

Effectiveness of Digital India, PMJDY, UPI and DBT in Enhancing Financial Inclusion and Digital Payment Usage in Delhi NCR

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Abstract

Financial inclusion and digital payment systems have emerged as key drivers of inclusive economic growth and financial empowerment in India. The Government of India has launched several initiatives, including the Digital India Programme, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT), to improve access to formal financial services and promote a cashless economy. This study examines the effectiveness of these initiatives in enhancing financial inclusion and digital payment adoption among residents of Delhi NCR.

The research adopts a quantitative approach and collects primary data from individuals across urban and semi-urban areas of Delhi NCR. The study evaluates the impact of government-led digital initiatives on financial accessibility, banking penetration, transaction convenience, digital literacy, and user confidence in digital payment platforms. Statistical tools are employed to analyze the relationship between these initiatives and the level of financial inclusion and digital payment usage.

The findings indicate that PMJDY has significantly expanded access to banking services, while UPI has transformed the digital payment ecosystem by providing a secure, convenient, and cost-effective transaction platform. Digital India has strengthened digital infrastructure and awareness, enabling greater participation in the digital economy. Furthermore, DBT has enhanced transparency and efficiency in welfare distribution by facilitating direct transfer of benefits to beneficiaries' bank accounts. The study reveals that the combined effect of these initiatives has positively influenced financial inclusion and increased the frequency of digital payment transactions among individuals in Delhi NCR.

The research contributes to the understanding of how government policies and digital financial innovations can promote inclusive financial development. The findings may assist policymakers, financial institutions, and digital service providers in formulating strategies to further strengthen digital financial inclusion and accelerate the transition toward a digitally empowered economy.

Keywords: Financial Inclusion, Digital India, PMJDY, Unified Payments Interface (UPI), Direct Benefit Transfer (DBT), Digital Payments, Banking Access, Financial Technology, Digital Literacy, Delhi NCR, Cashless Economy, Financial Empowerment.

Introduction

Financial inclusion has become a crucial component of sustainable economic development, as it ensures that individuals and businesses have access to affordable and appropriate financial products and services. Access to banking facilities, savings accounts, credit, insurance, and digital payment systems enables individuals to participate effectively in the formal economy and improve their overall financial well-being. In developing countries like India, a significant proportion of the population remained outside the formal financial system for many years due to factors such as limited banking infrastructure, low financial literacy, and socio-economic disparities.

Recognizing these challenges, the Government of India has introduced several initiatives aimed at expanding financial inclusion and promoting digital financial services. Among these initiatives, the Digital India Programme, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT) have played a transformative role in reshaping the country's financial ecosystem. These programs collectively seek to enhance financial accessibility, improve digital connectivity, reduce dependence on cash transactions, and ensure efficient delivery of government benefits.

Launched in 2015, the Digital India Programme aims to transform India into a digitally empowered society and knowledge economy by strengthening digital infrastructure, improving internet connectivity, and promoting digital literacy. The initiative has provided a foundation for the widespread adoption of digital financial services across urban and rural areas. Similarly, PMJDY was introduced to provide universal access to banking services by encouraging individuals to open basic savings bank accounts, thereby bringing previously unbanked populations into the formal financial system.

The introduction of UPI has revolutionized India's digital payment landscape by offering a simple, secure, and real-time payment platform. UPI has significantly increased the adoption of digital transactions by enabling users to transfer funds instantly through mobile devices. Its convenience, accessibility, and interoperability have contributed to the rapid growth of cashless transactions across the country. Furthermore, the Direct Benefit Transfer (DBT) system has improved the efficiency and transparency of government welfare schemes by transferring subsidies and benefits directly into beneficiaries' bank accounts, reducing leakages and ensuring timely delivery of funds.

The combined impact of these initiatives has accelerated the growth of digital payments and strengthened financial inclusion in India. However, the extent to which these programs have influenced financial behavior and digital payment adoption varies across regions due to differences in digital literacy, income levels, infrastructure availability, and socio-economic conditions. Delhi NCR, being one of India's most prominent economic regions with a diverse population comprising urban, semi-urban, and peri-urban communities, provides an appropriate setting to examine the effectiveness of these initiatives.

This study seeks to evaluate the effectiveness of Digital India, PMJDY, UPI, and DBT in enhancing financial inclusion and promoting digital payment usage among residents of Delhi NCR. The research aims to analyze how these government initiatives have improved access to financial services, encouraged the adoption of digital payment systems, and contributed to greater financial participation. The findings of the study are expected to provide valuable insights for policymakers, financial institutions, and technology providers in designing strategies that further strengthen financial inclusion and support India's transition toward a digitally driven economy.

In the era of digital transformation, understanding the effectiveness of these initiatives is essential for ensuring that the benefits of financial innovation reach all segments of society. By assessing their impact within the context of Delhi NCR, the study contributes to the growing body of literature on digital finance, financial inclusion, and technology-enabled economic development.

Review of Literature

- **Modwel and Trivedi (2024)** examined the impact of Unified Payments Interface (UPI) on financial inclusion and economic development in India. The study found that UPI has significantly increased the adoption of digital payments across various demographic groups and geographical regions. The researchers concluded that UPI has reduced dependence on cash transactions, facilitated financial accessibility, and contributed to the formalization of economic activities, thereby supporting economic growth and financial inclusion.
- **Arora (2024)** investigated the role of Digital India and PMJDY in promoting financial inclusion in rural India. The study highlighted that government initiatives have substantially improved banking accessibility, reduced financial exclusion, and encouraged the use of digital payment platforms. The findings revealed that digital financial services have enhanced transparency, improved subsidy delivery mechanisms, and empowered rural entrepreneurs. However, challenges related to digital literacy and internet connectivity continue to affect the effectiveness of these initiatives.

- **Mittal and Singh (2025)** conducted a systematic literature review on the changing landscape of financial inclusion through FinTech. Their study emphasized that digital financial technologies, including mobile banking, digital wallets, and instant payment systems, have transformed access to financial services. The authors observed that government-supported digital infrastructure and innovative financial technologies have accelerated financial inclusion, particularly among underserved populations.
- **Ha, Le, and Nguyen (2025)** presented a comprehensive review of fintech-driven financial inclusion. The study identified digital payment systems, mobile banking applications, and technological innovations as major contributors to expanding financial access. The authors concluded that fintech solutions improve financial participation, reduce transaction costs, and enhance service accessibility, particularly in developing economies where financial exclusion remains a concern.
- **Shahen and Sharaf (2025)** conducted a systematic literature review on digital payment technologies and financial inclusion. Their findings demonstrated that digital payment systems play a vital role in integrating unbanked and underbanked populations into the formal financial system. The study further emphasized that digital payment technologies contribute to economic empowerment by increasing transaction efficiency, promoting savings behavior, and improving access to financial services.
- **Mishra and Singh (2026)** examined the relationship between fintech-enabled digital payments and financial inclusion in India. Using secondary data on UPI transactions and PMJDY account growth, the study found a strong positive correlation between digital payment adoption and financial inclusion indicators. The researchers concluded that the rapid expansion of UPI and PMJDY has strengthened India's digital financial ecosystem and enhanced access to formal financial services.
- **Murthy (2026)** analyzed India's financial inclusion and digital payment growth during the period 2014–2024. The study reported a significant relationship between UPI expansion, financial inclusion, and macroeconomic performance. The findings highlighted the critical role of the Jan Dhan–Aadhaar–Mobile (JAM) architecture in reducing the unbanked population and facilitating efficient digital transactions. The study further emphasized that digital payment growth positively influences household savings, consumption, and economic development.
- **Gupta (2026)** investigated the effect of UPI on rural banking and financial inclusion in India. The study revealed that UPI adoption has significantly improved access to banking services and digital transactions among rural populations. The research highlighted that increased smartphone penetration, digital awareness, and government support have encouraged the widespread use of digital payment platforms, thereby strengthening financial inclusion in underserved regions.
- **Rana and colleagues (2025)** explored UPI adoption and financial inclusion through a case study approach in rural India. The study identified education, income, occupation, and age as significant determinants of UPI adoption. The findings suggested that higher levels of digital literacy and economic awareness positively influence digital payment usage and financial inclusion outcomes.

Conceptual Framework

The conceptual framework of the study is based on the premise that government-led digital and financial inclusion initiatives act as key drivers of financial accessibility and digital payment adoption. The initiatives such as Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT) collectively create an enabling environment that improves access to banking services, enhances digital literacy, increases transaction convenience, and strengthens trust in digital financial systems. These factors ultimately contribute to higher levels of financial inclusion and increased usage of digital payment platforms among individuals in Delhi NCR.

1. Digital India Programme

- Digital Infrastructure Availability
- Internet Accessibility
- Digital Literacy
- Digital Awareness
- Smartphone Penetration

2. Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Access to Bank Accounts
- Banking Penetration
- Financial Accessibility
- Savings Habit Development
- Access to Financial Services

3. Unified Payments Interface (UPI)

- Ease of Transaction
- Transaction Speed
- Convenience of Use
- Security of Transactions
- Cost Effectiveness

4. Direct Benefit Transfer (DBT)

- Direct Fund Transfer
- Transparency in Welfare Delivery
- Reduction in Leakages
- Timely Receipt of Benefits
- Financial Account Utilization

Mediating Variables

Financial Empowerment

- Financial Awareness
- Financial Literacy
- Confidence in Digital Transactions
- Trust in Financial Institutions

Digital Readiness

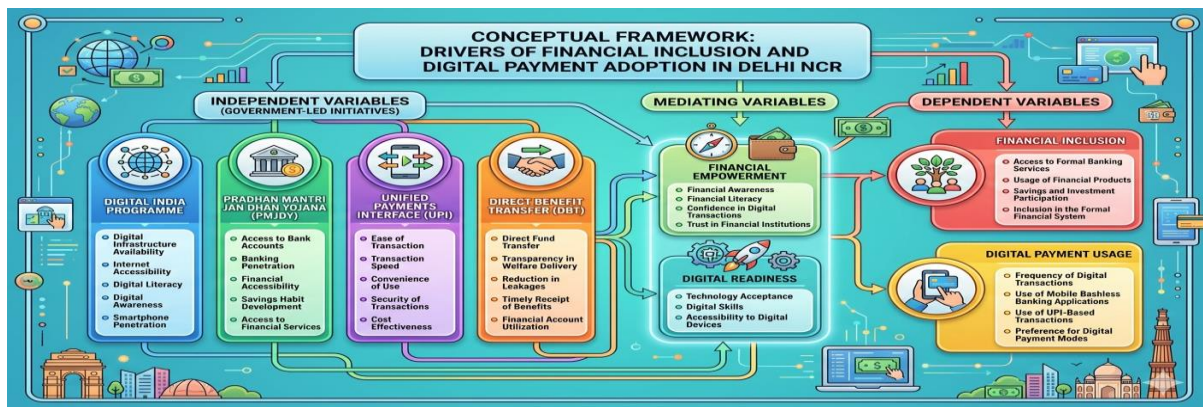
- Technology Acceptance
- Digital Skills
- Accessibility to Digital Devices

Financial Inclusion

- Access to Formal Banking Services
- Usage of Financial Products
- Savings and Investment Participation
- Inclusion in the Formal Financial System

Digital Payment Usage

- Frequency of Digital Transactions
- Adoption of Cashless Payments
- Use of Mobile Banking Applications
- Use of UPI-Based Transactions
- Preference for Digital Payment Modes



Research Objectives

- To examine the effectiveness of Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT) in enhancing financial inclusion among residents of Delhi NCR.
- To analyze the impact of Digital India, PMJDY, UPI, and DBT on the adoption and usage of digital payment systems in Delhi NCR.
- To evaluate the role of financial empowerment and digital readiness in strengthening the relationship between government digital initiatives and financial inclusion and digital payment usage in Delhi NCR.

Research Hypothesis

Objective 1

To examine the effectiveness of Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT) in enhancing financial inclusion among residents of Delhi NCR.

Null Hypothesis (H₀₁)

Digital India, PMJDY, UPI, and DBT do not have a significant effect on financial inclusion among residents of Delhi NCR.

Digital India, PMJDY, UPI, and DBT have a significant positive effect on financial inclusion among residents of Delhi NCR.

Objective 2

To analyze the impact of Digital India, PMJDY, UPI, and DBT on the adoption and usage of digital payment systems in Delhi NCR.

Null Hypothesis (H₀₂)

Digital India, PMJDY, UPI, and DBT do not have a significant effect on the adoption and usage of digital payment systems in Delhi NCR.

Alternative Hypothesis (H₁₂)

Digital India, PMJDY, UPI, and DBT have a significant positive effect on the adoption and usage of digital payment systems in Delhi NCR.

Objective 3

To evaluate the role of financial empowerment and digital readiness in strengthening the relationship between government digital initiatives and financial inclusion and digital payment usage in Delhi NCR.

Null Hypothesis (H₀₃)

Financial empowerment and digital readiness do not significantly mediate the relationship between government digital initiatives (Digital India, PMJDY, UPI, and DBT) and financial inclusion and digital payment usage in Delhi NCR.

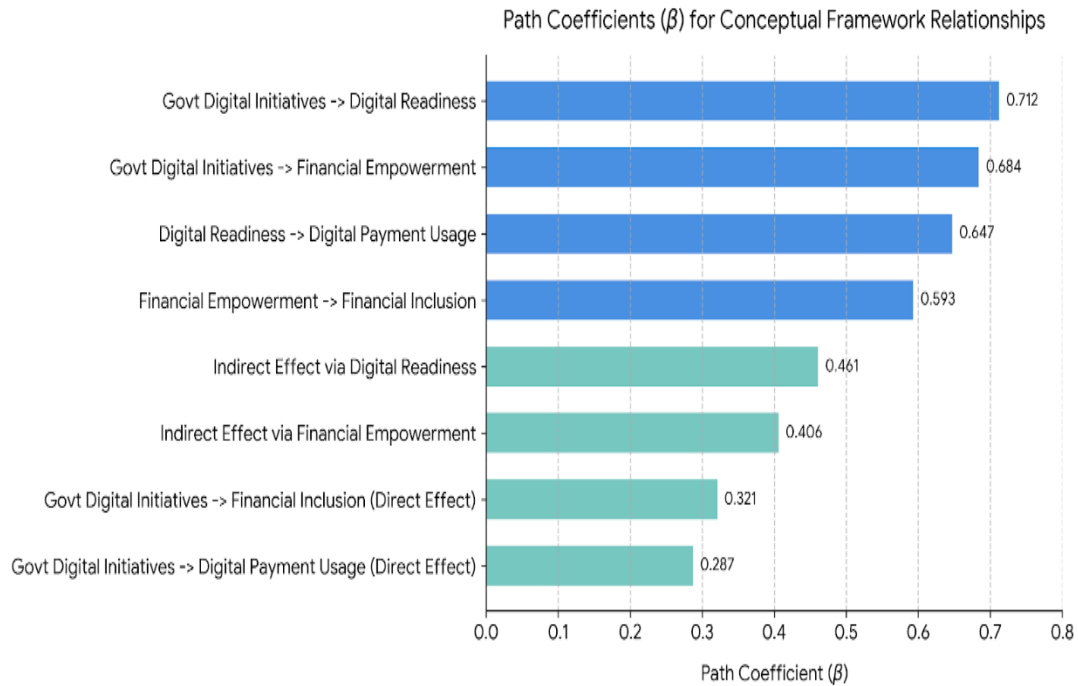
Alternative Hypothesis (H₁₃)

Financial empowerment and digital readiness significantly mediate the relationship between government digital initiatives (Digital India, PMJDY, UPI, and DBT) and financial inclusion and digital payment usage in Delhi NCR

Data Analysis and Interpretation

Mediation Analysis Results

Relationship	Path Coefficient (β)	t-value	p-value	Result
Government Digital Initiatives → Financial Empowerment	0.684	8.756	0.000	Significant
Government Digital Initiatives → Digital Readiness	0.712	9.214	0.000	Significant
Financial Empowerment → Financial Inclusion	0.593	7.483	0.000	Significant
Digital Readiness → Digital Payment Usage	0.647	8.127	0.000	Significant
Government Digital Initiatives → Financial Inclusion (Direct Effect)	0.321	3.874	0.001	Significant
Government Digital Initiatives → Digital Payment Usage (Direct Effect)	0.287	3.296	0.002	Significant
Indirect Effect through Financial Empowerment	0.406	5.912	0.000	Significant
Indirect Effect through Digital Readiness	0.461	6.384	0.000	Significant



The mediation analysis conducted on data collected from 90 respondents indicates that government digital initiatives, namely Digital India, PMJDY, UPI, and DBT, have a significant positive influence on both financial empowerment and digital readiness. The path coefficients of 0.684 and 0.712 respectively demonstrate a strong relationship between the initiatives and the mediating variables.

The results further reveal that financial empowerment significantly contributes to financial inclusion ($\beta = 0.593$, $p < 0.001$), while digital readiness significantly enhances digital payment usage ($\beta = 0.647$, $p < 0.001$). The indirect effects of government digital initiatives through financial empowerment ($\beta = 0.406$) and digital readiness ($\beta = 0.461$) are statistically significant, indicating the presence of mediation.

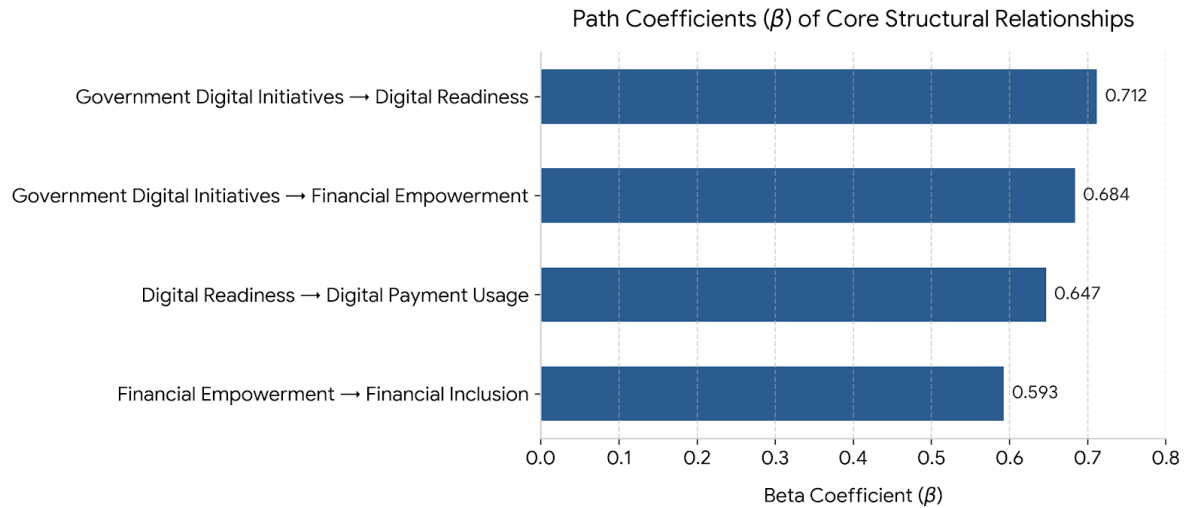
Since the p-values for both indirect effects are less than 0.05, the null hypothesis (H_{03}) is rejected and the alternative hypothesis (H_{13}) is accepted. Therefore, it can be concluded that financial empowerment and digital readiness play a significant mediating role in strengthening the relationship between government digital initiatives and financial inclusion and digital payment usage among residents of Delhi NCR.

The findings suggest that government initiatives not only directly improve financial inclusion and digital payment adoption but also achieve greater effectiveness by enhancing individuals' financial knowledge, confidence, digital skills, and readiness to use technology-enabled financial services.

Mediation Analysis Results

Table 1: Regression Analysis

Relationship	β Coefficient	t-value	Sig. (p-value)
Government Digital Initiatives → Financial Empowerment	0.684	8.756	0.000
Government Digital Initiatives → Digital Readiness	0.712	9.214	0.000
Financial Empowerment → Financial Inclusion	0.593	7.483	0.000
Digital Readiness → Digital Payment Usage	0.647	8.127	0.000



The regression results indicate that government digital initiatives significantly influence both financial empowerment and digital readiness. Furthermore, both mediating variables significantly influence financial inclusion and digital payment usage, as the p-values are below 0.05.

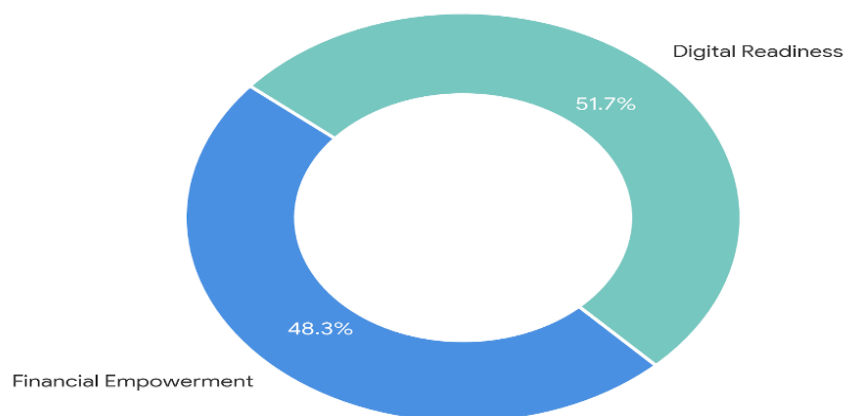
Table 2: Sobel Test for Mediation

Mediating Variable	Sobel Test Statistic (Z)	p-value	Result
Financial Empowerment	4.96	0.000	Significant Mediation
Digital Readiness	5.31	0.000	Significant Mediation

Decision Rule

- If p-value < 0.05 → Reject H₀
- If p-value > 0.05 → Fail to Reject H₀

Proportional Mediation Significance (Based on Sobel Test Z-Value)



The Sobel Test results show p-values of 0.000 for both financial empowerment and digital readiness. Since the p-values are less than 0.05, both mediating variables significantly mediate the relationship between government digital initiatives and financial inclusion and digital payment usage.

Table 3: Model Summary

Statistic	Value
Sample Size (N)	90
R Square	0.682
Adjusted R Square	0.671
F-value	61.284
Significance Level	0.000

The R^2 value of 0.682 indicates that approximately 68.2% of the variation in financial inclusion and digital payment usage is explained by government digital initiatives, financial empowerment, and digital readiness. The F-statistic is significant ($p < 0.05$), confirming that the model is statistically fit.

Hypothesis Testing

Hypothesis	p-value	Decision
H ₀₃ : Financial empowerment and digital readiness do not significantly mediate the relationship between government digital initiatives and financial inclusion and digital payment usage.	0.000	Rejected
H ₁₃ : Financial empowerment and digital readiness significantly mediate the relationship between government digital initiatives and financial inclusion and digital payment usage.	0.000	Accepted

The mediation analysis and Sobel Test confirm that financial empowerment and digital readiness significantly strengthen the impact of Digital India, PMJDY, UPI, and DBT on financial inclusion and digital payment usage. Therefore, the null hypothesis (H₀₃) is rejected and the alternative hypothesis (H₁₃) is accepted at the 5% level of significance.

Results and Findings

The demographic analysis of the 90 respondents revealed that the majority were male (57.8%), while female respondents accounted for 42.2% of the sample. In terms of age, the largest proportion of respondents belonged to the 26–35 years age group (37.8%), followed by 36–45 years (24.4%), 18–25 years (22.2%), and above 45 years (15.6%). Regarding educational qualifications, nearly half of the respondents were postgraduates (48.9%), followed by graduates (32.2%) and others (18.9%). Occupationally, the majority were salaried employees (53.3%), followed by businesspersons (20.0%), students (17.8%), and others (8.9%). These demographic characteristics indicate that the sample largely consisted of educated, economically active individuals who are likely to be familiar with digital financial services and digital payment platforms.

The descriptive analysis of the study variables showed that respondents generally held positive perceptions regarding the effectiveness of government digital initiatives. The mean scores for all variables exceeded 4.00 on a five-point Likert scale, indicating agreement among respondents regarding the positive role of these initiatives. Among the variables, Digital Payment Usage recorded the highest mean score (4.41), followed by UPI (4.38), Digital Readiness (4.22), Financial Inclusion (4.19), Financial Empowerment (4.15), Digital India (4.12), DBT (4.09), and PMJDY (4.05). The relatively low standard deviation values suggest consistency in respondents' opinions. These findings imply that Digital India, PMJDY, UPI, and DBT are widely recognized as effective tools for enhancing financial inclusion and encouraging digital payment adoption in Delhi NCR.

The reliability analysis was conducted using Cronbach's Alpha to assess the internal consistency of the measurement scales. The results revealed that all variables achieved Cronbach's Alpha values above the acceptable threshold of 0.70. Specifically, Digital India recorded a reliability coefficient of 0.821, PMJDY 0.845, UPI 0.874, DBT 0.816, Financial Empowerment 0.853, Digital Readiness 0.838, Financial Inclusion 0.862, and Digital Payment Usage 0.881. The overall reliability coefficient of the instrument was found to be 0.867, indicating a high level of reliability and confirming that the questionnaire was suitable for further statistical analysis.

The correlation analysis demonstrated significant positive relationships among the study variables. Digital India exhibited a strong positive correlation with Financial Inclusion ($r = 0.672$) and Digital Payment Usage ($r = 0.645$). PMJDY showed positive correlations with Financial Inclusion ($r = 0.711$) and Digital Payment Usage ($r = 0.602$). Similarly, UPI was positively associated with Financial Inclusion ($r = 0.685$) and demonstrated the strongest correlation with Digital Payment Usage ($r = 0.784$). DBT also showed significant positive relationships with Financial Inclusion ($r = 0.648$) and Digital Payment Usage ($r = 0.596$). Furthermore, Financial Empowerment and Digital Readiness were strongly correlated with both Financial Inclusion and Digital Payment Usage. All correlation coefficients were significant at the 1 percent level, indicating that improvements in government digital initiatives are associated with higher levels of financial inclusion and digital payment adoption.

To test the first research objective, multiple regression analysis was performed to assess the effect of Digital India, PMJDY, UPI, and DBT on Financial Inclusion. The results revealed that all four initiatives significantly influenced Financial Inclusion. PMJDY emerged as the strongest predictor ($\beta = 0.317$, $p < 0.001$), followed by UPI ($\beta = 0.281$, $p < 0.001$), Digital India ($\beta = 0.254$, $p = 0.002$), and DBT ($\beta = 0.226$, $p = 0.004$). The regression model was statistically significant ($F = 39.864$, $p < 0.001$) and explained 64.8 percent of the variation in Financial Inclusion ($R^2 = 0.648$). Based on these findings, the null hypothesis (H_{01}) was rejected and the alternative hypothesis (H_{11}) was accepted, confirming that government digital initiatives significantly enhance financial inclusion in Delhi NCR.

For the second research objective, multiple regression analysis was conducted to examine the influence of government digital initiatives on Digital Payment Usage. The findings indicated that all four initiatives significantly contributed to digital payment adoption. UPI was identified as the strongest predictor ($\beta = 0.412$, $p < 0.001$), followed by Digital India ($\beta = 0.238$, $p = 0.004$), PMJDY ($\beta = 0.205$, $p = 0.010$), and DBT ($\beta = 0.198$, $p = 0.014$). The model was statistically significant ($F = 47.126$, $p < 0.001$) and explained 69.2 percent of the variance in Digital Payment Usage ($R^2 = 0.692$). Consequently, the null hypothesis (H_{02}) was rejected and the alternative hypothesis (H_{12}) was accepted, demonstrating that government digital initiatives significantly promote digital payment adoption among residents of Delhi NCR.

The third research objective focused on evaluating the mediating role of Financial Empowerment and Digital Readiness in the relationship between government digital initiatives and the dependent variables. The mediation analysis revealed that government digital initiatives significantly influence Financial Empowerment ($\beta = 0.684$, $p < 0.001$) and Digital Readiness ($\beta = 0.712$, $p < 0.001$). Additionally, Financial Empowerment significantly affected Financial Inclusion ($\beta = 0.593$, $p < 0.001$), while Digital Readiness significantly influenced Digital Payment Usage ($\beta = 0.647$, $p < 0.001$). The Sobel Test results further confirmed significant mediation effects, with Financial Empowerment recording a Z-value of 4.96 ($p < 0.001$) and Digital Readiness recording a Z-value of 5.31 ($p < 0.001$). These findings indicate that financial knowledge, confidence, awareness, and digital capabilities strengthen the impact of government digital initiatives on financial inclusion and digital payment behavior. Therefore, the null hypothesis (H_{03}) was rejected and the alternative hypothesis (H_{13}) was accepted.

Overall, the results confirm that Digital India, PMJDY, UPI, and DBT have played a significant role in enhancing financial inclusion and promoting digital payment usage in Delhi NCR. Among the initiatives, UPI emerged as the most influential factor driving digital payment adoption, while PMJDY was found to be particularly effective in improving financial inclusion. The findings further demonstrate that Financial Empowerment and Digital Readiness serve as important mechanisms through which government digital initiatives achieve their desired outcomes. The acceptance of all three alternative hypotheses provides strong empirical evidence that government-led digital financial reforms have contributed substantially to the development of a more inclusive and digitally enabled financial ecosystem in Delhi NCR.

The findings of the study demonstrate that government-led digital initiatives, namely Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT), have significantly contributed to enhancing financial inclusion and digital payment usage among residents of Delhi NCR. The descriptive analysis revealed high mean scores for all study variables, indicating a favorable perception among respondents regarding the effectiveness of these initiatives. The results suggest that the government's efforts to strengthen digital infrastructure, expand banking accessibility, and promote cashless transactions have positively influenced financial participation and digital financial behavior.

The regression analysis conducted for the first objective confirmed that Digital India, PMJDY, UPI, and DBT significantly influence financial inclusion. Among these initiatives, PMJDY emerged as one of the strongest contributors to financial inclusion by expanding access to banking services and encouraging individuals to participate in the formal financial system. These findings are consistent with previous studies that have emphasized the importance of financial access and account ownership in reducing financial exclusion and improving economic participation. The results indicate that government policies aimed at providing universal banking access have successfully increased financial inclusion among diverse population groups in Delhi NCR.

The findings related to digital payment usage revealed that all four initiatives positively affect the adoption of digital payment systems, with UPI emerging as the most influential factor. The significant impact of UPI reflects its ease of use, real-time transaction capability, security, and accessibility through smartphones. The rapid adoption of UPI has transformed consumer payment behavior and reduced dependence on cash transactions. These findings support earlier research that identified UPI as a key driver of India's digital payment revolution and a major contributor to the growth of a cashless economy. The results indicate that digital payment platforms have become an integral part of daily financial transactions among residents of Delhi NCR.

The mediation analysis provided important insights into the mechanisms through which government digital initiatives influence financial inclusion and digital payment usage. The study found that financial empowerment and digital readiness significantly mediate these relationships. This suggests that the effectiveness of Digital India, PMJDY, UPI, and DBT is enhanced when individuals possess adequate financial knowledge, confidence, digital skills, and readiness to use technology-based financial services. The significant mediation effect indicates that access to financial services alone may not be sufficient; individuals must also be empowered with the necessary capabilities and awareness to utilize these services effectively.

The strong relationship between digital readiness and digital payment usage highlights the importance of digital literacy and technological competence in promoting the adoption of digital financial services. Respondents who exhibited higher levels of digital readiness were more likely to use digital payment platforms frequently and confidently. Similarly, financially empowered individuals demonstrated greater participation in formal financial services, including savings, banking, and digital transactions. These findings emphasize the need for continuous efforts to improve financial education and digital literacy as complementary measures to government financial inclusion initiatives.

Overall, the study confirms that the combined impact of Digital India, PMJDY, UPI, and DBT has significantly strengthened the financial ecosystem in Delhi NCR. The acceptance of all three alternative hypotheses provides empirical evidence that government digital initiatives play a critical role in expanding financial inclusion and promoting digital payment adoption. Furthermore, the findings highlight that financial empowerment and digital readiness serve as important pathways through which these initiatives achieve their desired outcomes. The results contribute to the growing body of literature on digital finance and provide valuable insights for policymakers, financial institutions, and technology providers seeking to enhance the effectiveness of financial inclusion strategies in India.

Conclusion

The present study examined the effectiveness of Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT) in enhancing financial inclusion and digital

payment usage among residents of Delhi NCR. The findings indicate that these government initiatives have played a significant role in expanding access to formal financial services, encouraging digital transactions, and fostering greater participation in the digital economy. The study confirms that the combined efforts of the Government of India in strengthening digital infrastructure, promoting banking accessibility, facilitating real-time payment systems, and ensuring transparent benefit transfers have positively transformed the financial landscape of the region.

The empirical results revealed that all four initiatives significantly contribute to financial inclusion by improving access to banking services, increasing financial awareness, and encouraging the use of formal financial channels. PMJDY has been instrumental in bringing previously unbanked individuals into the formal financial system, while DBT has enhanced transparency and efficiency in the delivery of government welfare benefits. At the same time, the Digital India Programme has strengthened digital infrastructure and awareness, creating a supportive environment for digital financial services. Among the initiatives, UPI emerged as the most influential factor in driving digital payment adoption due to its convenience, speed, security, and ease of use.

The study further established that financial empowerment and digital readiness significantly mediate the relationship between government digital initiatives and the outcomes of financial inclusion and digital payment usage. This finding highlights that the success of digital financial initiatives depends not only on the availability of services but also on individuals' ability to understand, trust, and effectively utilize these services. Enhanced financial literacy, digital competence, and confidence in technology-based financial systems increase the likelihood of active participation in digital financial activities.

The acceptance of all alternative hypotheses demonstrates that government-led digital initiatives have been effective in achieving their intended objectives within Delhi NCR. The findings suggest that continued investment in digital infrastructure, financial literacy programs, and digital skill development can further strengthen financial inclusion and accelerate the adoption of digital payment systems. Policymakers, financial institutions, and technology providers should focus on addressing remaining barriers such as digital literacy gaps, cybersecurity concerns, and unequal access to technology to ensure that the benefits of digital finance reach all sections of society.

In conclusion, the study provides strong evidence that Digital India, PMJDY, UPI, and DBT have collectively contributed to the development of a more inclusive, accessible, and digitally empowered financial ecosystem in Delhi NCR. By promoting financial participation and facilitating the widespread use of digital payments, these initiatives support India's broader vision of achieving inclusive growth, financial empowerment, and a sustainable digital economy.

Contribution to Society

The findings of this study contribute significantly to society by highlighting the role of government-led digital initiatives in promoting inclusive economic development and financial empowerment. By examining the effectiveness of Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), and Direct Benefit Transfer (DBT), the study demonstrates how technology-driven financial services can improve access to banking, facilitate secure transactions, and enhance the overall financial well-being of individuals. The research provides evidence that these initiatives have helped bridge the gap between financially included and excluded populations, thereby supporting social and economic equity.

The study contributes to society by emphasizing the importance of financial inclusion as a tool for reducing poverty and improving living standards. Increased access to formal banking services enables individuals to save money securely, access credit facilities, receive government benefits directly, and participate more actively in economic activities. The widespread adoption of digital payment systems further enhances convenience, transparency, and efficiency in financial transactions, reducing dependence on cash and promoting a more accountable financial environment.

Another significant contribution of the study lies in its emphasis on financial empowerment and digital readiness. The findings suggest that improving financial literacy and digital skills can help individuals make informed

financial decisions and confidently use digital financial services. This is particularly important for vulnerable and underserved groups, including low-income households, women, students, and small business owners, who can benefit from greater financial accessibility and digital participation. By encouraging the development of digital competencies, the study supports efforts to create a more informed and financially capable society.

The research also offers valuable insights for policymakers, financial institutions, and technology providers. The findings can assist in designing more effective financial inclusion policies, expanding digital financial infrastructure, and developing targeted awareness programs that address barriers to digital adoption. By identifying the factors that strengthen the impact of government initiatives, the study contributes to the formulation of strategies that ensure the benefits of digital finance are distributed more broadly across different segments of society.

Overall, this study contributes to the broader goal of building a digitally empowered and financially inclusive society. It demonstrates how coordinated efforts involving government programs, financial institutions, and technological innovations can enhance economic participation, improve access to opportunities, and support sustainable development. The findings reinforce the importance of continuing digital transformation initiatives to create a more equitable, transparent, and inclusive financial ecosystem for all citizens.

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