

## How Pradhan Mantri Jan Dhan Yojan is way for achieving financial inclusion in India

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### *Abstract*

*Finance is one of the most important inputs for economic activity and also nation's development. In development economics, the earlier theories considered labor, capital, institutions, etc. as important factors contributing to the growth and development of an economy. These theories hardly considered the role of finance in economic growth and development. This is because they were based on the assumption that markets are perfect and there are no frictions. However, in the course of time, the research done by Nobel Laureates like Joseph Stiglitz and George Akerlof and many others emphasized the role of financial markets in the real economy. Hence, now finance is attributed as the brain of an economic system and most economies strive to make their financial systems more efficient. Despite finances being a necessity, a large section of people mostly in the rural areas are not aware of the art of managing the hard earned money to make it grow, so that it stands by them in their hours of need. Due to their financial ignorance, they are also prone to falling in the hands of greedy money lenders. In such a scenario, financial inclusion holds special significance for India, as majority of the Indian population resides in rural areas. Besides, bringing progress and prosperity in the rural areas, it also augurs well for the overall economic development of a country like India. With the concern of achieving financial inclusion many schemes were initiated by Government of India, Pradhan Mantri Jan-Dhan Yojan (PMJDY) is a key driver for achieving financial inclusion in India. PMJDY is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner for financial excluded inhabitants. This paper tries to find out how the Pradhan Mantri Jan-Dhan Yojan is main highway for achieving financial inclusion in India*

**Keywords:** financial Excluded people, Banking, PMJDY, Swabhimaan

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