

Interdivisional Disparity in Financial Inclusion of Uttar Pradesh: An Analysis

Abstract

This research paper discusses about the financial inclusion in Uttar Pradesh, its development and progress so far. The research paper deals with the expansion of bank branch by scheduled commercial banks and regional rural banks, amount deposited, loan distributed and percentage of loan on amount deposited in all the divisions of Uttar Pradesh for the purpose of analysing the position of interdivisional disparity in financial inclusion of Uttar Pradesh.

Keywords: Disparity, Affordable, Households, Parameters, Expansion, Deposited, etc.

Introduction

Financial inclusion has been discussed and debated much in recent year with the main objective of providing banking service at an affordable cost to the poor and underprivileged sections of society. The policy makers have been focusing on financial inclusion in the state and Indian rural and semi-rural areas on three most important pressing needs, first is creating a platform for inculcating the habit to save money, second is providing formal credit access and third is plug gaps and leaks in public subsidies and welfare programs. The thought of financial inclusion was evolved with the initialisation of cooperative movement in India during 1904. It got momentum in the year 1969 when fourteen major commercial banks of the country were nationalised.

Uttar Pradesh is the most populous state of India and fourth largest state in India. It consists an area of 294413 square km. According to census of 2011, the total population of Uttar Pradesh is 19.95crors which is 16.49% of the total population of India. In Uttar Pradesh 77% population are lived in rural areas and remains 23% population are lived in urban areas. As we seen that the maximum number of populations are to get livelihood in rural sector. As per census 2011, total no. of households in the state is 3,29,24,266 in which only 2,37,11,472, households are availing banking services. The total no. of households in rural and urban areas are 2,54,75,071 and 74,49,195 in which only 1,87,44,126 and 49,67,346 households are availing banking services respectively. Thus, we can say that 92,12,794 households are not availing the banking services in which 67,30,945 households are in rural and 24,81,849 households are in urban area. The mass population in the state is deprived from financial inclusion, it should be included.

Uttar Pradesh has been divided in eighteen divisions for the administrative purposes. The divisions are Agra, Allahabad, Bareilly, Gorakhpur, Faizabad, Chitrakoot, Saharanpur, Vindhyachal, Basti, Devipatan, Azamgarh, Varanasi, Jhansi, Kanpur, Lucknow, Meerut, Moradabad and Aligarh. Agra Division has been divided in seven districts consists of Mathura, Agra, Firozabad, Etah, Mainpuri, Mahamaya Nagar (Hathras), and Aligarh with covering an area of 29,221 Sq. Kms. Allahabad Division has been divided in four districts comprises of Fatehpur, Pratapgarh, Allahabad and Kaushambi with covering an area of 15,144 Sq. Kms. Bareilly Division consists four districts, Badaun, Bareilly, Pilibhit and Shahjahanpur with covering an area of 16,428 Sq. Kms. Gorakhpur Division has been divided in four districts consists of Maharajganj, Gorakhpur, Deoria and kushinagar with covering an area of 11,882 Sq. Kms. Faizabad Division comprises four districts, Barabanki, Faizabad, sultanpur, Ambedkar Nagar and Amethi with covering an area of 14,365 Sq. Kms. Chitrakoot Division consists four districts, Hamirpur, Banda, Mahoba and Chitrakoot with covering an area of 14,583 Sq. Kms. Saharanpur Division: This division has been divided in three districts comprises of Muzaffar Nagar, Shamli and Saharanpur with covering an area of 7,848 Sq. Kms. Vindhyachal Division consists three districts,



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Mirzapur, Sonbhadra and Bhadoi with covering an area of 12,324 Sq. Kms. Basti Division comprises three districts, Siddharth Nagar, Basti and Sant Kabir Nagar with covering an area of 7,229 Sq. Kms. Devipatan Division has been divided in four districts comprises of Behraich, Gonda, Shravasti and Balrampur with covering an area of 13,997 Sq. Kms. Azamgarh Division comprises of three districts Mau, Azamgarh and Ballia with covering an area of 7,748 Sq. Kms. Varanasi Division this division has been divided in four districts comprises of Jaunpur, Ghazipur, Varanasi and Chandauli with covering an area of 11,375 Sq. Kms. Jhansi Division comprises of three districts, comprises of Jalaun, Lalitpur and Jhansi with covering an area of 14,607 Sq. Kms. Kanpur Division consists six districts, Farukhabad, Etawah, Kanpur Dehat, Kanpur Nagar, Kannauj and Auraiya with covering an area of 22,485 Sq. Kms. Lucknow Division comprises of six districts, Lakhimpur Kheri, Sitapur, Hardoi, Unnao, Lucknow and Raibareilly with covering an area of 30,541 Sq. Kms. Meerut Division: This division has been divided in six districts comprises of Ghaziabad, Meerut, Bulandshahar, Gautam Buddha Nagar, Baghpat and Hapur with covering an area of 20,569 Sq. Kms. Moradabad Division comprises of five districts, Bijnor, Moradabad, Rampur, Jyotibaphule Nagar (Amroha) and Sambhal with covering an area of 21,981 Sq. Kms. Aligarh Division: This division has been divided

in four districts consists of Etah, Aligarh, Mahamaya Nagar (Hathras) and Kanshiram Nagar (Kasganj) with covering an area of 11,889 Sq. Kms.

Aim of the Study

To find out the interdivisional disparity in financial inclusion among all divisions of Uttar Pradesh.

Research Methodology

In the research paper, financial inclusion has been measured on the basis of parameters of financial inclusion which include expansion of bank branches, amount deposited, loan distributed and percentage of loan on amount deposited. The time period for the study of financial inclusion in Uttar Pradesh has been taken from 1995 to 2018. I have collected the relevant secondary data from various authentic sources for the study of financial inclusion in Uttar Pradesh and collected data has been compiled for the purpose of research need. The present study is mainly based on secondary data, the data of bank branches expansion, amount deposited, loan distributed and percentage of loan on amount deposited for financial inclusion have been tabulated. The specific sources of the data used in the present study are Directorate of Economics and Statistics Government of Uttar Pradesh from 1995 to 2018.

This research paper analyzes division-wise disparity in financial inclusion of Uttar Pradesh. Division-wise detailed study is as following:

Table no. 1: Division-wise Expansion of Scheduled Commercial Bank Branches in Uttar Pradesh

Divisions	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18	Percentage increment in bank branches expansion in 2017-18 with comparison to 1994-95
Agra	526	599	593	712	1089	1195	127.19
Allahabad	299	307	333	368	616	725	142.47
Bareilly	301	320	337	404	583	632	109.97
Gorakhpur	246	-	-	371	605	654	165.85
Faizabad	230	186	198	249	541	626	172.17
Chitrakoot	80	80	80	95	148	181	126.25
Saharanpur	283	306	304	339	503	623	120.14
Vindhyachal	160	156	154	184	293	320	100.00
Basti	115	122	123	140	196	237	106.09
Devipatan	167	225	172	242	276	402	140.72
Azamgarh	278	201	214	281	430	545	96.00
Varanasi	306	-	-	452	723	833	172.2
Jhansi	147	145	148	179	256	262	78.23
Kanpur	405	444	447	537	794	910	124.69
Lucknow	579	610	613	861	1301	1557	168.91
Meerut	563	648	688	1022	1320	1590	182.42
Moradabad	257	263	287	349	622	635	147.08
Aligarh	-	-	-	206	345	400	-
Uttar Pradesh	4942	4612	4691	6991	10641	12327	149.43

Source: Compiled from updes.nic.in/spatrika

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Figure no: 1

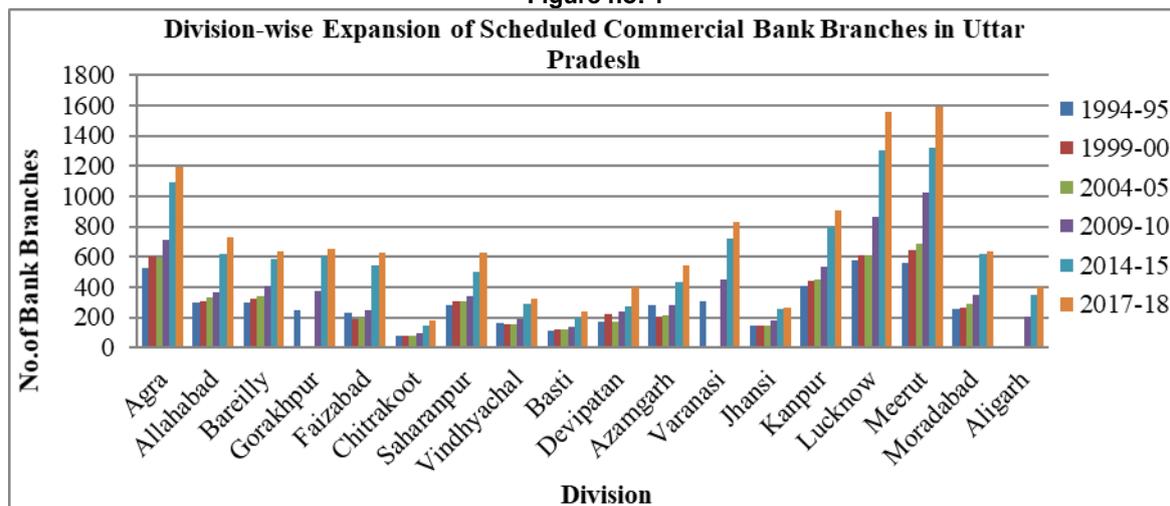


Figure no. 1 based on table no. 1

Table no.1 and Figure no.1 both are illustrating year-wise and division-wise expansion of scheduled commercial bank branches in Uttar Pradesh. Here, we can see that continuous increase in division-wise expansion of scheduled commercial bank branches in Uttar Pradesh. Expansion of bank branches in divisions of Uttar Pradesh, Meerut, Lucknow, Agra, Kanpur, Varanasi, Allahabad, Gorakhpur, Moradabad and Bareilly are found in maximum expansion of scheduled commercial bank in comparison to Faizabad, Saharanpur, Azamgarh, Devipatan, Aligarh, Vindhyachal, Jhansi, Basti and Chitrakoot divisions respectively. It is seen that Meerut and Lucknow divisions have maximum expansion of scheduled commercial bank and Chitrakoot have minimum expansion of scheduled commercial bank than in other divisions of Uttar Pradesh.

Another hand, as we can see in the table that percentage increment in bank branches

Table no. 2: Division-wise Expansion of Regional Rural Bank Branches in Uttar Pradesh

Divisions	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18	Percentage increment in bank branches expansion in 2017-18 with comparison to 1994-95
Agra	262	267	255	240	309	320	22.14
Allahabad	218	209	215	220	298	326	49.54
Bareilly	175	179	178	175	227	258	47.43
Gorakhpur	210	-	-	225	281	299	42.38
Faizabad	288	252	258	256	310	344	19.44
Chitrakoot	130	130	125	137	181	187	43.85
Saharanpur	25	25	25	33	54	77	208.00
Vindhyachal	66	64	65	73	101	103	56.06
Basti	104	104	105	109	159	172	65.38
Devipatan	164	224	165	179	213	300	82.93
Azamgarh	200	183	189	226	221	241	20.50
Varanasi	199	-	-	233	295	303	52.26
Jhansi	86	81	80	82	119	121	40.70
Kanpur	241	226	224	229	260	287	19.09
Lucknow	340	342	341	364	474	471	38.53
Meerut	24	22	22	57	45	72	200.00
Moradabad	202	201	205	240	384	490	142.60
Aligarh	-	-	-	150	168	196	-
Uttar Pradesh	2934	2509	2452	3228	4099	4567	55.66

expansion of scheduled commercial bank in 2017-18 with comparison to 1994-95 is divided into three categories, first is less than 100 percent, second is above 100 percent but less than 150 percent and third is above 150 percent. Above 150 percent increments in bank branches expansion of scheduled commercial bank in 2017-18 with comparison to 1994-95 divisions are: Meerut, Varanasi, Faizabad, Lucknow, and Gorakhpur. Above 100 percent but less than 150 percent increments in bank branches expansion of scheduled commercial bank in 2017-18 with comparison to 1994-95 divisions are: Moradabad, Allahabad, Devipatan, Agra, Chitrakoot, Kanpur, Saharanpur, Bareilly, Basti, Vindhyachal. And less than 100 percent increments in bank branches expansion of scheduled commercial bank in 2017-18 with comparison to 1994-95 divisions are: Azamgarh and Jhansi.

Source: Compile from updes.nic.in/spatrika

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Figure no: 2

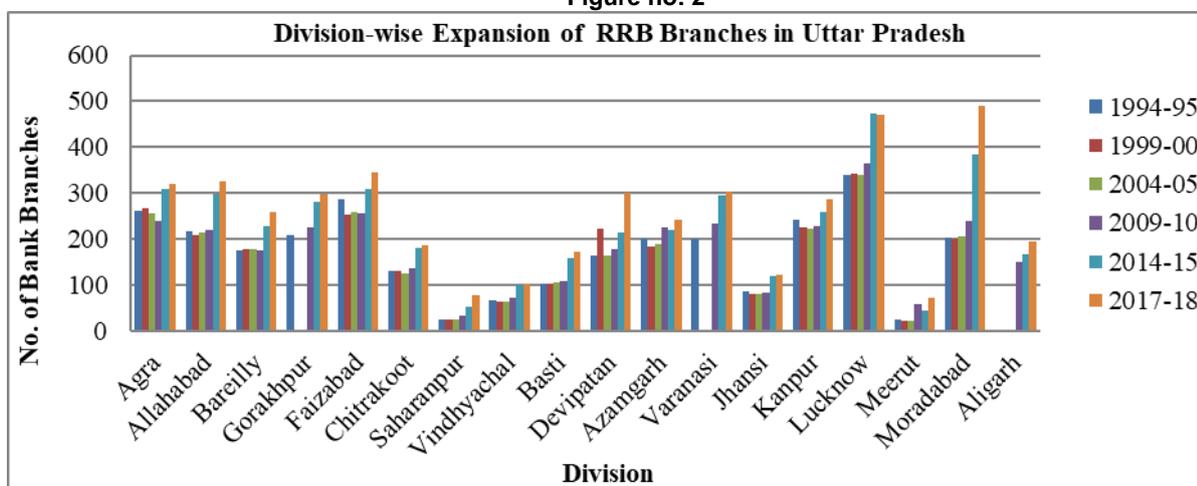


Figure no. 2 based on table no. 2

Table no. 2 and Figure no. 2 both are describing year-wise and division-wise expansion of regional rural bank branches in Uttar Pradesh. Here, we can see that vary increase in division-wise expansion of regional rural bank branches in Uttar Pradesh. Expansion of bank branches in the divisions of Uttar Pradesh, divisions Moradabad, Lucknow, Allahabad, Agra, Varanasi, Devipatan, Gorakhpur, Kanpur and Bareilly are found in maximum expansion of regional rural bank branches with the comparison to divisions Azamgarh, Aligarh, Chitrakoot, Basti, Jhansi, Faizabad, Vindhyachal, Saharanpur and Meerut respectively. It is clear that Moradabad and Lucknow divisions have maximum expansion of regional rural bank branches and Meerut have minimum expansion of regional rural bank branches than in other divisions of Uttar Pradesh.

Another hand, as we can see in the table that percentage increment in bank branches

expansion of regional rural bank in 2017-18 with comparison to 1994-95 is divided into three categories, first is less than 100 percent, second is above 100 percent but less than 150 percent and third is above 150 percent. Above 150 percent increment in bank branches expansion of regional rural bank in 2017-18 with comparison to 1994-95 divisions are: Saharanpur and Meerut. Above 100 percent but less than 150 percent increment in bank branches expansion of regional rural bank in 2017-18 with comparison to 1994-95 division is Moradabad only. And less than 100 percent increment in bank branches expansion of regional rural bank in 2017-18 with comparison to 1994-95 divisions are: Devipatan, Basti, Vindhyachal, Varanasi, Allahabad, Bareilly, Chitrakoot, Gorakhpur, Jhansi, Lucknow, Azamgarh, Agra, Faizabad and Kanpur.

Table No. 3: Division-Wise Percentage of Loan on Amount Deposited by Scheduled Commercial Banks in Uttar Pradesh

Divisions	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18
Agra	39.39	35.87	36.55	57.35	54.24	62.89
Allahabad	36.93	56.51	28.03	26.75	34.23	32.28
Bareilly	55.78	49.12	63.96	57.17	65.73	22.16
Gorakhpur	21.65	-	-	32.53	34.08	36.51
Faizabad	33.10	26.75	40.42	47.87	51.76	46.10
Chitrakoot	39.16	37.66	60.67	55.81	75.96	57.81
Saharanpur	54.85	38.46	61.31	58.61	83.81	76.21
Vindhyachal	80.77	58.64	46.27	41.75	43.28	25.76
Basti	44.81	30.09	37.44	41.81	34.77	30.81
Devipatan	43.01	32.25	44.89	40.33	53.35	49.63
Azamgarh	23.99	15.31	20.46	20.90	25.66	22.48
Varanasi	24.28	-	-	29.22	36.64	34.37
Jhansi	36.43	27.77	34.13	50.32	67.70	20.15
Kanpur	42.69	34.73	29.34	55.56	48.81	48.94
Lucknow	37.86	24.87	36.44	50.11	59.09	39.57
Meerut	42.18	34.23	45.24	58.79	59.20	61.39
Moradabad	73.28	48.73	62.94	68.24	19.10	64.93
Aligarh	-	-	-	52.63	51.46	63.27
Uttar Pradesh	35.67	28.83	44.6	62.42	45.88	43.03

Source: Compile from updes.nic.in/spatrika

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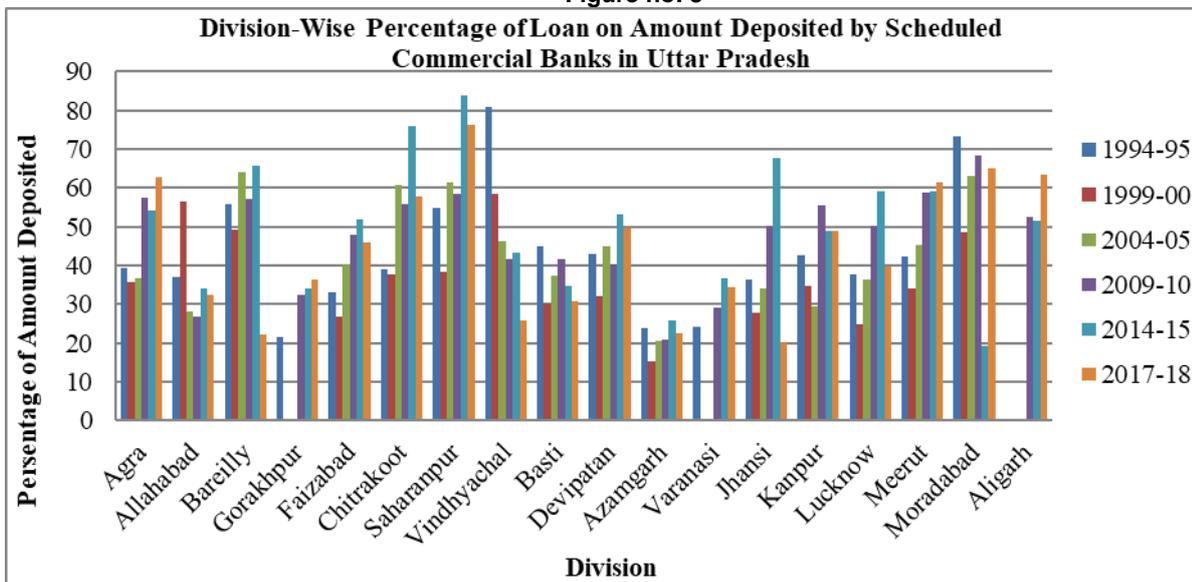


Figure no. 3 based on table no. 3

Table no. 3 and Figure no. 3 both are illustrating year-wise and division-wise percentage of loan on amount deposited by Scheduled Commercial Bank in Uttar Pradesh. Percentage of loan on amount deposited by scheduled commercial bank in divisions of Uttar Pradesh, Saharanpur, Moradabad, Aligarh, Agra, Meerut, Chitrakoot, Devipatan, Kanpur and Faizabad, are more percentage of loan on amount deposited divisions in comparison to Lucknow, Gorakhpur, Varanasi, Allahabad, Basti, Vindhyachal, Azamgarh, Bareilly and Jhansi divisions respectively. It is clear that Saharanpur and Moradabad are more percentage of loans on amount deposited divisions and Jhansi is less percentage of loans on amount deposited division than in other divisions of Uttar Pradesh.

Conclusion

On the basis of above discussion, we have some conclusions to clarify the disparity among all the divisions of Uttar Pradesh. Meerut division is found at first position to have maximum and Chitrakoot division

have minimum no. of Scheduled Commercial bank branches expansion. Moradabad division is found at first position to have maximum and Meerut division have minimum no. of regional rural bank branches expansion also. Meerut is found at first position to have large amount deposited and Basti have minimum amount deposited divisions by Scheduled Commercial bank and Meerut is found at first position to have more loan distributed and Basti have less loan distributed divisions by Scheduled Commercial bank also. Saharanpur is found at first position to have more percentage of loans on amount deposited and Jhansi have less percentage of loans on amount deposited divisions by Scheduled Commercial bank in all regions of Uttar Pradesh.

Main Conclusion

There are some main conclusions related to division wise disparity in financial inclusion. I have mentioned the positions of divisions on the basis of measuring parameters of financial inclusion.

Position of all Divisions in Uttar Pradesh on the Basis of Parameters of Financial Inclusion

Position/ Parameters	Expansion of Commercial Banks Branches	Expansion Regional Rural Banks Branches	Percentage of loan on amount Deposite
1	Meerut	Moradabad	Saharanpur
2	Lucknow	Lucknow	Moradabad
3	Agra	Faizabad	Aligarh
4	Kanpur	Allahabad	Agra
5	Varanasi	Agra	Meerut
6	Allahabad	Varanasi	Chitrakoot
7	Gorakhpur	Devipatan	Devipatan
8	Moradabad	Gorakhpur	Kanpur
9	Bareily	Kanpur	Faizabad
10	Faizabad	Bareilly	Lucknow
11	Saharanpur	Azamgarh	Gorakhpur
12	Azamgarh	Aligarh	Varanasi
13	Devipatan	Chitrakoot	Allahabad
14	Aligarh	Basti	Basti
15	Vindhyachal	Jhansi	Vindhyachal

16	Jhansi	Vindhyachal	Azamgarh
17	Basti	Saharanpur	Bareilly
18	Chitrakoot	Meerut	Jhansi

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