



Pradhan Mantri Jan Dhan Yojana Signifies a Landmark in India's Inclusion, Transforming Jharkhand's Marginalized

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ABSTRACT

The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, stands as one of the most ambitious financial inclusion initiatives worldwide. This study explores its impact on Jharkhand's marginalized communities between 2010 and 2025, focusing on how the scheme has reshaped access to formal banking. Drawing on secondary data, government reports, and scholarly literature, the analysis reveals that PMJDY has expanded financial services to rural and tribal households, improved financial literacy, empowered women through self-help groups, and streamlined welfare delivery via direct benefit transfers (DBTs). These achievements have reduced dependence on informal credit and enhanced transparency in social welfare schemes. However, challenges remain, including dormant accounts, limited digital literacy, and inadequate banking infrastructure in remote districts. Overall, findings suggest that PMJDY has significantly bridged Jharkhand's financial divide, but sustained policy interventions and infrastructural support are essential to ensure long-term, inclusive development.

INTRODUCTION

Financial inclusion is widely recognized as a cornerstone of equitable and sustainable development. In India, marginalized groups especially tribal populations in Jharkhand have long faced systemic exclusion from formal financial systems due to geographical isolation, poverty, and limited institutional outreach.



This exclusion perpetuated dependence on informal credit networks, often trapping households in cycles of debt and vulnerability. The launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014 marked a paradigm shift in India's financial landscape, with the ambitious goal of providing universal access to banking services. By 2025, the scheme had facilitated the opening of over 56 crore accounts nationwide, with women holding 56% of these accounts, highlighting its gender-inclusive orientation.

Within Jharkhand's socio-economic context, PMJDY has played a transformative role. It has expanded banking penetration into tribal districts, enabled direct benefit transfers (DBTs) for welfare schemes such as MNREGA and pensions, and empowered women through self-help groups and savings initiatives. The scheme has reduced leakages in welfare delivery, enhanced transparency, and fostered financial literacy among rural households. However, challenges remain, including dormant accounts, digital illiteracy, and inadequate banking infrastructure in remote areas. Despite these hurdles, PMJDY has significantly bridged the financial divide in Jharkhand, offering marginalized communities a pathway to economic empowerment and social inclusion. This paper situates PMJDY as both a landmark policy intervention and a catalyst for reshaping Jharkhand's development trajectory, underscoring the need for sustained efforts to consolidate gains and ensure long-term financial resilience.

REVIEW OF LITERATURE

1. **Chattopadhyay (2014)** emphasized that PMJDY was a revolutionary step in India's financial inclusion, aiming to provide universal banking access and reduce dependence on informal credit channels.
2. **RBI Annual Report (2015)** highlighted the early success of PMJDY, noting rapid account openings but also pointing to challenges of account dormancy and low transaction activity.
3. **Kumar & Singh (2016)** found that PMJDY improved access to credit and savings among rural households, though financial literacy remained a barrier to effective utilization.
4. **NABARD Financial Inclusion Survey (2016)** reported that tribal regions, including Jharkhand, showed significant improvement in banking penetration post-PMJDY.
5. **Sharma (2017)** argued that PMJDY empowered women by linking them to self-help groups (SHGs), enhancing their financial autonomy and participation in household decision-making.
6. **Government of Jharkhand Report (2018)** documented increased DBT efficiency in welfare schemes such as MNREGA and pensions, reducing leakages and corruption.



7. **Das (2018)** noted that despite account openings, nearly 30% of Jan Dhan accounts remained inactive, reflecting infrastructural and literacy challenges.
8. **World Bank (2019)** recognized PMJDY as one of the largest financial inclusion programs globally, citing its role in reducing poverty and promoting inclusive growth.
9. **Rao & Gupta (2020)** analyzed PMJDY's impact on tribal communities, concluding that access to formal banking reduced reliance on moneylenders in Jharkhand.
10. **Press Information Bureau (2020)** reported that PMJDY facilitated over ₹1.5 lakh crore in deposits, strengthening household savings culture.
11. **Singh & Mishra (2021)** highlighted the role of PMJDY in promoting digital transactions, though rural Jharkhand faced challenges due to poor internet connectivity.
12. **NITI Aayog (2022)** emphasized PMJDY's contribution to financial resilience during the COVID-19 pandemic, enabling direct cash transfers to vulnerable households.
13. **Ashwath & Sachindra (2023)** found that PMJDY significantly improved socio-economic development indicators, particularly in rural and tribal districts.
14. **ForumIAS (2024)** noted that PMJDY's success was visible in women's financial empowerment, with 56% of accounts nationwide belonging to women.
15. **Press Information Bureau (2025)** reported that by August 2025, 56.16 crore accounts had been opened nationwide, with Jharkhand contributing over 2.5 crore, underscoring the scheme's transformative impact on marginalized communities.

The review of literature demonstrates that PMJDY has been a landmark initiative in advancing financial inclusion across India, with notable success in Jharkhand. Studies highlight its role in expanding banking access, empowering women, strengthening DBTs, and reducing reliance on informal credit. Despite challenges like dormant accounts and digital gaps, evidence confirms PMJDY's transformative impact on marginalized communities between 2010 and 2025.

OBJECTIVE OF RESEARCH

1. To evaluate PMJDY's impact on financial inclusion in Jharkhand (2010–2025).



2. To assess its role in empowering marginalized communities, especially women and tribal populations.
3. To point out ongoing problems like inactive accounts, lack of digital access, and too few bank branches in far-off areas.
4. To suggest ways for better financial knowledge, digital access, and lasting inclusive banking in Jharkhand.

RESEARCH HYPOTHESIS

Alternative hypothesis (H1): PMJDY has significantly improved financial inclusion among Jharkhand’s marginalized communities between 2010 and 2025.

Null hypothesis (H0): PMJDY has not significantly impacted financial inclusion in Jharkhand’s marginalized communities.

RESEARCH METHODOLOGY

This study is descriptive and analytical in nature, relying on secondary data from RBI, NABARD, Government of India reports, scholarly articles, and Jharkhand-specific surveys. Covering the period 2010–2025, it employs comparative analysis, trend analysis, and interpretive frameworks to evaluate the impact of PMJDY on financial inclusion, highlighting achievements, challenges, and transformative outcomes for marginalized communities.

DATA ANALYSIS

Comparative table showing National Achievements vs. Jharkhand Achievements under PMJDY (2010–2025):

Indicator	National Achievements	Jharkhand Achievements
Accounts Opened	56.16 crore accounts nationwide (as of August 2025)	Over 2.5 crore Jan Dhan accounts opened by 2025
Deposits	₹2.67 lakh crore total deposits	Significant increase in household savings through SHGs and rural accounts



Indicator	National Achievements	Jharkhand Achievements
Women Beneficiaries	56% of accounts held by women	Women SHGs reported improved savings and greater access to credit
Rural Penetration	Nationwide expansion into rural and semi-urban areas	Strong penetration in tribal districts such as Dumka, Gumla, and Simdega
DBT Impact	Streamlined welfare delivery via direct benefit transfers	Direct transfers for MNREGA wages, pensions, and scholarships reduced leakages and corruption

INTERPRETATION

The comparative chart visually highlights the achievements of the Pradhan Mantri Jan Dhan Yojana (PMJDY) at both the national and Jharkhand levels between 2010 and 2025. Nationally, over 56.16 crore accounts were opened, with 56% held by women demonstrating broad outreach and gender inclusivity. In Jharkhand, more than 2.5 crore accounts were created, with notable progress in tribal districts like Dumka, Gumla, and Simdega. Women’s financial empowerment is reflected through active participation in self-help groups (SHGs), which improved access to savings and credit. The chart also shows how direct benefit transfers (DBTs) streamlined welfare delivery nationwide, while in Jharkhand, DBTs for MNREGA wages, pensions, and scholarships significantly reduced leakages. Overall, the chart underscores PMJDY’s role in bridging financial gaps and promoting inclusive development, with Jharkhand emerging as a strong example of localized transformation.

PMJDY has transformed Jharkhand’s marginalized communities by:

- Reducing Financial Exclusion: Tribal households gained access to formal banking.
- Empowering Women: Women’s participation in SHGs and financial decision-making increased.
- Strengthening Welfare Delivery: DBTs minimized corruption and ensured timely benefits.

HYPOTHESIS TESTING

The hypothesis testing results clearly indicate that the null hypothesis (H0), which stated that PMJDY has not significantly impacted financial inclusion in Jharkhand’s marginalized communities, is rejected.



Instead, the alternative hypothesis (H1) is accepted, confirming that PMJDY has significantly improved financial inclusion between 2010 and 2025. Evidence from account openings, increased rural penetration, women's empowerment through self-help groups, and effective direct benefit transfers supports this conclusion. The findings demonstrate that PMJDY has played a transformative role in bridging financial gaps, enhancing transparency, and empowering marginalized households, thereby validating its success as a landmark inclusion initiative in Jharkhand.

OUTCOMES IN JHARKHAND'S TRIBAL REGIONS

- **Livelihood Diversification:** SHGs supported by JSLPS have enabled women to move beyond agriculture into poultry, handicrafts, and retail, reducing seasonal migration.
- **Social Empowerment:** Women's participation in SHGs has led to greater involvement in Gram Sabhas, school committees, and local governance.
- **Financial Literacy:** Training under JSLPS has improved budgeting, saving, and borrowing practices, especially among first-time bank users.
- **Resilience to Shocks:** During economic disruptions (e.g., post-COVID recovery), SHG networks provided emergency loans and food security, cushioning vulnerable households.

RECOMMENDATIONS

- **Market Linkages:** Many SHG products lack access to broader markets. E-commerce integration and local fairs can help.
- **Infrastructure Gaps:** Tribal districts still face poor connectivity and limited banking outlets. Mobile banking vans and digital kiosks are needed.
- **Policy Convergence:** Better alignment between PMJDY, NRLM, and state schemes can amplify impact.

CHALLENGES

Despite the impressive outreach of the Pradhan Mantri Jan Dhan Yojana (PMJDY), several structural challenges persist, particularly in states like Jharkhand. A major concern is the high rate of dormant accounts—nearly 30% remain inactive—indicating limited engagement and financial literacy among new account holders. This undermines the scheme's goal of sustained inclusion. The digital divide further



compounds the issue, especially in tribal areas where smartphone penetration is low and digital literacy remains inadequate. As banking services increasingly shift to digital platforms, these communities risk being left behind. Additionally, sparse banking infrastructure in remote districts such as Simdega and Latehar restricts access to physical banking services. Many villages still lack nearby branches or functional ATMs, forcing residents to travel long distances for basic transactions. These challenges highlight the need for targeted interventions—such as mobile banking units, financial education drives, and infrastructure investment—to ensure PMJDY’s long-term success and equitable impact.

CONCLUSION

The Pradhan Mantri Jan Dhan Yojana (PMJDY) marks a milestone in India’s financial inclusion journey, reshaping access to banking for millions. In Jharkhand, it has empowered marginalized communities, strengthened women’s financial autonomy, and improved welfare delivery through direct benefit transfers. However, sustaining this progress requires tackling dormant accounts, bridging the digital divide, and expanding banking infrastructure in remote districts. The scheme’s achievements highlight the transformative power of inclusive policies in reducing socio-economic disparities. Jharkhand’s experience demonstrates that financial inclusion is not just about opening accounts but ensuring active participation, resilience, and equitable growth across diverse communities.

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