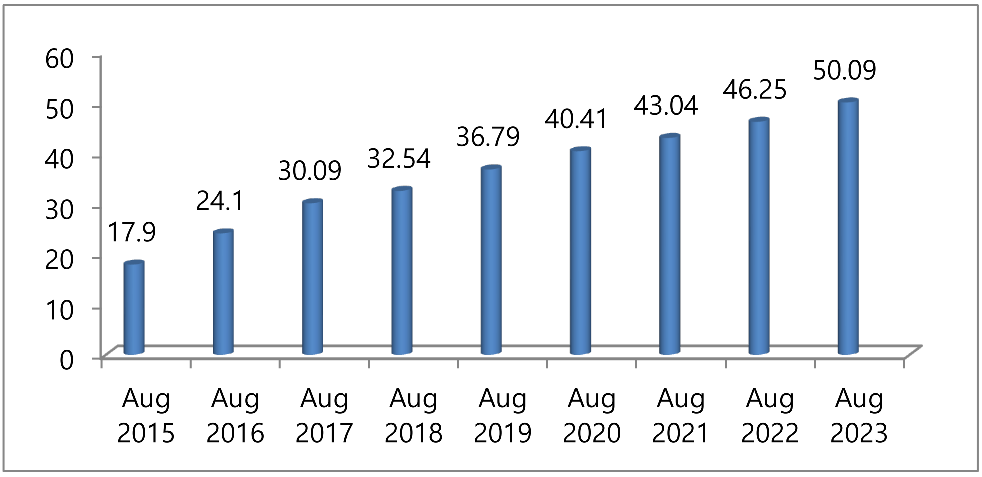
It is evident from the statistics that Public Sector banks contribute a lion's portion of beneficiaries since they are big in size and access. Development and Refinancing Agency for Micro Units (MUDRA) Yojana was established in April 2015 with the goal of lending money to micro businesses at various phases of development. Loans are categorized into three groups: Tarun (₹5 lakh to ₹10 lakh), Kishor (₹50,000 to ₹5 lakh), and Shishu (up to ₹50,000).

India's premier financial inclusion initiative, the Pradhan Mantri Jan Dhan Yojana (PMJDY), offers the people of the nation several advantages. Since its launch in 2014, PMJDY has worked to guarantee universal financial inclusion by offering all residents access to reasonably priced banking services. Access to formal banking is made possible for those with lower incomes by offering basic savings accounts with no minimum balance restrictions, which is one of the main advantages. As a result, financial aid and subsidies may now be sent directly to recipients, cutting down on leaks and improving the efficiency with which government benefits are distributed. The country's transition to a cashless economy has been aided by the issuing of RuPay debit cards under PMJDY, which has encouraged digital transactions. This not only improves financial transparency but also lessens the need for currency, lowering the dangers involved in its handling and delivery. By effectively bringing millions of previously unbanked people into the official financial system, the initiative has given them access to a variety of financial services including pension plans and insurance. In turn, this gives families a financial safety net for unanticipated circumstances.

Additionally, PMJDY is essential in promoting financial literacy through programs such as the PMJDY-FLC (Pradhan Mantri Jan Dhan Yojana - Financial Literacy Campaign). The purpose of these efforts is to spread awareness among the public, especially in rural regions, about the advantages of formal banking, responsible money management, and the usage of digital payment systems. People gain knowledge and become better equipped to make wise financial decisions as a consequence, which promotes economic growth on the whole. Furthermore, by guaranteeing that people from all socioeconomic levels have access to financial services, the initiative has helped to reduce income disparity. In particular, the empowerment of women is remarkable since PMJDY promotes gender equality and financial independence by encouraging the establishment of bank accounts in the names of female family members.

In a nutshell, PMJDY offers several advantages that go much beyond only bank account provision. It eventually contributes to the broader socio-economic development of India by including digital inclusion, improved financial literacy, financial empowerment, and a more equal allocation of economic resources (see Figure 1).

Figure 1. Progress of the scheme in terms of the number of PMJDY accounts as of August 2023



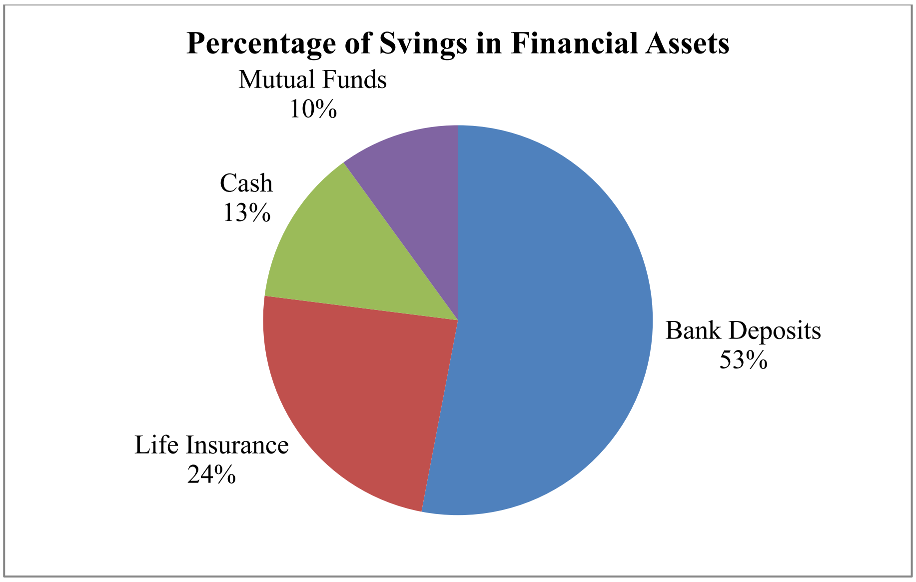
Source: pmjdy.gov.in

In terms of number of PMJDY accounts opened from 2015 to 2023, the graph depicts a sustainable upward trend. On average every year has around a 6% increase in the number of PMJDY account holders.

In their rural and semi-urban branches, banks were advised by the RBI to think about offering General Purpose Credit Cards (GCCs) with a maximum limit of Rs. 25,000. GCC is a revolving credit, therefore the bearer may take out as much as is permitted. The facility's interest rate is totally unregulated. The goal of APY is to give unorganized sector workers a pension. By making regular payments, it encourages people to save for their retirement. Sukanya Samriddhi Yojana (SSY) is aimed at parents of girl children, this program encourages saving for the costs of schooling and marriage. It provides tax advantages in addition to a high-interest rate. The Stand-Up India initiative was established to encourage women and communities belonging to scheduled caste/scheduled tribe (SC/ST) groups to start their own businesses. The organization offers financing for the establishment of greenfield sites. By directing people toward different financial products and services, Financial Literacy and Credit Counseling Centers seek to improve financial literacy among both urban and rural populations.

Indians' saving patterns are varied and shaped by a range of cultural, economic, and demographic variables. In Indian culture, saving has always been seen as a responsible financial move. A lot of people put saving money for important life events like weddings, college, and house purchases first. Joint families encourage a culture of shared responsibility by encouraging group financial planning. A predilection for conventional savings options like gold and real estate has also resulted from a historical mistrust of official financial institutions. But in recent times, there has been a discernible change as younger people have come to choose digital savings platforms, mutual funds, and traditional banks. The unbanked population has benefited from government programs like the Pradhan Mantri Jan Dhan Yojana (PMJDY), which have encouraged saving behaviors and promoted financial inclusion. Even with these modifications, there are still issues that may affect Indians' saving behaviors, such as insufficient financial knowledge among some demographic segments and unstable economic conditions. Still, India's saving habits are still being shaped by the country's changing financial environment as well as a societal focus on frugal living (see Figure 2).

Figure 2: Break-up of savings in financial assets of Indian Households as of 2022



Source: RBI Report, 2022

More than half of the total savings of Indian Households are in bank deposits. This fact reveals the banking sector's eminent role in empowering India through the banking revolution. Financial Inclusion National Mission offers banking services, insurance, and pensions to all societal segments, NMFI seeks to promote inclusive growth.

To cut down on leakages and guarantee the efficient administration of social programs, the government pays subsidies and benefits straight into the bank accounts of recipients using the DBT platform. In order to further the goal of financial inclusion, banks were given permission in January 2006 to work with other rural organizations, such as self-help groups, microfinance institutions, and non-governmental organizations. Domestic scheduled commercial banks were granted broad authority in December 2009 to open branches freely in tier III to tier VI centers with fewer than 50,000 population, as long as they reported, in an effort to solve the issue of an uneven distribution of bank branches. Two unique types of banks were opened in India as one of the many steps taken to promote financial inclusion based on the recommendations of the Nachiket Mor committee. Payment banks' primary goal is to provide low-income families, small businesses, and migrant laborers with access to banking and payment services in a safe, technologically advanced setting. These banks will solely take public deposits; loans will not be made. Small finance banks are a particular kind of specialty bank in India. The fundamental banking services of accepting deposits and making loans are available from banks with a small finance bank license. Micro and small enterprises, as well as tiny and marginal farmers, and other organized sector organizations are among the underserved and unserved segments of the nation to which they will offer cheap banking products.

The different financial tastes of the country's populace, as well as the country's multifarious economy, are reflected in the broad mix of financial assets exhibited by Indian families. Owing to their perceived stability and safety, traditional assets including savings accounts, fixed deposits, and bank deposits continue to be popular options. Gold is a popular investment because it has historically had great cultural and economic importance. The popularity of government securities, mutual funds, and equity investments has significantly increased recently, indicating a growing demand for market-linked assets. The popularity of online investing alternatives has increased with the introduction of digital platforms. Long-term financial planning by households is aided by pension funds and insurance plans. With growing understanding and engagement in capital markets, the financial asset landscape in India is changing, which is in line with the overarching objective of promoting a more dynamic and varied investing culture (see Table 3).

Table 3. Financial assets of Indian households from 2012 – 2022 (in crores and at approximate current prices)

Year	Bank Deposits	Non-Banking Deposits	Life Insurance Funds	Provident and Pension Funds	Shares and Debentures
2012-13	575,080	27,911	179,949	156,479	17,027
2013-14	639,304	22,816	204,469	177,841	18,930
2014-15	579,272	28,915	299,322	190,883	20,364
2015-16	622,364	18,082	264,177	290,729	28,356
2016-17	938,574	34,856	354,321	325,539	174,466
2017-18	510,174	16,538	343,959	369,445	177,324
2018-19	744,156	34,086	258,529	396,348	77,789
2019-20	827,901	56,677	338,572	452,789	94,742
2020-21	1,200,642	39,787	569,485	444,984	107,184
2021-22	779,303	46,575	444,984	562,217	214,191

Source: RBI Report, 2023

Contributions of Indian Households are increasing year by year. One of the notable increases was in Bank Deposits. PMJDY is leading the pack in all of these endeavors. There were two stages to PMJDY's launch. Between August 14, 2014, and August 14, 2015, there was a first phase that included the RuPay debit card, a life insurance policy worth Rs. 30,000 for accounts opened between August 28, 2014, and January 26, 2015, an accident insurance cover of Rs. 1 lakh, an overdraft facility of Rs. 5,000 based on performance during the first six months, a financial literacy program, the expansion of direct benefit transfer, and the issuance of RuPay Kisan Cards. The second stage ran from August 14, 2015, to August 14, 2018, during which time bank branches would be positioned throughout all unbanked areas, Business Correspondents (BCs) would be widely utilized, and microinsurance and unorganized sector pension schemes would be made available.

In order to close the financial divide, the Pradhan Mantri Jan Dhan Yojana (PMJDY) promotes inclusive banking and provides previously unbanked people with accessible and reasonably priced financial services. Giving every family the chance to create a bank account was the motto of the scheme as it would provide financial stability and encourage economic growth in underserved areas. Providing every household in the nation with at least one bank account, remittance services, a Rupay debit card, an overdraft facility of up to Rs. 5,000, accident and life insurance, and direct benefit transfer of government subsidies and funds was the primary goal of the National Mission for Financial Inclusion. "Mera Khata - Bhagya Vidhata" is the motto that the PMJDY was introduced with.

CONCLUSION AND POLICY IMPLICATIONS

A long-standing issue facing the Indian populace, particularly in rural areas, is financial inclusion. In this fraternity, PMJDY turned out to be a blessing. This study contains a thorough assessment of the Pradhan Mantri Jan Dhan Yojana's decade-by-decade advancement, underscoring the program's pivotal role in India's financial inclusion revolution. The potential of financial inclusion in India to propel economic growth via empowering underprivileged communities, encouraging entrepreneurship, and building a more robust and inclusive financial system that benefits the whole economy makes it strategically significant. With an emphasis on PMJDY specifically, this paper examines the efforts undertaken by the RBI, the Indian government, and other financial institutions to achieve complete financial inclusion in India. The report focused on the major milestones the program has achieved over the last ten years. An in-depth overview of the Pradhan Mantri Jan Dhan Yojana (PMJDY) program's history and impact is provided by an examination of how it has contributed to credit accessibility for Indian citizens, especially those who fall below the poverty line.

A primary discovery reveals a noteworthy disparity in the extent of formal financial service accessibility between rural and urban areas, which in turn dictates the degree of financial inclusion those areas experience. Additionally, utilizing digital technologies that impact being financially inclusive in the digital age is far less likely in rural areas. This can be accounted for by the government's concerted efforts to improve financial services accessibility, including the implementation of PMJDY and Know Your Customer initiatives that streamline branch authorization, involve mobile bank branches, JAM Trinity, rural intermediaries, and more. Access to financial services has improved as a result.

Rural communities frequently lack access to financial services, which prevents them from being financially inclusive. This highlights the significance of enhancing financial services accessibility, particularly in rural areas. Rupay cards, pension plans, and DBT facilities have been provided by the government to PMJDY account holders; however, these initiatives must be supported by public education campaigns about the range of digital financial services that are accessible and the advantages they offer, especially to the underprivileged and those living in rural areas. Numerous services were offered by PMJDY in two phases, including microinsurance, credit guarantee funds, microdraft and direct bank transfer facilities, basic bank accounts with Rupay debit cards, accidental insurance coverage of Rs. 1 lakh, and programs to promote financial literacy. It bolstered the nation's march toward financial inclusion. To close the gap in the availability of banking facilities, the initiative takes advantage of both the extensive banking network that already exists and technological advancements to offer basic financial services to every home.

A wide range of important policy consequences are associated with the Pradhan Mantri Jan Dhan Yojana (PMJDY). First and foremost, PMJDY tackles the critical issue of financial inclusion by giving underprivileged populations—especially those living in rural areas—access to official banking services. Encouraging savings, making credit more accessible, and encouraging entrepreneurship advance the government's larger objectives for economic growth. In addition, PMJDY facilitates the successful execution of Direct Benefit Transfer (DBT), minimizing leakages and augmenting the efficacy of welfare initiatives. In line with the government's efforts to promote a cashless economy, the availability of RuPay debit cards promotes online shopping. Campaigns for financial literacy linked to PMJDY have policy implications for educating the public about money matters and fostering long-term economic stability. Furthermore, there are consequences for women's empowerment and gender equality from the emphasis on gender inclusion and the promotion of accounts in the names of female family members. All things considered, PMJDY is a thorough policy endeavor with broad ramifications for India's social development, economic expansion, and financial inclusion.

There are 50.09 crore PMJDY accounts as of August 2023, which is more than three times the number that existed in March 2015 (14.72 crore). By 2023, about 50 crore people had been brought into the formal banking system through the creation of Jan Dhan Accounts. All told, 67% of Jan Dhan accounts were opened in semi-urban or rural regions. A total of more than Rs. 2.03 lakh crore has been put into accounts; PMJDY account holders have received about 34 crore RuPay cards. The insurance offered by PMJJBY is less expensive than that offered by public sector banks like SBI, LIC, etc., particularly for those over 30 who have a higher need for insurance and a real danger to their health. Over 6,60,000 individuals have benefited from PMJJBY claims, which have been compensated for a total of INR 13,000 crore. In a similar vein, PMSBY paid out INR 2,000 crore on about 1,155,000 claims. According to the data, both approaches have consistently demonstrated their value. As a result, government programs like PMJDY, PMJJBY, and PMSBY have significantly reduced the issue of financial exclusion.

Hence from the analysis, it is evident that the efforts to bring up the level of financial inclusion in India have fruitful results. But the only thing is that awareness has to be increased among the common people especially in rural areas where the literacy level is lacking.

SCOPE FOR FUTURE RESEARCH

Some of the limitations of this work can be used to guide future research directions. It is necessary to concentrate on the barriers preventing the programs specifically created to promote financial inclusion and equitable economic growth from spreading too far. Then only the policymakers may focus on such limitations and enhance the potency and effectiveness of the programs. Using primary data, the same analysis may be carried out in each local location where inclusive growth is trending downward to get a more refined grassroots-level outcome. Additionally, micro-level research must be conducted to investigate the factors contributing to the disparity between rural and urban areas in terms of the uptake of these programs.

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