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# MAJOR RESEARCH REPORT ON

## Analysing the Impact of PM Jan Dhan Yojana, PM Digital Saksharta Yojana, and Internet Penetration on Rural Financial Inclusion

Submitted By

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2K23/DMBA/148

Under the Guidance of

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## ABSTRACT

  This paper analyses the rural financial inclusion dynamics in India with a particular reference to the radical effect of digital banking initiatives. The analysis focuses on three important government schemes: Pradhan Mantri Jan Dhan Yojana (PMJDY), the Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), and the extent of internet penetration in bridging the financial inclusion gap. Secondary data provided in official government reports formed the basis of this analysis to enable an in-depth evaluation of these initiative within various Indian states.

Based on statistical analysis and comparison between the states, the paper establishes the performance differences between the regions. There were states with high internet penetration and running activities of PMJDY and PMGDISHA and therefore high financial inclusion achievements. On the contrary, low-performing regions experienced low performances owing to infrastructural issues and poor digital literacy.

In reaction to these gaps, professional training and specific digital support programs were employed to ensure more uniform results. The findings emphasize the imperative interaction between infrastructure, education, and policy execution in rural financial deepening.

The final section offers policy recommendations to scale up best-practice models in low-performing areas. They suggest bridging the digital divide, resulting in an integrated financial system for rural India. Practical recommendations have been offered in the study for policymakers and stakeholders engaged in end-to-end financial inclusion.

## KEY WORDS

Rural Financial Inclusion, Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), Rural Internet Penetration, Digital Literacy.

## INTRODUCTION

### 1.1 Background

Financial inclusion is a foundation for long-term economic growth and social balance through which individuals and communities regardless of their economic status or where they live may access essential financial services. In India, the past dates back to post-independence efforts such as the creation of Regional Rural Banks (RRBs) during the 1970s and priority sector lending norms. These were efforts to cover the urban-rural divide in financial access and improve economic inclusion of weaker sections.

In the recent years, the spread of digital technology has revolutionized financial inclusion and raised the accessibility and efficiency of services. Initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantra Gramin Digital Saksharta Abhiyan (PMGDISHA) have been at the forefront of this revolution. The PMJDY program, initiated in 2014, aims to strengthen banking penetration with the promotion of zero-balance accounts, micro-insurance, and other facilities, empowering predominantly rural individuals. PMGDISHA, initiated in 2017, also enhances digital literacy so that it enables individuals to utilize digital platforms to access money and government services tools.

The quick increase in the penetration of the internet has also changed the provision of financial services. Services such as mobile banking, the Unified Payments Interface (UPI), and Aadhaar payment systems have filled the gap, linking even far-off rural areas to the formal financial sector. These events highlight the importance of technology and focused policies in attaining financial inclusion.

### **1.2 Problem Statement**

In spite of the huge success achieved through programmes like PMJDY and PMGDISHA, India's rural financial inclusion is an industry that continues to be challenged. Most regions are suffering from weak internet connectivity, weak digital literacy levels, and weak banking infrastructure. All these constraints create variations in the availability of financial services, which hinder inclusive growth and poverty reduction efforts.

To solve these issues, there is a need to research the drivers of success in outstanding zones and understand how the lagging zones can achieve better performance. This will fill the gaps that currently exist and ensure that financial inclusion is at all levels of society.

### **1.3 Study Objectives**

The key aims of this study are to:

1. Rural India penetration rate analysis of Pradhan Mantri Jan Dhan Yojana .
2. Ranking all States and Areas on the effectiveness for the scheme, Pradhan Mantri Gramin Digital Saksharta Abhiyan for all states and union territories of India.

3. Compare internet penetration rates in villages in all States/UT in India
4. Rank State in overall ranking using all the three matrices prepared from PMJDY, PMGDISHA, and Internet penetration.
5. To assess what factors might be influencing the success of these initiatives in high-performing states and offer suggestions to improve results in low-performing regions.

#### 1.4 Scope of the Study

This research aims to understand the role of PMJDY, PMGDISHA, and internet penetration promoting financial inclusion in rural India. Utilizing state-level and zonal data, the study evaluates disparities in performance and identifies best practices. It aims to provide practical recommendations for replicating successful models in underperforming regions.

The findings of this research are aimed at providing guidance to policymakers, stakeholders, and practitioners in developing data-driven approaches to bridge the digital divide, improve financial literacy, and develop a more inclusive financial system in rural India.

## LITERATURE REVIEW

### 2.1 Financial Inclusion

Financial inclusion refers to the availability and usage of formal financial services by everyone in the economy, rich or poor, anywhere. This implies the existence of affordable financial products like savings, credit, insurance, and payment systems to satisfy the needs of individuals and firms responsibly and sustainably (World Bank, 2022). Beyond its financial implications, financial inclusion is the social imperative promoting economic growth and reducing poverty levels while enhancing social equity (Cnaan et al., 2021). Financial inclusion in this regard creates a bridge linking marginalized populations with formal financial systems, thereby economically empowering disadvantaged communities.

Historically, expansion of physical branches was used by financial inclusion programs to access more unbanked populations. In recent times, especially during the 21st century, technological advancements have created room for adopting innovative and technologically advanced ways of achieving such a transition. The innovations revolutionized the provision of financial services by improving both efficiency and outreach (Ononiwu et al).

It offers reasonably priced financial services that cater to the needs of both consumers and customers, including credit, insurance, savings, and payment systems (world bank, 2022). In addition to its impact on the economy, financial inclusion is not only a social necessity but also a catalyst for economic growth, poverty reduction, and the promotion of social justice (cnaan et al., 2021). Financial inclusion empowers disadvantaged communities and narrows economic disparities by integrating them into mainstream systems.

The significant component of financial inclusion initiatives, whereby banks have reached the unbanked, was by expanding its physical branches. However, with technology, and more so in the 21st century, bank services have become far more radical and switched to more creative strategies that are even more tech-driven. These innovations have improved the provision of financial services, both in reach and efficiency terms (Ononiwu et al., 2024).

## 2.2 Digital Banking

6 Digital banking involves offering financial services through electronic platforms such as mobile phones, the internet, and ATMs. It represents a significant departure from traditional banking methods towards a technologically advanced and streamlined approach. Digital banking has the power to transcend geographical limitations and provide access to financial services for individuals living in remote or rural regions. This capability is particularly crucial for rural communities, which lack direct access to conventional banking services, primarily due to infrastructure limitations and high costs associated with such services (cnaan et al., 2021).

7 Digital banking fosters consumer convenience and transaction cost savings. The generation of financial products for rural markets by leveraging technology promotes more durable financial performance. Moreover, the ease it advances triggers financial literacy and user uptake for access to the basic services among the impoverished cohorts (Ononiwu et al., 2024).

## 2.3 Global Perspective on Digital Financial Inclusion

19 The Global Findex Database 2021, as reported by Demirgüç-Kunt et al. (2022),

22 provides comprehensive information on the effects of digital financial services on

global financial inclusion. Globally, the account ownership rose from 51% in 2011 to 76% in 2021, though at a tremendous pace in developing economies. Nonetheless, 1.4 billion adults are excluded from the the institutionalized monetary structure.

To a certain degree, mobile money and e-wallets have played a significant role in the growth of digital financial services. Governments have used digital channels for COVID-19-related emergency relief pay-outs. This has resulted in increased account openings and digital transactions. An important challenge remains the activation of accounts for saving, borrowing, and for paying bills (Demirgüç-Kunt et al., 2022). Gap in account ownership shrinks to 6% in developing economies but the differences persist between regions and income groups. Targeted intervention is essential to intervene into effective balanced access for all to fill these gaps. In addition, building financial resilience, especially for vulnerable communities, is key to limiting economic shocks and promoting sustainable well-being; for instance, in times of economic downturns (Demirgüç-Kunt et al., 2022).

#### 2.4 Digital Financial Inclusion in India

Over the last decade, India has shown significant growth in this regard. Account opening has increased dramatically because of digital technology adoption and the government's schemes.

However, this aside, larger challenges still remain in this regard, especially in the rural segments where infrastructure gaps, low literacy rates, and the prevalence of informal financial practice present major obstacles to deeper financial inclusion (Demirgüç-Kunt, Klapper, Singer, & Ansar, 2022). In the recent past, many policies

have been introduced to ensure digital financial inclusion in India. The most important policy is the Pradhan Mantri Jan-Dhan Yojana or PMJDY, launched in 2014. PMJDY envisioned every household having access to a bank account, thereby

9 integrating millions of unbanked citizens into the formal financial system. Their thrust on rural areas has been a contributing factor to account penetration, direct benefit transfers, and decreasing cash-based transactions (Press Information Bureau [PIB], 2024). In tandem with PMJDY, there has been a huge impetus toward digital payments. Projects such as the UPI and the BHIM app have simplified digital transactions, thus not only making financial operations faster, cheaper, and accessible but also very efficient. This trend was accelerated even more by payments banks, which now operate with reduced overhead costs to focus on using technology-driven solutions and provide appropriate services to cater to low-income populations in more rural settings (Ononiwu, Onwuzulike, Shitu, & Ojo, 2024).

A major accompaniment to the above schemes includes PM Digital Saksharta Abhiyan or PMGDISHA, a plan targeting the increment of digital literacy for rural households. Through this initiative, PMGDISHA provides citizens with the required competencies for accessing and engaging with digital channels. As such, PMGDISHA is pivotal in ensuring that benefits accruing from financial services accessed digitally are readily accessible and additionally understood, thus promoting higher adoption levels (Business Standard, 2017)

## 2.5 PM Jan Dhan Yojana (PMJDY)

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The Pradhan Mantri Jan Dhan Yojana (PMJDY), introduced in August 2014, is considered one of the most ambitious financial inclusion initiatives worldwide. The objective is to ensure that everyone has equal access to banking services, particularly in rural areas, by making it easier to open basic savings bank accounts without needing a minimum balance. As of March 2024, more than 50 crore accounts have

20 been opened under the PMJDY scheme, with a substantial portion belonging to rural households.

Key features of PMJDY include:

- **Zero-balance accounts** with access to overdraft facilities and RuPay debit cards.
- **Direct Benefit Transfer (DBT)**, ensuring the seamless delivery of subsidies and welfare benefits directly into beneficiaries' accounts.
- Coverage under pension schemes like **PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojana)** and **PMSBY (Pradhan Mantri Suraksha Bima Yojana)** and micro-insurance.

8 The impact of the scheme has been revolutionary, encouraging savings culture and avoiding dependence on informal financial networks. However, there are still issues, especially where banking infrastructure is poor and financial literacy is low

## 5 2.6 PM Digital Saksharta Abhiyan (PMGDISHA)

The Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), which was initiated in February 2017, is a flag-scheme with a vision to enhance rural digital literacy. It aims to certify six crore people, especially from marginal and underserved communities, in basic digital literacy. The scheme enables the beneficiaries to leverage digital platforms and devices to access government services, e-commerce, and digital financial services.

Major success of PMGDISHA:

- Enhanced digital literacy throughout rural India and, in turn, the acceptability of digital payment systems and financial products.
- Establishment of a strong digital training system, state-specific modules being set to be configured for local needs.
- Integration with schemes like PMJDY in order to provide a seamless shift towards digital financial systems.

Although significant progress has been made, implementation gaps remain, particularly where internet penetration is low and digital infrastructure shallow.

Closing the gaps is vital in order to unleash the full potential of the program.

## RESEARCH METHODOLOGY

This sub-section describes the research design adopted to analyze the effect of Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), and internet penetration on rural financial inclusion. A quantitative research design has been embraced by this study, utilizing statistical techniques to normalize the data and achieve comparative rankings.

### 3.1 Research Design

The research design is cross-sectional and descriptive, capturing a snapshot of the present performance of rural financial inclusion programs in different states and zones. Statistical methods such as normalization and composite scoring were employed to provide a just and equitable comparison.

### 3.2.1 Cross-Sectional Design

The government websites and reports were cross-checked from secondary data at a given point of time in order to analyze the schemes' effectiveness. Zonal categorization, according to the States Reorganization Act, 1956, enabled comparisons of regional performance.

## 3.2 Quantitative Methodology

### 3.2.1 Data Collection

Secondary data were collected from::

- **PMJDY portal** for rural beneficiary data.
- **PMGDISHA website** for digital literacy certification rates.
- **Data.gov.in** and Ministry of Jal Shakti reports for internet subscriber data.

Data ranges from the schemes' inception until March 2024 and includes metrics both state and zonal levels.

### 3.3.2 Sampling

The research categorizes India into six zones—North, South, East, West, Central, and North-East—providing equitable regional perspectives. State-wise information was used to compute zonal averages for thorough evaluation.

### 3.2.3 Variables and Metrics

The following variables were analysed:

1. **PMJDY penetration:** Rural beneficiaries as a percentage of the rural population.
2. **PMGDISHA certification rate:** Percentage of certified candidates relative to registered participants.
3. **Internet penetration:** Rural internet subscribers as a percentage of the rural population.

### 3.3 Normalization and Composite Scoring

#### 3.3.1 Normalization Formula

To ensure comparability across metrics with different scales, data was normalized using the min-max normalization formula:

$$\text{Normalized Score} = (X - \min(X)) / (\max(X) - \min(X))$$

Where:

- X is the observed value.
- min(X) is the minimum value in the dataset.
- max(X) is the maximum value in the dataset.

This formula rescales the values between 0 and 1, allowing for fair weightage in composite score calculations.

#### 3.3.2 Composite Scoring Formula

Each state's composite score was calculated by assigning equal weights to the normalized scores of the three metrics:

$$\text{Composite Score} = w1 * \text{PMJDY}_{\text{Norm}} + w2 * \text{PMGDISHA}_{\text{Norm}} + w3 * \text{Internet Penetration}_{\text{Norm}}$$

Where:

- $w_1, w_2, w_3 = 1/3$  (equal weights for each metric).
- $PMJDY_{Norm}$ ,  $PMGDISHA_{Norm}$ ,  $Internet\ Penetration_{Norm}$  are the normalized scores for each metric.

States and zones were ranked based on these composite scores, with higher scores indicating better performance in rural financial inclusion and digital literacy.

### **3.4 Statistical Tools**

Descriptive statistics, including measures like mean, standard deviation, and range were used to analyse variations in performance across states and zones. The normalized and composite scores provided a clear and objective basis for ranking.

### **3.4 Qualitative Insights (Secondary Data Analysis)**

Secondary data sources were analysed to contextualize the quantitative findings. Key themes included challenges such as inadequate infrastructure and success strategies like localized training programs.

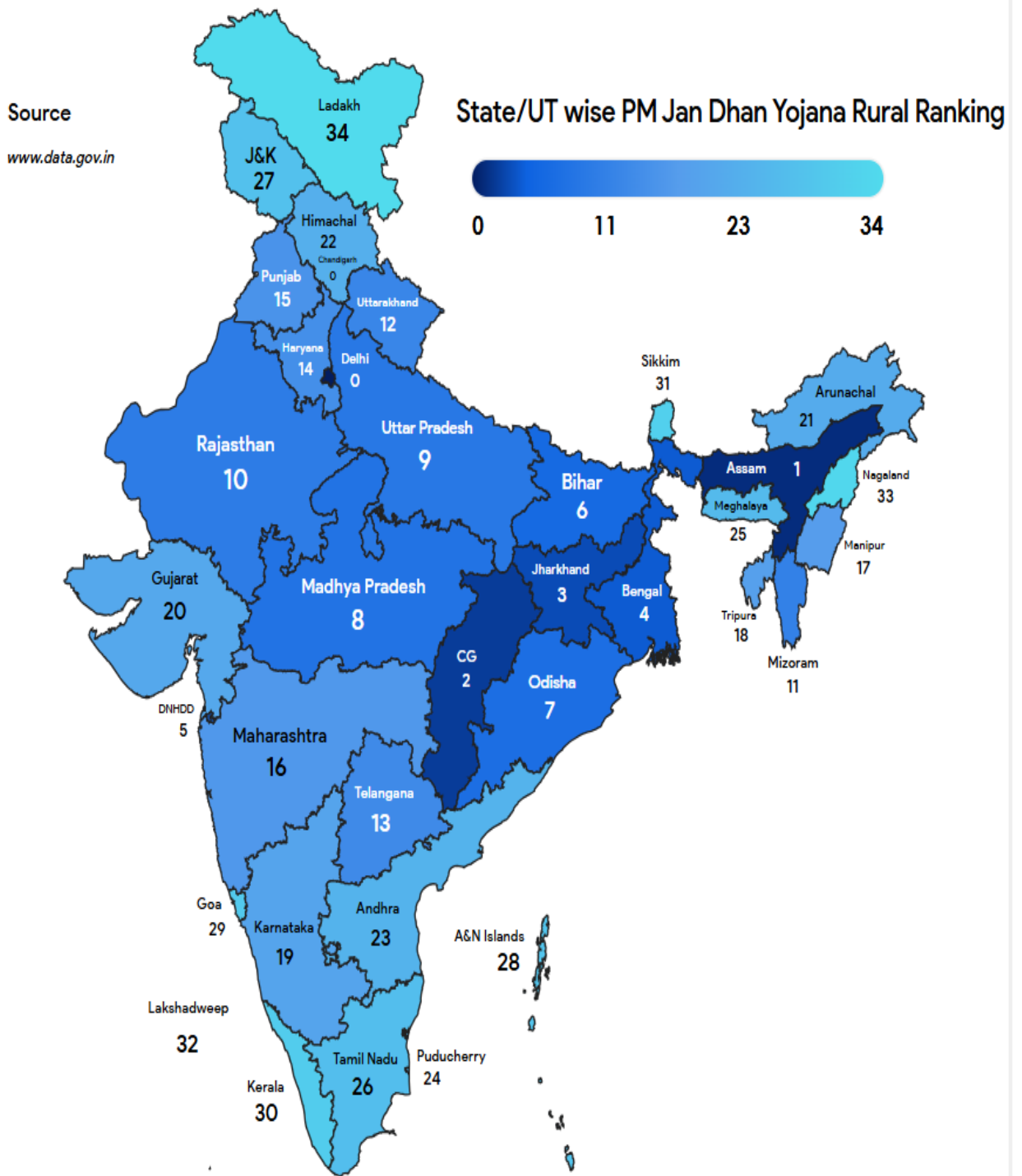
### **3.5 Thematic Analysis**

A thematic analysis identified best practices in high-performing regions and gaps in underperforming areas. Insights were derived from reports and policy reviews to recommend targeted interventions.

## RESULTS

**Table 1.1 State wise PM Jan Dhan Yojana Rural Beneficiary Ranking**

| State Name                               | Beneficiaries at rural bank branches | Rural Population | Percentage of Rural beneficiaries | Rank |
|--|--------------------------------------|------------------|-----------------------------------|------|
| Andaman And Nicobar Islands              | 42,729                               | 2,52,204         | 17%                               | 28   |
| Andhra Pradesh                           | 80,49,817                            | 3,79,08,471      | 21%                               | 23   |
| Arunachal Pradesh                        | 3,30,961                             | 13,27,174        | 25%                               | 21   |
| Assam                                    | 1,92,38,115                          | 3,28,31,837      | 59%                               | 1    |
| Bihar                                    | 4,44,45,286                          | 9,57,17,712      | 46%                               | 6    |
| Chhattisgarh                             | 1,26,84,661                          | 2,26,33,083      | 56%                               | 2    |
| Dadra And Nagar Haveli And Daman And Diu | 2,09,199                             | 4,20,418         | 50%                               | 5    |
| Goa                                      | 1,74,582                             | 11,37,225        | 15%                               | 29   |
| Gujarat                                  | 1,13,46,140                          | 4,37,42,416      | 26%                               | 20   |
| Haryana                                  | 52,08,186                            | 1,77,82,877      | 29%                               | 14   |
| Himachal Pradesh                         | 17,96,770                            | 75,58,637        | 24%                               | 22   |
| Jammu And Kashmir                        | 19,65,439                            | 1,13,32,174      | 17%                               | 27   |
| Jharkhand                                | 1,59,73,088                          | 3,16,65,993      | 50%                               | 3    |
| Karnataka                                | 1,16,42,582                          | 4,45,79,627      | 26%                               | 19   |
| Kerala                                   | 39,18,614                            | 2,88,95,631      | 14%                               | 30   |
| Ladakh                                   | 14,879                               | 2,47,601         | 6%                                | 34   |
| Lakshadweep                              | 7,640                                | 74,640           | 10%                               | 32   |
| Madhya Pradesh                           | 2,70,36,911                          | 6,01,42,936      | 45%                               | 8    |
| Maharashtra                              | 1,98,36,020                          | 6,87,22,082      | 29%                               | 16   |
| Manipur                                  | 6,94,311                             | 24,24,603        | 29%                               | 17   |
| Meghalaya                                | 7,36,524                             | 35,81,606        | 21%                               | 25   |
| Mizoram                                  | 2,43,001                             | 6,65,884         | 36%                               | 11   |
| Nagaland                                 | 1,89,298                             | 18,80,620        | 10%                               | 33   |
| Odisha                                   | 1,76,94,482                          | 3,84,03,155      | 46%                               | 7    |
| Puducherry                               | 1,19,263                             | 5,62,027         | 21%                               | 24   |
| Punjab                                   | 52,95,620                            | 1,82,34,589      | 29%                               | 15   |
| Rajasthan                                | 2,34,63,152                          | 5,82,13,411      | 40%                               | 10   |
| Sikkim                                   | 62,742                               | 5,54,477         | 11%                               | 31   |
| Tamil Nadu                               | 85,98,489                            | 4,92,84,215      | 17%                               | 26   |
| Telangana                                | 68,93,651                            | 2,06,96,907      | 33%                               | 13   |
| Tripura                                  | 8,73,705                             | 32,56,110        | 27%                               | 18   |
| Uttar Pradesh                            | 6,96,48,331                          | 16,66,17,800     | 42%                               | 9    |
| Uttarakhand                              | 25,15,547                            | 71,38,536        | 35%                               | 12   |
| West Bengal                              | 3,91,26,262                          | 7,79,60,919      | 50%                               | 4    |



**Fig. 1 State/UT wise PM Jan Dhan Yojana Ranking**

Source – Own Creation

The analysis of state-wise performance under **the Pradhan Mantri Jan Dhan Yojana (PMJDY)** highlights substantial variations in the level of financial inclusion

43 achieved across different regions of India. The results reflect the diverse socio-economic, geographical, and infrastructural realities of the states and emphasize the necessity of tailored interventions to bridge existing gaps.

### Top-Performing States

States like **Assam (59%)**, **Chhattisgarh (56%)**, **Jharkhand (50%)**, **West Bengal (50%)**, and **Dadra and Nagar Haveli (50%)** emerge as the top-performing regions. These states have effectively leveraged the PMJDY framework to integrate a significant proportion of their rural population into the formal banking system.

- 30 • **Assam's Performance (59%)**: Assam stands out as the top performer. Its success can be attributed to active government initiatives and the establishment of robust infrastructure in rural areas. The role of local community participation and targeted awareness campaigns has been pivotal.
- **Chhattisgarh (56%)**: Chhattisgarh's strong showing reflects effective utilization of grassroots outreach programs, particularly in tribal regions. Door-to-door campaigns and the deployment of mobile banking units have played an important role.
- **Jharkhand and West Bengal (50%)**: Both states benefited from focused digital inclusion efforts and streamlined processes for account openings. Despite infrastructural challenges, these states managed to sustain high enrollment rates.
- **Dadra and Nagar Haveli (50%)**: As a smaller Union Territory, its concentrated population allowed for better coordination of banking initiatives, leading to remarkable results.

## Moderate-Performing States

States like **Rajasthan (40%)**, **Mizoram (36%)**, **Uttarakhand (35%)**, and **Telangana (33%)** represent moderate performance levels. These states have made progress but still face barriers such as uneven geographic coverage and socio-economic challenges.

- **Rajasthan (40%)**: Despite its vast rural population, Rajasthan's achievements highlight a strong penetration of PMJDY accounts in desert regions. However, the scattered nature of rural settlements continues to pose challenges for full coverage.
- **Mizoram (36%)**: Mizoram has shown notable success in reaching tribal communities, but geographic isolation and limited infrastructure remain constraints.
- **Uttarakhand (35%)**: The hilly terrain of Uttarakhand makes accessibility a challenge. Nevertheless, localized efforts and digital initiatives have helped boost financial inclusion rates.
- **Telangana (33%)**: While urban centers have higher financial penetration, rural areas in Telangana still require targeted policies to accelerate the adoption of PMJDY benefits.

## Low-Performing States

The lowest levels of financial inclusion were recorded in **Ladakh (6%)**, **Nagaland (10%)**, **Lakshadweep (10%)**, and **Manipur (17%)**. These regions face significant challenges that hinder the effective implementation of PMJDY.

- **Ladakh (6%):** Harsh climatic conditions, sparse population, and limited banking infrastructure are major obstacles. Innovative solutions such as mobile banking units are essential to address these issues.
- **Nagaland and Lakshadweep (10%):** Both states suffer from geographic isolation and inadequate digital and physical infrastructure, leading to minimal progress.
- **Manipur (17%):** In addition to infrastructure constraints, socio-economic factors and a lack of awareness campaigns have contributed to the state's poor performance.

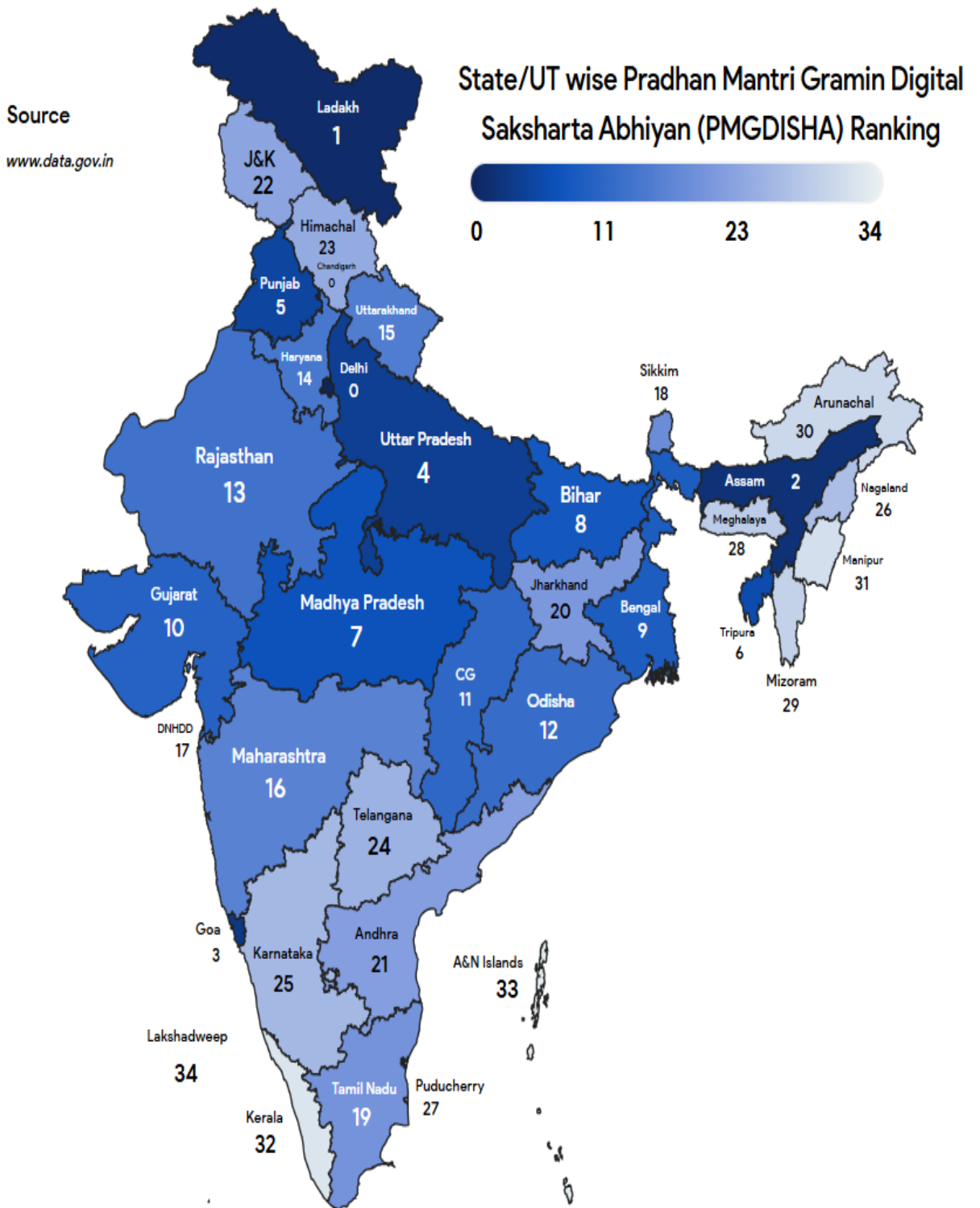
### States with Low Demand for PMJDY Accounts

Certain states, including **Goa (15%)**, **Tamil Nadu (17%)**, and **Kerala (14%)**, exhibit lower percentages of rural beneficiaries. However, this does not necessarily indicate a failure of the program. These regions have historically higher levels of banking penetration and financial literacy, leading to reduced demand for new PMJDY accounts.

- **Goa (15%):** As a relatively developed state with widespread banking access, Goa has a low need for PMJDY intervention in rural areas.
- **Tamil Nadu (17%):** Rural regions in Tamil Nadu are relatively well-served by existing banking systems, which explains the lower PMJDY penetration.
- **Kerala (14%):** Known for its high literacy rates and strong cooperative banking network, Kerala's rural population already has substantial access to formal financial services.

**Table 1.2 State wise Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) Certification and Ranking**

| State/UT                                 | Registered | Certified | Certification rate | Rank |
|--|------------|-----------|--------------------|------|
| Andaman and Nicobar Islands              | 5564       | 1813      | 33%                | 33   |
| Andhra Pradesh                           | 2249202    | 1350133   | 60%                | 21   |
| Arunachal Pradesh                        | 10025      | 4409      | 44%                | 30   |
| Assam                                    | 2721585    | 1875361   | 69%                | 2    |
| Bihar                                    | 8194370    | 5411927   | 66%                | 8    |
| Chhattisgarh                             | 2543976    | 1655774   | 65%                | 11   |
| Dadra and Nagar Haveli and Daman and Diu | 19962      | 12514     | 63%                | 17   |
| Goa                                      | 58569      | 40005     | 68%                | 3    |
| Gujarat                                  | 3029743    | 1975372   | 65%                | 10   |
| Haryana                                  | 1879629    | 1208549   | 64%                | 14   |
| Himachal Pradesh                         | 645185     | 377400    | 58%                | 23   |
| Jammu and Kashmir                        | 865854     | 509787    | 59%                | 22   |
| Jharkhand                                | 2759895    | 1689229   | 61%                | 20   |
| Karnataka                                | 2877318    | 1502482   | 52%                | 25   |
| Kerala                                   | 127175     | 51478     | 40%                | 32   |
| Ladakh                                   | 24785      | 17377     | 70%                | 1    |
| Lakshadweep                              | 142        | 0         | 0%                 | 34   |
| Madhya Pradesh                           | 5727927    | 3784166   | 66%                | 7    |
| Maharashtra                              | 6124800    | 3841116   | 63%                | 16   |
| Manipur                                  | 28107      | 11479     | 41%                | 31   |
| Meghalaya                                | 152200     | 70926     | 47%                | 28   |
| Mizoram                                  | 29135      | 13541     | 46%                | 29   |
| Nagaland                                 | 11984      | 6209      | 52%                | 26   |
| Odisha                                   | 3660390    | 2376858   | 65%                | 12   |
| Puducherry                               | 23531      | 12053     | 51%                | 27   |
| Punjab                                   | 1762934    | 1178446   | 67%                | 5    |
| Rajasthan                                | 4488326    | 2886881   | 64%                | 13   |
| Sikkim                                   | 26418      | 16365     | 62%                | 18   |
| Tamil Nadu                               | 1700881    | 1044592   | 61%                | 19   |
| Telangana                                | 1419714    | 822149    | 58%                | 24   |
| Tripura                                  | 325000     | 215688    | 66%                | 6    |
| Uttar Pradesh                            | 16521000   | 11181071  | 68%                | 4    |
| Uttarakhand                              | 788200     | 506000    | 64%                | 15   |
| West Bengal                              | 2810620    | 1839799   | 65%                | 9    |



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Fig. – State/UT wise Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISH) Ranking

Source – Own Creation

The **Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)** is intended to enhance digital literacy across rural India so that individuals can utilize digital platforms and services. The performance state-wise under PMGDISHA shows diverse results, mirroring inequalities in infrastructure, community outreach, and strategies for implementation. Below is a more detailed analysis of the results:

### Top-Performing States

The highest-performing union territories (UTs) and states with the highest rate of certification are Ladakh (70%), Assam (69%), Goa (68%), Uttar Pradesh (68%), and Punjab (67%). These are the top-performing states with the best PMGDISHA implementations.

- **Ladakh (70%):** Even with its adverse topography and lack of connectivity, Ladakh is the top performer. Its success may be attributed to targeted outreach activities and customized training modules that suit the requirements of its cut-off population.
- **Assam (69%):** The success of Assam relies on active community participation. That its relatively lower internet-penetrated state (39%) achieved a high level of registration is evidence of the success of its grassroots campaign and focused interventions.
- **Goa (68%):** Goa, which has relatively smaller rural communities, managed to use its well-established infrastructure and comparatively higher levels of literacy to perform well under PMGDISHA.
- **Uttar Pradesh (68%):** Strong certification rates have been prompted by the large training programme of the state, combined with effective utilization of digital kiosks along with local support groups.

- **Punjab (67%):** Punjab's performance is rooted in solid administrative facilitation and well-planned training programmes, which have yielded successful implementation of the scheme.

### Moderate-Performing States

States like **Bihar (66%), Tripura (66%), Madhya Pradesh (66%), Chhattisgarh (65%), Gujarat (65%),** and **Odisha (65%)** fall into the moderate performance category. These states have been performing better consistently but are marred by non-uniform implementation and regional disparities.

- **Bihar and Tripura (66%):** They have registered impressive certification levels due to both government efforts and community involvement. Tripura, especially, has bridged geographical barriers through creative training models.
- **Madhya Pradesh, Chhattisgarh, and Gujarat (65%):** The trio has recorded consistent improvement, but rural infrastructure issues in the three states prevent even progress. Long-term attention to localized training and technology incorporation will be necessary for betterment.
- **Odisha (65%):** Digital kiosk adoption at the decentralized level in Odisha has been highly successful. State-region disparities, however, underscore the importance of focused interventions in backward areas.

### Low-Performing States

The lower category consists of states like **Kerala (40%), Manipur (41%), Arunachal Pradesh (44%), Mizoram (46%),** and **Lakshadweep (0%).** These

states are confronted by serious challenges curtailing the effectiveness of PMGDISHA.

- **Kerala (40%):** Notwithstanding the reputation of high literacy, Kerala's low certificate rate is probably a reflection of a misalignment between the purposes of the scheme and its perceived requirement among the rural masses in an already moderately penetrated digital environment.
- **Manipur (41%):** Social and infrastructural constraints combined with ineffective awareness programs have limited the program's reach in Manipur.
- **Arunachal Pradesh (44%):** Isolation and lack of good digital infrastructure pose an intimidating challenge to Arunachal Pradesh.
- **Mizoram (46%):** Repeated efforts have been made, but the hilly terrain and poor connectivity of the region continue to hinder development.
- **Lakshadweep (0%):** Lakshadweep's total absence of trained personnel indicates the pressing challenge represented by its scattered population and absence of training facilities.

## Regional Observations and Trends

### 1. High-Performing Regions:

- The **North-East Zone**, led by Assam and Tripura, demonstrates that proactive local government involvement and effective outreach can overcome low internet penetration.
- States like Punjab and Uttar Pradesh showcase the benefits of strong administrative support and public-private partnerships.

### 2. Moderate Progress:

- States such as Madhya Pradesh and Chhattisgarh have achieved reasonable success but face issues in scaling their efforts uniformly across larger rural populations.
- Gujarat and Odisha highlight the potential of decentralized models in improving digital literacy, though regional disparities remain.

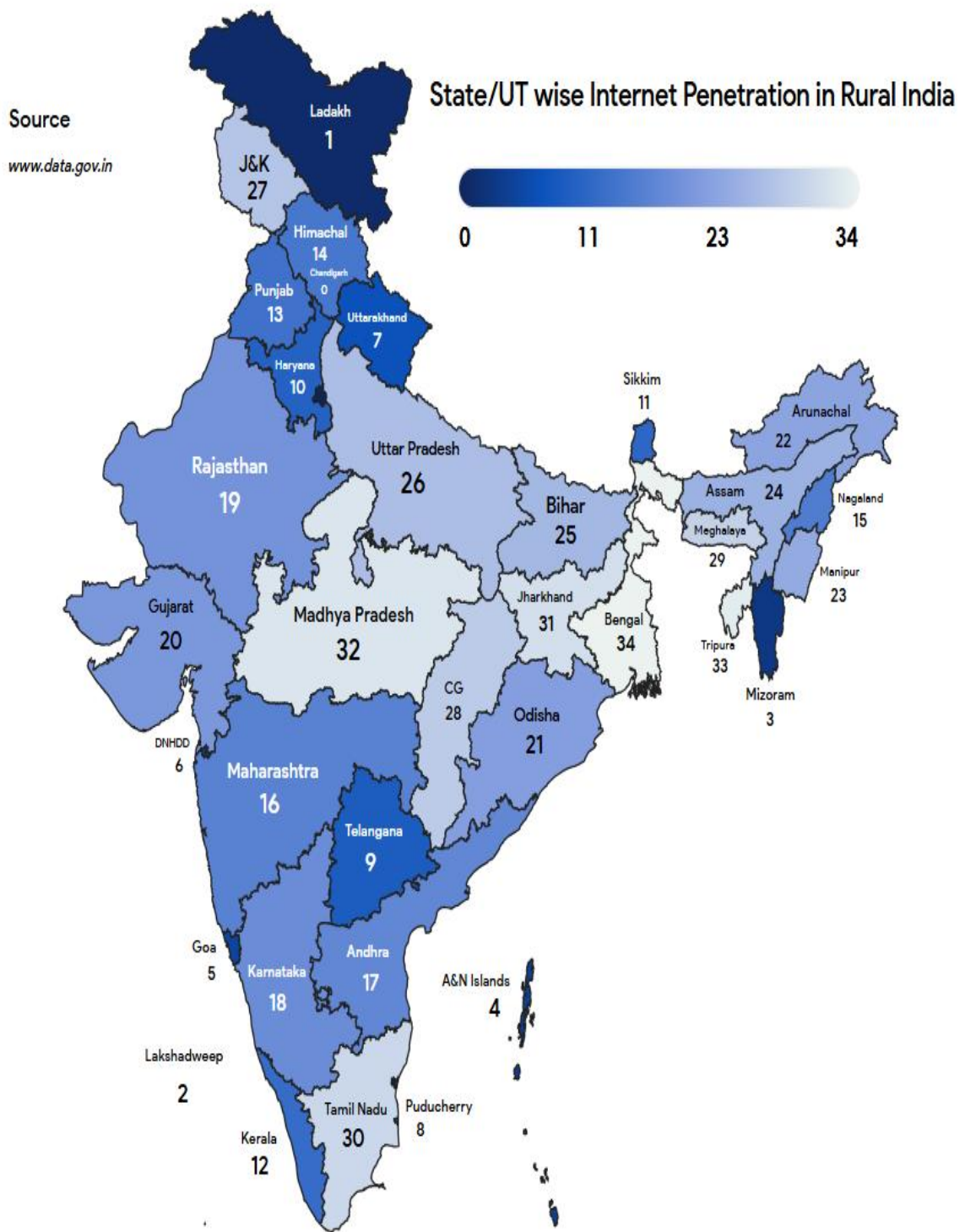
### 3. **Struggling States:**

- The **South Zone**, including Kerala and Tamil Nadu, reflects a lower perceived necessity for PMGDISHA due to pre-existing digital penetration. However, this has led to neglect in rural and underdeveloped areas.
- The **Islands and Remote Areas**, such as Lakshadweep and Andaman and Nicobar Islands, highlight the need for innovative and targeted strategies to address geographic and demographic challenges.

**Table 1.3 State wise Internet Penetration in rural areas of country**

| State/UT                                 | Total Rural Subscribers | Total Rural Population | Rural Subscriber % | Rank |
|--|-------------------------|------------------------|--------------------|------|
| Andaman and Nicobar Islands              | 200000                  | 2,52,204               | 79%                | 4    |
| Andhra Pradesh                           | 17890000                | 3,79,08,471            | 47%                | 17   |
| Arunachal Pradesh                        | 530000                  | 13,27,174              | 40%                | 22   |
| Assam                                    | 12750000                | 3,28,31,837            | 39%                | 24   |
| Bihar                                    | 37030000                | 9,57,17,712            | 39%                | 25   |
| Chhattisgarh                             | 8390000                 | 2,26,33,083            | 37%                | 28   |
| Dadra and Nagar Haveli and Daman and Diu | 290000                  | 4,20,418               | 69%                | 6    |
| Goa                                      | 830000                  | 11,37,225              | 73%                | 5    |
| Gujarat                                  | 18560000                | 4,37,42,416            | 42%                | 20   |
| Haryana                                  | 9960000                 | 1,77,82,877            | 56%                | 10   |
| Himachal Pradesh                         | 4030000                 | 75,58,637              | 53%                | 14   |
| Jammu and Kashmir                        | 4330000                 | 1,13,32,174            | 38%                | 27   |
| Jharkhand                                | 10980000                | 3,16,65,993            | 35%                | 31   |
| Karnataka                                | 20790000                | 4,45,79,627            | 47%                | 18   |
| Kerala                                   | 15880000                | 2,88,95,631            | 55%                | 12   |
| Ladakh                                   | 240000                  | 2,47,601               | 97%                | 1    |
| Lakshadweep                              | 60000                   | 74,640                 | 80%                | 2    |
| Madhya Pradesh                           | 20170000                | 6,01,42,936            | 34%                | 32   |
| Maharashtra                              | 33760000                | 6,87,22,082            | 49%                | 16   |
| Manipur                                  | 950000                  | 24,24,603              | 39%                | 23   |
| Meghalaya                                | 1320000                 | 35,81,606              | 37%                | 29   |
| Mizoram                                  | 530000                  | 6,65,884               | 80%                | 3    |
| Nagaland                                 | 980000                  | 18,80,620              | 52%                | 15   |
| Odisha                                   | 16150000                | 3,84,03,155            | 42%                | 21   |
| Puducherry                               | 360000                  | 5,62,027               | 64%                | 8    |
| Punjab                                   | 9810000                 | 1,82,34,589            | 54%                | 13   |
| Rajasthan                                | 25750000                | 5,82,13,411            | 44%                | 19   |
| Sikkim                                   | 310000                  | 5,54,477               | 56%                | 11   |
| Tamil Nadu                               | 17230000                | 4,92,84,215            | 35%                | 30   |
| Telangana                                | 13100000                | 2,06,96,907            | 63%                | 9    |
| Tripura                                  | 1060000                 | 32,56,110              | 33%                | 33   |
| Uttar Pradesh                            | 63770000                | 16,66,17,800           | 38%                | 26   |
| Uttarakhand                              | 4900000                 | 71,38,536              | 69%                | 7    |
| West Bengal                              | 25150000                | 7,79,60,919            | 32%                | 34   |





**Fig.** – State/UT wise Internet Penetration in Rural India

**Source** – Own Creation

Internet penetration is a significant impetus to rural financial inclusion, enabling the access of electronic financial services and empowering rural consumers through connectivity. Rural internet penetration in Indian states and union territories (UTs) reflects varied variations based on geographic, socioeconomic, and infrastructure determinants. The analysis of performance rankings and causes of differences is discussed in earnest detail below.

### Top-Performing Regions

The top UTs and states that are most penetrated by rural internet are **Ladakh (97%)**, **Lakshadweep (80%)**, **Mizoram (80%)**, **Andaman and Nicobar Islands (79%)**, and **Goa (73%)**. These are all examples of outstanding digital connectivity, which is typically achievable through focused government initiative and smaller populations

- **Ladakh (97%)**: Ladakh has been a success story in overcoming geographical disadvantages through well-planned interventions. Broadband infrastructure connectivity to schools, government offices, and rural villages through initiatives such as BharatNet has served as a major catalyst. Its limited base of population has enabled more targeted administrative intervention.
- **Lakshadweep and Mizoram (80%)**: In spite of their difficult geography, these two have leveraged central schemes to build strong connectivity. Performance of Mizoram also indicates effective collaborations with state governments to enhance last-mile connectivity.
- **Andaman and Nicobar Islands (79%)**: Island geography required digital connectivity to be a priority. Investment in undersea cables and subsidization of rural broadband take-up have helped improve internet penetration.

- **Goa (73%):** Goa's high penetration is because it has a well-established telecommunication infrastructure and socio-economic conditions. Effective resource distribution has been feasible with the smaller rural population.

### Moderate-Performing States

States such as **Uttarakhand (69%), Dadra and Nagar Haveli and Daman and Diu (69%), Puducherry (64%), Telangana (63%), Kerala (55%), Punjab (54%), Himachal Pradesh (53%), and Sikkim (56%)** fall in the moderate category. The states have progressed immensely but are still behind universal rural coverage.

- **Uttarakhand (69%):** Work done in hill states has been good, but geographical difficulties are still a limitation to universal access
- **Telangana (63%):** Rural digital empowerment efforts at the state level have yielded exceptional growth, yet remoteness and tribal regions lag behind.
- **Kerala (55%):** Strong literacy and widespread digital literacy in Kerala have yielded good performance. However, infrequently spaced internet quality and cost issues in rural markets restrict deeper penetration.
- **Punjab (54%):** Punjab's development is mirroring socio-economic stability and rising telecommunication infrastructure, but price-related problems in some segments.
- **Himachal Pradesh (53%):** As in the case of Punjab, Himachal Pradesh has taken advantage of the opportunity offered by stable socio-economic conditions, although the state's geography makes it difficult to extend networks to outlying districts.

### Low-Performing States

**West Bengal (32%), Tripura (33%), Madhya Pradesh (34%), Tamil Nadu (35%), and Jharkhand (35%)** are the most rural internet penetration states. They illustrate the issues of massive rural bases, infrastructure scarcity, and lack of policy attention to digital inclusion.

- **West Bengal (32%):** Though industrially developed in patches, rural belts of West Bengal are not uniformly digitally outreach due to patchy policy implementation and political instability.
- **Madhya Pradesh (34%):** Though having immense rural masses, the state's over-reliance on old-fashioned technologies and absence of telecommunications infrastructure impedes growth.
- **Jharkhand (35%):** Physical barriers of forest and hilly topography seriously inhibit last-mile connectivity in tribal-majority areas.
- **Tamil Nadu (35%):** Excellent urban infrastructure is being contrasted with weak rural availability of broadband. Its urban-skewed digital plans have ignored its rural citizenry.
- **Tripura (33%):** Tripura's showing can be considered a result of the state's underinvestment in infrastructure and difficulties faced due to its dispersed, though small, population.

## Regional Observations and Trends

### 1. Strong Regional Leaders:

- **Union Territories:** Union Territories like Ladakh, Lakshadweep, and Andaman and Nicobar Islands have performed well because of

focused administrative interventions as well as having smaller population bases.

- **North-East Zone:** Good penetration in Mizoram emphasizes the potential for success even in regionally challenging areas provided there is focused investment on top of local support.

## 2. **Moderate Progress in Hills and Plains:**

- **Northern States:** Himachal Pradesh and Uttarakhand have demonstrated well-rounded growth in the face of topographical difficulties, in appreciation of targeted broadband initiatives.
- **South and West Zones:** Telangana and Goa have benefited from improved connectivity infrastructure, a harbinger of greater bridging of the rural-urban gap.

## 3. **Lagging Large States:**

- **Central and Eastern Regions:** Madhya Pradesh, Jharkhand, and Bihar are hindered by below-average connectivity owing to enormous rural populations and lack of investment in infrastructure.
- **Southern States:** Low ranking by Tamil Nadu indicates a requirement for greater rural digital inclusion, despite having a robust overall infrastructure..

**Table 1.3 Zone wise performances across all three matrices in rural areas of country**

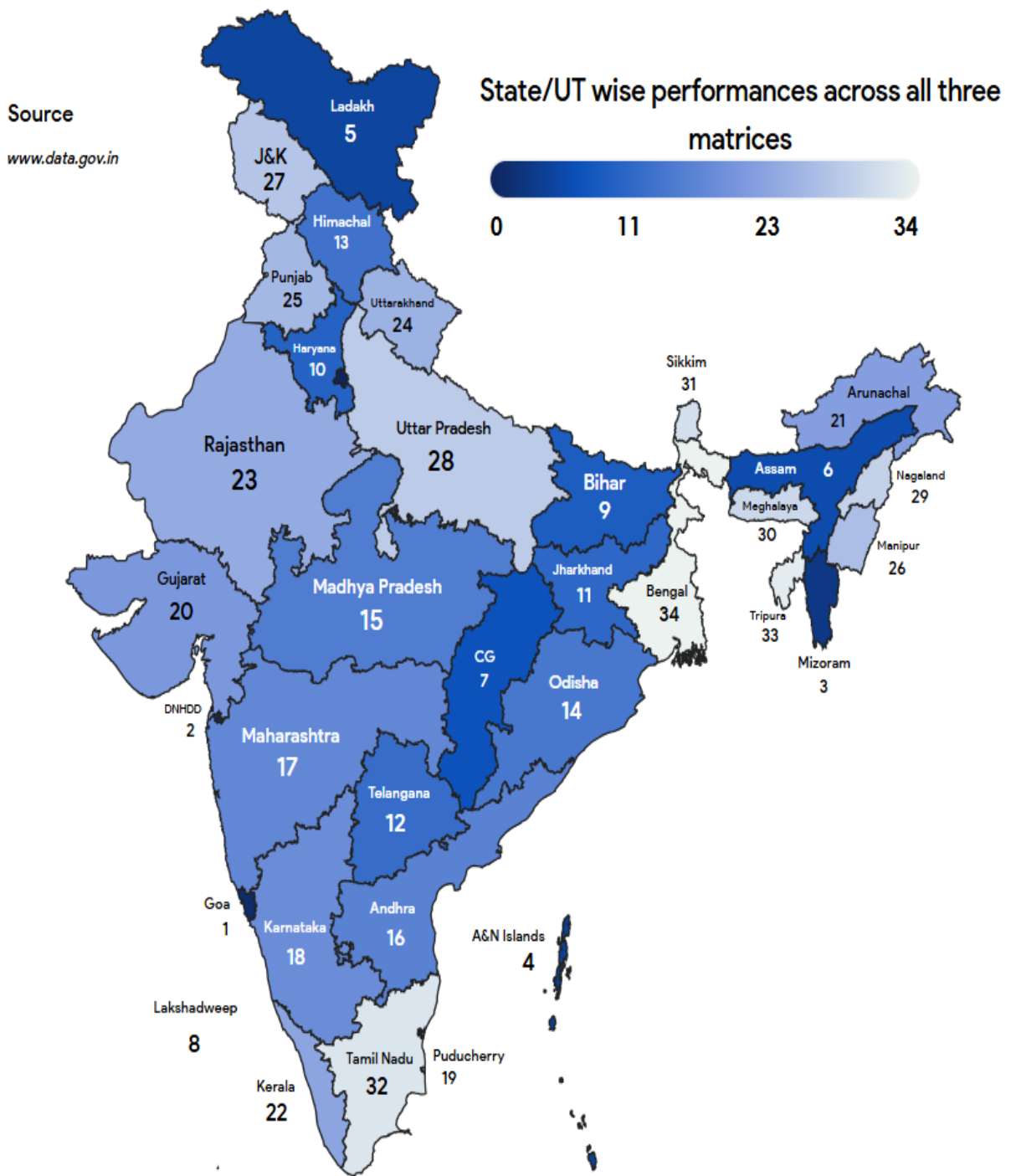
| Zone       | State/Union Territory                    | PMJD Percentage of Rural beneficiaries | PMGDISH A Certification Rate | Rural IP Percent age | Weighted Average | Rank |
|------------|--|--|------------------------------|----------------------|------------------|------|
| North      | Jammu and Kashmir                        | 17%                                    | 59%                          | 38%                  | 38%              | 27   |
| North      | Himachal Pradesh                         | 24%                                    | 58%                          | 53%                  | 45%              | 20   |
| North      | Punjab                                   | 29%                                    | 67%                          | 54%                  | 50%              | 11   |
| North      | Haryana                                  | 29%                                    | 64%                          | 56%                  | 50%              | 12   |
| North      | Uttarakhand                              | 35%                                    | 64%                          | 69%                  | 56%              | 4    |
| North      | Uttar Pradesh                            | 42%                                    | 68%                          | 38%                  | 49%              | 15   |
| South      | Andhra Pradesh                           | 21%                                    | 60%                          | 47%                  | 43%              | 24   |
| South      | Karnataka                                | 26%                                    | 52%                          | 47%                  | 42%              | 26   |
| South      | Kerala                                   | 14%                                    | 40%                          | 55%                  | 36%              | 30   |
| South      | Tamil Nadu                               | 17%                                    | 61%                          | 35%                  | 38%              | 29   |
| South      | Telangana                                | 33%                                    | 58%                          | 63%                  | 52%              | 8    |
| South      | Lakshadweep                              | 10%                                    | 0%                           | 80%                  | 30%              | 34   |
| South      | Puducherry                               | 21%                                    | 51%                          | 64%                  | 45%              | 19   |
| East       | Bihar                                    | 46%                                    | 66%                          | 39%                  | 50%              | 10   |
| East       | Jharkhand                                | 50%                                    | 61%                          | 35%                  | 49%              | 16   |
| East       | Odisha                                   | 46%                                    | 65%                          | 42%                  | 51%              | 9    |
| East       | West Bengal                              | 50%                                    | 65%                          | 32%                  | 49%              | 14   |
| East       | Andaman and Nicobar Islands              | 17%                                    | 33%                          | 79%                  | 43%              | 23   |
| West       | Goa                                      | 15%                                    | 68%                          | 73%                  | 64%              | 1    |
| West       | Gujarat                                  | 26%                                    | 65%                          | 42%                  | 45%              | 21   |
| West       | Maharashtra                              | 29%                                    | 63%                          | 49%                  | 47%              | 18   |
| West       | Rajasthan                                | 40%                                    | 64%                          | 44%                  | 50%              | 13   |
| West       | Dadra and Nagar Haveli and Daman and Diu | 50%                                    | 63%                          | 69%                  | 60%              | 2    |
| Central    | Chhattisgarh                             | 56%                                    | 65%                          | 37%                  | 53%              | 7    |
| Central    | Madhya Pradesh                           | 45%                                    | 66%                          | 34%                  | 48%              | 17   |
| North-East | Arunachal Pradesh                        | 25%                                    | 44%                          | 40%                  | 36%              | 31   |
| North-East | Assam                                    | 59%                                    | 69%                          | 39%                  | 55%              | 5    |
| North-East | Manipur                                  | 29%                                    | 41%                          | 39%                  | 36%              | 32   |
| North-East | Meghalaya                                | 21%                                    | 47%                          | 37%                  | 35%              | 33   |
| North-East | Mizoram                                  | 36%                                    | 46%                          | 80%                  | 54%              | 6    |
| North-East | Nagaland                                 | 10%                                    | 52%                          | 52%                  | 38%              | 28   |
| North-East | Sikkim                                   | 11%                                    | 62%                          | 56%                  | 43%              | 22   |
| North-East | Tripura                                  | 27%                                    | 66%                          | 33%                  | 42%              | 25   |



**Table 1.4 Zone- Wise Average**

| <b>AVERAGE</b> | <b>PMJD<br/>Percentage of<br/>Rural<br/>beneficiaries</b> | <b>PMGDISHA<br/>CERTIFICATION<br/>RATE</b> | <b>Rural IP<br/>PERCENTAGE</b> |
|----------------|---|--|--------------------------------|
| NORTH ZONE     | 29%   | 63%  | 51%                            |
| SOUTH ZONE     | 20%   | 46%  | 56%                            |
| EAST ZONE      | 42%   | 58%  | 45%                            |
| WEST ZONE      | 32%   | 60%  | 56%                            |
| CENTRAL ZONE   | 50%   | 66%  | 35%                            |
| NORTHEAST ZONE | 27%   | 53%  | 47%                            |

**Source – Own Creation**



**Fig. – State/UT wise Internet performance across all three matrices**

**Source – Own Creation**

The zone-wise performance analysis of key indicators—PMJD (Pradhan Mantri Jan Dhan Yojana) percentage of rural beneficiaries, PMGDISHA (Pradhan Mantri Gramin Digital Saksharta Abhiyan) certification rate, and rural internet penetration percentage—reveals stark contrasts across regions.

The **North Zone** demonstrates moderate performance across the indicators, with an average PMJD percentage of 39%, PMGDISHA certification rate of 57%, and rural internet penetration of 50. States like Ladakh (97%) and Uttarakhand (69%) excel in rural internet penetration due to dedicated efforts toward digital connectivity in remote areas. However, states like Jammu & Kashmir (38%) and Punjab (54%) show room for improvement, particularly in digital literacy, as indicated by PMGDISHA certification rates.

**The South Zone** boasts a pretty high rate of PMGDISHA certification - 61% - but lags in PMJD at 27% and rural internet penetration at 49%. The connectivity states Puducherry at 64% and Telangana at 63% reflect the success of regional broadband initiatives, while Tamil Nadu 35% and Kerala 55% point to gaps in financial inclusion where PMJD adoption and internet penetration are sub-optimal, even when infrastructure is robust in cities.

**East Zone** has a mixed performance. The region leads all the zones with the highest average penetration of internet in rural areas at 63%. The good performers are the Andaman and Nicobar Islands at 79% and Mizoram at 80%. It has not performed well in PMGDISHA certification rates at 48% and PMJD at 21%, which indicates lack of digital literacy and financial inclusion programs in the rural area of Bihar at 39% and West Bengal at 32%.

**The West Zone** is balanced but average with PMJD at 31%, PMGDISHA certification at 54%, and rural internet penetration at 47%. Goa and Dadra & Nagar

Haveli are exceptions with targeted broadband expansion efforts outperforming at 73% and 69%, respectively. Rajasthan and Maharashtra have moderate outcomes across all indicators at 44% and 49%, respectively.

**The Central Zone** shows relatively stable performance with PMJD at 25%, PMGDISHA certification at 59%, and rural internet penetration at 59%.

Chhattisgarh, at 37%, and Madhya Pradesh, at 34%, reveal an urgent requirement to enhance the strategies for internet penetration, but the financial inclusion and digital literacy rates are rather slow in these vast, rural states.

**The North-East Zone** is the one that has the widest disparity. It boasts an impressive PMJD average of 32% but lags in poor PMGDISHA certification at 64% and low rural internet penetration at 46%. States like Mizoram at 80% and Assam at 39% are doing very well in internet connectivity, while others like Arunachal Pradesh at 40% and Manipur at 39% have been doing relatively poor in digital literacy and financial inclusion due to infrastructural and geographic constraints.

## LIMITATIONS OF THE STUDY

This study acknowledges a few limitations:

1. The research is done on the basis of secondary data acquired from government websites and official reports. Although these are original sources, secondary data are less precise, less accurate, or incomplete. There can also be a time lag between publishing new data, which can influence the timeliness of the analysis.
2. The study primarily evaluates the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), while other financial inclusion initiatives are not included. Such narrow focus may

miss the role of complementary schemes or general financial policies that could indicate a wider picture of rural financial inclusion.

3. The research is conducted at the zonal and state levels, giving a bird's eye view of the financial inclusion measures. It doesn't look at district or local-level trends, however, where there might be localized challenges and wins. This inability to access localized data misses the opportunity for seeing the potential for detecting granular inequalities or hyper-local patterns.
4. It focuses on quantifiable metrics like penetration rates, certification rates, and internet subscriber rates. Although these measures are handy, they do not address qualitative factors like consumers' experience, attitudes, or challenges with the utilization of these plans. As a case in point, behavioral and cultural challenges in the utilization of digital financial services are not addressed.
5. The recommendation and conclusion of the study are based on aggregate data that might not reflect regional or cultural nuances. This can reduce generalizability of the interventions proposed to a region with peculiar socio-economic or geographical issues.
6. The research quantifies access to financial services via different channels like penetration and certification rates. It does not address, however, the complete extent of the rate of utilization and adoption of these services, which are paramount in achieving inclusive financial inclusion.

## INSIGHTS AND RECOMMENDATIONS

This research reveals that states and union territories across India can significantly enhance digital inclusion and financial literacy by adopting successful practices from their top-performing peers. The analysis of key metrics—PMJDY beneficiary enrolment, PMGDISHA certification rates, and rural internet penetration—underscores the stark disparities between high- and low-performing regions. Below is an exploration of the factors driving these differences and actionable recommendations tailored to each zone

### North Zone

**Success Stories:** Uttarakhand has been successful with localized digital training camps and deployment of community digital ambassadors, which have increased PMJDY enrolments and PMGDISHA certifications.

**Challenges:** Jammu & Kashmir are affected by weak field outreach and lack of localized training processes.

### Recommendations:

Imitate Uttarakhand model by carrying out region-based digital literacy camps on a regular basis.

Enable local community leaders to serve as digital ambassadors and introduce outreach as well as trust-building in rural regions.

### South Zone

**Success Stories** Telangana's MeeSeva centers have raised the bar by bringing government services and digital literacy programs under one roof and providing ease of use and accessibility.

**Challenges:** Lakshadweep, Tamil Nadu, and Kerala are losing out owing to the lack of integrated service centers and weak rural campaign efforts.

**Recommendations:**

- Open service centers on the pattern of Telangana's MeeSeva to offer a single-stop solution for digital services and learning.

Create culturally suitable awareness drives for rural communities to trigger enrollments into PMJDY and PMGDISHA.

**East Zone**

**Success Stories:** Odisha has been successful in crossing milestones with Public-Private Partnerships (PPPs) and decentralized digital kiosks which have scaled up access to rural pockets in far-flung areas.

**Challenges:** Strategies localized have not been fully adopted in regions such as the Andaman and Nicobar Islands despite adequate connectivity.

**Recommendations:**

- Partner with private organizations to establish mobile digital kiosks.
- PPP-based initiatives to provide uniform availability of digital services in rural areas.

**West Zone**

**Success Stories:** Digital Goa and the refurbished Common Service Centres (CSCs) of Goa have worked considerably towards rural digital literacy and financial inclusion.

**Challenges:** Gujarat falls behind because of old CSC infrastructure and scattered e-governance platforms.

**Recommendations:**

- Upgradation of CSC networks in the state at the infrastructural level, taking a bundled services strategy as exemplified by Goa.
- Invest in robust e-governance platforms to ensure smooth digital delivery of services and improve customer satisfaction.

**Central Zone**

**Success Stories:** Grassroots methods of mobilization at the doorsteps in Chhattisgarh, e.g., door-to-door mobilization and locally appropriate PMGDISHA training modules, have ensured high performance.

**Challenges:** Madhya Pradesh and the surrounding states lack similar focused interventions, and consequently, there is lower takeup.

**Recommendations:**

- Strengthen community outreach programs to reach the under-served segments.
- Update training materials with locally relevant case studies for increased relevance and effectiveness.

## North-East Zone

**Success Stories:** The Assam Digital Economy Mission is a case of success in organized training and coordination with Panchayats at the grassroots level, resulting in very high levels of certification.

**Challenges:** Shortage of uniform training and low capacity building in Meghalaya, Arunachal Pradesh, and Manipur states.

### Recommendations:

- Launch dedicated digital missions modeled on Assam's initiative.

Enhance coordination with community organizations and implement uniform, periodic training programs.

### General Recommendations

The numbers prove the necessity for targeted, evidence-based interventions. To fill the gap of digitalization, states need to:

1. **Increase Community Outreach:** Provide local digital ambassadors to build credibility and mobilize rural masses.
2. **Integrated Service Centres:** Implement MeeSeva-type centres to facilitate efficient service delivery.
3. **Infrastructure Development:** Invest in PPPs towards upgrading connectivity and digital infrastructure in rural enclaves.
4. **Culturally Sensitive Campaigns:** Design awareness and training drills to tackle linguistic, cultural, and geographic variations.

## CONCLUSION

This research highlights the capability of programs such as PMJDY and PMGDISHA to enhance rural financial inclusion. Although the programs are better, intra-regional disparities persist, with high-performing states possessing context-specific strategies such as local area training camps, combined service delivery, and effective public-private partnerships. Underperforming states, however, have poor infrastructure, outreach deficits, and ineffective localized digital literacy interventions. These regions hamper inclusive growth of digital services and financial inclusion for rural India.

To close these gaps, the study suggests imitating high-performing states' best practices. The strategies are mostly:

- Scaling up digital literacy initiatives through digital ambassadors and community programs.
- Creating converged service centres to increase access to government services and increase interaction.
- Tapping PPPs to develop strong digital infrastructure that is responsive to local needs.

By using these targeted interventions and positioning them in regional contexts, policy-makers will be in a position to fill the digital divide and take financial inclusion programs to all reaches of rural India. This will make the financial system more equitable and resilient and enable the achievement of wider sustainable development and economic empowerment objectives.

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