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**C Mamatha**  
 Ph.D Student, Department of  
 Agribusiness Management, UAS,  
 Dharwad, Karnataka, India

**SB Mahajanashetti**  
 Professor and Head, Department  
 of Agribusiness Management,  
 UAS, Dharwad, Karnataka,  
 India

## Growth and performance of financial literacy centres in Karnataka state

**C Mamatha and SB Mahajanashetti**

### Abstract

The present study analysed the growth and performance in the number financial literacy centres (FLCs) both at district level and Karnataka state as a whole. The study used time series data from 2008-09 to 2016-17 pertaining to the number FLCs for both overall and rural specific for calculation of compound annual growth rate. Further, the percentage increase was calculated in number of camps conducted and number of persons participated in camps during the year 2016-17 compared to 2014-15. The growth rates of total number FLCs was maximum in the case of Belagavi district (58.58%) and minimum in the case of Kodagu district (7.68%). The state as whole registered a very high growth of about 80 percent. For the state as a whole the compound annual growth rate was cent percent over years in case of number FLCs in rural area. The number of rural financial literacy centres remained stagnant at two in Bidar district and three in Kodagu district. As such, these two districts showed zero growth in the number of centres. Maximum number of FLCs in the state were sponsored by State Bank of India (45 nos). In the state as a whole, the number of camps conducted and the number of persons participated in the camps increased from 2014-15 to 2016-17. The findings of the study call for concerted efforts for improving the reach of financial awareness to more number of participants in the case of districts with low performance and less number of FLCs.

**Keywords:** financial literacy centres, financial awareness, financial inclusion, performance

### Introduction

Financial literacy is the ability to understand how money works in our day today functions and how someone manages it, how he/she invest it and how a person offers it to others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources.

Financial literacy is a prerequisite for effective financial inclusion, which will ensure that financial services reach the unreached and under-reached sections of the society. Financial markets now offer complex choices to consumers, but literacy is essential for consumers to make informed choices. Informed choices will help in demand generation of the financial services. In countries with diverse social and economic profile like India, financial literacy is particularly relevant for people who are resource-poor, who operate at the margins and are vulnerable to persistent downward financial pressures. With no established financial awareness, the unbanked poor are pushed towards expensive alternatives. India is among the world's most efficient financial markets in terms of technology, regulation and systems. Financial literacy is most important for India as it is a developing country with problem of poverty in addition to illiteracy and population. Financial literacy is considered an important adjunct for promoting financial inclusion and ultimately financial stability of the global economy. In India, the need for financial literacy is even greater considering the low levels of financial literacy and the large section of the population, remaining out of the formal financial set-up. While savings as a percentage of GDP in India is fairly good, where the savings are invested is a cause for concern. Further, only a minority of Indians are covered by mandated, and/or government financed social security schemes and social safety nets. A country of savers needs to be converted into a nation of investors. Everyone saves money for future needs but the approach most of the time is to save surplus money without preparing household budgets and without prioritizing personal needs.

The Reserve Bank has initiated a "Project Financial Literacy" with the objective of disseminating information regarding the central bank and general banking concepts to various target groups, promoting credit counselling and financial education of the clientele of the banks is also an area that deserves due attention of the banking community. Towards this objective, the banks were advised by the Reserve Bank of India to make available all printed material used by retail customers in the concerned regional language. As for Reserve Bank of India itself is concerned, it launched in the year 2007 a multilingual website in 13 Indian

### Correspondence

**C Mamatha**  
 Ph.D Student, Department of  
 Agribusiness Management, UAS,  
 Dharwad, Karnataka, India

languages on all matters concerning banking and the common person so that the language does not become a barrier to acquiring financial education by the public at a large. Financial literacy programmes were initiated by Reserve Bank of India to improve financial education and literacy so that people will become aware about the basic financial terms and services provided by the banks and financial institutions. Reserve Bank of India provides support to financial literacy centres (FLCs). Thus, it was felt instructive to analyse various issues concerning financial literacy drives and their management with the following specific objectives.

1. To analyse the growth and performance of financial literacy centres in Karnataka state
2. To study the management of financial literacy initiatives in Karnataka State

**Methodology**

To accomplish the objectives of the study, secondary data was used for the analysis. These data were obtained from the records at Reserve Bank of India (RBI), state level bankers committee (SLBC), Bengaluru, Jnana Jyothi financial literacy trust, Vijaya financial literacy trust etc. provided the necessary data for the study of management of financial awareness drives. Specifically the records at SLBC, Bengaluru provided the data on number of financial literacy centres (overall) for the period 2008-09 to 2016-17, number of financial literacy centres in rural areas (2009-10 to 2016-17), number of financial literacy camps conducted (2014-15 to 2016-17) and number of persons participated in financial literacy camps (2014-15 to 2016-17). Information on the management of

**Techniques**

**Tabular analysis**

Tabular analysis was conducted percentages for analyzing performance of number of financial literacy camps and number of persons participated.

**Growth rate analysis**

For studying the performance of number of financial literacy centers over years in all the districts of Karnataka vis- a-vis state as a whole, compound growth rate was analyzed. An exponential function of the following type was fitted to estimate the growth rates. The compound annual growth rate was analyzed using following functional form:  
The following functional form was estimated for the purpose.

$$Y_t = a b^t e^{u_t} \dots\dots\dots (1)$$

Where,  
 $Y_t$  = Dependent variable such as the number of financial literacy centres.  
 $a = Y_t$  in the base period  
 $t$  = time period  
 $b = (1+r)$ , where  $r$  indicates growth rate  
 $u_t$  = Disturbance term in year  $t$

The equation (1) can be transformed into log linear form as follows:

$$\ln Y_t = \ln a + t \ln b + u_t \dots\dots\dots (2)$$

For Ordinary Least square (OLS) estimation, equation (2) can be rewritten as

$$\ln Y_t = A + Bt + U_t \dots\dots\dots (3)$$

Then, the compound annual growth rate can be calculated as:

$$r = \{(Antilog\ of\ B) - 1\} \times 100 \dots\dots\dots (4)$$

**Results and Discussion**

Table 1 presents the data on the overall number of financial literacy centres existing during nine years from 2008-09 to 2016-17 along with their rate of growth. It can be seen from the table that during 2008-09, the year of start of financial literacy centres, there were only two centres in the state, one in Koppal district and the other in Raichur district. This number grew to five for the entire state in 2009-10 with Kolar, Mysuru and Tumakur districts also getting a centre each. With other districts also having their own financial literacy centres in subsequent years and some districts having additional centres over time, the total number of literacy centres in the state increased from two in 2008-09 to 184 in 2016-17. The table makes it clear that the districts of Belagavi, Tumakur and Uttara Kannada had maximum number of literacy centres at 11 each during 2016-17, while Yadgir, a relatively new district had just three centres during the same year. The last column of table 1 presents the growth rates in the total number of financial literacy centres across the districts. The growth rate was maximum in the case of Belagavi district (58.58%) and minimum in the case of Kodagu district (7.68%). It is not surprising that Kodagu district, which is relatively a small district increased the number of the centres from three to just four between the periods 2011-12 to 2013-14 and 2014-15 to 2016-17, and thus registered a very small growth. The state as whole registered a very high growth of about 80 percent. It may be noted that all the growth rate except two were statistically significant.

It may be noted that the concept of financial literacy centres took birth in the year 2008-09. However, the literacy centres in different districts were set up in different years at different points of time. The only two districts that took the initiative in the very first year, 2008-09 where Koppal and Raichur. Kolar, Mysuru and Tumkur were the next ones to take up the initiative during 2009-10.

Figure 1 provides pictorial presentation of the shares of various districts in the total number of financial literacy centres in Karnataka as in 2016-17.

Table 2 presents the data on the number of financial literacy centres existing in rural areas during seven years from 2009-10 to 2016-17 along with their rate of growth. It can be seen from the table that during 2009-10, the year of start of financial literacy centres, there was only one centre in the state i.e in Kolar district. During the following year, one financial literacy centre each was established in Chikkaballapur, Bengaluru Rural and Uttara Kannada districts taking the total number for the state to four. The total number of financial literacy centres in rural areas of the state kept on increasing over years with new centres coming up in the rural areas of other districts. As revealed by the table, the total number of rural financial literacy centres, which was just one during 2009-10 increased to 145 during 2016-17. As can be seen from the table, Bengaluru urban district naturally did not have any rural financial literacy centres. Among 30 districts, it was Uttara Kannada district, which accounted for maximum number of rural financial literacy centres (11), while the districts of Bidar, Koppal, Udipi and Yadgir accounted for minimum number of such centres (2 each). Compound annual growth rates were also calculated for the number of rural financial literacy centres, which are presented in the last column of the table. It is clear that the growth rate was

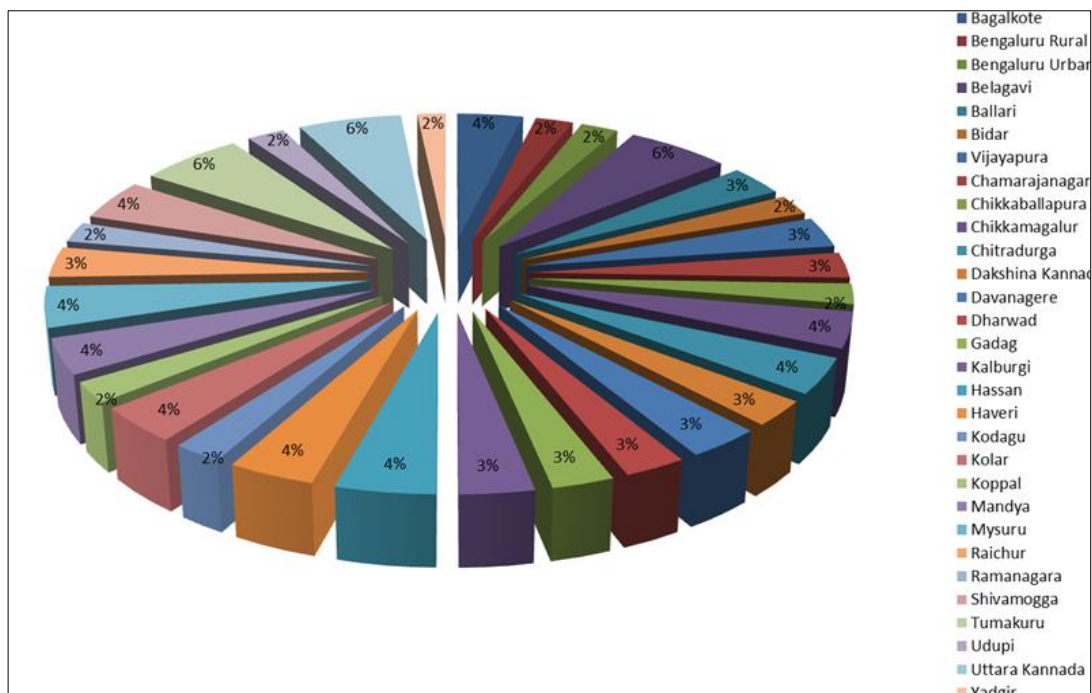
maximum for Tumkur district (73.21%). The number of rural financial literacy centres remained stagnant at two in Bidar district and three in Kodagu district. As such, these two districts showed zero growth in the number of centres. For the state as a whole the compound annual growth rate was cent percent over years. The growth rates were statistically

significant in a majority of the cases. Interestingly, the comparison of table 1 and table 2 reveals that other districts such as Chikkaballapur, Chikmagalore, Davanagere, Hassan, Kolar and Ramanagar had all their financial literacy centres only in rural areas.

**Table 1:** Growth in the total number of financial literacy centers (FLCs)

Sl No	Districts	Number of FLCs									Growth (%)
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
1	Bagalkot	0	0	0	1	2	2	3	7	7	48.73**
2	Ballari	0	0	0	1	1	3	4	6	6	51.86**
3	Bengaluru rural	0	0	1	1	1	2	3	4	4	33.21**
4	Bengaluru Urban	0	0	0	1	1	2	3	4	4	38.88**
5	Belagavi	0	0	0	1	3	7	9	11	11	58.58*
6	Bidar	0	0	1	1	1	1	4	4	4	34.59*
7	Chamarajanagar	0	0	0	0	0	2	4	4	5	31.64 <sup>NS</sup>
8	Chikkaballapura	0	0	1	1	1	1	2	4	4	31.30**
9	Chikkamagalur	0	0	0	1	1	2	2	7	7	56.01**
10	Chitradurga	0	0	0	0	2	3	3	4	7	32.22**
11	Dakshina Kannada	0	0	1	2	2	5	5	5	5	31.08**
12	Davanagere	0	0	0	1	2	2	3	5	6	41.35**
13	Dharwad	0	0	0	1	3	5	5	6	5	33.55*
14	Gadag	0	0	0	1	2	4	5	6	5	39.16**
15	Hassan	0	0	0	1	2	3	4	8	8	52.82**
16	Haveri	0	0	0	1	3	5	7	7	7	43.37*
17	Kalburgi	0	0	0	1	2	3	5	6	6	44.01**
18	Kodagu	0	0	0	3	3	3	4	4	4	7.68*
19	Kolar	0	1	1	1	1	2	5	7	7	41.02**
20	Koppal	1	1	1	2	2	2	4	4	4	23.11**
21	Mandya	0	0	1	1	1	4	6	6	7	49.25**
22	Mysuru	0	1	1	1	3	4	6	7	8	42.84**
23	Raichur	1	1	1	1	1	3	4	6	6	31.46**
24	Ramanagar	0	0	0	1	4	4	4	4	4	21.90 <sup>NS</sup>
25	Shivamogga	0	0	0	2	3	6	6	8	8	32.59**
26	Tumkur	0	1	1	1	2	4	9	11	11	53.62**
27	Udupi	0	0	2	3	4	4	4	4	4	9.95*
28	Uttara Kannada	0	0	1	3	6	9	9	11	11	43.94**
29	Vijayapura	0	0	0	1	2	2	4	6	6	44.76**
30	Yadgir	0	0	0	1	2	2	3	3	3	22.54*
	State	2	5	13	37	63	101	139	179	184	77.90**

\*\*1 percent level of significance; \*5 percent level of significance; NS-Non significant



**Fig 1:** District wise distribution of financial literacy centers (FLCs) in Karnataka (2016-17)

**Table 2:** Growth in the number of financial literacy centers in rural areas (FLCs)

Sl. No	Districts	Number of FLCs								Growth (%)
		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
1	Bagalkot	0	0	0	1	1	1	5	5	62.07**
2	Ballari	0	0	0	0	1	2	4	4	62.45*
3	Bengaluru rural	0	1	1	1	2	3	3	3	26.54**
4	Bengaluru Urban	0	0	0	0	0	0	0	0	-
5	Belagavi	0	0	0	2	6	7	9	9	40.69*
6	Bidar	0	0	0	0	0	2	2	2	0.00
7	Chamarajanagar	0	0	0	0	2	2	2	3	12.93 <sup>NS</sup>
8	Chikkaballapura	0	1	1	1	1	2	4	4	31.30**
9	Chikkamagalur	0	0	1	1	2	2	7	7	56.01**
10	Chitradurga	0	0	0	2	2	2	3	6	29.73 <sup>NS</sup>
11	Dakshina Kannada	0	0	1	1	4	4	4	4	37.28*
12	Davanagere	0	0	1	2	2	3	5	6	41.35**
13	Dharwad	0	0	0	2	2	2	3	3	12.93 <sup>NS</sup>
14	Gadag	0	0	0	1	2	3	4	4	41.42*
15	Hassan	0	0	1	2	3	4	8	8	52.82**
16	Haveri	0	0	0	2	3	5	5	6	31.10*
17	Kalburgi	0	0	0	1	2	4	5	5	51.21*
18	Kodagu	0	0	3	3	3	3	3	3	0.00
19	Kolar	1	1	1	1	2	5	7	7	41.02**
20	Koppal	0	0	1	1	1	2	2	2	19.51*
21	Mandya	0	0	0	0	3	5	5	5	16.56 <sup>NS</sup>
22	Mysuru	0	0	0	2	3	4	5	6	31.10**
23	Raichur	0	0	0	0	1	2	4	4	62.45 <sup>NS</sup>
24	Ramanagar	0	0	1	4	4	4	4	4	21.90 <sup>NS</sup>
25	Shivamogga	0	0	2	3	5	5	7	7	28.61**
26	Tumkur	0	0	0	1	3	7	9	9	73.21*
27	Udupi	0	0	1	2	2	2	2	2	10.41 <sup>NS</sup>
28	Uttara Kannada	0	1	3	6	9	9	11	11	43.94**
29	Vijayapura	0	0	0	1	1	2	4	4	51.57*
30	Yadgir	0	0	0	1	1	2	2	2	23.11*
	State	1	4	18	44	73	100	138	145	99.92**

\*\*1 percent level of significance; \*5 percent level of significance; NS-Non significant

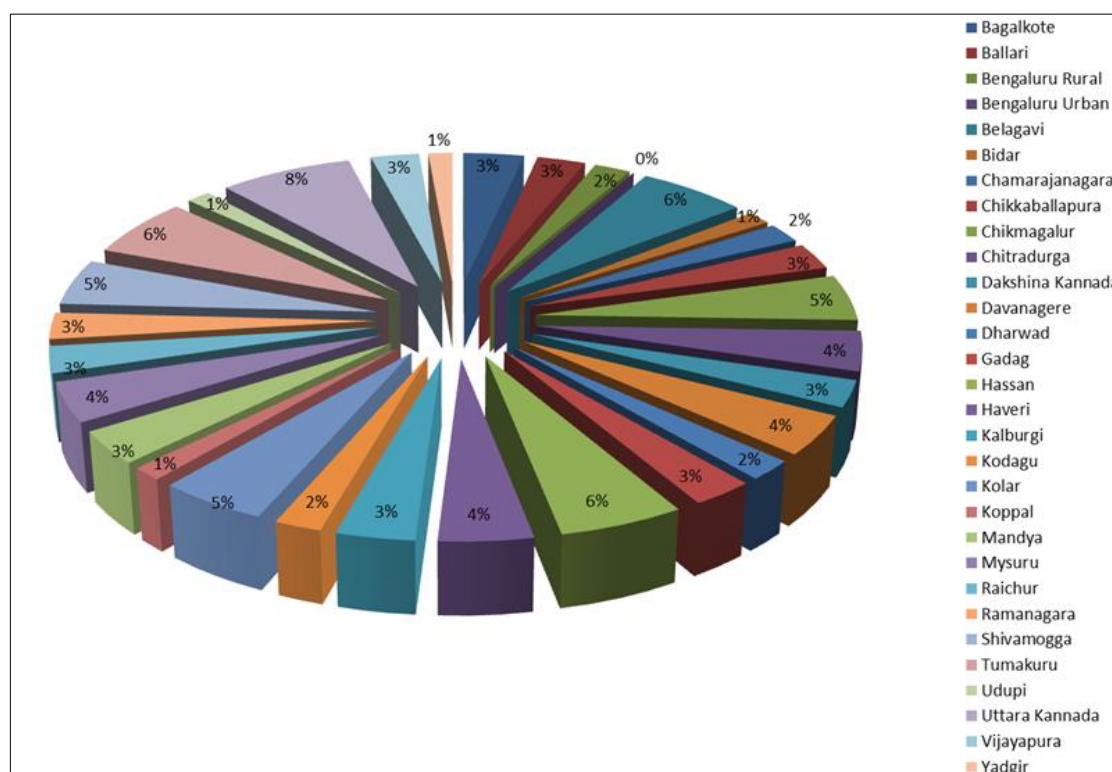
**Fig 2:** District wise distribution of rural financial literacy centers (FLCs) in Karnataka (2016-17)

Figure 2 provides pictorial presentation of the shares of various districts in the total number of rural financial literacy centres in Karnataka as in 2016-17.

**Table 3:** Growth in the number of financial literacy centers (FLCs) across different sponsoring banks

Sl. No.	Bank Name	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Growth
1	Syndicate Bank	0	0	3	9	10	18	22	30	30	43.46**
2	Canara Bank	0	1	3	6	7	18	18	19	19	50.04**
3	State Bank of India	2	4	5	8	10	10	20	41	45	45.33**
4	Corporation Bank	0	0	1	8	14	17	17	21	21	49.49**
5	Vijaya Bank	0	0	1	3	4	7	10	12	15	52.48**
6	Karnataka vikas grameena bank	0	0	0	0	9	10	10	10	11	4.10*
7	Pragathi krishna grameena bank	0	0	0	1	4	4	13	13	13	65.06**
8	Karnataka Bank	0	0	0	1	2	2	4	5	5	38.86**
9	Union Bank of India	0	0	0	0	0	0	0	3	3	0.00
10	Bank of India	0	0	0	0	0	0	1	1	1	0.00
11	Kaveri Grameena Bank	0	0	0	0	3	8	8	8	8	21.67 <sup>NS</sup>
12	District central cooperative banks	0	0	0	0	0	7	16	16	13	20.41 <sup>NS</sup>
	Total	2	5	13	37	63	101	139	179	184	77.90**

\*\*1 percent level of significance; \*5 percent level of significance; NS-Non significant

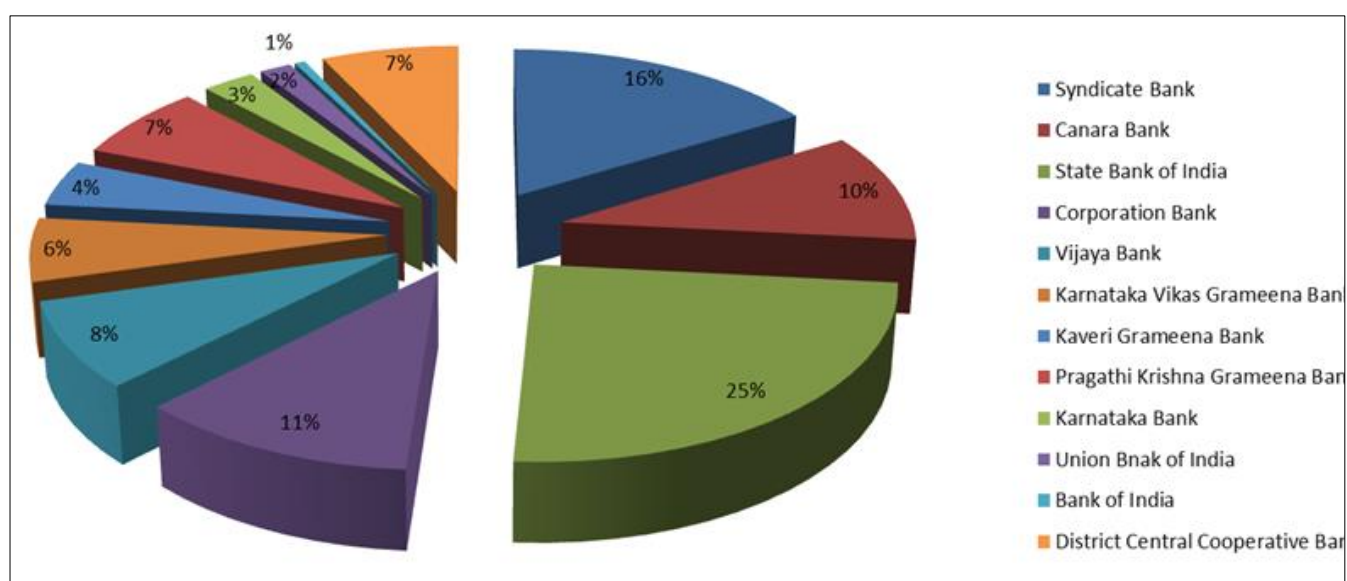
**Fig 3:** Bank wise distribution of financial literacy centers (FLCs) in Karnataka (2016-17)

Table 3 presents the total number of financial literacy centres existing in the state in different years along with the names of sponsoring banks. The table also shows the rate of growth in the number of financial literacy centres across sponsoring banks. It can be seen from the table that the financial literacy centres in the state have been set up by eight commercial banks (Syndicate Bank, Canara Bank, State Bank of India, Corporation Bank, Vijaya Bank, Karnataka Bank, Union Bank of India and Bank of India), all the three Grameena Banks and District Central Cooperative Banks. It is interesting to note that it was only State Bank of India, which sponsored financial literacy centres in the very first year of the evolution of the concept of financial literacy centres, i.e., 2008-09. This was followed by Canara Bank in 2009-10 and Syndicate Bank, Corporation Bank and Vijaya Bank during 2010-11. Other banks started their centres in the subsequent years. As can be ascertained from the table the latest setting up of financial literacy centres was by Union Bank of India in the year 2015-16. The maximum number of financial literacy centres, as in 2016-17, were started by State Bank of India (45 nos), followed by Syndicate bank (30 nos) and Corporation Bank (21 nos). The growth rate analysis results presented in the table revealed that literacy centres of Pragathi Krishna Grameena Bank grew at the highest rate of 65 percent while those of Karnataka Vikas Grameena Bank grew at the lowest rate of 4.1 percent. In the state as a whole, the growth in the

number of financial literacy centres was registered at a high rate of around 78 percent. Further, it is interesting to notice that the financial literacy centres were not established by all the district central cooperative banks in the state during 2014-15 and 2015-16, the number of centres established by DCCBs was 16, which came down to 13 due to the closure of some centres.

Figure 3 provides pictorial presentation of the shares of various sponsoring banks in the total number of financial literacy centres in the state during 2016-17. It can be seen from the figure that the share of State Bank of India was highest at 25 percent.

Table 4 presents the details of the management of financial literacy centres in order to achieve the broad objective of spreading financial literacy and ordering credit counseling. The functioning of financial literacy centres in the state is monitored by the Reserve Bank of India. As per the mechanism evolved by the RBI, the financial literacy centres conduct special camps for target groups such as farmers, Self-Help Groups, senior citizens, school children etc. Further, these centres have a concerted approach involving many stake holders at district/ panchayat/ village levels. The stakeholders involved are lead district manager, district development managers of NABARD, RBI officers at district level, NGOs, SHGs and Primary Agricultural Credit Cooperative Societies among others.



The State Level Bankers Committee reviews the activities of FLCs and issues appropriate guidelines for proper implementation of financial literacy activities. The head offices/ regional offices of sponsoring banks also evaluate the effectiveness of financial literacy efforts of their literacy centres, while giving wide publicity to the financial literacy drives of the centres.

The financial literacy centres prepare calendar of financial literacy camps to be conducted during the year after taking into account the magnitude of financial exclusion. For spreading financial literacy, the financial literacy guide provided by RBI serves as a standard curriculum. With view to achieving maximum coverage, the trusts/ banks setup literacy centres at various level such as districts, blocks, towns and cities as per the plan prepared by the SLBC in consultation with banks. The respective banks have the responsibility of meeting the expenses incurred in conducting financial literacy programmes.

For effective spread of financial literacy, the financial literacy centres establishes contact with concerned government

departments and agencies. Also, in the case of students as target group, the literacy centres establish liaison with district education officers and heads of educational institutions to chalk out the programmes. In addition, the literacy centres also use NGOs and farmers clubs to reach out to the masses for the spread of financial literacy, while getting associated with the training programmes organized by rural development and self-training institutes to use the readily available platforms for literacy activities. These centres try to achieve mass penetration of financial literacy issues by displaying necessary information on their websites.

The activities of financial literacy centres are carried out by recruiting the individuals with the knowledge of finance as financial literacy counselors. These counselors are provided all basic amenities like computers, laptops, furniture and fixtures and vehicular support. Also, FLCs have their helpline for addressing public grievances. The activities of financial literacy centres are reported to the RBI by SLBC on quarterly basis.

**Table 4:** Management of financial literacy centres (FLCs)

SI No	Particulars	Management
1	Objectives	The broad objective of financial literacy centres (FLCs) is to spread financial literacy and offer credit counselling.
2	Role of Reserve Bank of India (RBI)	<ol style="list-style-type: none"> <li>RBI issues guidelines to facilitate the setting up of FLCs and to conduct camps.</li> <li>RBI evolves a mechanism for dissemination of information.               <ol style="list-style-type: none"> <li>Tailored Approach Special camps for the newly included people in the financial system. Target group specific camps for the following segments such as farmers, Self-help groups (SHGs), Micro and Small Entrepreneurs, Senior citizens, School children, Others (identified by the FLCs).</li> <li>Concerted Approach FLCs get on board as many stakeholders as possible at the district/panchayat/village level viz. Lead District Manager, District Development Managers of National Bank for Agriculture and Rural Development (NABARD), Lead District Officer of RBI, District and Local administration, Block level officials, Non-Government Organizations (NGOs), SHGs, Business Correspondents (BCs), Farmers' clubs, panchayats, Primary Agricultural Credit Cooperative Societies, village level functionaries etc. during the conduct of the camps.</li> </ol> </li> <li>The functioning of FLCs in the state is monitored by RBI</li> </ol>
3	Role of State Level Bankers Committee (SLBC)	<ol style="list-style-type: none"> <li>SLBC reviews the financial literacy efforts of FLCs and rural branches and issues appropriate guidelines in line with RBI directives.</li> <li>For information of public, the details of FLCs along with contact addresses are published on SLBC website.</li> </ol>
4	Role of Head Office/Regional Offices of Banks (ROs)	<ol style="list-style-type: none"> <li>Head Office/ROs evaluate the effectiveness of financial literacy efforts undertaken by their FLCs and rural branches.</li> <li>They give wide publicity to the financial literacy drive.</li> </ol>
5	Role of Branches/FLCs	<ol style="list-style-type: none"> <li>The FLCs as well as bank branches prepare calendar of financial literacy camps in the beginning of the year.</li> <li>Keeping in view the extent of exclusion, Financial Literacy Camps are conducted in a mission mode.</li> <li>They use financial literacy guide provided by RBI as a standard curriculum to impart knowledge pertaining to financial products and services.</li> </ol>
6	Coverage	<ol style="list-style-type: none"> <li>In order to have maximum coverage, trusts/banks set up FLCs at all levels such as district, blocks, towns and city levels.</li> <li>SLBC with a discussion and coordination with banks prepares a plan for setting up of FLCs at different levels in a phased manner.</li> </ol>
7	Funds	The expenses incurred in conducting financial literacy programmes are borne by respective banks
8	Strategies Adopted by the trusts/banks for spreading financial literacy	<ol style="list-style-type: none"> <li>FLCs/branches collect vital statistics useful for chalking out schedule of financial literacy activities.</li> <li>FLCs/branches establish concerned government department and agencies for facilitating their financial literacy activities.</li> <li>These FLCs/branches liaison with district education officer/ head of educational institutes for arranging financial literacy programmes for students in an appropriate manner and convenient dates.</li> <li>These units also get associate with the training programmes organized by rural development and self-training institutes to use the available platforms for dissemination of financial literacy.</li> <li>NGOs and farmer's clubs are also used for reaching out to the masses with financial literacy mission</li> <li>FLCs and branches display on their websites the issues related to financial literacy mass penetration.</li> </ol>
9	Infrastructure for financial literacy drive	<ol style="list-style-type: none"> <li>Banks and trusts recruit individuals with necessary knowledge of finance as financial literacy counselors who would carry out required activities for spreading financial literacy.</li> <li>Banks and trusts provide basic amenities like computers, laptops, printers, furniture and fixtures to be used by counselors. Vehicular support also provided to them.</li> <li>For addressing the grievances of the public, each FLCs set up a help line and it is given adequate publicity.</li> </ol>
10	Reporting Mechanism	SLBC required to collect the report on performance of financial literacy activities by banks/FLCs and report the same to the RBI on quarterly basis.

**Table 5:** Number of financial literacy camps conducted

Sl. No	District	Number of financial literacy camps conducted in Karnataka			Total
		2014-15	2015-16	2016-17	
1	Bagalkote	169	283	817	1269
2	Bengaluru Rural	107	318	347	772
3	Bengaluru Urban	474	606	246	1326
4	Belagavi	989	1213	578	2780
5	Ballari	339	431	397	1167
6	Bidar	102	275	1291	1668
7	Vijayapura	675	718	779	2172
8	Chamarajanagar	293	357	224	874
9	Chikkaballapur	192	304	561	1057
10	Chikmagalur	133	345	641	1119
11	Chitradurga	301	245	910	1456
12	Dakshina Kannada	1400	1234	306	2940
13	Davangere	311	487	922	1720
14	Dharwad	618	692	529	1839
15	Gadag	161	365	484	1010
16	Kalburgi	125	324	825	1274
17	Hassan	250	721	923	1894
18	Haveri	714	652	969	2335
19	Kodagu	108	425	471	1004
20	Kolar	376	567	799	1742
21	Koppal	166	473	725	1364
22	Mandya	836	732	437	2005
23	Mysuru	474	590	1327	2391
24	Raichur	199	253	671	1123
25	Ramanagara	232	401	410	1043
26	Shivamogga	605	769	595	1969
27	Tumkur	367	812	500	1679
28	Udupi	855	992	342	2189
29	Uttara Kannada	1491	1088	927	3506
30	Yadgir	20	103	636	759
	State	13082	16775	19589	49446

**Table 6:** Number of persons participated in financial literacy camps

Sl. No	District	Number of persons participated in financial literacy camps			Total
		2014-15	2015-16	2016-17	
1	Bagalkot	8806	13570	58361	80737
2	Bengaluru Rural	18748	24007	13973	56728
3	Bengaluru Urban	25578	40936	13318	79832
4	Belagavi	53836	66266	30505	150607
5	Ballari	24836	34395	46457	105688
6	Bidar	5688	13961	59845	79494
7	Vijayapura	27485	27569	58845	113899
8	Chamarajanagar	13963	15890	22639	52492
9	Chikkaballapur	8368	24369	49313	82050
10	Chikmagalur	15418	13155	25241	53814
11	Chitradurga	32080	20274	96786	149140
12	Dakshina Kannada	62670	54589	13746	131005
13	Davangere	20634	33750	77918	132302
14	Dharwad	33737	32020	30136	95893
15	Gadag	13353	21219	24168	58740
16	Kalburgi	16105	24639	138135	178879
17	Hassan	10212	52910	60783	123905
18	Haveri	44898	43396	36776	125070
19	Kodagu	5642	8605	27803	42050
20	Kolar	25275	57370	56028	138673
21	Koppal	7244	24600	59946	91790
22	Mandya	45835	47363	19771	112969
23	Mysuru	25608	40237	86145	151990
24	Raichur	22307	38556	52069	112932
25	Ramanagara	7767	7750	15085	30602
26	Shivamogga	33558	39909	45378	118845
27	Tumkur	22346	39955	38551	100852
28	Udupi	36099	36718	19049	91866
29	Uttara Kannada	74984	60381	65455	200820

30	Yadgir	1044	11413	44284	56741
	State	744124	969772	1386509	3100405

**Table 7:** Number of persons participated per financial literacy camp

Sl. No	District	Number of persons participated per financial literacy camp			Overall
		2014-15	2015-16	2016-17	
1	Bagalkot	52	48	71	64
2	Bengaluru Rural	175	75	40	73
3	Bengaluru Urban	54	68	54	60
4	Belagavi	54	55	53	54
5	Ballari	73	80	117	91
6	Bidar	56	51	46	48
7	Vijayapura	41	38	76	52
8	Chamarajanagar	48	45	101	60
9	Chikkaballapur	44	80	88	78
10	Chikmagalur	116	38	39	48
11	Chitradurga	107	83	106	102
12	Dakshina Kannada	45	44	45	45
13	Davangere	66	69	85	77
14	Dharwad	55	46	57	52
15	Gadag	83	58	50	58
16	Kalburgi	129	76	167	140
17	Hassan	41	73	66	65
18	Haveri	63	67	38	54
19	Kodagu	52	20	59	42
20	Kolar	67	101	70	80
21	Koppal	44	52	83	67
22	Mandya	55	65	45	56
23	Mysuru	54	68	65	64
24	Raichur	112	152	78	101
25	Ramanagara	33	19	37	29
26	Shivamogga	55	52	76	60
27	Tumkur	61	49	77	60
28	Udupi	42	37	56	42
29	Uttara Kannada	50	55	71	57
30	Yadgir	52	111	70	75
	State	57	58	71	63

The performance of financial literacy centres in terms of the number of camps conducted and the number of persons participated in the camps is provided in tables 5, 6 and 7. Due to data constraints, this information was provided only for three years from 2014-15 to 2016-17. In the state as a whole, the total number of financial literacy camps conducted increased from around 13,082 in 2014-15 to 19,589 in 2016-17. Over three years, a total of around 49,500 camps were conducted in the state as a whole. In the total camps conducted in the state over three years, Uttara Kannada district had the maximum share with 3,506 camps followed by Dakshina Kannada (2,940 camps) and Belagavi (2,780 camps). Yadgir district had the least number of camps conducted (759). Table 6 presents the number of persons participated in financial literacy camps during 2014-15, 2015-16 and 2016-17. The last column of table 6 shows the total number of persons who participated in financial literacy camps in each district over three years. It is evident from the table that Uttara Kannada district had the largest number of participants over three years with Gadag occupying the second position and Raichur occupying the last position. The average number of persons participated per financial literacy camp is presented in table 7. The average numbers are shown separately for 2014-15, 2015-16 and 2016-17 and for the aggregate period. The average number of participants per literacy camp reflects upon the intensity of efforts in reaching out to the stakeholders. The last column of the table 7 shows glaring variation in the average number of participants across districts. While in Ramanagara district, only 29 persons

participated per camp over three years, the number of participants was as high as 140 in Kalburgi district. Chitradurga and Raichur districts were in second and third positions from the view point of performance of literacy camps in terms of the average number of participants.

### Conclusion

Financial inclusion is an important step to achieve economic and inclusive growth with stability. Inclusive financial sector can break the vicious cycle of poverty. This can empower the poor and ensure that poor people have access to a wide range of financial services with more opportunities to lead the way out of poverty with dignity. Thus, financial inclusion is no longer a policy choice, but a policy compulsion today and banking is a key driver for inclusive growth. The financial inclusion does not mean merely opening of saving bank account but signifies creation of awareness about the financial products, education and advice on money management, offering debt counseling, etc. by formal financial institutions. The present study analyzed the growth and performance in the number financial literacy centres (FLCs) both at district level and Karnataka state as a whole. From the view point of the growth rates of total number FLCs was maximum in the case of Belagavi district (58.58%) and minimum in the case of Kodagu district (7.68%). The state as a whole registered a very high growth of about 80 percent. For the state as a whole the compound annual growth rate was cent percent over years in case of number FLCs in rural area. The number of rural financial literacy centres remained stagnant at two in Bidar



district and three in Kodagu district. As such, these two districts showed zero growth in the number of centres. Maximum number of FLCs in the state were sponsored by State Bank of India (45 nos).

The findings of the study call for concerted efforts for improving the reach of financial awareness to more number of participants in the case of districts with low performance and less number of FLCs.

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