Why Should We Care About Development Finance? ...because it’s our money!

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The Economy This Week!

It’s our 6th anniversary!!!

Finance Matters is six years old today. This journey wouldn’t have been possible without the love, support and constant feedback from our readers. A few delays and technical glitches aside, we have come a long way, growing from the volunteering of over 500 readers, all of the country, to always, and continued to bring you news and analysis from the world of Finance on a weekly basis.

In its half-yearly financial stability report released this week, RBI has said that India’s economy and domestic financial system are a picture of resilience, supported by strong macroeconomic fundamentals. Though, it also acknowledges that consumer and global volatility could be big challenges at the same time. The real challenge is also the growing NPA of banks and the RBI’s recent ‘gift’ to wilful defaulters, allowing them to write-off their debts under compromise.

In the meantime, we have also been exploring inequality in the Indian context with the help of a series curated in collaboration with the Deccan Herald. Massive accumulation of wealth in the hands of a few also means leaving out very little for public spending, read the latest article in the series here.

We’d also like to thank our readers for engaging in our newer formats like the Money Trail, Humara Paisa, Humara Hisab and our podcast, You, Me and the Economy. As always we look forward to your feedback. Please write to us at newsletter@cenfa.org.

- Team CFA

RBI’s ‘freebies’ for wilful defaulters makes a mockery of the banking system

An RBI statement on June 8 has set off a raging debate. The bank has allowed for write-offs and compounding settlements for even frauds & wilful defaulters “without prejudice to the criminal proceedings underway against such debtors.” Among those who have been extremely critical of the decision are the bank unions.

It’s time to tax the wealthy and bridge inequalities

By all accounts, India is considered one of the most unequal countries in the world, and inequality has been on the rise for over a decade. The Gini index rose from 58 in 1991-92 to 60.7 in 2019-20. The top 1% in India earn 22 per cent of the total national income, while 90 per cent earn only 13 per cent. Due to this inequality, the tax burden on the rich in India is the lowest in the world at about 11%.

EU – India FTA and Financial Liberalization

Even though India and the European Union (EU) are celebrating 60 years of bilateralism, it was only in 2007 during Prime Minister Manmohan Singh’s first tenure that a strategic partnership between the two parties was signed, after a six-year of engagements. India has since then carved out a niche for itself in the high-end sector of Europe.

Why are Indian millionaires moving abroad? Podcast

If the situation is so bad for millionaires who are at the top of the wealth pyramid, how would it be for the ones at the bottom?

Pocket Money

Births on what day kept you from your money this week.

A weekly digest from the national Finance team.