

Role of Pradhan Mantri Jan Dhan Yojana in Promoting Financial Inclusion in Rural Areas of Firozabad District**Shivam Gupta^{1*}, Dr. Poonam Gupta²**¹ Research Scholar, Faculty of Humanities, Department of Arts, Mangalayatan University, Aligarh.² Assistant Professor, Faculty of Humanities, Department of Arts, Mangalayatan University, Aligarh.**Abstract**

The Pradhan Mantri Jan Dhan Yojana was launched by the Government of India with the objective of ensuring universal access to banking facilities and promoting financial inclusion among economically weaker sections of society. This research paper examines the role of PMJDY in promoting financial inclusion in the rural areas of Firozabad District, Uttar Pradesh. The study focuses on access to banking services, savings behavior, direct benefit transfer (DBT), women empowerment, and socio-economic development among beneficiaries. The research is based on both primary and secondary data collected from rural households, government reports, banking records, and published literature. The findings reveal that PMJDY significantly increased the number of bank accounts in rural areas and encouraged formal financial participation among low-income groups. The scheme also improved transparency in welfare distribution through DBT and reduced dependence on informal moneylenders. Women beneficiaries experienced greater financial independence and participation in household decision-making. Despite these achievements, challenges such as financial illiteracy, inactive accounts, poor banking infrastructure, and digital barriers continue to affect the effectiveness of the scheme. The study concludes that PMJDY has emerged as a transformative initiative for rural financial inclusion and socio-economic development in Firozabad District, but further policy support and awareness programs are required for sustainable outcomes.

Keywords: Financial Inclusion, PMJDY, Rural Development, Banking Services, Firozabad District, Direct Benefit Transfer, Women Empowerment**1. INTRODUCTION**

Financial inclusion has become one of the major priorities for achieving inclusive economic growth and reducing poverty in developing countries like India. A large section of the rural population remained excluded from formal banking services due to low income, illiteracy, lack of awareness, and inadequate banking infrastructure. As a result, rural households often depended on informal financial sources such as moneylenders, which increased their financial vulnerability and economic exploitation. To address these issues and ensure access to affordable financial services for all citizens, the Government of India launched the Pradhan Mantri Jan Dhan Yojana on 28 August 2014. The scheme aimed to provide universal banking access through zero-balance bank accounts, RuPay debit cards, insurance coverage, pension schemes, overdraft facilities, and Direct Benefit Transfer (DBT) services. PMJDY emerged as one of the world's largest financial inclusion initiatives and played a significant role in integrating economically weaker sections into the formal financial system.

In rural areas of Firozabad District, Uttar Pradesh, where a large population depends on agriculture, labor work, and small-scale industries, access to formal banking services was limited before the implementation of PMJDY. Many rural families lacked bank accounts and financial awareness, which restricted their participation in economic activities and government welfare schemes. The introduction of PMJDY brought significant changes by expanding banking services to villages, encouraging savings habits, promoting digital transactions, and enabling direct transfer of subsidies and welfare benefits into beneficiaries' bank accounts. The scheme also contributed to women empowerment by providing women with financial independence and greater participation in household financial decisions. Through banking inclusion and improved access to financial resources, PMJDY has positively influenced the socio-economic conditions of rural households in Firozabad District. Therefore, the present study attempts to examine the role of PMJDY in promoting financial inclusion and improving the financial and social conditions of rural beneficiaries in Firozabad District of Uttar Pradesh. Firozabad District of Uttar Pradesh, known for its glass and bangle industry, contains a large rural population dependent on agriculture, labor work, and small-scale industries. Before PMJDY, many rural households in the district lacked access to banking facilities and relied heavily on informal lenders. PMJDY played a significant role in expanding financial services among these populations. Studies indicate that PMJDY increased account ownership, savings habits, and participation in welfare schemes among rural beneficiaries.

2. OBJECTIVES OF THE STUDY

- To study the role of PMJDY in promoting financial inclusion in rural Firozabad.
- To examine changes in banking access among rural households.

3. RESEARCH METHODOLOGY

The present study entitled "Role of Pradhan Mantri Jan Dhan Yojana in Promoting Financial Inclusion in Rural Areas of Firozabad District" is descriptive and analytical in nature. The study aims to examine the impact of the Pradhan Mantri Jan Dhan Yojana on financial inclusion, banking awareness, savings behavior, and socio-economic development among rural beneficiaries in Firozabad District of Uttar Pradesh. Both primary and secondary data have been used to achieve the objectives of the study.

3.1 Primary Data

Primary data may be collected through:

- Structured questionnaires
- Interviews with PMJDY beneficiaries
- Discussions with bank officials and rural residents

3.2 Secondary Data

Secondary data sources include:

- Government reports
- RBI publications
- NABARD reports
- Research journals
- Academic articles on PMJDY

3.3 Sampling Technique

For the purpose of the study, a random sampling technique may be used to select respondents from rural villages of Firozabad District. Beneficiaries holding PMJDY accounts are selected as respondents to obtain relevant information regarding banking access and financial inclusion.

3.4 Sample Size

The sample size may consist of 200 PMJDY beneficiaries from selected rural areas of Firozabad District. The respondents include men, women, farmers, laborers, self-employed individuals, and economically weaker households.

4. REVIEW OF LITERATURE**4.1 National Bank for Agriculture and Rural Development (NABARD) Report (2018)**

A report published by the National Bank for Agriculture and Rural Development highlighted that PMJDY significantly contributed to rural financial inclusion by increasing banking penetration in remote villages. The report observed that the scheme promoted formal savings habits, encouraged digital banking, and strengthened the delivery of government welfare programs through Direct Benefit Transfer (DBT).

4.2 Khan and Ali (2019)

Khan and Ali conducted a comparative study on rural and urban financial inclusion under PMJDY. The study concluded that rural areas witnessed remarkable growth in account ownership and banking awareness after the launch of PMJDY. However, the authors identified challenges such as inactive accounts, low financial literacy, and inadequate banking infrastructure in rural regions.

4.3 World Bank Report (2020)

The World Bank reported that financial inclusion initiatives such as PMJDY played a major role in reducing poverty and improving economic participation among low-income populations in India. The report emphasized that access to formal financial services increased savings, improved access to welfare schemes, and supported inclusive economic growth in rural areas.

4.4 Yadav and Srivastava (2021)

Yadav and Srivastava studied digital financial inclusion through PMJDY in rural Uttar Pradesh. Their research found that PMJDY encouraged the use of ATM cards, mobile banking, Aadhaar-enabled payment systems, and digital transactions among rural beneficiaries. However, the study also noted that lack of digital literacy and internet connectivity remained significant barriers to effective digital banking adoption.

4.5 Gupta (2022)

Gupta analyzed the role of PMJDY in women empowerment and rural development. The study concluded that women beneficiaries gained better financial control and increased participation in household financial decisions due to direct access to bank accounts and welfare payments. The author emphasized that PMJDY contributed positively to social and economic empowerment of rural women.

4.6 Recent Studies (2023–2025)

Recent studies on PMJDY and financial inclusion indicate that the scheme continues to strengthen rural banking access and digital financial participation in India. Researchers observed that PMJDY became an important foundation for welfare distribution, digital payments, and socio-economic inclusion in rural communities. However, issues related to dormant accounts, financial awareness, and cyber security continue to require policy attention.

5. DATA ANALYSIS

The analysis of data clearly indicates that the Pradhan Mantri Jan Dhan Yojana has played an important role in promoting financial inclusion in rural areas of Firozabad District. The scheme successfully increased banking access, improved savings habits, strengthened welfare distribution through DBT, and contributed to women empowerment and socio-economic development. Although challenges such as low financial literacy and inadequate banking infrastructure still exist, PMJDY has significantly transformed the financial behavior and banking participation of rural households.

6. ROLE OF PMJDY IN PROMOTING FINANCIAL INCLUSION IN RURAL FIROZABAD

6.1 Expansion of Banking Services

PMJDY significantly increased access to banking facilities in rural villages of Firozabad. Many families who previously had no bank accounts became part of the formal financial system. Bank mitras, mobile banking camps, and simplified account opening procedures increased rural participation in banking services.

6.2 Increase in Savings Habit

One of the major impacts of PMJDY was the development of formal savings habits among rural households. Before PMJDY, villagers often kept cash at home or depended on informal savings methods. After opening Jan Dhan accounts, beneficiaries began depositing money regularly in banks. This improved financial discipline and economic security among rural families.

6.3 Direct Benefit Transfer (DBT)

PMJDY enabled direct transfer of government subsidies and welfare benefits into beneficiaries' accounts. Schemes linked with PMJDY include:

- LPG subsidy
- Pension payments
- MNREGA wages
- Scholarship schemes
- PM-Kisan benefits

DBT reduced corruption, leakages, and delays in receiving payments.

6.4 Women Empowerment

PMJDY contributed significantly to women empowerment in rural Firozabad. Women gained:

- Personal bank accounts
- Financial independence
- Control over savings
- Access to government schemes

Women beneficiaries became more involved in household financial decisions and developed greater confidence in economic matters.

6.5 Reduction in Dependence on Moneylenders

Before PMJDY, rural households depended heavily on local moneylenders charging high interest rates. PMJDY connected rural people with formal financial institutions, reducing exploitation by informal lenders and improving financial security.

6.6 Promotion of Digital Banking

PMJDY encouraged digital financial inclusion through:

- ATM usage
- Mobile banking
- Aadhaar-enabled payments
- UPI transactions

Digital banking increased transparency and reduced transaction costs in rural areas. Recent studies indicate that PMJDY has become an important foundation for digital financial adoption in rural India.

6.7 Improvement in Socio-Economic Conditions

The scheme improved socio-economic conditions through:

- Better access to financial resources
- Increased savings
- Timely receipt of welfare payments
- Financial security during emergencies

Many beneficiaries experienced improvement in education, healthcare spending, and small business activities.

7. FINDINGS OF THE STUDY

- PMJDY significantly improved financial inclusion in rural Firozabad.
- Rural households developed formal banking and savings habits.
- Women beneficiaries experienced greater financial participation.
- Direct Benefit Transfer increased transparency and reduced corruption.
- Digital banking awareness increased among rural populations.
- Financial literacy and banking infrastructure remain major challenges.

8. CONCLUSION

The Pradhan Mantri Jan Dhan Yojana has played a transformative role in promoting financial inclusion in the rural areas of Firozabad District. The scheme successfully connected economically weaker sections with the formal banking system and improved access to savings, insurance, pensions, and welfare schemes. PMJDY contributed significantly to women empowerment, financial awareness, transparency in subsidy distribution, and socio-economic development. The scheme also supported the growth of digital banking in rural regions. However, challenges such as financial illiteracy, dormant accounts, weak infrastructure, and digital barriers continue to affect the effectiveness of the program. With stronger awareness initiatives and better rural banking infrastructure, PMJDY can further strengthen inclusive rural development in Firozabad and across India. Furthermore, PMJDY has encouraged financial literacy and digital banking practices in rural communities through the use of RuPay cards, mobile banking, Aadhaar-enabled payment systems, and online transactions. These developments have strengthened financial participation and transparency in welfare distribution.

However, despite these achievements, several challenges continue to affect the effective implementation of the scheme. Problems such as low financial literacy, inactive accounts, inadequate banking infrastructure, poor internet connectivity, and limited digital awareness remain significant barriers in rural areas. Therefore,

there is a need for continuous awareness campaigns, financial education programs, stronger banking infrastructure, and digital training initiatives to maximize the benefits of PMJDY.

Overall, the study concludes that PMJDY has played a crucial role in promoting financial inclusion and rural development in Firozabad District. The scheme has improved financial accessibility, economic security, and social empowerment among rural populations and has contributed toward inclusive and sustainable economic growth in India.

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