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① Pradhan Mantri Jan Dhan Yojana has the potential to promote financial inclusion in the country. Substantiate?

Introduction - PMJDY launched on Aug. 2014 to provide universal access to bank facilities to every household & access to credit / pension / insurance to every adult individual

→ [>12.5 crore] Jan dhan accounts were opened since its launch till 1st (9 months)

Govt efforts -

⊙ PMJDY launch aimed to promote financial inclusion. -

→ key driver of sustainable economic development & has been featured in 8 out of 17 SDG by 2030.

⊙ Financial inclusion has been a key priority since its independence [GoI & RBI have taken numerous initiatives to promote inclusion].

For instance - ⊙ Nationalisation of 14 major banks
⊙ estb of RRB & expansion of branch network

- Lead bank scheme
- banks & self-help group linkage programme
- Nationwide programme for financial inclusion under Swabhiman scheme

[BC] model ← Swabhiman scheme
→ credit & remittance facilities
→ intro financial literacy programme

Thus financial inclusion not only promote SDG also

→ encourage social justice by providing savings
← channelising saving into productive growth
→ ensure access to Credit facilities from financial institutions.

PMJDY provisions –

* According to 2011 Census, around 42% of total household & less than half of rural household didn't have access to banking facilities. [before launch of PMJDY]

* PMJDY → life cover – 30,000
→ overdraft facility – 5,000 → 10,000
→ insurance – 1 Lakh → 2 Lakh

schemes was extended further in 2018

* subsequently action was taken to reach out underserved sections of society by [Aadhaar – Jan dhan – Mobile no] which was

used to transfer govt subsidies to beneficiarys account directly.

* This move resulted in growth of PMJDY accounts from 17 crore in 2015 to 43 crore in 2021

[(+)ive Impact]

out of 43 crore 55% account held by women

even helped govt to mitigate impact of COVID-19 through DBT

doormant Jan dhan accounts ↓ from 24 to 14%

66% of accounts present in rural semi-urban areas

UPI role in financial services - reached 6 billion transaction & 10 trillion worth.

Shortcomings

- Lack of knowledge abt ATM usage
- No awareness abt govt schemes
- Lack to training to bank Correspondent
- Large no of doormant accounts
- Poor digital infrastructure
- Cyber frauds
- Data privacy

Way Forward

- access to financial services based on quality not quantity.
- credit - Counseling programmes
- digital literacy

[Conclusion] - Thus ~~As The~~ govt should aim to promote financial inclusion by adopting secure digital tech with adequate safeguard & consumer protection Mea