

Is MUDRA Bank Rightly Moving and are the Growth Envisaged Through Financial Inclusion a Reality: An Analysis of State-wide First Responses

(Yogesh Kumar, Joint Director, Institute of Applied Manpower Research, Planning Commission, Govt of India)

Although the need for more equitable growth had been recognised since independence, efforts toward driving benefits of the ongoing strong growth to the underdeveloped regions rose significantly only in the past few years. Many states that have lagged in terms of development are progressively altering their growth dynamics by focusing on changing the politics surrounding economic policy-making. Striking examples of such changes are Bihar, Orissa and Rajasthan. The idea of inclusive growth seems to be taking precedence not only politically but also on the corporate front with significant emphasis being placed on the untapped potential in rural India.

In this paper, we look at the role of banks at a time when the economy is at the crossroads, emerging from a deep slumber and ushering in a new phase of growth. The paper for carrying out the same studies looks into aspects such as

- i) Level of developments with levels of (percentage of small medium and big loans)
- ii) Number of sanctions vs. Levels of Industrial development across state
- iii) How far Small Refinance needs of MSMEs (mainly unregistered units) met out: a cross check across states