Microfinance Training : A Magic Wand to Achieve Financial Literacy

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Abstract

Financial literacy is seen as one of the remedies that alleviate the poor by helping them understand finances better. It is perceived to trigger their spirit of entrepreneurship, which in turn helps improve their income. Governments world over have recognized microfinance training as an efficient vehicle to deliver financial literacy to the people at large. However, financial literacy itself is an amorphous concept whose meaning varies depending upon the context and the level of development of countries. Microfinance training is subjected to the vagaries of many variables. Under these circumstances, it was relevant to find out if microfinance training really enables financial literacy. Is this the magic wand which governments are searching for ? This research paper reviewed the literature on the subject to find an answer to this question. A World Bank report on the subject critically noted that while there was enormous research studying the effect of microfinance, there was a dearth of literature studying the effect of microfinance training. The objective of this paper was to assimilate the research done thus far on this subject. The paper initially reviewed the literature on the various hues of financial literacy and later dwelled upon the literature where researchers found evidence to believe that microfinance training enhances financial literacy. Surprisingly, we found a fair amount of research which produced evidence to the contrary and was included in this review. To conclude, a few lessons for policy makers gleaned from the review were also included.

Keywords: **development, entrepreneurship, financial literacy, income, microfinance training, social intermediation**

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Financial literacy is believed to be one of the basic building blocks which will emancipate the poor from poverty. At the macro level, the onus of ensuring the spread of financial literacy and the derived benefits from financial literacy rests with governments. As Bordoloi (2015) observed that education not only empowers people socially, economically, politically, and culturally, but is also a pre-requisite for the acquisition of knowledge, enhancement of skills, and development of attitudes and values. The Government of India (GOI) is well aware of this, and through its offices and institutions is trying to spread financial literacy amongst the people, especially those below the poverty line.

Financial illiteracy is associated with the poor and the indigent. In India (and globally too), the majority of the poor inhabit the rural areas. Poverty, illiteracy, and lack of opportunities in the rural landscape are the scourges which afflict the rural poor. The concept of microfinance revolutionized the means to eradicate poverty. Initially, microfinance focused only on financial intermediation, which included savings, micro credit, and micro insurance. Later, the concept of social intermediation which includes training, health, trust, etc. was woven into

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microfinance. Over the years, the social and financial intermediation components of microfinance have been used by governmental and non-governmental organizations as a vehicle to not only eradicate poverty, but also raise financial literacy levels. The training component of microfinance is being used as a tool by the government to remedy the twin ills of poverty and financial illiteracy.

Two notable steps taken by the GOI over the years have been the setting up of the Financial Literacy and Credit Counselling Centres in 2009 and the Rural Self Employment Training Institute (RSETI) in 2010. The motivation for setting up these training institutes and counseling centres rests on the premise that training will sow the seeds of financial literacy where it is not existent and will enhance the level where it is present in the most basic form. The question to be asked is, “Does training enhance the level of financial literacy of the trainees?” Though the literature on the subject is not humongous, there is enough literature which provides contrasting views. The present article reviews the existing literature to find out whether microfinance training helps to achieve financial literacy.

Relevance and Need for the Study

The Government of India has, in the recent past, dedicated a considerable amount of time and money in financial inclusion of the rural masses through schemes such as Jan Dhan, Pradhan Mantri Jeevan Jyoti Bima Yojana, Stand up India, etc. It has already set up in excess of 500 RSETIs in India at a cost of INR 10 million per RSETI. The RSETIs have become fully operational in the last 2 to 3 years. These measures demonstrate the Government of India's intent amongst a host of other objectives to spread financial literacy. It is ,therefore, relevant at this juncture to understand the intricacies of financial literacy through a review of the global literature available on the subject. This study is unique in the sense that it provides an aggregation of literature on financial literacy and microfinance training to various agencies and researchers at this critical moment of time in the Indian context.

The Various Hues of Financial Literacy

Xu and Zia (2012) stated that financial literacy may encompass knowledge about financial products, financial institutions, financial skills such as an ability to calculate compound interest, etc. More importantly, they drew a distinction between the implication of financial literacy in high income, medium, and low-income countries. This means that financial literacy levels cannot be a uniform measure but may vary from country to country depending on their per capita income and GDP. The research stated that while some semblance of data is available about financial literacy levels in high income countries, such data is largely patchy in respect of low and medium income countries. They made out a case for conducting surveys on financial literacy in low and medium income countries also. Some observations made by the World Bank team are relevant : a) financial literacy follows an inverted U shape curve with regard to age, b) financial literacy is associated with higher education levels and income, c) there is a relationship between financial literacy and having a bank account in lower income countries, and d) there is no uptake of micro insurance where financial literacy levels are low. Finally, the World Bank report stated that there are very few studies which have studied the effectiveness of business training on financial literacy. To quote Xu and Zia (2012), “The existing literature in this area is very small but growing, and the results we have thus far vary by context, demographics, and type of intervention” (p. 31).

There are many constituents of financial literacy depending upon the level of development of the country. Combining these constituents into a composite score can be done with an index. Kalra, Mathur, and Rajeev (2015) created such an index which they called the microfinance clients' awareness index. This index was a measure of awareness and skills of microfinance clients. The index was tested on a sample size of 320 self help group (SHG) members who followed the Grameen model of microfinance. The index gives us an indication about the components of financial literacy.

The microfinance clients' awareness index (MCAI), as they called it, used three elements in its construction. The three elements were awareness of financial products, basic financial knowledge, and computational skill to calculate the interest on the product and evaluation of the financial products. The questions posed to the respondents included basics of loan products, basics of insurance products, conceptual understanding of joint liability, capacity to identify interest rates on loan products, ability to calculate interest amount, ability to segregate principal and interest amount, and the ability to compare financial products so as to choose cheaper products.

While Kalra et al. (2015) did not test their index on trained / untrained members of self help groups, Idris and Agbim (2015) in a similar research not only identified the components of financial literacy, but also tested its effects. They concluded that microfinance had a significant positive impact on self employment, education training, and economic empowerment. To quote :

> The major problems facing women entrepreneurship in developing countries are that most of the women are illiterate. They do not know how to finance, how to produce a product, and where to sell the product. Also, since they do not know how to utilize their money properly, they are always afraid to borrow money. The skills required by entrepreneurs are technical skills, business management skills, and personal entrepreneurial skills. Technical skills involve such things as writing, listening, oral presentation, organizing, coaching, being a team player, and technical know-how. Business management skills include those areas involved in starting, developing, and managing an enterprise. Personal entrepreneurial skills differentiate an entrepreneur from a manager. Skills included in this classification are inner control (discipline), risk - taking, being innovative, being change - oriented, being persistent, and being a visionary leader among others. (pp. 129 - 130)

Another interesting approach to the contents of financial literacy was documented by Birochi and Pozzebon (2016). They divided the literature on financial education into two major streams which they called instrumental and transformative or critical. According to them, the instrumental view of financial education was based on knowledge acquisition for improved performance, efficiency, and effectiveness, much to the detriment of an individual's well-being as it targeted skill development and training, rather than education per se. The topics covered in instrumental type of financial education are awareness of consumer protection laws and legal requirements for transparency and availability of information, for example, disclosing the risks involved in transactions and means of preventing or adjusting them to consumer's profile (CGAP, 2005). Instrumental type of financial education favours financial institutions as it focuses more on the recovery of loans granted by it. On the other hand, transformational type of financial education focuses on humanitarian and social concerns, individual empowerment, social emancipation, and the pursuit of freedom. The topics covered in transformational financial education are included amongst other financial capabilities education and financial numeracy education.

From the above studies, one can deduce the following :

(i) Financial literacy does not have one single definition. It is contextual and varies depending on the development of the countries.

(ii) Financial literacy should definitely include calculation of simple and compound interest, knowledge about the product, ability to raise funds at cheap rates, knowledge of marketing and markets, insurance, communication, and basic accounting.

(iii) There is a scarcity of research, especially from the low and middle income countries, and there is a need to collate authentic data and research in this area.

The Aye Sayers

There are a large number of proponents of the theory that there is a positive relation between microfinance training and financial literacy. Given below is the review of literature.

Berge (2011), after conducting field experiments on the spillover effects of training, found that loan group members frequently interacted and discussed business-related topics. According to him, these discussions were tantamount to training, which had contributed to a good amount of sharing of knowledge and information. On an average, the clients in his sample reported that they discussed business related topics with each group member once per week, suggesting that the weekly loan meeting is the main arena for information sharing. The researcher maintained that this sharing of information and knowledge increased the financial literacy levels of the participants.

It is interesting to note that the banking sector in Kenya particularly, Equity Bank realized the need for financial literacy training to improve the performance of small and micro enterprises. The bank set up the Equity Group Foundation Training Programme (EGFTP) in conjunction with MasterCard Foundation with a target to train one million Kenyans. The project was named as Financial Knowledge for Africa (FIKA) and had a budget of 1 billion Kenyan schillings aimed at providing free training to the targeted segment. The training programme was basically a 12-week financial education program covering budgeting, savings, debt management, financial negotiations, and banking services. Nyamboga, Nyamweya, Abdi, Njeru, and George (2014) studied the effect of the training provided by EGFTP on book keeping, credit management, and budgeting perspectives of financial literacy by taking a sample of 30 small and medium enterprises trained under the project. The researchers found that the training positively affected all the three parameters studied by them and this in turn, improved the performance of the SMEs.

Financial literacy is the most important intervention programme conducted by microfinance institutions as the poor do not have any knowledge about financial transactions, sources of finance, rates of interest, and the rationality for repayment. Knowledge about these issues will free the poor from the shackles of traditional money lenders and empower the poor (Jha, 2016). He observed that while the main focus of the microfinance institutions was to provide micro credit, these microfinance institutions have also provided social interventions like training, education, preventive health care, water, and sanitation. Quoting figures from The Bharat Microfinance Report 2015, Sa-Dhan stated that there were around 51 microfinance institutions which contributed to the financial literacy of its members, while around 31 microfinance institutions were engaged in providing education. Another 56 microfinance institutions were committed to providing training to their members. Concurring with the views of Jha (2016), Taimur and Hamid (2013) said that education provided key skills and tools required for development and sustainable growth to eradicate poverty. They concluded that educational and vocational training for the general public was very important to eradicate underemployment and hedge devastation in the economy.

Financial education is a key strategy for strengthening the weak levels of knowledge and skills among low income households, banked and unbanked. Although financial education has been mentioned as a strategy at recent industry conferences, little discourse has focused on what financial education actually means and what it would entail. It is in this context that Cohen, Hopkins, and Lee (2008) set their research. In their seminal work, they said that three categories improved financial literacy ; the first being promotional information that increased sales and profits, the second product orientation to manage the financial instruments offered by a specific institution, and third, financial education to encourage effective money management. The main focus of the authors was to connect the product, namely, branchless banking technologies and financial education to help low income households better manage their money. Interestingly, their study noted that while there was initial hesitation on the part of the low income households to learn new digital technology which was a part of branchless banking; eventually, they learnt the techniques. To replicate such success, the authors said that financial service providers must recognize the low information base with respect to formal financial services and propose appropriate interventions. They finally portended that a well conceived financial education program would help achieve the spread of financial literacy.

Entrepreneurship development training and skill training are an essential part of microfinance plus services. This fact has been reiterated by innumerable studies. Reeves and Sabharwal (2013) also concurred with this view and averred that good financial education addresses information asymmetries by providing advice on earning, spending, saving, borrowing, and encouraging the exploration of financial options.

Bangladesh is the cradle of microfinance and has nurtured many training programmes. The NGO, Nari Uddog Kendra (NUK) in Bangladesh is doing yeoman's service by offering financial and non-financial services under microfinance. Lucy, Ghosh, and Kujawa (2010) studied the impact of training in leadership, organization, and management offered by this NGO. They examined results of microcredit leadership and entrepreneurship training programs conducted by NUK. More particularly, they studied the level of respondents' participation in the NUK training programs, what they learnt from the NUK training, what they sought to learn from future training programs, what role NUK's microcredit training programs played with empowering women, and developing women's leadership skills, and what role NUK's microcredit training played with developing women.The respondents of this study mentioned that they learned income-generating activities, savings, and credit from the training programs. The study concluded by observing that because of 100% loan repayment, the training contributed to the overall success of this particular NGO. They further concluded that the training enabled the delivery of leadership concepts, empowerment, women's development, and equality. The researchers stated that the leadership, empowerment, and women human rights training programs were more effective for achieving both business/entrepreneurship and empowerment objectives of the NUK and the leadership and empowerment objectives.

The Organization for Economic Cooperation and Development (OECD) has been rendering valuable service through its programmes and research, especially in the developing countries. One such OECD research report published by Messy and Monticone (2012) dwelt on the financial literacy training conducted by various organizations in Africa and its evaluation. The trigger for conducting this analysis was the fact that there are very few evaluation studies which are conducted and even these evaluations point out that low financial literacy is an important demand-side barrier for more effective financial inclusion. The organization ,therefore, felt that there was scope for improving financial literacy, especially amongst the vulnerable African populace. The report stated that more often than not, the training was associated with other interventions like offering credit, etc. In essence, the report studied one main social intermediation ingredient of microfinance, namely finance. The training programmes taken for the study dealt with issues like financial literacy, knowledge of financial products, economics, and life skills. A summary of the report suggested that promising results were found in improving financial literacy and raising awareness of financial education.

Lee and Miller (2012) conducted a study for the Consultive Group to Assist the Poor (CGAP), in 2009-2010 and examined more than 100 cases around the world where a social marketing approach was used to influence a financial behavior. One case quoted by them pertained to "CRECER," an unregulated non-bank financial services provider in Bolivia, offering an integrated set of services, including credit, savings, education, and health services. Financial education trainings offered by this body were adapted to cater to illiterate clients who were also provided with credit. The training modules included topics on debt management, savings, and budgeting, which were delivered during weekly and/or monthly group meetings at CRECER's branches. The authors were impressed with the evaluation conducted by CRECER, which appraised :

Inputs : Design and delivery of financial education.

Outputs : Quality of training, and number of people reached.
Outcomes:
(a) Short-term: improved financial knowledge, attitudes, and skills.
(b) Long-term: changes in behaviors that improved financial outcomes.
Impact: Client level: improved assets, reduced vulnerability, improved financial well being; financial institution level: improved financial performance.

The authors concluded that there were positive, statistically significant increases in knowledge as well as intended behaviors for the participants of the programme.

The concept of social collateral and a forceful plea to adopt this concept was made by Hadi and Kamaluddin (2015) who said that social collateral had been generally accepted as the exertion of group/peer pressure in group lending models. They also made a strong case for embedding three other constructs into social collateral namely trust, network, and training. In this conceptual paper, the authors averred that social collateral enhanced the chances of access to financial capital and enhanced the probability of loan repayments.

The Nay Sayers

The father of microfinance is Muhammad Yunus. His words carry a lot of weight in the field of microfinance. Surprisingly, what he had to say about microfinance training goes against the general perception about this topic.

To quote Yunus and Jolis (2007) :

> Many training programmes are counterproductive. Poor persons are often offered incentives to participate in training programmes, sometimes they receive immediate financial benefits in the form of a training allowance, sometimes training is made a prerequisite to be able to obtain other important benefits in cash or kind. This attracts the poor, even though they may not be interested in training itself. (p. 226)

They further said that, "rather than developing abilities, some training programmes, in fact, destroy people’s natural capacity, or make them feel small, stupid, and useless" (p. 226).

Sharma and Nagaich (2014) studied the effect of female literacy rates on sex ratio and women work participation and found that an increase in women's literacy rate did not significantly impact the improvement in sex ratio and women's work participation in Punjab. The study, however, was restricted to the state of Punjab, though the evidence showed that female literacy did not cause a positive uptick in their employment.

Carpena, Cole, Shapiro, and Zia (2011) in their research sponsored by The World Bank Development Research Group Finance and Private Sector Development Team studied the impact of training on financial literacy levels. They concluded that financial education had a limited effect on increasing financial numeracy like calculation and comparing interest returns, insurance costs, and household expenses. However, the training had a positive impact on the trainees' understanding of financial products. The mixed results reported by Carpena et al. (2011) were endorsed by Edgcomb (2002) who concluded that effective microenterprise training ensured that clients learned key financial and marketing skills as well as the “soft skills” or basic competencies that increased a micro entrepreneur’s ability to apply them effectively. The research showed that while most clients increased their understanding and use of business skills, there were some differences between more and less successful clients.

The study by Datar, Epstein, and Yuthas (2009) related very much to the research of Birochi and Pozzebon (2016) who differentiated between instrumental and transformative financial education. Datar et al. (2009) too made the same observation about how financial education was more instrumental, meaning more focused on recovery of loans rather than being transformational which leans towards the financial well being of the borrower.

They said that capital wasn't enough for many of the most vulnerable clients and to quote Datar et al. (2009) :

> Microbusiness owners often lack the knowledge and skills - the human capital - necessary to make effective use of financial capital. They lack even the basic knowledge about how a loan is obtained and repaid and how debt can be used for business development. Most microfinance institutions have developed training that teaches clients about the timing and amount of repayment, the need for financial discipline to meet the repayment schedule, and the importance of investing the loan in working capital or productive assets rather than using it for household consumption. Although this training is essential for successful loan management from the institution's perspective, it often falls far short of the training necessary for clients to raise their businesses to a level of growth that can begin to break the cycle of crushing poverty in which they've been trapped. (p.28)

Datar et al. (2009) raised questions about the quality of training given to micro entrepreneurs which calls for a study of the efficacy of training being provided. They tried to inculcate the concepts of management accounting into the business of micro entrepreneurs and ,therefore, helped them track their daily cash inflows and outflows from the business. The researchers, however, found that for many clients, this process of budgeting remained challenging, even after they received considerable training.

Reaching out to the vast populace of financially illiterate is a hugely challenging task. Whether institutions in India have such a bandwidth was investigated by Jeyarathnam and Kamalaveni (2013). In their research on the empowerment of women through microfinance, they studied 477 respondents who started income generating activities, out of whom only 162 had undergone training. They concluded that this indicated the inadequacy of entrepreneurship development programmes (EDP). Further, they stated that skill oriented training and EDP training should be made mandatory for all loan takers before bank linkage is established. Similar views were expressed by De Souza and Pai (2012), who conducted a study of 10 SHGs in the state of Goa. According to De Souza and Pai (2012), the SHG members faced inadequate training in entrepreneurship skills and weak numerical skills amongst a host of other problems. While it is important to focus on increasing the enrolment of trainees, the efficacy of the training is also important.

Another perceptive research paper which probed the microfinance programs based on their contribution to financial inclusion was authored by Shankar (2015) who defined financial inclusion as an ongoing access to a range of financial services at an affordable cost, and further went on to add that financial inclusion needed to be accompanied by the development of financial literacy and competence. According to the author, financial literacy refers to the basic understanding of financial concepts, and financial capability refers to the ability and motivation to plan financials, seek out information and advice, and apply these to personal circumstances. One of the thrusts of this paper was that the poor who borrowed in groups must eventually graduate to individual loans as their appetite for loans increases. Borrowing larger amounts within a group leads to an unreasonable burden on borrowers who had invested in income generating activity and planned their cash flows wisely. For this kind of graduation to individual borrowing, financial literacy and competence is essential. The research which followed a case study based approach found that only 4 of the 23 members interviewed planned their finances ; 91 out of 23 members were not aware of the interest rates on the loans availed by them from microfinance institutions, though the issue was repeatedly dealt with in the pre-loan training sessions. The study further stated that the loans were availed by the members just because they were made available and none of the members interviewed analyzed whether the returns on the investment of loans compensated for the rate of interest on the loans taken.

This finding is similar to the one arrived at by Milgram (2001) in the CECAP microfinance programme. None of the members realized that the institutions charged a flat rate of interest rate instead of charging on a declining balance basis. In addition, none of the members assessed their ability to service debt or the return on the activity that they were using the loans for. Amongst the many remedies offered by the author was provision of skill based training along with microfinance, bringing in an awareness of financial concepts and financial management, identifying the right members and training them. More specifically, the members must be made aware of their repayment capacity of all the loans taken.

In a seminal paper, Chamlee - Wright (2005) critically examined the training provided by government and non-governmental organizations (NGOs). She observed that these organizations adopted a cavalier attitude and did not go beyond providing the basics of financial literacy. To quote Chamlee - Wright (2005) :

> Many NGOs and state development agencies offer business training as a way to increase the credit worthiness of their clients and improve the chances of long-term business success. There is little doubt that training in basic business skills is an essential first step that many informal entrepreneurs need. But beyond the basic skills of literacy, numeracy, and rudimentary accounting, training programs more often than not adopt a mechanistic approach to business development. (p.5-28)

The author contended that training programmes had shown mixed outcomes and were not effective when the trainees did not have basic numerical skills or financial literacy. Similar arguments were made by Milgram (2001) who described the functioning of the Central Cordillera Agricultural Programme (CECAP), which was jointly funded by the European Union (EU) and the Philippine government, and was established in 1988. A critical analysis made by the researcher on the programme showed that the top down approach of giving loans by CECAP only made the borrowers more indebted and resulted in non - repayment of loans. Many businesses were also closed due to this reason. The researcher argued that pushing loans down the throats of participants was not the right approach as what was required by the borrowers was easy access to credit. In other words, access to credit must be a given. Access to credit is only one part of the microfinance programme and other interventions like microfinance training etc. are required for sustained development. An interesting part of the CECAP lending programme is that the chair and treasurer of the groups take training in bookkeeping which did little to enhance the financial literacy of the participants. Perhaps, the approach of CECAP was extremely casual as rightly pointed out by Chamlee - Wright.

Research and Policy Implications

The literature review done in this study has crucial implications for policy makers and trainers in India and can better the manner in which training is being delivered today. Listed below are a few of the lessons distilled from the review for the benefit of policy makers :

(i) Financial literacy has a direct impact on the opening of bank accounts and increase in micro insurance which means that to reach targets under Jan Dhan and the Bima Yojanas, financial literacy plays a crucial part.

(ii) Policy makers involved in spreading financial literacy must be very clear about the objective of the training. They have to decide whether they wish to focus on the instrumental type of financial literacy which focuses on efficiency of the enterprise with the underlying motive of recovery of loans or the transformational type of financial literacy which deals with social emancipation of the trainee.

(iii) The research also imparts important lessons on the content of training. Training content must include calculation of interest, modes of raising finance at low interest rates, calculating product costs, and arriving at profits. Apart from the economic aspects, content should deal with issues such as sanitation, health, hygiene, water, and other such social aspects.

(iv) The bias of the training should tilt towards local content, local resources, and local opportunities. This will arouse interest amongst trainees and improve the chances of entrepreneurship.

(v) Attention should be paid to pedagogy. As most of the trainees belong to the rural bottom of the pyramid, boxing them into a classroom would be detrimental as such trainees are used to outdoors and hard labour. Training should ,therefore, be imparted in the form of games, songs, dramas, and role plays. Digital content would complement the effort.

(vi) The target segment for training is important. As already seen, financial literacy follows an inverted U pattern. It ,therefore, makes sense to catch the trainees young. Training older people only for the purpose of achieving targets will result in squandering scarce resources.

Conclusion

The review of literature does not in full measure answer the question as to whether microfinance training has a positive effect on financial literacy of the trainees. However, there is substantial evidence to prove this hypothesis. While Berge (2011) observed the informal meetings of the borrowers of microfinance and opined that even this informal exchange of information helped them, Nyamboga et al. (2014) made a more formal study and came to the same conclusions. Taimur and Hamid (2013) and Jha (2016) acknowledged the contribution made by microfinance institutions in providing training and arrived at the conclusion that training promotes financial literacy. The study of Cohen et al. (2008) was not on the microfinance sector, but they too focused specifically on the low income clients from the banking sector. The study recorded how the banking industry, in order to promote branchless banking, successfully promoted digital banking through financial education which also increased the financial literacy of the clients. One of the main thrusts of microfinance training apart from increasing financial literacy is to promote entrepreneurship. Reeves and Sabharwal (2013) and Lucy et al. (2010) studied this aspect and had positive views about how training increased entrepreneurship skills and financial literacy. Messy and Monticone (2012), Hadi and Kamaluddin (2015), and Lee and Miller (2012) through their various studies arrived at the same conclusion.

While the above researchers held that microfinance training provided a fillip to financial literacy, there were a few others who found evidence through their research to prove otherwise. The main critique of training came from Mohamed Yunus himself who felt that training dents the confidence of the trainees by making them feel helpless. Many researchers felt that the training was designed to suit the needs of the lending institutions and not that of poor trainees. Such training focused on recovery of loans, social collateral, and laws pertaining to recovery of loans instead of enhancing the financial literacy and skills of the trainees. Chief amongst such researchers were Datar et al. (2009) and Birochi and Pozzebon (2016). Other researchers like Jeyarathnam and Kamalaveni (2013) felt that the task of training the huge multitude of financial illiterate mass of people was beyond the scope of microfinance and governmental institutions. Then again, Milgram (2001) and Chamlee - Wright (2005) felt that trainings were conducted in such a cursory and casual manner that it was bound not to have any effect on the trainees.

It can be seen that most of the criticism springs from the fact that the trainings were conducted in a casual manner. In many cases, training follows a target oriented approach where the trainees are not interested due to factors like age and interest. In other cases where the trainees are truly interested, the subject, pedagogy, and content of training may be found to be wanting. Nevertheless, taking into account the pros and cons of the research reviewed, one can conclude that though training is not a magic wand to eradicate financial literacy, it does go a long way in promoting financial literacy. However, much more dedication, seriousness, and effort is required from the providers of training.

Limitations of the Study and Scope for Further Research

The study is limited to training imparted as a part of microfinance, which is generally provided free of cost by government agencies and NGOs. It does not include paid standalone type of training to improve financial education. Again, the study is limited by the fact that it does not include apprenticeship and on the job training.The review of literature on the subject is unequivocal in one respect that there is not enough research on the subject, especially in the low and middle income countries. Financial literacy has varied hues and connotations and is an important aspect for framing macroeconomic policies for governments. Financial literacy triggers entrepreneurship at the bottom of the pyramid, which in turn augurs well for the development of any country. However, some of the researchers observed that a streak of casualness had crept into design and delivery of financial literacy, perhaps because of the indirect effect of financial literacy on developmental economics. A lot more research is needed on the subject which will help policy makers frame meaningful paradigms to foster financial literacy.

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