



GOVT. COLLEGE THACHI MANDI, H.P.

Self-Assessment Report (SAR) for Annual Internal Ranking (AIR) of Govt. Colleges of Himachal Pradesh for the Academic Session 2024-25

Criterion 6- Faculty profile & research Activities
6.7. No. of Paper Published
6.7.1 UGC Care List Journals

RAMJ
19,1

2

Received 25 April 2024
Revised 4 October 2024
Accepted 4 October 2024

Unlocking financial inclusion: Indian banks' efficiency in Pradhan Mantri Jan-Dhan Yojana explored through DEA

Ajay Pal Singh

Department of Commerce, Government Degree College, Thachi, Mandi, India, and

Gagan Deep

Department of Commerce, Govt College Una, Una, India

Abstract

Purpose – Financial inclusion is a prerequisite for inclusive development. In 2014, the Indian Government introduced the Pradhan Mantri Jan-Dhan Yojana (PMJDY) with a similar objective. The study aims to analyse the effectiveness of banks in the implementation of financial inclusion policy, i.e. PMJDY.

Design/methodology/approach – To evaluate the effectiveness of Indian banks, the study used the data over a seven-year period, from 2014–2015 to 2020–2021. Data are analysed by using the data envelopment analysis technique.

Findings – The study discovered that public sector banks performed better than private sector banks (PVBs) in terms of boosting financial inclusion under the PMJDY scheme. In terms of implementing the PMJDY programme, the State Bank of India rated first.

Practical implications – Results recommended that policymakers set goals for banks. In order to encourage consumers to utilise their accounts, banks ought to introduce supplementary financial products and implement incentive programs.

Originality/value – The study is the first of its kind to measure the performance of Indian banks in the implementation of the PMJDY scheme.

Keywords PMJDY, Financial inclusion, Data envelopment analysis, Banks efficiency

Paper type Research paper

1. Introduction

Financial inclusion is described as easy and affordable access to basic banking facilities. However, a considerable segment of the world's population lacks access to such fundamental financial services, particularly in emerging nations plagued by poverty. For better economic growth, a large percentage of people's participation in the formal financial system is required (Maity, 2017). The banking sector has a primary role in the growth and economic development of a society (Joseph and Varghese, 2014). The banking sector plays a prime role in providing a formal financial platform to the common people (Maity and Sahu, 2018; Ravikumar, 2013). Banks promote a culture of savings among individuals and perform various other activities that contribute to financial inclusion (Rao, 2013). Some such activities provide easy and affordable access to services like savings and short-term credit for weaker social groups (Agarwala et al., 2022). Such reasonably priced opportunities can help strengthen the standing of these groups in society and allow them to become more fully integrated into society.

Consequently, the Indian Government, the Reserve Bank of India (RBI) and the banking sector have collaborated to create inclusive growth. Nationalisation of banks, the formation of



Rajagiri Management Journal
Vol. 19 No. 1, 2025
pp. 2-7
Emerald Publishing Limited
© ISSN: 2033-0591
p-ISSN: 0970-9089
DOI: 10.1108/RMJ-04-2024-0118

© Ajay Pal Singh and Gagan Deep. Published in *Rajagiri Management Journal*. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>