Syllabus subtopic: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

News: The Economist Intelligence Unit has released the 2019 edition of Global Microscope on Financial Inclusion report.

Prelims focus: Key findings, about the report, about EIU

Mains focus: Challenges for India and ways to address them.

- The 2019 edition of Global Microscope report features 11 new gender focussed indicators that measure financial inclusion for both women as well as men.

India- specific observations:

1. India is among top nations with most conducive environment for financial inclusion in terms of allowing non-banks to issue e-money, proportionate customer due diligence and effective consumer protection.
2. The overall environment for financial inclusion has improved globally with India, Colombia, Peru, Uruguay and Mexico having the most favourable conditions for inclusive finance.
3. Within the overall framework for promoting digital financial inclusion, the report identified four basic enablers – allowing non-banks to issue e-money, presence of financial service agents, proportionate customer due diligence and effective financial consumer protection.
4. India was among the top countries that safeguard e-money via some sort of deposit insurance or protection.

Efforts by India:

1. In India, the Reserve Bank has prepared a draft National Strategy for Financial Inclusion to deepen financial services’ coverage in the country.
2. The long-awaited strategy is expected to be finalised in 2019 and will cover a five-year period.
3. The RBI has set up a high-level committee to review the existing status of digitisation and devise a medium-term strategy for increasing digital payments.
4. In August 2019, the RBI released the Enabling Framework for Regulatory Sandbox (RS), which creates the basis for a regulatory sandbox that will allow fintech start-ups to live-test innovative products and services.

About the report:

- Produced by Economist Intelligence Unit (EIU), the research and analysis division of The Economist Group.
Created in 1946 and is the world leader in global business intelligence.

• The Microscope report was first published in 2007 and was originally developed for countries in Latin American and Caribbean regions but in 2009 it was expanded into a global study.

• The report is a benchmarking index that assesses enabling environment for financial access in 55 countries across 5 categories.

• Five parameters across which countries are assessed:

  2. Products and Outlets.
  3. Stability and Integrity.
  5. Infrastructure.

About EIU

• The Economist Intelligence Unit (EIU) is an organization that provides forecasting and advisory services to assist entrepreneurs, financiers, and government officials.
• The EIU offers its clients detailed analyses and forecasts for 205 countries.
• One of the EIU’s specialties is consulting tailored to its clients’ specific business intelligence needs.