

## Original Article

### A Review on Financial Advancement Aspiration for Sustainable Growth of India

**Dr. Prabhuling M. Parugond**

Associate Professor of Economics

Government First Grade College, Devarhipparagi.

Email: [parugond.prabhuling154@gmail.com](mailto:parugond.prabhuling154@gmail.com)

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*The Sustainable Development Goals (SDGs), which were approved by the United Nations in 2015, provide a universal framework for addressing issues like poverty, inequality, environmental degradation, and economic expansion. Economic progress must be in line with the SDGs in order to achieve sustainable, inclusive, and egalitarian development in the rapidly expanding Indian economy, which is home to more than 1.4 billion people. Inequality, poverty, unemployment, and environmental sustainability remain problems in India, despite significant progress in fostering economic growth.*

*Social and environmental goals are combined with economic strategies in India's plan to complete the SDGs. Initiatives like the Pradhana Mantri Jann Dhana Yojana (PMJDY) for monetary involvement, Make in India for industrial growth, and Skill India for workforce development demonstrate India's commitment to sustainable economic growth. These programs seek to combat inequality (SDG 10), encourage decent work and economic growth (SDG 8), and lessen poverty (SDG 1). In addition, the Indian government has given climate action (SDG 13) top priority by enacting legislation and making investments in renewable energy in order to cut carbon emissions. Additionally, initiatives to expand access to healthcare (SDG 3) and education (SDG 4) are crucial to India's long-term economic development because sustainable growth depends on a population that is healthier and better educated.*

*Notwithstanding these initiatives, issues with gender equality, equitable access to high-quality education, and equitable income distribution still exist. To avoid unsustainable resource depletion, India's fast industrialization must be balanced with environmental preservation. In order to ensure that economic growth promotes social justice and environmental sustainability, India's road to achieving the SDGs depends on tackling these complex issues. This essay addresses the tactics and challenges that have shaped India's trajectory towards economic development as seen via the SDGs.*

**Keywords:** Monetary Progress, Sustainable Development Goals, Obstacles, Impact

#### Introduction:

The United Nations created the Sustainable Development Goals (SDGs) in 2015 as a set of 17 interrelated global objectives designed to solve the most important problems facing the world today. These objectives seek to protect the environment, promote prosperity, and ensure that everyone lives in peace and prosperity by 2030. Hunger, impoverishment, sickness, learning, equal access to clean water, accessible energy, equitable revenue generation, less inequality, climate change action, and environmentally friendly production and use are just a few of the many issues that the Sustainable Development Goals (SDGs) aim to address. They emphasize the need for global cooperation and teamwork to build a future that is better and more sustainable for everyone, everywhere. The Millennium Development Goals (MDGs) have been replaced with the Sustainable Development Goals (SDGs), which are more ambitious and have a wider focus. Each goal has precise targets and indicators to monitor progress in order to ensure that no one is left behind in the pursuit of sustainable development. The SDGs promote action at the local, national, and international levels and are applicable to all nations, regardless of their level of development.

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#### Address for correspondence:

*Dr. Prabhuling M. Parugond, Associate Professor of Economics Government First Grade College, Devarhipparagi.*

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"Leave no one behind" is the guiding principle of the Sustainable Development Goals (SDGs), which aim to reduce inequality, increase social inclusion, and safeguard the environment. They want to strike a balance between people's needs, the environment, and prosperity because they are aware of how economic, social, and environmental aspects of development are intertwined. In a world that is rapidly changing, achieving the Sustainable Development Goals (SDGs) is essential for enhancing global well-being and ensuring long-term sustainability.

### Objectives:

- To assess India's economic progress in light of the SDGs
- To meet the objectives of PMJDY and its overcoming obstacles for economic development

### Research Methodology:

The data used in this study came from secondary sources, including books, journals, research papers, articles, websites, and other sources.

### India's Economic Progress and Sustainable Development Priorities:

India, whose economy is among the fastest-growing in the world, is setting the standard for aligning its growth goals with the Sustainable Development Goals (SDGs), which were created by the UN in 2015. For nations everywhere, sustainable development has become a top goal. The 17 Sustainable Development Goals (SDGs) aim to tackle the world's most pressing issues, ranging from poverty and hunger to gender equality and climate action.

India's development path, socioeconomic difficulties, and desire to create a sustainable and inclusive future have all influenced how it approaches these objectives.

### An Overview of the Development of India's Economy:

With a varied and quickly expanding economy that includes industry, services, and agriculture, India has the fifth-largest economy in the world. Over the past few decades, the nation's economic development has seen substantial changes, with globalisation, privatisation, and liberalisation all playing a part in the expansion of the middle class and the nation's economy as a whole. Despite these accomplishments, social development, poverty, inequality, and climate change remain formidable challenges for India. The SDGs' adoption offers a framework for tackling these issues while guaranteeing inclusive and sustainable economic growth.

### The Pradhana Manatri Jann Dhana Yojana's (PMJDY) Effect on India's Monetary involvement:

India, a country with a population of over 1.4 billion, has long experienced significant financial challenges. Poverty rose and economic growth was slowed by the persistent exclusion of a sizable section of the populace, especially in rural areas, from the official banking system. Ensuring that people and businesses have access to affordable and useful financial goods and services is a primary concern for the Indian government. In order to guarantee that everyone has access to banking services, financial literacy, and financial products such as credit, insurance, pensions, and savings accounts, the Indian government launched the Pradhana Manatri Jann Dhana Yojana (PMJDY) in August 2014.

### Background and Objectives of PMJDY:

**As part of a broader strategy to encourage inclusive economic growth, Prime Minister Narendra Modi unveiled PMJDY on August 28, 2014. The main objectives of the plan were:**

- **Open Access to Banking:** To provide a bank account to all households so they may save money, make payments, and get government transfers.
- **Financial Literacy:** To educate the general population on the importance of financial services and how to utilize banking tools correctly.
- **Credit and Insurance:** To provide microfinance insurance products to socially disadvantaged people.
- **Empowerment:** To reduce the dependence of the poor on informal lending arrangements by providing them with access to reputable financial institutions.

The program was designed to address the barriers that have previously prevented a significant portion of the population from using the banking system: a lack of financial knowledge, cost, and accessibility.

### Application:

With an emphasis on rural and semi-urban areas, PMJDY sought to open bank accounts for every household. It promoted the opening of basic savings accounts, which may be connected to different government programs including direct benefit payments and subsidies, especially for those from economically disadvantaged groups. Additionally, the program provided zero-balance accounts, which allowed low-income people to open accounts without having to worry about keeping a minimum amount. PMJDY also aimed to take advantage of India's extensive digital infrastructure and mobile phone network. People were given RuPay debit cards (a domestic card network) as part of the scheme, which made it simple for them to transfer money, make payments, and access ATMs. Additionally, it

encouraged the use of Bank Mitras, who served as banking correspondents in order to reach outlying areas and offer financial services in places without access to typical banking infrastructure.

### **PMJDY's Effect on Financial Integration:**

**Growth in Bank Accounts:** The widespread establishment of bank accounts has been one of PMJDY's most noticeable achievements. Government statistics show that more than 41 crore (410 million) accounts had been opened under the program by 2018. The program made a substantial contribution to the expansion of banking in rural areas, where traditional banking had previously been inaccessible due to a lack of infrastructure. By giving the unbanked people access to necessary services like remittances, savings, and insurance, this growth of banking services assisted in closing the financial gap.

**Financial Integration and Government Scheme Access:** Direct Benefit Transfers (DBT) were made possible in large part by PMJDY. It helped guarantee that subsidies and benefits like the Mahatama Ganadhi National Rurel Employment Guarantee Act (MGNREGA) salaries, food safety benefits, and LPG subsidies reached the intended beneficiaries directly by connecting bank accounts to government welfare programs. This ensured that the underprivileged benefited fully from government programs by reducing corruption and doing away with middlemen. For instance, PMJDY was crucial in providing financial transfers to underserved people during the COVID-19 pandemic.

**Empowerment and Financial Literacy:** PMJDY has prioritised enhancing financial literacy in addition to facilitating access to financial products. With the help of Bank Mitras, training initiatives, and various awareness campaigns, the program has enabled millions of people to comprehend banking services and make use of them for their own gain. Reliance on unofficial and frequently exploitative financial systems, such as money lenders, has decreased as a result of this trend towards financial literacy. Furthermore, the availability of financial products like microcredit and micro insurance has improved low-income households' financial stability. These products have made it possible for people to better control risks like disease or crop failure.

**Less Dependency on Informal Lending:** People have historically obtained credit from unofficial lending sources like moneylenders and village-based savings societies in many rural areas. These systems frequently have opaque pricing and astronomical interest rates. A crucial step towards financial empowerment, PMJDY has decreased reliance on these unofficial sources of funding by making conventional credit and microfinance choices accessible.

### **Problems PMJDY Has Faced:**

Although PMJDY has improved monetary involvement significantly, there have been issues with its sustainability and implementation.

**Low Account Utilisation:** Despite the fact that many accounts have been registered, it is still difficult to use them. Some accounts stay dormant, and many people still keep their balances low. Some accounts are still dormant, and many people still keep their balances low. A lack of financial literacy and knowledge on how to make the most of banking services is also to blame for this. Additionally, the efficacy of digital banking services is limited in some rural areas due to ongoing issues with internet connectivity and access to digital infrastructure.

**Inadequate Financial Products and Services:** Although PMJDY has been effective in making basic savings accounts accessible, a variety of financial products that are suited to the requirements of low-income people are still lacking. Numerous accounts created under PMJDY have not been connected to insurance or credit products, which were important components of the program. Without affordable and relevant financial solutions, PMJDY's full potential would remain unrealized.

**Bank Mitra Sustainability:** The long-term viability of the Bank Mitra model has been questioned, despite its success in reaching remote areas. Questions have been raised about Bank Mitras' pay and employment stability as a result of their commission-based approach, which has an effect on service consistency and quality. The Pradhana Manatri Jann Dhana Yoajana (PMJDY) has unquestionably had a significant impact on India's monetary involvement. The program has increased the financial stability and economic empowerment of numerous marginalized communities by opening millions of bank accounts, granting access to government benefits, and encouraging financial literacy. If PMJDY is to realize its full potential, however, greater attention must be paid to account utilization, access to a broad range of financial products, and the viability of the Bank Mitra model. This case study illustrates the importance of inclusive financial systems in promoting social and economic development. India's experience with PMJDY may provide valuable insights for other developing countries seeking to tackle financial exclusion and leverage digital platforms for inclusive growth. By enhancing and expanding the program, India can support its efforts to meet the Sustainable Development Goales (SDGs), particularly those related to financial participation, economic growth, and poverty reduction.

### **Conclusion:**

India confronts a difficult and complex road to achieving the Sustainable Development Goales (SDGs), which seek to reconcile social fairness, environmental sustainability, and economic success. There are still numerous



challenges to be solved, despite the country's significant progress in areas like financial engagement, poverty reduction, and the use of renewable energy. Problems like unemployment, income inequality, gender disparity, and the environmental repercussions of fast industrialization must be continuously addressed in order to ensure that economic progress benefits all aspect of society. India's economic growth is closely linked to its capacity to meet the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action). Policies like Make in India, Skill India, and the Pradhana Manatri Jann Dhana Yoajana demonstrate India's efforts to promote sustainable development by raising living standards, expanding access to basic services, and encouraging inclusive growth. However, a comprehensive strategy that incorporates social and environmental factors into economic plans is required to avoid the traps of unsustainable growth. India must commit to long-term sustainability and strengthen cooperation between the public, business, and civil society sectors in order to achieve the SDGs. By addressing domestic issues and aligning policies with the SDGs, India can ensure that its economic development is robust, inclusive, and contributes to global sustainability.

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