

An Analysis of Inter-regional Disparity in Financial Inclusion of Uttar Pradesh

Abstract

This research paper is related to the financial inclusion of Uttar Pradesh, its development and progress so far. The research paper deals with expansion of bank branches of scheduled commercial banks and regional rural banks, amount deposited, loan distributed and percentage of loan on amount deposited in all the regions of Uttar Pradesh for the purpose of analysing the position of inter-religion disparity in financial inclusion of Uttar Pradesh.

Keywords: Parameters, Households, Deposited, Loan, Disparity.

Introduction

Concept 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. It 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.

Uttar Pradesh is the most populous state of India and fourth largest state in India. It consist 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 population 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.

Directorate of Economics and Statistics, Government of Uttar Pradesh formed the ordination of the state in economic regions with the consultation of the Board of Revenue, Uttar Pradesh. According to the Directorate of Economics and Statistics, Uttar Pradesh has been divided into four economic regions on the basis of its characteristics say, ecological condition, cropping pattern, social and economical infrastructure and economical activities. The four regions of Uttar Pradesh are Western Region, Eastern Region, Central Region and Bundelkhand Region.

Western region consists of 30 districts which are Meerut, Bulandshahar, Gautam Buddha Nagar, Ghaziabad, Hapur, Baghpat, Saharanpur, Muzaffar Nagar, Shamli, Muradabad, Bijnor, Rampur, Amroha, Sambhal, Bareilly, Badaun, Pilibhit, Shahjahanpur, Agra, Firozabad, Mainpuri, Mathura, Aligarh, Etah, Hathras, Kasganj, Etawah, Auraiya, Farukhabad and Kannauj districts covering an area of 82,192 sq. Kms. Eastern region comprises of 27 districts which are Behraich, Balia, Basti, Gonda, Allahabad, Gorakhpur, Maharajganj, Deoria, Kushinagar, Azamgarh, Mau, Varanasi, Chaundauli, Jaunpur, Ambedkar Nagar, Sultanpur, Faizabad, Ghazipur, Mirzapur, Sonbhadra, Sant Ravidas Nagar, Sant Kabir Nagar, Siddharth Nagar, Pratapgarh, Balrampur, Kaushambi, and Shravasti districts covering an area of 85,804 sq. Kms. Central region covers 11 districts which are Lakhimpur Kheri, Sitapur, Hardoi, Lucknow,



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Barabanki, Raibareilly, Unnao, Amethi, Fatehpur, Kanpur Nagar and Kanpur Dehat districts covering an area of 45,843 sq. Kms. And Bundelkhand region consists of 7 districts which are Jalaun, Jhansi, Lalitpur, Hamirpur, Mahoba, Banda and Chitrakoot districts covering an area of 29,417 sq. Kms.

Aim of the study

To find out the regional disparity in terms of financial inclusion among all regions 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 inter-regional disparity in financial inclusion of Uttar Pradesh. On the basis of parameters of financial inclusion the region wise detailed study is as following:

Table no.1: Region-Wise Expansion of Scheduled Commercial Bank Branches in Uttar Pradesh

Regions	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
Western Region	2038	2206	2282	3003	4433	5041	147.35
Central Region	967	1030	1050	1366	2152	2554	164.12
Eastern Region	1770	1108	1089	2173	3355	3945	122.88
Bundelkhand	227	225	228	274	404	443	95.15
Uttar Pradesh	5002	4569	4649	6816	10344	11983	139.56

Source: Compiled from updes.nic.in/spatrika

Figure no: 1

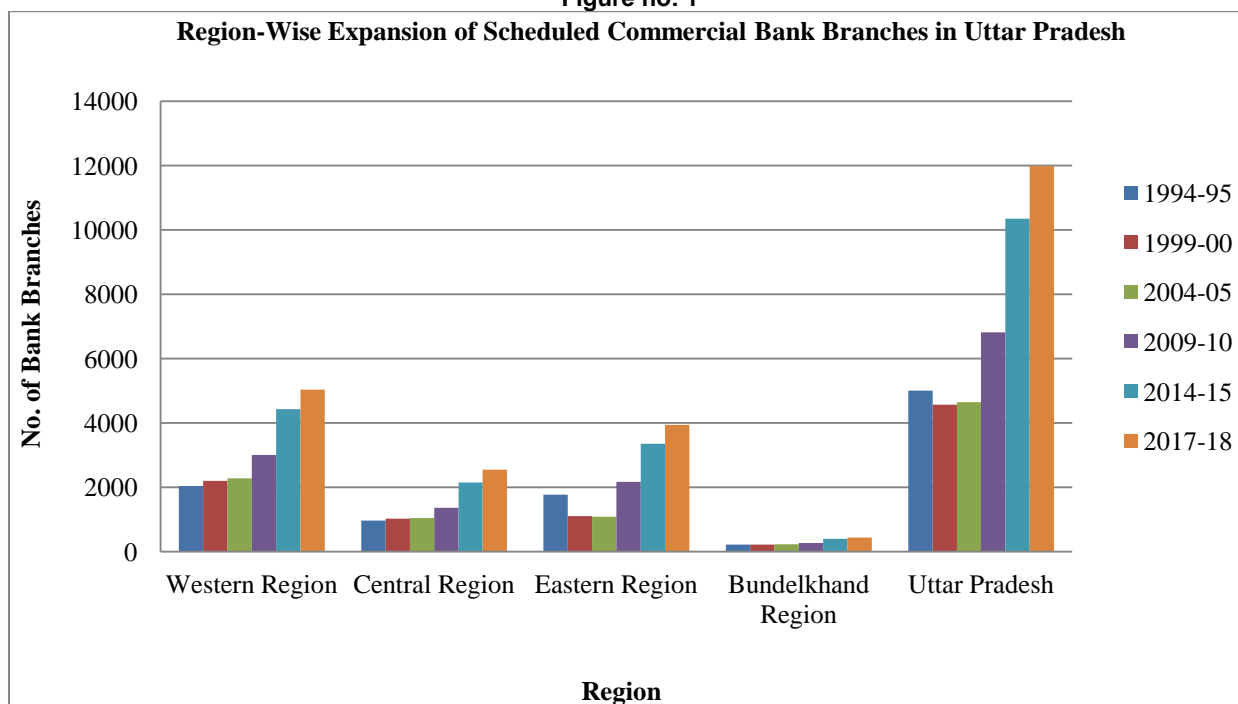


Figure no. 1 based on table no. 1

Table no. 1 and Figure no. 1 both are illustrating year-wise and region-wise expansion of scheduled commercial bank branches in Uttar

Pradesh. Expansion of bank branches in regions of Uttar Pradesh, Western region and Eastern region are found at first and second position in maximum

expansion of scheduled commercial bank branches while Central region and Bundelkhand region are found at third and fourth position.

Here, we can see that in Eastern region expansion of scheduled commercial bank branches is decreasing in the year 1999-00 and 2004-05 due to

data unavailability because regions made from comprises of districts in which Maharajganj, Gorakhpur, Deoria, Kushinagar, Jaunpur, Ghazipur, Varanasi and Chandauli districts are not having the data in mentioned year.

Table no.2: Region-Wise Expansion of Regional Rural Bank Branches in Uttar Pradesh

Region	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
Western Region	825	797	786	901	1191	1406	70.42
Central Region	589	566	581	595	802	835	41.76
Eastern Region	1304	904	850	1387	1687	1655	26.92
Bundelkhand	216	211	205	219	300	308	42.59
Uttar Pradesh	2934	2478	2422	3102	3980	4204	43.29

Source: Compiled from updes.nic.in/spatrika

Figure no: 2

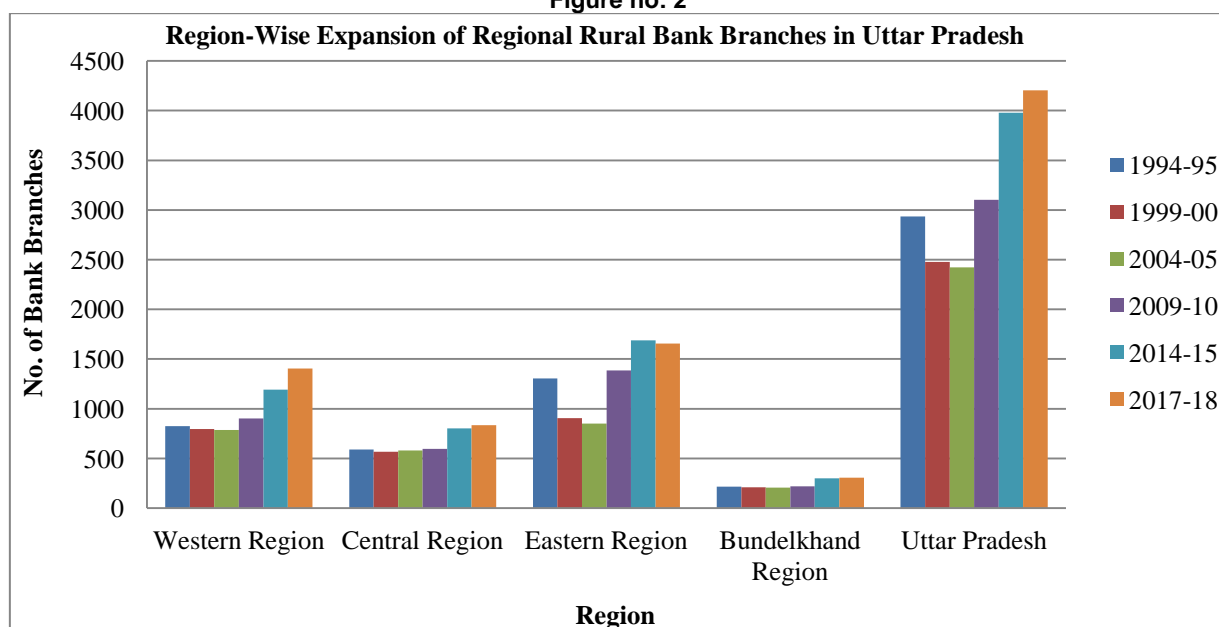


Figure no. 2 based on table no. 2

Table no. 2 and Figure no. 2 both are illustrating year-wise and region-wise expansion of regional rural bank branches in Uttar Pradesh. Expansion of bank branches in regions of Uttar Pradesh, Eastern region and Western region are found at first and second position in maximum expansion of regional rural bank branches while Central region and Bundelkhand region are found at third and fourth position.

Here, we found that in all regions of Uttar Pradesh expansion of regional rural bank branches

are decreasing in the year 1999-00 and 2004-05 due to data unavailability because regions made from comprises of districts. In Western region, Saharanpur, Meetru, Mathura, Shamli, Auraiya, Bhagpat, hapur, Sambhal ,Hathras, Kashganj, Gautam Buddha Nagar and Kannauj, in Eastern region Maharajganj, Gorakhpur, Deoria, Kushinagar, Jaunpur, Ghazipur, Varanasi and Chandauli, in Central region Lucknow and Amethi, and in Bundelkhand region Chitrakoot districts are not having the data in mentioned year.

Table no. 3: Region-wise Total Amount Deposited by Scheduled Commercial Banks in Uttar Pradesh (in Rs.)

Region	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18
Western Region	118076016	280515828	621704026	1243915715	2033174763	3948513767
Central Region	59445696	873363009	248104145	679562875	1535597985	2155694665
Eastern Region	263570453	100829148	285919604	955267736	3014209143	3226658259
Bundelkhand	12534648	24603094	23930027	105346481	454289499	596429690
Uttar Pradesh	453626813	1279311079	1179657802	2984092807	7037271390	9927296381

Source: Compiled from updes.nic.in/spatrika

Figure no: 3

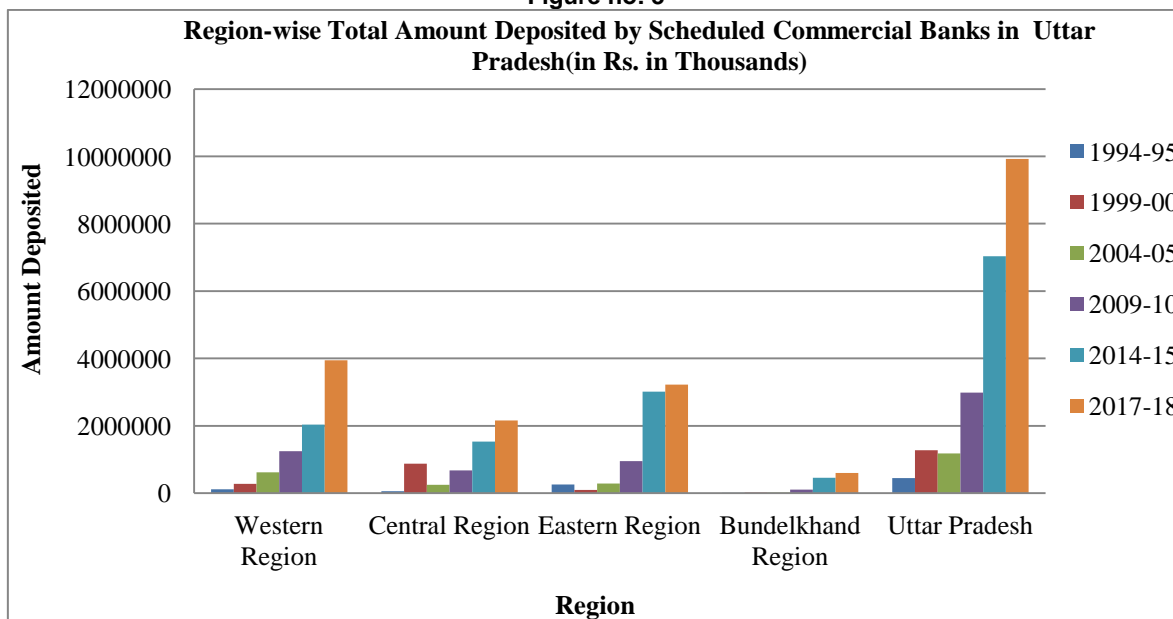


Figure no. 3 is based on table no. 3

Table no. 3 and Figure no. 3 both are illustrating year-wise and region-wise amount deposited by scheduled commercial bank in Uttar Pradesh. Amount deposited by scheduled commercial bank in regions of Uttar Pradesh, Western region and

Eastern region are found at first and second position in amount deposited by scheduled commercial bank while Central region and Bundelkhand region are found at third and fourth position.

Table no. 4: Region-wise Total Loan Distributed by Scheduled Commercial Banks in Uttar Pradesh (in Rs.)

Region	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18
Western Region	54226036	153787335	238050673	706608435	1261224403	2505485046
Central Region	22912760	218914669	91685863	339287628	848933009	900808534
Eastern Region	69437549	26927346	99964096	288360694	959590050	1090180097
Bundelkhand	4698685	7578879	11424876	55238311	314501021	385146923
Uttar Pradesh	151275030	407208229	441125508	1389495068	3384248483	4881620600

Source: Compiled from updes.nic.in/spatrika

Figure no: 4

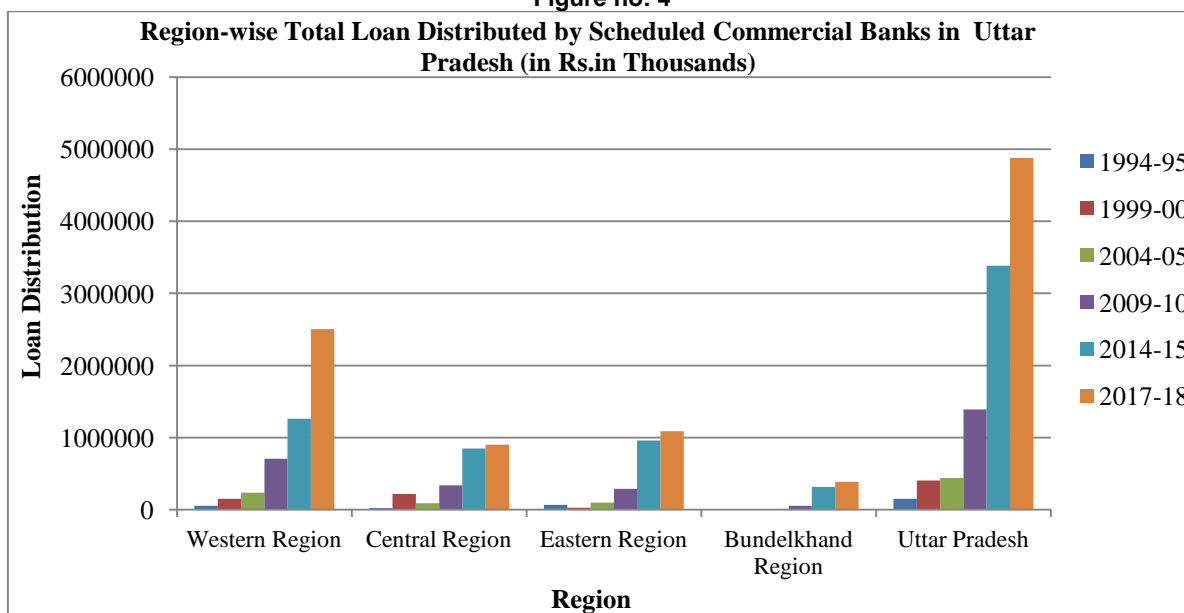


Figure no. 4 based on table no. 4

Table no. 4 and Figure no. 4 both are illustrating year-wise and region-wise loan distribution by scheduled commercial bank in Uttar Pradesh. Loan distributed by scheduled commercial bank in regions of Uttar Pradesh, Western region and Eastern region

are found at first and second position in loan distributed by scheduled commercial bank while Central region and Bundelkhand region are found at third and fourth position.

Table no. 5: Region-wise Percentage of Loan on Amount Deposited by Scheduled Commercial Banks in Uttar Pradesh

Region	1994-95	1999-00	2004-05	2009-10	2014-15	2017-18
Western Region	45.92	54.82	38.29	56.81	62.03	63.45
Central Region	38.54	25.07	36.95	49.93	55.28	41.79
Eastern Region	26.34	26.7	34.96	30.19	31.84	33.79
Bundelkhand	37.49	30.8	47.74	52.43	69.23	64.58
Uttar Pradesh	33.35	31.83	37.39	46.56	48.09	49.17

Source: Compiled from updes.nic.in/spatrika

Figure no: 5

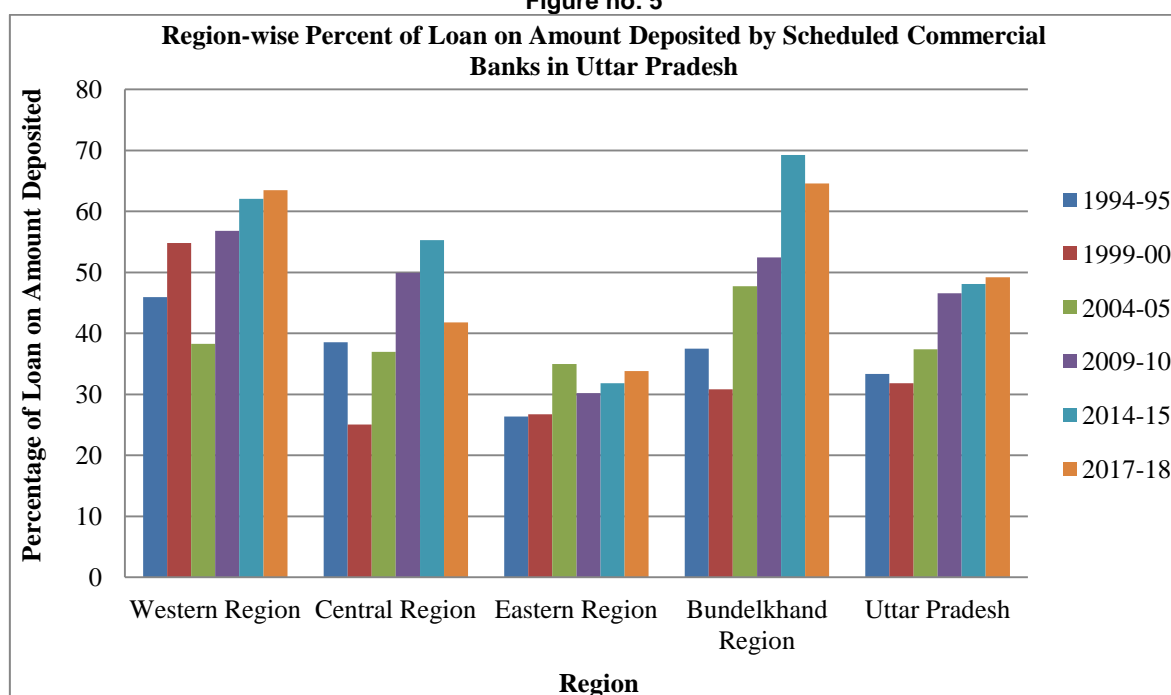


Figure no. 5 is based on table no. 5

Table no. 5 and Figure no. 5 both are illustrating year-wise and region-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 regions of Uttar Pradesh, Bundelkhand region and Western region are found at first and second position in percentage of loan on amount deposited by scheduled commercial bank while Central region and Bundelkhand region are found at third and fourth position.

Conclusion

On the basis of above discussion we found some conclusions to clarify the disparity among all regions of Uttar Pradesh. Western region is found at first, Eastern region is second, Central region is third and Bundelkhand region is fourth position in maximum expansion of scheduled commercial bank branches. Eastern region is found at first, Western

region is second, Central region is third and Bundelkhand region is fourth position in maximum expansion of regional rural bank branches also. Western region is found at first, Eastern region is second, Central region is third and Bundelkhand region is fourth position in both more amount deposited and loan distributed regions by Scheduled Commercial bank. Bundelkhand region is found at first, Western region is second, Central region is third and Eastern region is fourth position in more percentage of loans on amount deposited by Scheduled Commercial bank in all regions of Uttar Pradesh.

Main Conclusions

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

Position of all Regions in Uttar Pradesh on the basis of parameters of Financial Inclusion

Positions/ Parameters	Expansion of Commercial Banks Branches	Expansion Regional Rural Banks Branches	Amount Deposited by Commercial Bank	Loan Distributed by Commercial Bank	Percentage of loan on amount Deposited
1	Western	Eastern	Western	Western	Bundelkhand
2	Eastern	Western	Eastern	Eastern	Western
3	Central	Central	Central	Central	Central
4	Bundelkhand	Bundelkhand	Bundelkhand	Bundelkhand	Eastern

Complied by author

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