A STUDY ON THE EFFECT OF FINANCIAL LITERACY ON THE RELATIONSHIP BETWEEN RURAL AND URBAN LITERATES – ILLITERATES AND SUSTAINABLE DEVELOPMENT OF AN ECONOMY

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Abstract: This article mainly focused that how financial inclusion is to be reflected in the Indian economy. Every development of a country depends on a number of factors. Here financial inclusion is also one of the factors for to influence the development of a country. So this article mainly focused on the 13 districts of Andhra Pradesh financial literacy and how literates and illiterates will affect to the GDP we discussed in the article. Here literates and illiterates are both have significant effects are there to effect on GDP. We can draw the same conclusions financial literacy and GDP have a significant relationship between two. A strong correlation between the variables explains the independent variables are a strong relationship with the dependent variables.
Keywords: *Financial Literacy, Banking Services, GDP.*

1. Introduction: The development of an Indian economy purely depends upon a number of factors. Financial inclusion also plays a vital role in the development of an economy. In any country, economic and social objectives are effective in the development of the country. Economical objectives are influencing country savings and capital formation. Once the savings and capital are increasing they are invested in any area and improving the organization's efficiency and which will lead to the development of an economy. Social objectives are leads to poverty elimination, income inequalities, and financial improvement. Sri C. Ranga Rajan (2014) said that financial inclusion is arises mainly from weaker sections of society and low-level-income people because of they don't have timely and adequate credit and affordable costs. Mainly it causes a number of factors like they don't have savings accounts, no proper credit guidelines, high charges of interest rates, etc. so these all will mainly happen because of only one of the elements of financial literacy.

Financial literacy very important element of the development of any country. Our country still it is a developing country because of changing cost of living day by day, and the low level of people's awareness. So In Andhra Pradesh before the bifurcation 13 districts of AP how the literacy rate was there we know in this article.

Chart Explanation: In the below chart it explains the thirteen districts of AP's highest total literates (East Godavari) and lowest total literates (Vizayanagaram), as well as shows the illiterates of the AP
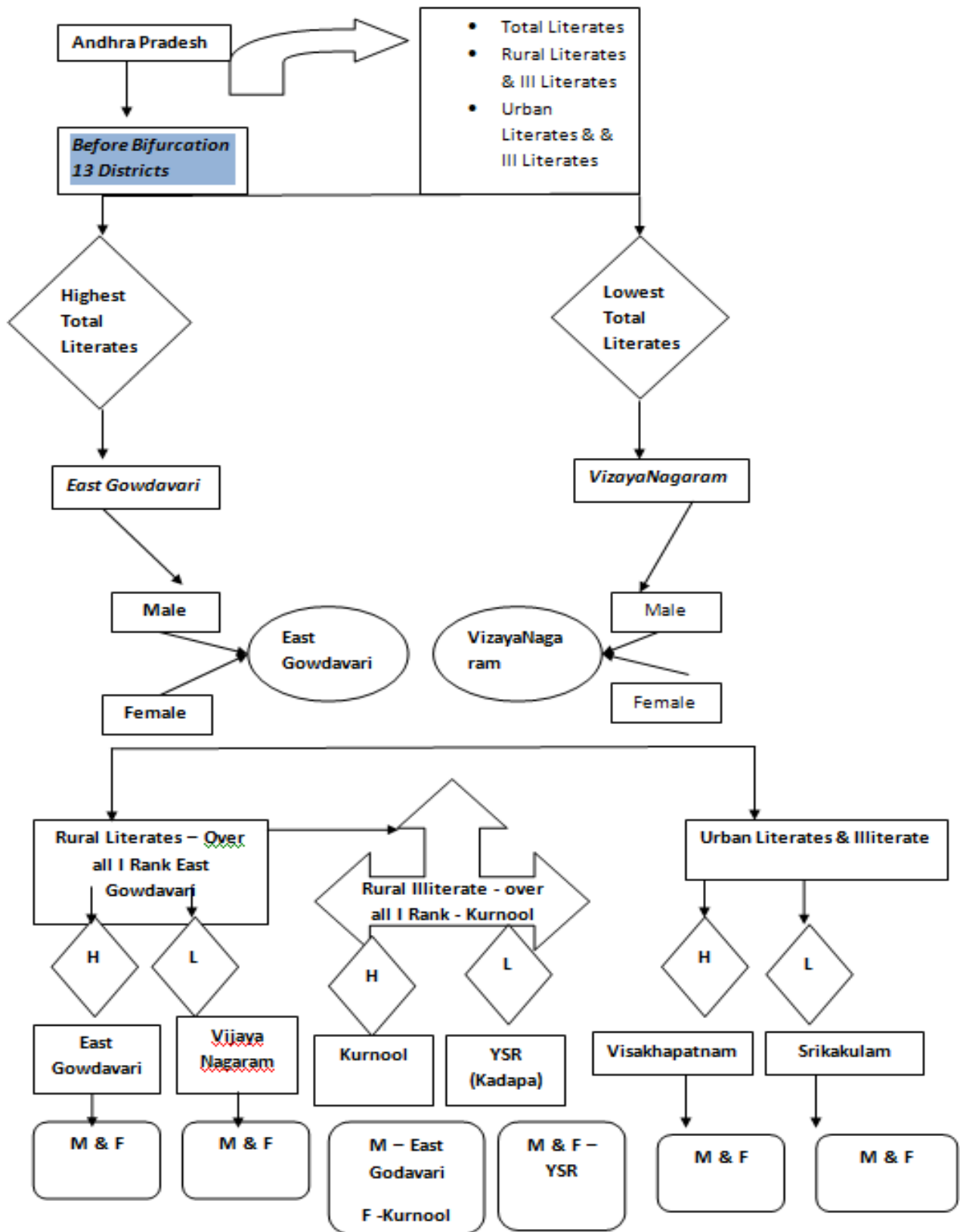
2. Review of Literature:

• According to Moore (2003), insufficient debt situation and its link to financial literacy and mortgage loan and other loans charged a high rate of interest rates.

• According to Dr. Subba Rao – Reserve Bank Governor of India: Reserve bank we treat financial inclusion and financial literacy as twin pillars. Financial literacy consists of two sides one is the demand side- making the awareness of the people, second side supply which consists of providing the financial market with what people are needed. Increasing financial literacy developing social beings in the country.

• According to OECD (2003), improving financial education and financial literacy leads to improving financial literacy principles.

• FSDC report March end 2013: Financial Literacy centers were established in June 2012 by the RBI. New guideline received from RBI once a month they should conduct Financial Literacy campaigns.

• According to Richa Aggrawal 2014: states the end of march 2013,718 financial centers have been set up and 2.2 million people have been educated through an awareness campaign.

3. Need for the study: Financial literacy is very important nowadays. The day-to-day business transactions and the development of the Indian economy we know the financial structure of the Indian financial systems like institutions, markets, instruments, and services play vital roles in the nowadays in market. So we need literacy without literacy levels it is not possible to improve the Indian economy. Poor levels of financial literacy are happens to poor level of financial planning, and spending the less levels of investments and happen debts.
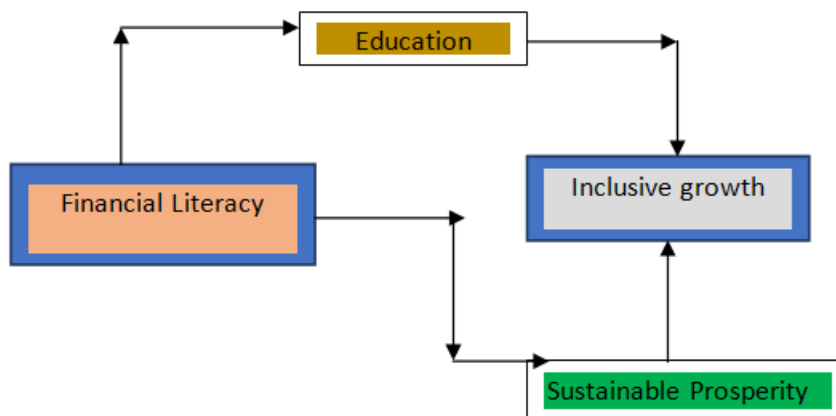
4. Research Methodology: In this article data for this study come from ICMIE-States of Banks, https://states of India.cmie.com, A product by centre for Monitoring Indian Economy Pvt. Ltd. Secondary source of the data.

5. Data analysis and Interpretation:

| Table:-5.1: DISTRICT WISE TOTAL POPULATION LITERATE			
SNO	DISTRICT NAME	TOT POP LITERATE	RANK
1	KRISHNA	3009718	2
2	ANANTHAPUR	2310960	7
3	CHITOOR	2667878	4
4	EAST GOWDAVARI	3288577	1
5	GUNTUR	2960441	3

6	KURNOOL	2127161	8
7	NELLORE	1832189	10
8	PRAKASAM	1904435	9
9	SRIKAKULAM	1495381	12
10	VISAKAPATNAM	2568249	6
11	VIZAYANAGARAM	1238388	13
12	YSR (KADAPA)	1716766	11
13	WEST GOWDAVARI	2652389	5

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring Indian Economy Pvt. Ltd.

The above table mentioned district-wise population, highest population literature in East Godavari district, and lowest population literature in Vizianagaram district.
Line Chart: 5.1:-
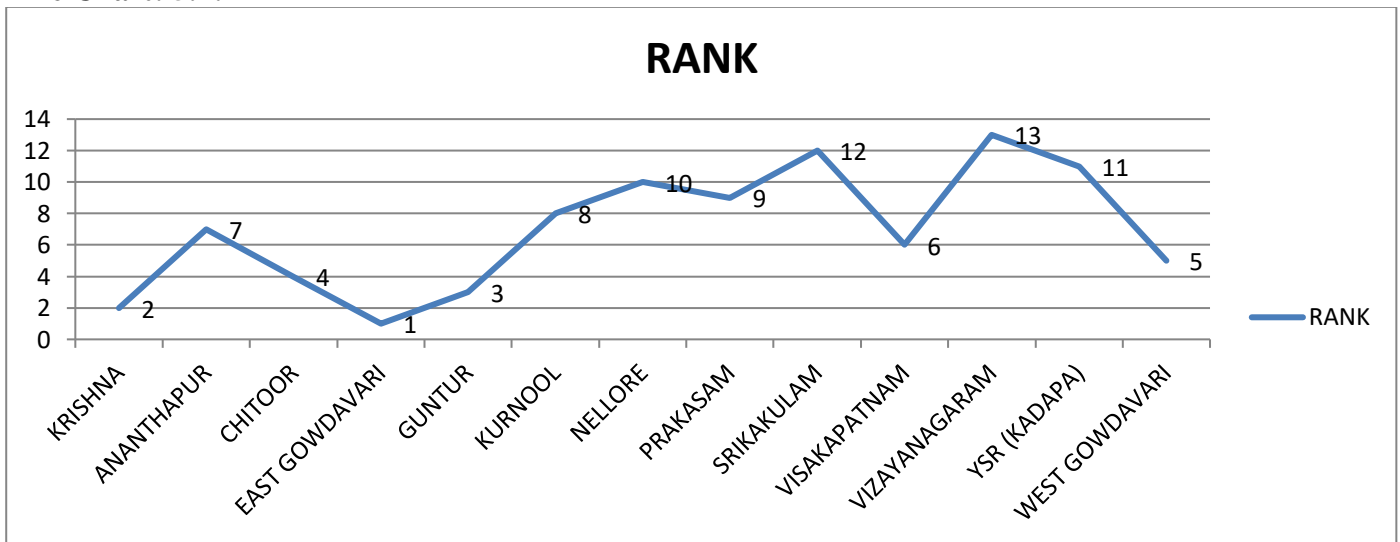
The above line charts identified highest population literature in East Godavari district and lowest population literature in Vizianagaram district.
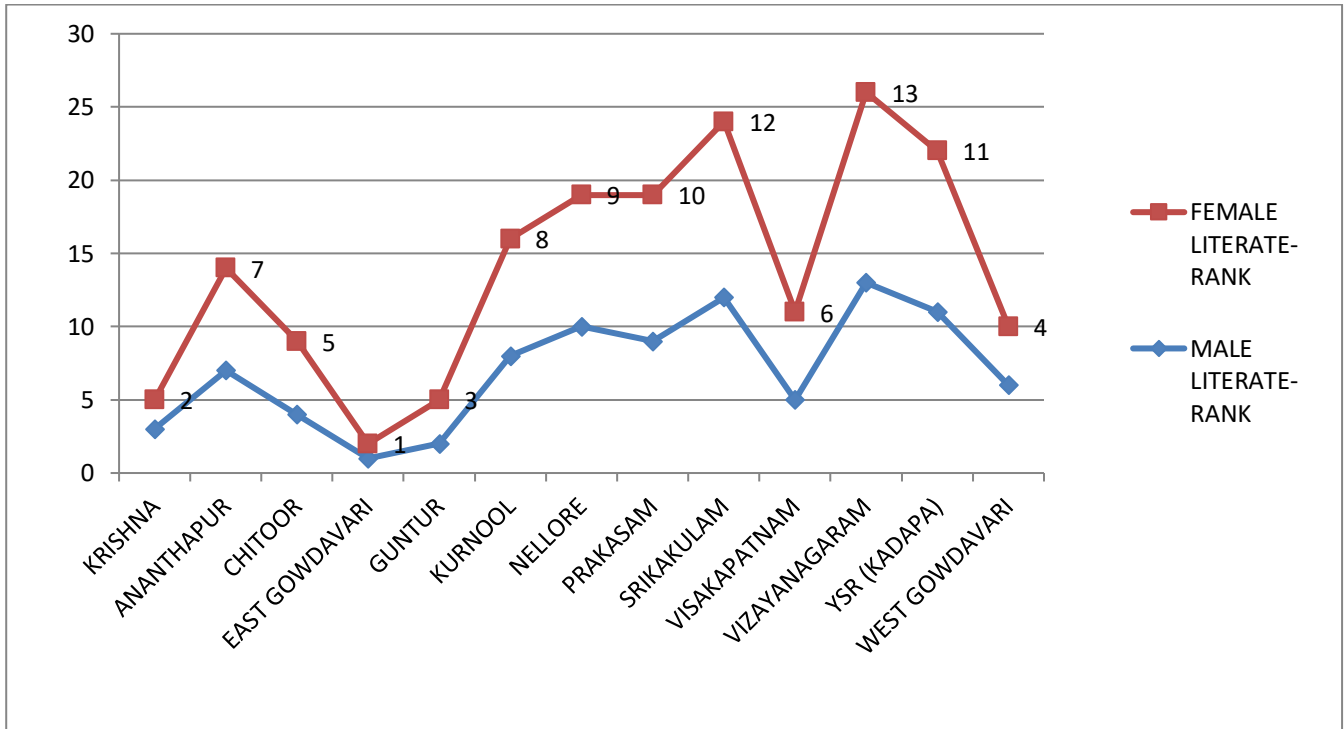
Table:-5.2: DISTRICT WISE MALE AND FEMALE LITERATE					
SNO	DISTRICT NAME	MALE LITERATE	RANK	FEMALE LITERATE	RANK
1	KRISHNA	1598959	3	1410759	2
2	ANANTHAPUR	1338474	7	972486	7
3	CHITOOR	1484794	4	1183084	5
4	EAST GOWDAVARI	1716933	1	1571644	1
5	GUNTUR	1634726	2	1325715	3
6	KURNOOL	1246369	8	880792	8
7	NELLORE	1011922	10	820267	9
8	PRAKASAM	1107686	9	796749	10
9	SRIKAKULAM	857824	12	637557	12
10	VISAKAPATNAM	1422878	5	1145371	6
11	VIZAYANAGARAM	707503	13	530885	13
12	YSR (KADAPA)	994699	11	722067	11

13	WEST GOWDAVARI	1379223	6	1273166	4

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring Indian
Economy Pvt. Ltd.

The above table district-wise male and female literature mentioned the highest male population literature in East Godavari district and the lowest population literature in Vizianagaram district. Highest female population literature in East Godavari district and lowest population literature in Vizianagaram district.

Line Chart: 5.2:-

The above line charts comparison between district wise male and female literature mentioned, highest population male literature in East Godavari district and lowest male population literature in Vizianagaram district. highest population female literature in East Godavari district and lowest female population literature in Vizianagaram district.
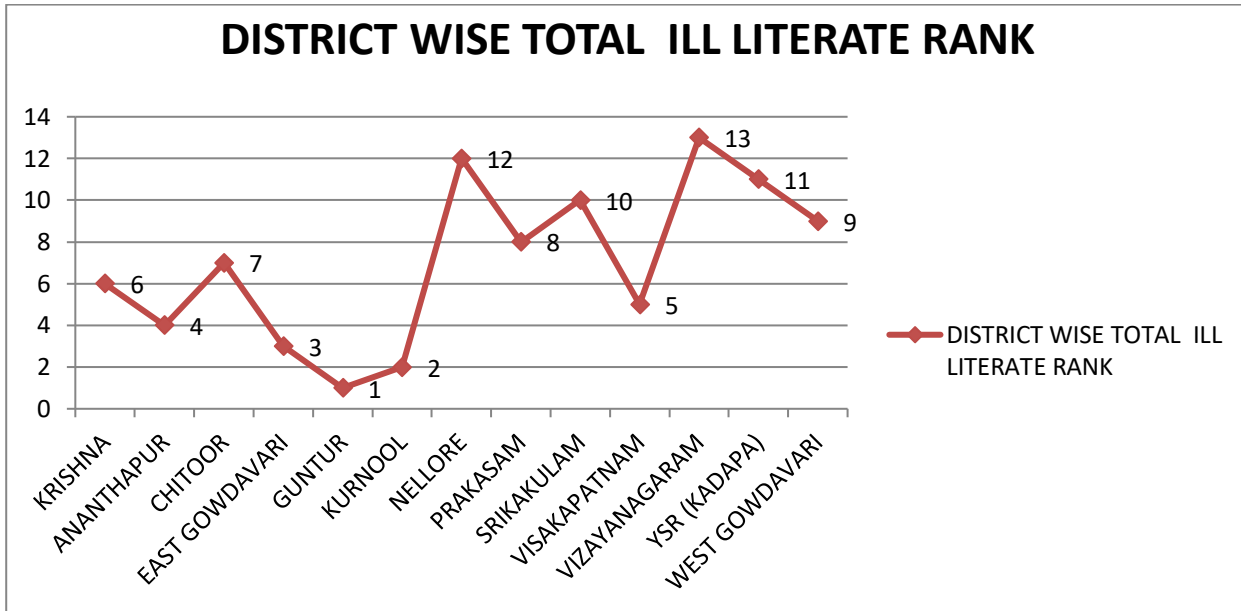
Table:-5.3: DISTRICT WISE TOTAL ILL LITERATE			
SNO	**DISTRICT NAME**	**POP ILL LITERATE**	**RANK**
1	KRISHNA	1507680	6
2	ANANTHAPUR	1770188	4
3	CHITOOR	1506186	7
4	EAST GOWDAVARI	1865719	3
5	GUNTUR	1927372	1
6	KURNOOL	1926302	2
7	NELLORE	1131368	12
8	PRAKASAM	1493013	8
9	SRIKAKULAM	1207733	10
10	VISAKAPATNAM	1722340	5
11	VIZAYANAGARAM	1106086	13
12	YSR (KADAPA)	1165703	11
13	WEST GOWDAVARI	1284577	9

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring Indian Economy Pvt. Ltd.

The above table mentioned district-wise illiterate, the highest population ill literate in Guntur district and the lowest population ill literate in Vizianagaram district.

Line Chart: 5.3:-

The above line charts mentioned district wise illiterate, highest population ill literate in Guntur district and lowest population ill literate in Vizianagaram district.

SNO	DISTRICT NAME	MALE ILL LITERATE	RANK	FEMALE ILL LITERATE	RANK
**Table:-5.4: DISTRICT WISE MALE AND FEMALE LITERATE**					
1	KRISHNA	668416	6	839264	8
2	ANANTHAPUR	726021	4	1044167	3
3	CHITOOR	605410	8	900776	6
4	EAST GOWDAVARI	852755	1	1012964	4
5	GUNTUR	805795	2	1121577	2
6	KURNOOL	792858	3	1133444	1
7	NELLORE	481052	11	650316	13
8	PRAKASAM	607078	7	885935	7
9	SRIKAKULAM	483914	10	723819	9
10	VISAKAPATNAM	716032	5	1006308	5
11	VIZAYANAGARAM	453974	13	652112	12
12	YSR (KADAPA)	457078	12	708625	10
13	WEST GOWDAVARI	585695	9	698882	11

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring Indian Economy Pvt. Ltd.

The above table mentioned district-wise literate, male highest population literate in East Godavari district and the lowest population literate in Vizianagaram district. Female highest population literate in Kurnool district and the lowest population literate in Vizianagaram district.

Line Chart: 5.4:-
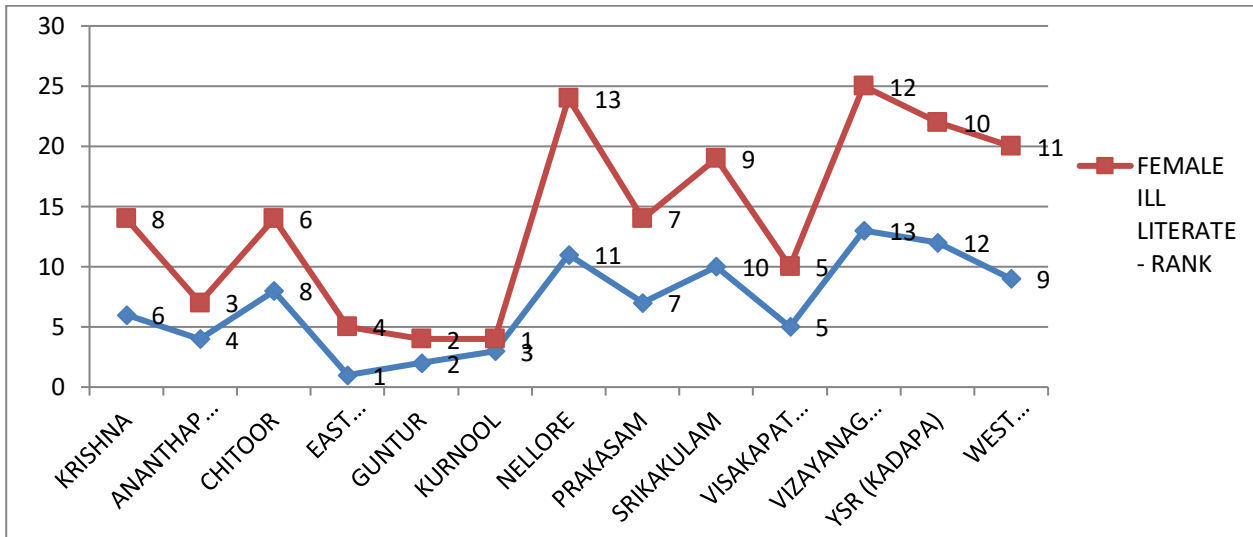
The above line charts compare district-wise literate, male highest population literate in East Godavari district and the lowest population literate in Vizianagaram district. The female highest population is literate in the Kurnool district and the lowest population is literate in the Vizianagaram district.

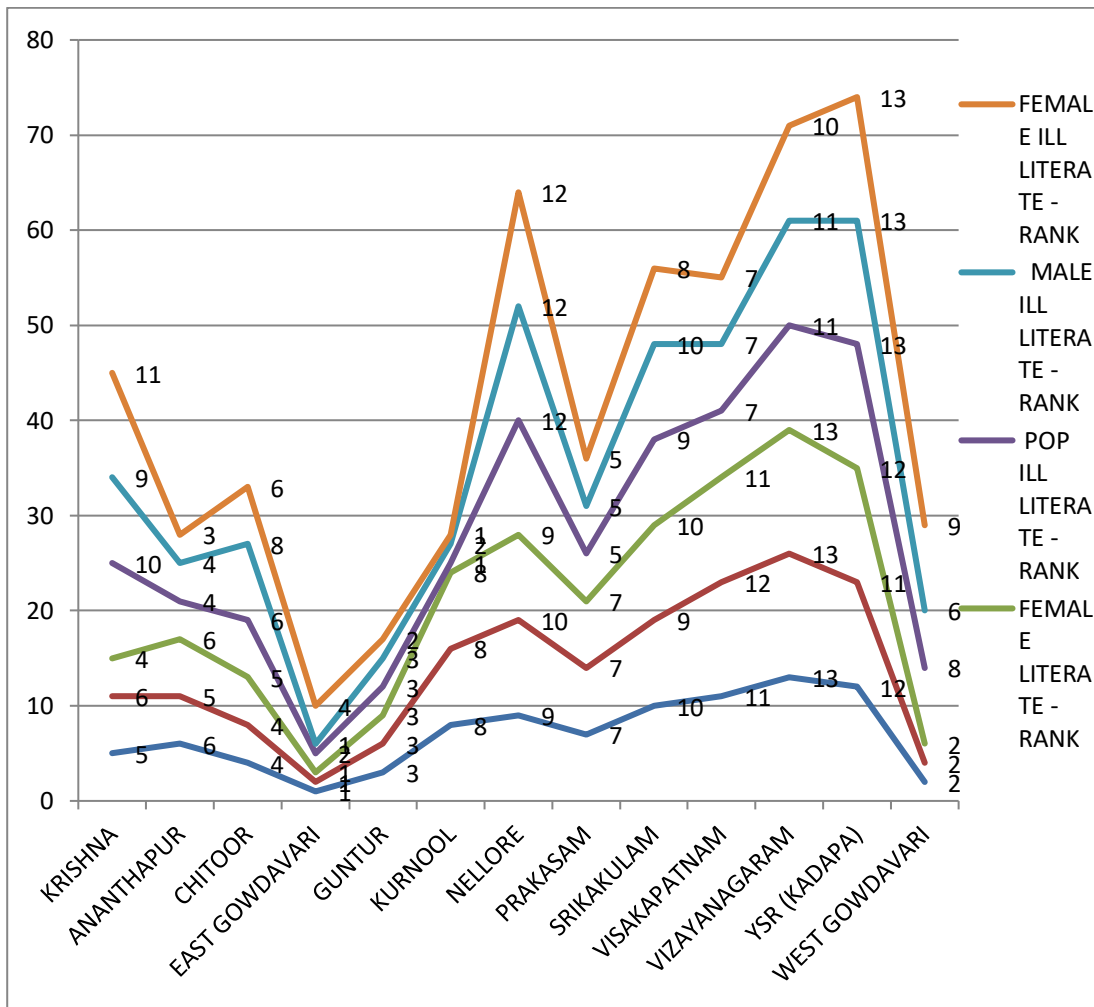**Table:- 5.5: TOTAL RURAL POPULATION LITERATE AND ILL LITERATES AS PER CENSUS DATA 2011**

SNO	DISTRICT NAME	TOT POP LITERATE	RANK	MALE LITERATE	RANK	FEMALE LITERATE	RANK	POP ILL LITERATE	RANK	MALE ILL LITERATE	RANK	FEMALE ILL LITERATE	RANK
1	KRISHNA	1657592	5	891610	6	765982	4	1016146	10	451924	9	564222	11
2	ANANTHAPUR	1546394	6	917058	5	629336	6	1389043	4	572099	4	816944	3
3	CHITOOR	1757216	4	998751	4	758465	5	1185462	6	475301	8	710161	6
4	EAST GOWDAVARI	2329761	1	1223694	1	1106067	1	1510563	2	698599	1	811964	4
5	GUNTUR	1797934	3	1017294	3	780640	3	1437141	3	604197	3	832944	2
6	KURNOOL	1390459	8	841511	8	548948	8	1513718	1	623058	2	890660	1
7	NELLORE	1197619	9	672946	10	524673	9	908308	12	387864	12	520444	12
8	PRAKASAM	1435913	7	852588	7	583325	7	1296953	5	530053	5	766900	5
9	SRIKAKULAM	1186662	10	692122	9	494540	10	1079749	9	434766	10	644983	8
10	VISAKAPATNAM	1072167	11	618397	12	453770	11	1182500	7	494837	7	687663	7
11	VIZAYANAGARAM	891838	13	523316	13	368522	13	961725	11	397112	11	564613	10
12	YSR (KADAPA)	1062356	12	630940	11	431416	12	840981	13	328753	13	512228	13
13	WEST GOWDAVARI	2035630	2	1063675	2	971955	2	1092559	8	503338	6	589221	9

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring Indian Economy Pvt. Ltd.

The above table mentioned the rural population district-wise literate, the highest rural population literate in East Godavari district, and the lowest rural population literate in Vizianagaram district. The

male highest rural population is literate in East Godavari district and the lowest rural population is literate in Vizianagaram district. Female highest rural population is literate in East Godavari district and the lowest rural population is literate in Vizianagaram district. Rural population district wise literate, the highest rural population Ill literate in the Kurnool district, and the lowest rural population ill literate in YSR(KADAPA) district. Male highest rural population Ill literate in the Kurnool district and the lowest rural population ill literate in YSR(KADAPA) district. Female highest rural population ill literate in the Kurnool district and the lowest rural population ill literate in YSR(KADAPA) district.

Line Chart: 5.5:-

The above line charts compare the rural population district-wise literate, the highest rural population literate in East Godavari district, and the lowest rural population literate in Vizianagaram district.The male highest rural population is literate in East Godavari district and the lowest rural population is literate in Vizianagaram district. Female highest rural population is literate in East Godavari district and the lowest rural population is literate in Vizianagaram district. Rural population district wise literate, the highest rural population Ill literate in the Kurnool district, and the lowest rural population ill literate in YSR(KADAPA) district.Male highest rural population Ill literate in the Kurnool district and the lowest rural population ill literate in YSR(KADAPA) district. Female highest rural population ill literate in the Kurnool district and the lowest rural population ill literate in YSR(KADAPA) district.
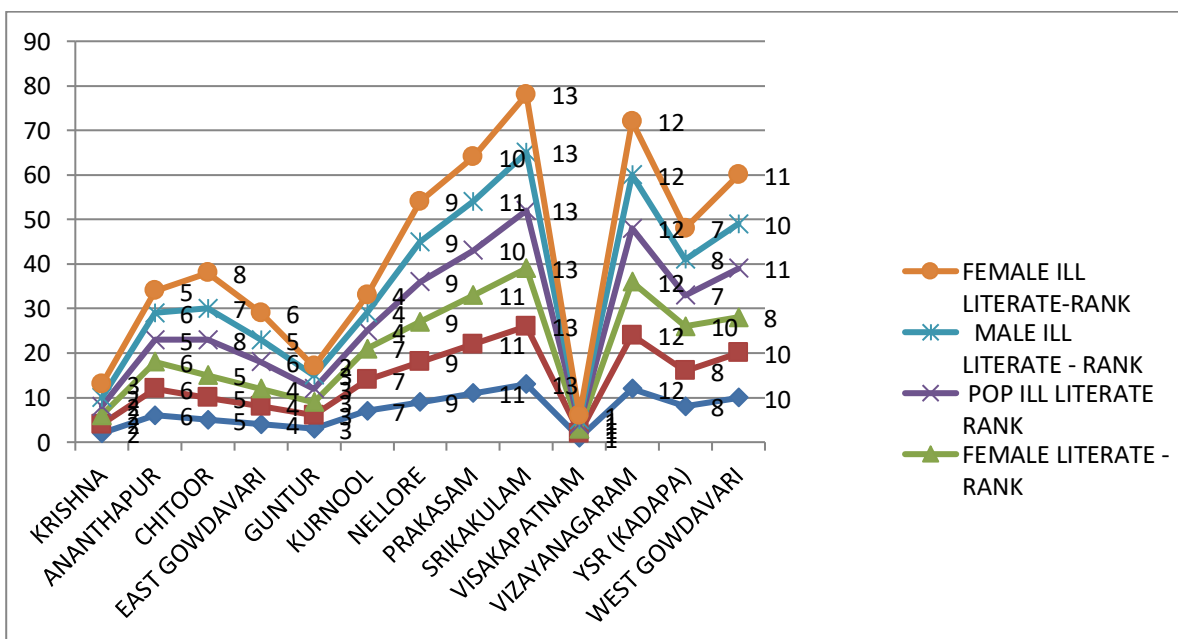
Table:- 5.6: TOTAL URBAN POPULATION LITERATE AND ILL LITERATES AS PER CENSUS DATA 2011

SNO	DISTRICT NAME	TOT POP LITERATE	RANK	MALE LITERATE	RANK	FEMALE LITERATE	RANK	POP ILL LITERATE	RANK	MALE ILL LITERATE	RANK	FEMALE ILL LITERATE	RANK
1	KRISHNA	1352126	2	707349	2	644777	2	491534	2	216492	2	275042	3
2	ANANTHAPUR	764566	6	421416	6	343150	6	381145	5	153922	6	227223	5
3	CHITOOR	910662	5	486043	5	424619	5	320724	8	130109	7	190615	8
4	EAST GOWDAVARI	958816	4	493239	4	465577	4	355156	6	154156	5	201000	6
5	GUNTUR	1162507	3	617432	3	545075	3	490231	3	201598	3	288633	2
6	KURNOOL	736702	7	404858	7	331844	7	412584	4	169800	4	242784	4
7	NELLORE	634570	9	338976	9	295594	9	223060	9	93188	9	129872	9
8	PRAKASAM	468522	11	255098	11	213424	11	196060	10	77025	11	119035	10
9	SRIKAKULAM	308719	13	165702	13	143017	13	127984	13	49148	13	78836	13
10	VISAKAPATNAM	1496082	1	804481	1	691601	1	539840	1	221195	1	318645	1
11	VIZAYANAGARAM	346550	12	184187	12	162363	12	144361	12	56862	12	87499	12
12	YSR (KADAPA)	654410	8	363759	8	290651	10	324722	7	128325	8	196397	7
13	WEST GOWDAVARI	616759	10	315548	10	301211	8	192018	11	82357	10	109661	11

Source: ICMIE-States of Banks, https://states of India.cmie.com, A product by centre   for Monitoring
Indian Economy Pvt. Ltd.

The above line charts compare rural population district wise literate, highest rural population literate in East Godavari district and lowest rural population literate in Vizianagaram district.Male highest rural population literate in East Godavari district and lowest rural population literate in Vizianagaram district. Female highest rural population literate in East Godavari district and lowest rural population literate in Vizianagaram district. Rural population district wise literate, highest rural population Ill literate in Kurnool district and lowest rural population ill literate in YSR(KADAPA) district..Male highest rural population Ill literate in Kurnool district and lowest rural population ill literate in YSR(KADAPA) district. Female highest rural population ill literate in Kurnool district and lowest rural population ill literate in YSR(KADAPA) district.

Line Chart: 5.6:-

The above line charts the urban population district-wise literate, the highest rural population literate in Visakhapatnam district, and the lowest rural population literate in Srikakulam district. The male highest urban population is literate in the Visakhapatnam district and the lowest urban population is literate in the Srikakulam district. Female highest urban population literate in the Visakhapatnam district and the lowest urban population literate in the Srikakulam district. The urban population is district-wise literate, the highest urban population is illiterate in the Visakhapatnam district, and the lowest urban population is literate in the Srikakulam district. Male highest urban population Ill literate in the Visakhapatnam district and the lowest urban population is literate in the Srikakulam district. Female highest rural population ill literate Visakhapatnam district and the lowest urban population is literate in the Srikakulam district.

Regression:

5.7:DISTRICT WISE MALE AND FEMALE LITERATE IMPACT ON GDP:

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.966028598
R Square	0.933211253
Adjusted R Square	0.927139549
Standard Error	84740.83835
Observations	13

ANOVA

	df	SS	MS	F	Significance F
Regression	1	1.10371E+12	1.10371E+12	153.6984	8.31575E-08
Residual	11	78991106530	7181009685		
Total	12	1.1827E+12			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	ower 95.0%	pper 95.0%
Intercept	307272.3362	81086.06487	3.78945922	0.002998	128803.1108	485741.6	128803.1	485741.6
X Variable 1	0.942497272	0.076023073	12.39751602	8.32E-08	0.775171615	1.109823	0.775172	1.109823

The above results show that the P value is 0.002 would be less than 0.05 hence it is significant. Moreover the multiple R value is 96.60%, which explain the correlation between variables and R^2 value 93.32%.It explains how much variance initiated in dependent variable. The elation ship between variable are good.

5.8:TOTAL RURAL POPULATION LITERATE AND ILL LITERATE IMPACT ON GDP:

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.557726099
R Square	0.311058401
Adjusted R Square	0.248427347
Standard Error	363181.4476
Observations	13

ANOVA

	df	SS	MS	F	Significance F
Regression	1	6.55088E+11	6.55E+11	4.966520274	0.047645551
Residual	11	1.45091E+12	1.32E+11		
Total	12	2.106E+12			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	275076.7512	554098.9709	0.49644	0.62935516	-944486.8602	1494640.363	-944486.8602	1494640.363
X Variable 1	1.024047933	0.459509166	2.228569	0.047645551	0.012675078	2.035420788	0.012675078	2.035420788

The results exhibit that there is a significant effect of rural population to the effect of Indian economy, whose simple linear correlation r=0.55 is moderate independent variables are explains that 0.31 % of variance.

5.9:TOTAL URBAN POPULATION LITERATE AND ILL LITERATE IMPACT ON GDP:

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.925847439
R Square	0.857193479
Adjusted R Square	0.844211068
Standard Error	144236.937
Observations	13

ANOVA

	df	SS	MS	F	Significance F
Regression	1	1.37365E+12	1.37365E+12	66.02729509	5.6304E-06
Residual	11	2.28847E+11	20804294005		
Total	12	1.6025E+12			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	9749.042228	105255.5786	0.09262257	0.927868795	-221916.9242	241415.0087	-221916.9242	241415.0087
X Variable 1	2.448970548	0.301385122	8.125718128	5.6304E-06	1.785626368	3.112314729	1.785626368	3.112314729

The results exhibit that there is a significant effect of rural population to the effect of Indian economy, whose simple linear correlation r=0.92 is excellent independent variables are explains that 0.85 % of variance.

6. Findings and Suggestions: Findings and Suggestions: Financial inclusion plays an important role in accessing people's banking services, but we have observed that poor financial literacy is not in a position to access banking services because they don't know how to utilize the banking services. However financial inclusion in India is below 100% which affected growth & prosperity. (Raj 2011). We have to improve several schemes to get financial inclusion through Financial Literacy. Financial literacy is the primary step for F.I. It provides knowledge to the people, and based on individual accessibility either he selects (or) rejects the product benefit services. Several schemes here implemented to get through Financial Literacy commercial banks given one of the Financial Inclusion strategies Financial Literacy. In that several schemes are initiated by the RBI, SEBI, and IRDA&PFRADA. They are various initiatives taken to improve Financial Literacy in India. Introducing financial education in school curricula especially govt schools in rural areas. Training programs set by commercial banks in urban & rural areas. In villages to adopt new programs. Banks can arrange campaigns through media& road shows to spend awareness about Financial Inclusion & Financial Literacy.

7. Conclusion: Financial literacy is very important for decision-making orientation. It ensures that financial services are to be reached to low-level income of people in all sectors of society. All the above initiatives should aim to achieve Financial Inclusion through Financial Literacy.

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