

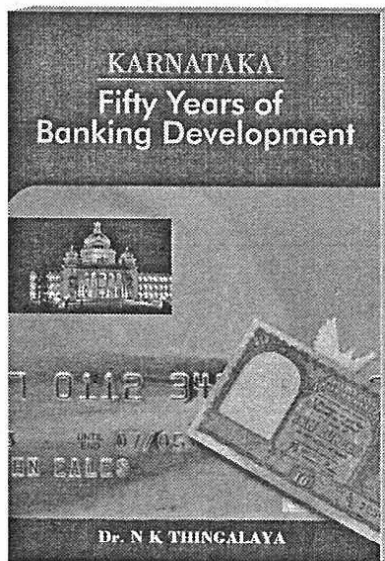
Book Review

KARNATAKA: FIFTY YEARS OF BANKING DEVELOPMENT

by Dr. N K Thingalaya.

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The state of Karnataka was formed on 1st November 1956 as recommended by the States Reorganisation Commission, which was constituted by the Government of India under the prime ministership of the late Pandit Jawaharlal Nehru. The state has now completed 50 years of its existence. A period of 50 years is certainly not a very long period in the history of a state, but it is sufficient for the historians and researchers to look at critically the progress and development of the state.

Karnataka state over the period of fifty years has seen and experienced many important political and economic developments. The economy of the state is

now booming with the development of the IT sector. Along with this IT driven growth, the real sector also is growing in the state. As bankers and economists know and understand, economic development is not possible without the help and assistance from the banking system. Because as Joseph Schumpeter, the leading economist of Harvard University has said, 'bank credit is the engine of economic development'. It is therefore necessary to understand the developments in the banking sector to assess and appreciate the economic progress a state makes over the years.

Dr N K Thingalaya, who is a distinguished economist with special interest in rural banking and developmental studies, has made a successful attempt in this small but highly educative book to review, analyse, assess and to describe the major banking developments in the state of Karnataka over the period of 50 years. This book is the outcome of research undertaken by him since 1982 when he was invited by the Chief Editor of Karnataka Gazetteer in to contribute a chapter on banking and finance in Karnataka state.

Dr Thingalaya has covered developments in the field of banking over 50 years in just 11 chapters consisting of 115 pages. He explains

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the banking profile and then moves on to explain the evolution of banks in the state, referring to spatial expansion, which is sporadic. He also deals with the expansion of industrial finance, making use of available data. The increase in farm credit over the years also is examined, explaining the regional disparities in credit deployment.

According to Dr.Thingalaya, real India is rural India and therefore he deals with gramin banks in greater detail. There are 6 gramin banks in the state and all of them are viable and quite vibrant. They have changed the face of rural Karnataka significantly. The developments in retail credit, housing finance, micro finance and the initiative taken by banks in promoting self-employment are critically analysed by him.

Dr. Thingalaya rightfully concludes that banking developments in the state are in the

right direction, contributing to the over all economic development of the state. Recognising the regional disparities still persisting in the state, he has suggested an action programme to be taken up by all the banks in the state. Despite the good track record built up by the banks, it is observed that only 35 percent of the households in the state could avail banking services so far. Cautioning the banks from being complacent, he reminds them that they have miles to go before 100 percent financial inclusion can be achieved.

The value of the book is greatly enhanced by the data given in each chapter. The annexures at the end provide excellent time series data. This book should induce other researchers to dwell deeper into the problems of banking and finance in different parts of the country.

RESEARCH PROJECTS CONDUCTED BY JUSTICE K S HEGDE INSTITUTE OF MANAGEMENT

The Centre for Studies in Banking and Finance at the Institute has been undertaking many industry-sponsored research projects during last few years. It has already completed research projects funded by reputed foundations, financial institutions in India. The prominent studies among them are:

WTO and its Implications for Indian Agriculture- funded by Indian Institute of Banking and Finance, Mumbai;

Gramin Banks in India: A Reassessment- funded by Syndicate Bank, Manipal;

Micro-finance and Rural Employment: An Appraisal - funded by NABARD, Mumbai;

Banking Challenges: Can Small Remain Beautiful? - funded by Karnataka Bank Ltd, Mangalore;

Rural Self-employment Programmes in India: An Appraisal of the Potentialities- funded by Indian Council of Social Science Research, New Delhi;

Empowerment of Families through Self-Help Groups: An Evaluation Study of Corp Bank MTRDP Joint Venture funded by Corporation Bank, Mangalore.
