

1. Gender inequalities in access to formal credit have long manifested in India's scarce gender-wise financial statistics. Analyze. (250 words)

Answer:

Background:-

- World Bank recently published the results of its Global Findex Survey (2017) which provides valuable information on financial inclusion and behaviours across countries.
- The gap in access and usage is even more telling for females, where evidence indicates inclusion policies providing entry to formal finance fail to bridge gender inequalities, for which specific, broader intervention efforts are needed.

Why does female exclusion in finance exist

- Numerous demand and supply-side constraints apply specifically to women.
- Unbanked and low use of financial services correspond to low incomes and regions
- Low educational attainment
- Non-participation in the labour force as well as gender.
- gender gaps are large and persistent in unemployment, wages, average years of schooling, unpaid care work
- Safety concerns, socio-cultural restrictions prevent their empowerment, bargaining and decision-taking strength
- Lack of collateral (title or formal ownership of material assets) makes many of them high-risk borrowers
- An overall lack of empowerment therefore reflects in low awareness and demand for financial inclusion.

Formal credit women are accessing now:-

- Findex 2017 estimates that 77% of Indian women now own a bank account
- On this basic measure of financial inclusion, females are more financially included than before.
- The male-female difference, or the gender gap, in account ownership narrowed to 6.4 percentage points in 2017
- More financially aware about the avenues of formal credit.

Gender inequalities in access to formal credit:-

- Evidence on broader inclusion of women into formal finance is disappointing.
 - Of more than three-fourths who have a bank account, less than a fifth save formally, i.e., at banks
 - The low preference for formal savings compares unfavourably with 30% of their Chinese and 26% global peers who save at a financial institution.
- Women trail behind even more in access to formal credit markets.

- The extent of their access to bank loans and dependence upon informal sources remained unchanged between 2014 and 2017 .
- Distribution of outstanding credit in small borrower accounts shows 24.5% share of female account owners against 72% by men as on March 2017;
- Interest rates paid by female household heads are on average higher than their male counterparts. The gender differential reduces with per capita income improvements, showing poverty accentuates gender divisions.
- Considering that about 10% of India's total entrepreneurs are women, the virtual lack of access to formal credit is a huge constraint.
- They are half as likely to own debit cards than men
- Account usage for remittances, including digitally, by women is low while credit-card ownership and use is abysmal.

Way forward:-

- Broader interventionist efforts are required to enhance female presence in finance, which must be prioritised if only because of more and more proof that this has positive growth and employment effects.
- Financial inclusion of women was specifically integrated into the G20's global development agenda (2012).India can complement these beyond what achieved through opening bank accounts through complementary policies and actions to promote access and usage by women.
- Being part of SHG's women can gain greater confidence in approaching banks and awareness.
- Girl education needs to be the focus.

Conclusion:-

- As women are today seen as agents of development and for the success of India's demographic dividend access to finance for women is thus critical

PRACTICE QUESTIONS

Answer the following Questions

1. Discuss the problems faced by women prisoners in India. Do you think they should be given more compassionate treatment than the male prisoners. (250 words)
2. The latest recommendations by the European Commission that balances free speech and accountability on online medium should serve as a model for India to reform how it regulates online communication. Analyze. (250 words)