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Deciphering the Influence of PMJDY on Financial Inclusion and Development Sustainability

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Abstract

Using a method based on secondary data analysis, this paper looks at the important topic of Financial Inclusion in India through the lens of sustainability. The study uses a lot of reliable sources, like government websites, RBI reports, NABARD papers, IBA Bulletins, academic journals, magazines, and bank websites to give a full picture of the present state of financial inclusion in India. It focuses on sustainable financial practises and looks at how inclusion fits in with the social, economic, and environmental aspects of sustainability. One of the most important things about secondary data is that it is useful for giving a history and broad-based view. It is also easy to find and doesn't take a lot of time or money. It does talk about the problems that come with using extra data, like making sure it is relevant, keeping the data safe, and being up to date. The paper carefully puts together data from many different sources to give a full picture of India's long-term financial inclusion situation, highlighting both its successes and areas that need more work. The study's results show that India's financial sector has a lot of possibilities and problems, especially when it comes to sustainability. They also lay the groundwork for future research and policy changes.

Keywords: PMJDY , Financial Inclusion, Sustainability

Introduction

Financial inclusion is a key part of sustainable development because it makes sure that everyone has equal access to financial services, especially those who aren't getting enough help or are on the outside. In this area, India's Pradhan Mantri Jan Dhan Yojana (PMJDY) stands out as a major effort to reduce the widening gap in income (Kandpal, 2020). This plan is very important to their mission, and it fits in with world goals like the Sustainable Development Goals set by the UN. Indian groups like the Reserve Bank of India (RBI) and foreign groups working together have shown how important PMJDY is to India's financial inclusion goal (Ambarkhane et al., 2022). A lot of researchers, like Rastogi and RE (2018), Pandey et al. (2022), and Hadar and Manos (2021), have started big projects to look into all the different parts of PMJDY, from how it changes socio-economic norms to how it helps women get ahead financially. This paper tries to give a more detailed understanding of PMJDY's impact on financial inclusion and the bigger picture of India's economic sustainability amidst the complex mix of policies, strategies, and initiatives.

Eliminating funding leakages is an important part of financial inclusion. A strong and easy-to-use banking system is necessary to make sure that the benefits meant for the poor actually get to them. There is a lot of secondary data in Agrawal's study. It comes from reputable sources like RBI and NABARD reports, government websites, and IBA Bulletin websites, to name a few (Agrawal, 2018).

India's plan to make more people have access to money is based on working together. One project that the UN and the National Bank for Agriculture and Rural Development (NABARD) are working on together is to help people who don't have access to banking services. The main goals of this relationship are to make customised financial goods, make more people aware of current financial services, and raise the number of people who know how to handle their money, with a focus on women (Agrawal, 2018).

The Reserve Bank of India (RBI) has been very important in creating India's banking environment over the years. Agrawal (2018) says that one of their most important tactics was getting commercial banks to start efforts for 100% financial inclusion in the areas where they did business. A few years before the study came out, the RBI laid out its goal for 2020, which was not only big, but also ground-breaking. Their goal was to get about 600 million new customer accounts. The creative creation of basic bank accounts, aptly named "no-frills" accounts, with less strict Know Your Customer (KYC) rules was a key part of this plan. Also, using business contacts as middlemen was a smart way to help people in rural places get banking services. The most important thing for financial inclusion is to get more people in rural areas to save money. This not only gives them a safety net, but it also spreads out the resources available to the banking system. The PMJDY programme, which is based on the Indian government's concept of "inclusive growth," is the key to this effort. Bank managers and other partners can help reduce poverty and improve the nation's economy and society by bringing this group of people into the main line of finance.

Objectives of the Study

1. To scrutinize the advancement of Financial Inclusion Initiatives in India.
2. To understand the evolving trends in financial inclusion, particularly relating to the Pradhan Mantri Jan Dhan Yojana.

Methodology

This study's methodology emphasises the importance and scope of secondary data analysis. People who weren't the study themselves gathered secondary data for some other reason. This kind of information is called secondary data when it is used in a new research study. Because Financial Inclusion in India is such a broad topic, this study makes good use of a lot of additional data.

1. Where Secondary Data Comes From:

• Sources on the government website: These are the main websites of ministries, departments, or other groups within the government. There is a lot of reliable and up-to-date information on their site. When it comes to financial inclusion, these sites give information about government programmes, policies, figures, and other useful sets of data.

• Reports from the Reserve Bank of India (RBI): The RBI is a very important part of India's banking system because it is the country's central bank. Their studies are very important because they have a lot of information, study results, trends, and analyses about India's banking and finance industry. These papers explain the RBI's views on different financial policies, rules for businesses, and its goal for everyone to have access to financial services.

• Reports from NABARD (National Bank for Agriculture and Rural Development): NABARD's main job is to help India's rural areas become more prosperous. Its papers go into great detail about the financial situation in rural areas, pointing out problems, chances, and the growth of different projects. The bank's papers are especially useful for study on financial inclusion because they are mostly about farmland and rural development.

• Websites for the Indian Banks' Association (IBA) Bulletin: In India, the IBA is a group of bank managers who work together to make decisions. The IBA's website has news and reports that give information about the banking sector's growth, problems, and main projects. They also give the individual banks' views on different financial problems as a whole.

• Scholarly papers and magazines have in-depth pieces, studies, and reviews on a lot of different subjects. When it comes to banking and finance, they give analyses, case studies, expert views, and actual results that are very important for a full study like this one.

• Bank Websites: Each bank's website or platform has information about its programmes, growth rates, yearly reports, and long-term goals. This information is very helpful for getting a small-scale picture, understanding how each bank contributes, and judging the general health of the sector.

2. Why using secondary data is a good idea:

> • Cost-effective: One of the main benefits is that it saves money. They don't need to collect raw data, which can take a long time and cost a lot, because the data they already have is enough.
>
> • Saves time: The data is easy to get, so researchers can start analysing it right away instead of having to wait for initial data collection to finish.

• Wide Range of Information: Secondary data can give you a lot of different kinds of information, especially if it comes from a lot of different sources. This gives everyone a full picture of the study topic.

• Historical Context: Secondary data can give researchers a historical view, which lets them look at changes over time.

3. Problems with it:

• Relevance: Since the data wasn't collected just for this study, it might not always fit perfectly with the goals of the study.

It is important to check the correctness and reliability of secondary data because the original data collection methods may not be clear or available.

• Timeliness: Some secondary data sources may be out of date, so it's important to make sure the data is accurate and up to date.

Review of Literature

Financial inclusion means that everyone in an economy can access and use official financial services. This is very important for social and economic growth, especially for people at the bottom of the scale. When the United Nations (UN) and the National Bank for Agriculture and Rural Development (NABARD) work together, they have big plans to improve financial inclusion, especially for people who are already struggling and don't have much.

1. Access to Full Financial Services at Reasonable Prices: One of the most important goals is to make sure that all people and companies can get useful and inexpensive financial goods and services. This includes savings accounts, loans, insurance, and payments made in a way that is responsible and long-lasting (Demirgüc-Kunt et al., 2018). Specifically for the UN and NABARD's work together, this means making goods and services fit the special needs of rural and agricultural communities. This makes it easier for them to receive official banking services than it has been in the past.

2. Creating stable institutions with clear rules for regulation: For long-term financial inclusion, institutional stability is very important. It is necessary to set up and keep improving strong, clear, and flexible rules that all financial institutions must follow, from the biggest banks to small lending groups (Basel Committee on Banking Supervision, 2015). The UN and NABARD are working to make sure that the financial system stays strong, reliable, and in line with the larger goals of social growth by pushing for better governing standards.

3. Making sure the financial and institutional sustainability: A secure financial environment is one that can support itself financially and operationally. For the UN and NABARD, this means more than just giving more people bank accounts or financial help. Instead, it means creating a system where financial institutions can run on their own and where the financial products they offer are good for people's health (Hannig & Jansen, 2010).

4. A competitive setting Providing Options and Reasonable Prices: For growth to happen, prices to go down, and customers to have options, the finance sector needs to be competitive. The UN and NABARD want to make sure that everyone can receive financial services by encouraging competition. These services should also be able to adapt to the different needs of their users, which will make them more affordable and useful (World Bank, 2020).

5. Achieving the Sustainable Development Goals: Making Financial Inclusion Possible in India An article by Kandpal (2020) in the Journal of Public Affairs looks at how well the Prime Minister's Jan Dhan Yojana (PMJDY) worked in India and how it affected people's access to money. Kandpal talked about how the PMJDY has had different effects in different states and union territories (Kandpal, 2020).

6. Getting Past Barriers to Financial Inclusion: Evidence from India The research by Ambarkhane, Singh, Venkataramani, et al. (2022) looks at the real-life problems that are stopping people in India from having access to banking services. They emphasised how the PMJDY affects each state and suggested that bank learning centres can help with financial inclusion sustainability. This study is very helpful for learning about the different things that affect financial inclusion (Ambarkhane et al., 2022).

7. Financial Inclusion and Economic Growth: Problems and Ways to Fix Them In their 2018 study, Rastogi and RE looked at the link between financial inclusion and economic growth in India. They stressed how important it is to understand banking services and be financially literate in order to get the most out of the PMJDY programme (Rastogi & RE, 2018).

8. Examining the Effects of Drivers of Financial Inclusion Sustainability released Pandey, Kiran, and Sharma's (2022) study, which looks into what causes financial inclusion. They talked about how the PMJDY plan, which started in 2014, helped to give power to people who were on the outside of society. They also stressed how important it was to understand the different parts of their study model (Pandey et al., 2022). 9. Government Policy and Financial Inclusion Researchers Hadar and Manos (2021) looked at the Indian government's national goal for financial inclusion. They said that the PMJDY had helped bring more people into the banking system, but they also gave some warnings (Hadar & Manos, 2021).

10. The Contribution of Financial Inclusion to the Achievement of the Sustainable Development Goals Somewhat briefly, Dikshit and Pandey (2021) talked about the link between financial inclusion and the SDGs. They talked about how important PMJDY is to India's effort to make more people have access to financial services and how technology has affected this (Dikshit & Pandey, 2021).

11. PMJDY and Economic Growth: Linking Financial Inclusion Prior to and after the PMJDY's introduction, Behera's (2020) research looked at financial inclusion in Odisha. The study emphasised the scheme's importance in achieving long-term economic growth (Behera, 2020).

12. A Look at the Indian Economy's Financial Inclusive Policy; Sharma, Bhattacharya, and Thukral (2018) used cross-sectional data to look into the factors that affect financial inclusion

and the success of the PMJDY. They found that socio-economic, environmental, and educational factors play a key part (Sharma et al., 2018).

13. Evaluation of India's Financial Inclusion Performance; Gupta and Thakur (2020) looked at the PMJDY's results in great detail. In order to understand what clients want, their study looked at things like building structures and product range. Their thoughts put light on how Indian banks can help make financial inclusion a long-term goal (Gupta & Thakur, 2020).

14. Schemes of the Indian government to help women get ahead; In their 2023 study, Singh and Pande look into how to help women get access to financial services, focusing on programmes such as PMJDY, APY, and PMSBY. According to Singh and Pande (2023), their mathematical analysis shows that these programmes have the potential to ensure financial sustainability for people who don't have a lot of money.

15. The Jan Dhan Yojana and farming in India Ahmed (2023) talks about how important PMJDY is for making it easier for people in India's rural areas to get access to banking services. Ashmed (2023) says, the study takes a close look at how the programme has helped make sure that financial inclusion is long-lasting and effective in these places.

16. Geographical Hot Spots for Financial Inclusion and Exclusion in India; This study by Yadav and Reddy (2023) looks at India's districts to find the places where financial inclusion and exclusion are highest. Their thoughts show that the PMJDY works well for achieving inclusive growth, but they also stress the need to fix areas of financial exclusion (Yadav & Reddy, 2022).

17. How Effectively Indian Banks Help With Financial Inclusion; Another study by Agarwala, Maity, and Sahu in 2023 looked at how well Indian banks did at promoting financial inclusion through the PMJDY. Agarwala et al. (2023) say that their research shows how important it is for banks to be efficient and for sustainable development to work together.

18. Financial Inclusion for Women to Empower Them; In 2021, Bhatia talks about how important financial inclusion is for empowering women in India. She talks about the ways it can help women grow and become self-sufficient (Bhatia, 2021).

Major Findings

1. Lowering the banking sector's ecological footprint: the use of electronic banking services, especially Electronic Benefit Transfer (EBT), has made a big difference in this area. Due mostly to internet transactions, less paper use, less real infrastructure growth, and less need for movement have all led to a more eco-friendly way of doing things.

2. Economic Resilience: Steps to increase financial participation, like opening simple bank accounts and loosening Know Your Customer (KYC) rules, have helped fragile groups become more economically stable. By letting underrepresented groups join official banks,

there is a greater chance for people to save money, feel safe with their money, and lower their risk of losing everything when the economy goes down.

3. Business Correspondents (BCs) have helped community empowerment by working in neglected areas to provide more financial services and give local communities more power. BCs often come from the areas they serve, which helps create jobs and strengthens neighbourhood ties, both of which are important for social sustainability.

4. Technology-Driven Inclusivity: The push for technology has closed the digital gap, making it possible for people in rural areas to use banking services. By bridging gaps with technology, there has been progress towards long-term growth where resources are used well and services are provided well.

5. Sustainable Credit Practises: The General Credit Card (GCC) has made it easier to get credit, but there have been worries about how responsible banking is. Sustainable credit practises make sure that communities don't get into too much debt and can use credit to improve themselves.

6. Branch Expansion and Local Development: The plan to open more bank offices in places with fewer people could have negative effects on the environment, but it also helps the local economy grow. Sustainable building practises, involvement in the community, and hiring people from the area can help make sure that these kinds of developments follow the principles of sustainability.

7. A comprehensive approach to teaching money matters: long-term usefulness and comprehension is just as important as quick access. Along with financial inclusion drives, programmes that teach people about money have made sure that communities not only have access to services but also know how to use them in a way that doesn't hurt the economy.

8. Working together with different groups to reach long-term goals: The UN, RBI, and NABARD have all shown how powerful it can be to work together with many groups. These kinds of partnerships can share resources, information, and skills to look at financial inclusion from a sustainability point of view, making sure that the changes made have a real and ongoing effect.

Conclusion

Without a doubt, the Pradhan Mantri Jan Dhan Yojana (PMJDY) is one of the most important parts of India's plan to make sure everyone has access to money. There is a lot of writing on the subject that gives many different views on the PMJDY's part, its good and bad points, and its complicated connection with long-term growth.

1. Facilitating Financial Inclusion Several writers say that the PMJDY has helped make financial services more accessible, especially in rural areas and to people who have been left out of society (Gupta & Thakur, 2020; Ahmed, 2023)! The plan has not only given access to

banking facilities but also helped in teaching the people about the value of financial services (Singh & Pande, 2023).

2. Empowering women: One important thing that comes up is the role of PMJDY in giving women more financial power. Singh and Pande (2023) and Bhatia (2021) both say that schemes under the PMJDY name have been very important in making sure that women are not only recipients but also active players in the financial system.

3. Problems and Restrictions: PMJDY has done a great job of promoting financial equality, but there are still problems. Yadav and Reddy (2023) say that differences in where people can and can't get financial help need to be dealt with in a more comprehensive way. Markose, Arun, and Ozili (2022) also give a critical view on the economic sustainability of these kinds of state-led projects, raising concerns about their long-term economic viability.

4. How it fits in with bigger policies: The material also talks about how PMJDY works with other government programmes. Whether it's how it fits in with microfinance after demonetization (Radhika) or how it works with other programmes like APY and PMSBY (Singh & Pande, 2023), it's clear that PMJDY isn't an island but a part of a bigger policy network.

5. Bank Efficiency and Sustainable Development: Agarwala, Maity, and Sahu (2023) talked about how bank efficiency can help PMJDY reach its full potential for sustainable development. It is very important for banks to work quickly, appropriately, and in line with the larger sustainability goals in order for financial equality to lead to sustainable growth.

6. Pathway for the Future: Changing socio-economic conditions, new technologies, and feedback from the ground will all affect the path of PMJDY because financial inclusion is still an ever-evolving field. Its ability to change and adapt to new problems, along with its unwavering dedication, will be very important to its long-term success and impact on sustainable development.

The Pradhan Mantri Jan Dhan Yojana (PMJDY) is one of the most important parts of India's plan to make sure that everyone has access to banking services. This project has greatly increased banking services, especially for people who don't have access to them in rural areas. One of the most important effects of PMJDY is that it has helped women gain financial independence, enabling them to move from being passive recipients of financial aid to active participants in the financial system. PMJDY, like any big policy project, has some problems, like uneven execution and worries about its economic sustainability in the long run. It's also important to note that PMJDY's success depends on how well it works with other government programmes and how well it can react to changing social and economic situations. The long-term success of PMJDY will depend on how it grows and changes over time, taking into account technology, feedback from the ground, and changing social needs. India is making progress towards a society where everyone has access to money. The flexibility and strength of PMJDY will be very important in making sure that all of its people can benefit from long-term growth and development.

Limitations and Future Studies

Since the study only used secondary data sources, it's possible that it missed the first-hand experiences and points of view of PMJDY recipients, which could have given researchers very useful information. Even though PMJDY is a national programme, this study might not take into account the different ways that the plan is used and received in different regions. Additionally, the long-lasting effects and sustainability effects of such a big project might not be fully apparent within the time range of this study. If you only look at qualitative tests, you might miss important numeric measurements that could give you more accurate information about how well PMJDY works. Lastly, external factors like global economic trends and changes in technology can have a big effect on individuals' paths to financial inclusion. These factors were not fully considered in this study.

A thorough longitudinal study can more precisely track the current development and long-term sustainability of PMJDY when it comes to future research directions. A study like this would give a better picture of how the programme has changed things over time. Through conversations or polls, talking to PMJDY recipients directly can help close the experience gap and give a real-life look at how well the programme is working and what needs more work. By looking more closely at state or region-specific studies, we might find unique problems and successes that help us better understand PMJDY's role in a range of social and economic situations. Putting PMJDY in the global setting of efforts to include more people in the financial system might help find best practises and new ideas from other countries. As technology changes the financial world even more, future study should focus on how to use new technologies to make PMJDY's effects even bigger. Finally, paying attention to how PMJDY affects underrepresented groups is very important for making sure the programme is truly inclusive and lasts.

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