

# **Impact of Jan Dhan Yojana on Rural Livelihoods and Banking Penetration: Evidence from Regional Rural Banks of Purulia District of West Bengal**

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**Abstract:** *The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, represents India's most ambitious financial inclusion initiative, aiming to provide universal access to banking services, credit, insurance, and welfare transfers. This study examines the impact of PMJDY on rural livelihoods and banking penetration in Purulia district of West Bengal, with particular emphasis on the role of Regional Rural Banks (RRBs) such as Bangiya Gramin Vikash Bank. Drawing on secondary data, district-level indicators, and scholarly literature the analysis highlights how PMJDY transformed the financial landscape of Purulia by expanding account ownership, integrating Direct Benefit Transfers (DBTs), and promoting savings behavior among rural households.*

*The findings reveal that PMJDY significantly reduced dependence on informal borrowing by facilitating access to formal credit and overdraft facilities, while DBT integration improved the efficiency of welfare delivery, especially for programs such as MGNREGA, crop insurance, and pensions. Women benefitted disproportionately, as Jan Dhan accounts became channels for wages, subsidies, and social protection, thereby enhancing financial autonomy and empowerment. Improved savings behavior contributed to consumption smoothing and resilience against livelihood shocks, while RRBs' priority sector lending supported modest diversification into micro-enterprises and allied activities.*

*Despite these achievements, challenges persisted in the form of high dormancy rates, low credit-deposit ratios, limited financial literacy, and infrastructural constraints in tribal belts. The evidence underscores a dual narrative: while PMJDY succeeded in expanding banking penetration and financial inclusion in Purulia, deeper integration with livelihood programs, enhanced credit delivery, and capacity-building initiatives were necessary to translate access into sustained rural economic empowerment..*

**Keywords:** Pradhan Mantri Jan Dhan Yojana (PMJDY), Financial Inclusion, Regional Rural Banks (RRBs), Purulia District, Banking Penetration