

An Examination of Gender Dynamics in Indian Stock Market with Special Reference to Kerala

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ABSTRACT

Indian women play a crucial role in the development of the economy by participating in different levels of decision making. However, an observation of women's stock market participation reveals the fact that women are far behind men in stock investments. Cultural values, social obligations, lack of knowledge, fear of loss and male dominance can be cited as the various reasons for women's low participation in financial investments. Present study is an effort to examine the gender dynamics in Indian stock market. The results of the study point towards low female participation in stock market and the impact of gender on stock market investment decisions. The study also gives a picture of the state wise distribution of investors in stock market.

JEL: E44, G11, G50, G51, G53, O16.

Keywords:

Gender Dynamics, Stock Market Participation, Indian Stock Market, Financial Decision, Women Stock Market Investors.

Introduction

Stock market participation varies depending on gender and creates an impact on the economic growth of a country. In India, the rapidity and prototype of the overall growth of the economy depends on capital markets where stock exchanges are the major establishments that facilitate price discovery. The liberalization measures have transformed the Indian equity market with an increased flow of capital which in turn has encouraged investments in the stock market (Hemavathy & Gurusamy, 2015). The volatile nature of the market remains high even after the money market reforms and the fear of risk persists as a hindrance for investments in the capital markets. Investment aptitude of the people is determined by the associated risk and participation levels in stock markets. The participation in stock market varies according to the gender (Almenberg & Dreber, 2012).

In Indian stock markets, the level of participation seems to be low due to inadequate information, inadequate knowledge, lack of financial resources, fear of risk and loss (Table:1). Gender plays an important role in investment decision; access to financial sources is not same among male and female. Though the transformational measures in the financial market have contributed burgeoning investor base, the gender impact has not significantly reduced. A recent survey in the financial market shows that about 85% of the investors in Indian stock market are men (Joshi, 2018). Women are underrepresented in the financial market as investment decision makers. Age, education, income, family status and role in the family are the proxy variables that determine women's participation in the stock market. Financial literacy can empower the women investors and can encourage them to participate in equity market investment decisions (Hemavathy & Gurusamy, 2015).

In a study sponsored by the Securities and Exchange Board of India (SEBI), the National Council of Applied Economic Research (NCAER) sponsored by examined the male female participation in stock market investment. Women were found investing in different opportunities, however when compared to the number of their male counterparts, women's participation was found extremely less (Table:1)

Table:1 Household Investors by Gender (in million)						
Gender	Mutual Funds Only	Bonds Only	Debentures Only	IPO Only	Second-ary Market Only	Derivatives Only
Male	5.81	1.71	1.04	1.07	2.43	0.47
Female	0.4	0.14	0.06	0.04	0.13	0.05
Total	6.21	1.85	1.1	1.11	2.56	0.52

Source: NCAER-SEBI Report (2011)

As it is clear from Table: 1, the pattern of investment in stock market shows a clear gender-based distinction as women are less participatory in any form of investment in the market. The purchase of financial instruments was characterised as a 'male oriented' practice. The reasons behind the difference in the investment behaviour were identified as gender bias, women's nature of employment and family relations and policies of financial institutions (Burton, 1995). Laakso, (2010) observed the reasons for women's low participation in stock markets as religion, satisfaction in life, health factors, demographic attributes, sociability, risk aversion, cognitive skills and personal principles.

International Finance Corporation (IFC), as part of the women empowerment initiative, has participated in "Ring the Bell for Gender Equality" to promote women's participation in stock market for sustainable growth. It was a partnership initiative between the IFC, Sustainable Stock

Exchanges (SSE) Initiative, the UN Global Compact, UN Women, Women in ETFs, and the World Federation of Stock Exchanges. The Bloomberg Financial Services Gender-Equality Index (BFGEI) measures the gender dynamics in the stock market to promote gender equality in stock market investments. JP Morgan Chase, Bank of America and Barclay, major credit card companies like Master Card and Visa are part of the 26-member index. The “Ring the Bell for Gender Equality” initiative is planned by 95 stock exchanges in 2020¹.

COVID-19 pandemic impacts women in several ways other than health, such as safety, limited income and domestic violence issues. Many are unable to operate remotely and may need extra treatment for children or elderly family members when they leave their families to work. As the COVID-19 pandemic intensifies economic and social tension along with restricted mobility and social exclusion steps, gender-based violence is constantly rising.

Bombay Stock Exchange (BSE) and the larger Indian business community gradually agree that women’s entrepreneurship contributes greatly to family and community economic well-being, poverty reduction and equality for women. The Indian government supports women entrepreneurs aggressively through numerous programmes and incentives. The Securities and Exchange Board of India (SEBI) has implemented the provision for listed firms to have at least one women director in their boards as part of the Companies Act in 2013. But the position of, many of the BSE issuers are above this level, as 25 per cent of the board members are women in the top 200 BSE firms and 30 per cent in the top 100. These numbers are slightly larger than the 11 per cent average of women in the board of directors of companies all over India. In the case of BSE itself, the Board and the Chairman aim to move beyond regulatory enforcement with respect to gender equality. Maternity leave plans surpass the legal requirement – providing mothers with a four-month break extended option. BSE facilitates capacity building and awareness raising by women’s economic empowerment activities.

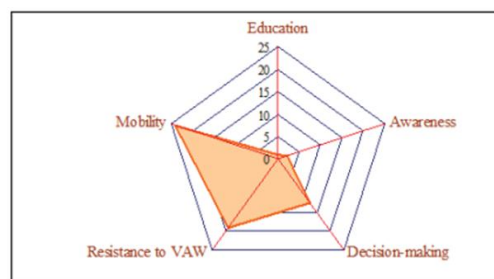
India ranks 112th in the overall Global Gender Gap Ranking and has eliminated two-thirds of the country’s total gender gap (66% score). Yet the role of women is uncertain on the wider fringes of society in India². Society treats men and women differently and their behaviour also is expected to be different, the way the society deals with men and women is called, ‘gender dynamics’. Men and women have different choices in every matter concerning their lives; each individual is bounded with the societal regulations while making decisions (Almenberg & Dreber, 2011). Financial markets are meant for trading financial instruments. Stock market is the trading place of financial market where investors interact to buy and sell shares. However, compared to men, women participate less in stock market operation and low financial literacy can be cited as a major reason for it (Hemavathy & Gurusamy, 2015).

¹ Sustainable Stock Exchanges Initiative – How stock exchanges can advance gender equality?

² Sustainable Stock Exchanges Initiative – How stock exchanges can advance gender equality?

Statement of the problem and Significance of the study

Present study is an endeavour to investigate the gender differences in stock markets of India with emphasis to Kerala. Kerala’s strategy placed human welfare at its centre, highlighted schooling and health; promoted gender parity; and transformed government funds to schools, clinics, and infrastructure. Specific services have been dedicated to fields such as private spending on health and education, as well as to the development of health and educational facilities. The goal of Kerala Perspective Plan 2030 (KPP 2030) towards global competitiveness includes economic prosperity, reduction in unemployment, high quality of life and clean and safe environment. The 66th round (2009–10) of the NSS data showed that in Kerala, women are ahead of men than in other India states in terms of educational attainments. While 47% of rural women are analphabets in India, the figure in Kerala is only 15%. In urban regions, the percentage of illiterate female population was 26, at national level whereas it was 13 in the case of Kerala. In Kerala there is at least three times the number of women with secondary education compared to rural India, with 5 percentage points even in urban areas for Kerala. The third round of the National Family Health Survey 2005³ verified it as well. In women’s awareness Kerala stands at the second position after Goa (Fig:2). However other indicators are not very favourable for Kerala, and therefore, Kerala’s human development model arises questions on women’s inclusion in economic activities⁴.



Source: Based on the Health and Family Welfare, Government of India. Kerala. National Family Health Survey (NFHS-3) India. 2005–06. International Institute for Population Sciences, Mumbai.

Figure 1. Women’s Awareness in Kerala

Household assets are owned by the households and has monetary value, Average Value of Asset (AVA) in Kerala is higher than the all India average by 80%,⁵ based on the NSSO (2013) data, only 5 states have AVA above all

³ Perspective Plan 2030- Kerala, Volume I, Encouraging Entrepreneurship in Production Sectors, Kerala State Planning Board, National Council of Applied Economic Research

⁴ Perspective Plan 2030- Kerala, Volume IV, Social Sustainability, Kerala State Planning Board, National Council of Applied Economic Research

⁵ NSSO 70th Round, (2013), Key Indicators of Debt and Investment in India, Government of India, Ministry of Statistics - and Programme Implementation, National Sample Survey Office

India average. The assets of households show concentration in land and building (Table:2).

Table:2 Percentage share over different types of assets by rural and urban households		
Items	Rural	Urban
Land	72.60	46.95
Building	21.13	44.86
Shares	0.07	0.17
Deposits	1.65	4.635
Source: NSSO 70th Round, (2013), Key Indicators of Debt and Investment in India		

Household assets are in the form of financial assets and physical assets. In India, households have a tendency to invest in physical assets more than financial assets. It is evident, that (Table: 2) both in rural and urban India, household preference for financial asset investments is very less.

Statistics from the Bombay Stock Exchange (BSE) reveals that, most of the Indian states (including Kerala) account for only less than 2% of the total stock market investors. States with high stock market literacy have highest number of investors. The low stock market participation can also be due to traditional equity culture of the state, geographical distance and absence of electronic trading facilities. An analysis on the stock market investors will give insights on the state wise gender distribution in India; it will be helpful in understanding the pattern of female participation in Indian stock market especially from Kerala. Based on the facts discussed above, this paper aims to examine the gender dynamics in Indian stock market with reference to Kerala state. The paper aims to:

- Study the gender participation in Indian stock market,
- Find the pattern of state wise geographical distribution of investors in Indian stock market,
- Examine the socio-economic profile of Indian stock market investors,
- Analyse the impact of gender on stock market investment decisions, and
- Study the gender dynamics of financial market investors from Kerala in Indian stock market.

The study has made use of secondary data from sources like NSSO-AIDIS reports and data sets, Indiastat, National Accounts Statistics 2020, BSE reports, SEBI reports, NCAER reports, and Economic surveys. The NSSO- AIDIS microdata from 1991-92 onwards is considered for the study as debt in kind was included in calculating household debt during the earlier rounds and AIDIS household debt figures were based on cash debts from the 1991-92 round onwards. As a result, from the 1991-92 round onwards, the figures on household debt are not strictly comparable with the corresponding figures from the previous rounds.

Is there gender gap in the investments in the stock markets?

Mayfield et al. pointed out that gender plays a crucial role in investment decision (Mayfield et al. 2008). Campbell (2006) and Guiso et al. (2008), observe that there exists huge variation in the rates of participation in the stock market among households with many do not have any stock investments at all. Lack of knowledge about the stock market and its operation has made many families to keep away from stock market operations. Van Rooij et al. based on their study high lightened that women participation is very less in stock market (Van Rooij et al., 2011). In the words of Haliassos and Bertaut, financial condition, level of education and risk awareness may reduce this gender difference (Haliassos and Bertaut, 1995). According to Materson, (2008), differences in motivation, self-belief and influence of the financial advisor's recommendation additionally affects the gender difference in the stock market. Insufficient financial knowledge is a main reason for women to give less importance to investment (Volpe & Chen, 2002). Less access to information networks and resultant loss of information, low level of savings and high rate of poverty have also hindered women from stock market investments (Vohra & Kaur, 2018). Luotonen, (2009) found that women's lack of interest in investment activities substantially impacts the rate of participation in investment activities. Almenberg & Dreber, (2011), observed that basic financial literacy is sufficient to reduce the gender difference in the stock markets, however, risk preferences are not correlated with knowledge on financial markets.

According to Iyer, women are not a part of decision-making process in Indian culture and it influences them to stay away from stock market participation (Iyer, 2012). NCAER-SEBI Report (2011), pointed out that investment of women in mutual funds was 6.41 percent, in bonds 7.45 percent, in debentures 5.58 percent in IPOs 3.57 percent, in secondary market 5.23 percent and in derivatives 10.40 percent. These lower rates perhaps support the findings of Bajtelsmit et al. and Sung & Hanna. According to Bajtelsmit et al. (1999), women have high risk aversion compared to men; women are more conservative investors (Sung & Hanna 1996).

Gangwani & Mazyad, (2020) found that financial stability and safety were paramount for working women in India. Their investment decisions were influenced by their male counter parts. Moreover they avoided the concept of "high risk – high return" and had poor awareness of financial products. A study by Kumar & Kumar (2020) revealed that women with varying income levels and expertise of investing interpretation vary. Women with high qualifications interpret differently from women with lower qualifications. In the identification of their perception levels, educational qualification, jobs, income and investment interactions are found to have a substantial role. Similar observations were made by Devadas and Vijayakumar, (2019) also. They concluded that certain variables play an influential role in making decisions on investments in equity and there is significant differences between males and females. For the most part, both genders hold common factors with respect to investment decisions in stocks.

Sharma and Kota, (2019), examined the role played by employed women in their family investment decisions and found that in real estate, business deposits, bonds or debentures, pension plans, equities and derivatives, the influence of a male partner is greater in Indian families. According to Bedi et.al. (2018), women prefer to plan for the future. They take part in events and make decisions on investment to satisfy their financial commitments. Women were found aware of certain schemes that offer good returns but not willing to buy because it was more expensive. Women favour government investment programmes in particular because they are more stable and risk-free. Women don't want to lose their money due to their lesser knowledge in financial matters. Mittal and Aggarwal, (2017) examined the investment behaviour of working women, and concluded that, education, marital status and family size affects their investment behaviour. Sah, (2017) noted that, women's investment behaviour is changing over periods and they are investing in different avenues and structure their expenditure according to the importance of their needs. Kansal and Zaidi, (2015) explored the key factors affecting women's investment decision and found that the family size and age of the investors hardly impacts their investment decision. Prasad et.al (2014), stated that emotional aspects like greed, fear, love and disbelief among women impacts their investment decisions. Older and married people were found more concerned about their investment choices (Sellappan et.al, 2013). Kaur and Vohra (2012) demonstrates three factors such as financial literacy programmes, changes in attitude and behaviour of the society affects women's stock market participation. Most of the cash is spent by women (the higher income group) in fixed deposits, then on equity, bonds, and less on futures or contracts for alternatives. This indicates that women in the High Revenue Community are less likely than women in the Lower Revenue Category to spend the bulk of their funds on riskless financial assets such as fixed deposits and shares, bonds and debentures. The choice for women (lower income group) as an investment tool of peruse metals suggests that they tend to invest in assets that can quickly be liquidated into currency (Modi. A). Earlier studies pointed out that there is considerable difference in the way of thinking and investment decisions between men and women. According to Dana, (1997), women prefer to follow more traditional investment policies than men, investing in safer instruments, such as current deposits and government bonds, while men tend to be less traditional, investing in higher-risk goods, such as high-growth securities.

Gender Participation in Indian Stock Market

Compared to women, men are more interested in risky investments (Zuckerman & Kuhlman., 2000). It is due to the difference in the psychological outlook of men and women. In developing countries like India, men are the centre of the household decision making process and investment choices are based primarily on their choice. A survey by the Central Depository Services (India) Limited (CDSL) recorded the total female investors in Indian stock

markets as less than 25% ⁶. The securities market remains a male dominated place where the common preferred mode of investment is equity. It is evident from the data on demat account holders between 2011 and 2015 that, about 75% ⁷ of such accounts pertain to male investors (Table : 5). However, the number of women investors shows a rising trend in the recent years and it shows the financial independence and improved decision-making ability among the women community (NCAER-SEBI Report (2011).

Stock Market Investors in Indian States

Most of the states in India have lesser number of investors in stock markets. Based on Bombay Stock Exchange data from 2017, the total number of stock market investors in the country is 3.2 crore (BSE Statistics 2020). India's highest number of investors are from the state of Maharashtra which accounts for one fifth of the total investors (Table:3). Investors are concentrated in Indian states and union territories have all smaller number of stock market investors. Investors' skewed distribution across different states is the product of Gross State Domestic Product per capita and urbanization. Geographical locations far from the stock exchanges have only a smaller number of investors though electronic trading facilities are available across the country. It is observed that 98.7% data of the demat account holders clearly mentions their location and only 7% of India's total workforce is participating in stock market investment according to the analysis of Bombay Stock Exchange in 2020⁸. Compared to the total population of India, only 5% people are part of any form of stock market investment or trading.

Table: 3 Stock Market Investors in India

State	No. of Clients	Change in No. over Prev. Year (%)
Andaman And Nicobar	6280	1718(37.66%)
Andhra Pradesh	2753554	532177(23.96%)
Army Post Office	2128	-31(-1.44%)
Arunachal Pradesh	7623	3341(78.02%)
Assam	341471	112247(48.97%)
Bihar	1045973	404041(62.94%)
Chandigarh	177967	39050(28.11%)
Chhattisgarh	408923	131357(47.32%)
Dadra And Nagar Haveli	15415	5355(53.23%)
Daman And Diu	11211	3967(54.76%)
Delhi	3067176	617249(25.19%)
Goa	130863	33982(35.08%)
Gujarat	7186327	1376961(23.70%)
Haryana	1577074	439635(38.65%)
Bihar	1045973	404041(62.94%)

⁶ Central Depository Services India Limited 2016 .

⁷ Central Depository Services India Limited 2016 .

⁸ BSE Statistics 2020

Himachal Pradesh	187362	62842(50.47%)
Jammu And Kashmir	174252	45194(35.02%)
Jharkhand	717798	201978(39.16%)
Karnataka	3206021	830128(34.94%)
Kerala	1542461	459743(42.46%)
Lakshadweep	280	111(65.68%)
Madhya Pradesh	1660802	512737(44.66%)
Maharashtra	11503192	2741665(31.29%)
Manipur	28869	17417(152.09%)
Meghalaya	17072	5362(45.79%)
Mizoram	3516	1515(75.71%)
N D	501309	18671(3.87%)
Nagaland	11501	3876(50.83%)
Odisha	785771	255319(48.13%)
Pondicherry	58204	16002(37.92%)
Punjab	1156465	302363(35.40%)
Rajasthan	2377954	672333(39.42%)
Sikkim	12776	3564(38.69%)
Tamil Nadu	3460266	830061(31.56%)
Telangana	1221741	703697(135.84%)
Tripura	40457	13685(51.12%)
Uttar Pradesh	3707205	1079105(41.06%)
Uttarakhand	364935	120338(49.20%)
West Bengal	3288194	653728(24.81%)

Source: BSE Statistics 2020

Socio-Economic Profile of Stock Market Investors

The socio-economic attributes of people like age, education, income level and awareness have significant impact on investment decisions. Income is the most influencing factor among the socio-economic variables that affect the investment decision. People with high income groups show relatively high interest in making risky investments. On the other hand, people belonging to low-income or middle-income groups are highly preferential on the investment choices and are very keen about investments in banks and insurance (Bhola & Zanvar, 2016).

Table: 4 General & Financial Literacy in Indian States & Union Territories		
States	Level Of General Literacy (In %)	Level Of Financial Literacy (In %)
Andhra Pradesh	60	23
Arunachal Pradesh	55	10
Assam	61	20
Bihar	50	8
Chattisgarh	60	4
Goa	80	50
Gujarat	68	33
Haryana	65	21
Himachal Pradesh	73	16
Jammu And Kashmir	NA	NA

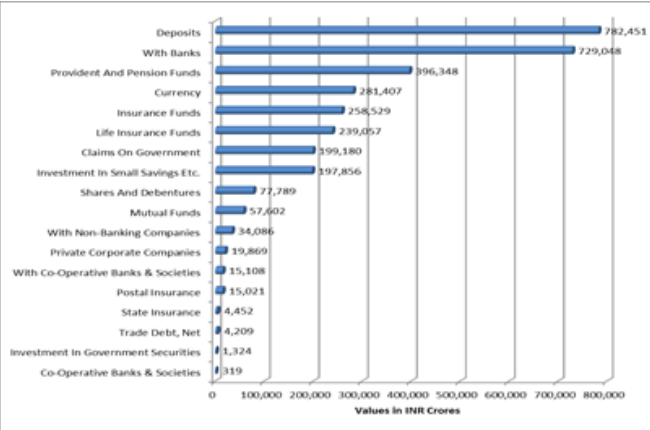
Jharkhand	56	15
Karnataka	67	25
Kerala	84	36
Madhya Pradesh	59	23
Maharashtra	73	17
Manipur	69	36
Meghalaya	60	24
Mizoram	77	6
Nagaland	68	8
Odisha	64	9
Punjab	67	13
Rajasthan	56	20
Sikkim	73	8
Tamil Nadu	72	22
Tripura	67	21
Uttar Pradesh	57	10
Uttarakhand	68	23
West Bengal	67	21
Andaman And Nicobar Island	82.43	14
Chandigarh	81.19	38
Daman and Dui	79.55	29
Dadra And Nagar Haveli	64.32	31
Delhi	80.76	32
Puducherry	80.67	21
Lakshwadeep	87.95	22

Source: Researchers Own Table Based On Data Compiled From The National Centre For Financial Education Report, 2015

Data from the National Centre for Financial Education Report, 2015 shows contradictory relationship between general and financial literacy among the people of Indian states (Table:4). States with high level of general literacy do not possess same level of financial literacy. For example, in Kerala, the general literacy level is 84%, but financial literacy level is much lower than this (only 36%). People who have financial literacy may not be confident in investing in the stock market due to lack of awareness of the products, fear of risk etc. Places with higher number of stock market investors also show low rates in terms of financial literacy. A recent study has opined that, financial literacy should be a way through which people can improve their knowledge on financial concepts, markets, products and ways to reduce risk in financial matters for overall wellbeing (Anshika & Anju Singla, 2017).

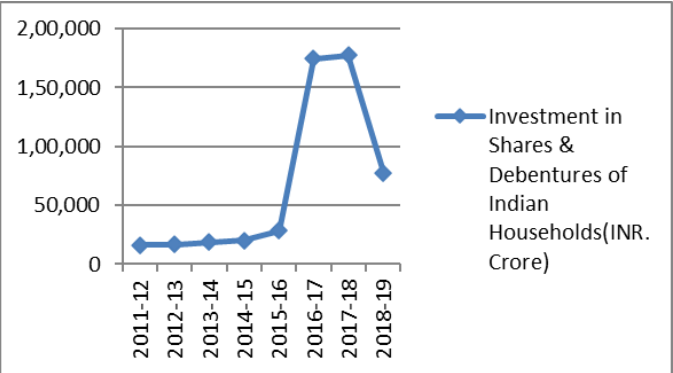
Investment of Household Savings

The various forms of household savings and investment are shown in figure.2. It clearly shows that investment in shares, debentures and mutual funds is very less when compared to the amount of deposits with financial institutions.



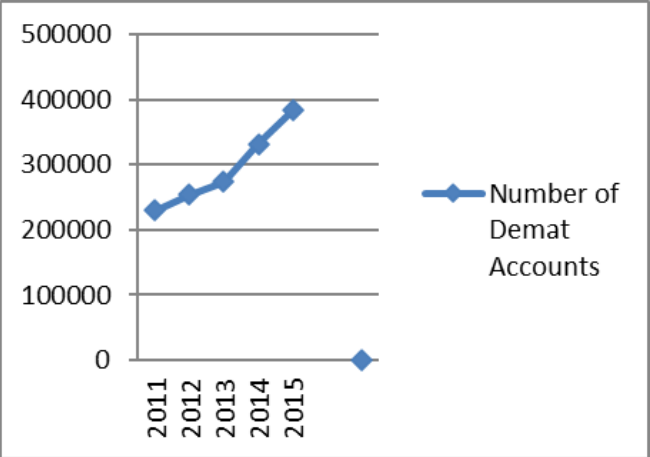
Source: National Accounts Statistics 2020
Figure 2: Household Savings in Financial Assets 2019

Investment in shares and debentures constituted, Rs. 77789 crores in 2019. From the related statistics, it is observed that household investment in shares and debentures increased gradually between 2011 and 2015(Figure.3). A sharp increase was observed between 2016 and 2018. However, this again dropped in 2018-19.



Source: National Account Statistics 2020
Figure: 3 Financial Assets - Shares and Debentures of Households in India (INR. Crore)

The growth in the number of demat accounts in Kerala is exhibited in figure.4



Source: Profile of clients in NSDL 2015
Figure: 4 Number of Demat Accounts in Kerala

Figure: 4 clearly shows that there was an increase in the number of demat account holders in Kerala during the period 2011-2015. But even though there was an increase in the number of demat accounts, it is difficult to assess the number of women investors in the state of Kerala due to the lower economic participation of women, especially in the area of financial decision making (Economic Review 2018).

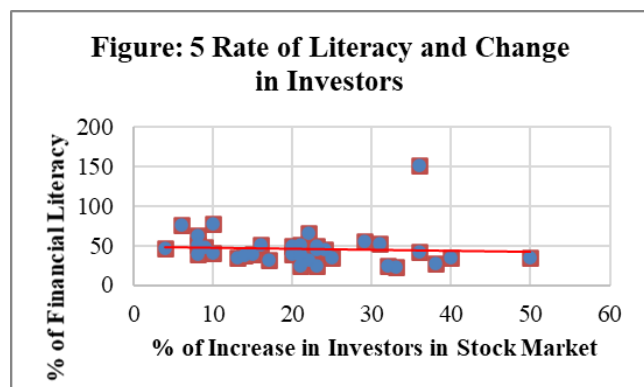
Role of Gender on Stock Market Investment Decisions

Of course, gender is an important factor affecting financial decision making of an individual. Stock market investors show behavioural biases based on gender while making investment decisions. Compared to men, women are more analytic while making investment decisions and are more prone to behavioural biases like mental accounting, anchoring, availability, loss aversion, regret aversion and representativeness (Christie, 2018). Men and women have clear differences in behavioural biases and females are highly biased than male investors (Felton et al., 2003). Low level of financial literacy was pointed out as an important reason that stops women to participate in investment decisions (Worthington, 2006). Berggren, & Romualdo (2010), reported that men are more eager to take risk than women and risk carefulness is high among women. Females prefer pension plan marginally more than males (7.4% compared to 4.1%). Females in general choose longer time horizons for their savings options compared to their male counterparts. Male investors invest more through IPOs than their female counterparts. Generally, females take less risk than their male counterparts.

Female Participation in Stock Market

Low level of financial literacy is a concern for Indian Women in making financial decisions. By nature, women are comparatively more apprehensive about their future, however, they are less aware of the ways to secure it (Anthes & Most, 2000). Women with moderate financial knowledge makes rational investment choices, financial literacy among working women needs considerable improvement. Women lack knowledge on financial products and are to a large extent unaware of the investment avenues in the country. (Arora, 2016). Irrespective of gender, individual’s financial knowledge is a determining factor of his/her stock market participation. The feeling of knowledge can create confidence in an individual to participate in stock market investment (Harvey & Huang, 2009). It was reported that education in finance helps to improve the rate of individual’s stock market participation (Baker & Ricciardi, 2014).

The relationship, between rate of literacy and investment is exhibited in figure. 5.



It shows that both the variables are close to each other. Therefore, it can be interpreted that financial literacy level has an impact on the number of investors in Indian states and union territories. Out of the total demat accounts held by individual account holders, around 76% are held by male and 24% by female account holders between 2011 and 2015.

Table:5 Gender-wise Demat Account Holders in India (2011-2015)

Financial Year	Male		Female		Total no. of Demat accounts
	No. of demat accounts	%	No. of demat accounts	%	
2015	7108407	76.63	2168093	23.37	9276500
2014	6432561	76.71	1953195	23.29	8385756
2013	6086334	76.79	1839268	23.21	7925602
2012	5795814	76.73	1758128	23.27	7553942
2011	5481670	76.68	1667074	23.32	7148744

Source: Central Depository Services India Limited 2016

Despite the increase in the number of demat account holders, the ratio between female and male account holders remains the same. As it is evident from table 5, around three fourth of the total demat account holders are males.

The division of demat account holders on the basis of residential status is given in table 6. It shows that among the NRIs approximately 82% are males. However, among the foreign nationals, the participation of females are more in stock markets.

Table 6: Gender based Investor Type of Demat Account Holders

Financial Year	Resident- Individual				NRI				FN			
	Male		Female		Male		Female		Male		Female	
	No. of demat a/cs	%	No. of demat a/cs	%	No. of demat a/cs	%	No. of demat a/cs	%	No. of demat a/cs	%	No. of demat a/cs	%
Mar-11	5467326	76.67	1663846	23.33	14177	81.79	3157	18.21	167	70.17	71	29.83
Mar-12	5780044	76.71	1754583	23.29	15536	81.79	3458	18.21	234	72.90	87	27.10
Mar-13	6069580	76.78	1835525	23.22	16500	81.91	3645	18.09	254	72.16	98	27.84
Mar-14	6415734	76.70	1949389	23.30	16535	81.71	3702	18.29	292	73.74	104	26.26
Mar-15	7090736	76.62	2164119	23.38	17356	81.81	3860	18.19	315	73.43	114	26.57

Source: Central Depository Services India Limited 2016

Female Participation from Kerala in Indian Stock Market

Kerala is the Indian state renowned for literacy, education and employment rates. However, the estimates based on the reports of NSSO⁹ on various years Kerala's workers participation, labour force participation and sector wise employment distribution shows drastic variations between genders. NSSO 68th round (2011-12) shows the labour force participation of Kerala women as 24.8% and men as 57.8%. Similarly, the work participation rates of urban and rural Kerala women drastically vary from the rates of their male counterparts. In 2011-12 the rural female work participation rate of Kerala was only 22.1% and the urban rate was only 19.1% when compared to the male work participation rates of 56.5% and 55.2% respectively (Economic Review, 2018). Men are financially more independent in making financial decisions. Kerala remains nowhere in the picture on women's participation in stock markets. Even after being the state with highest rates of education and literacy, Kerala's participation in Indian stock markets is absolutely less (Sajoy, 2015). The financial inclusion data of Kerala shows that the state has concentration of deposits in Banks and Post Offices, deposits in other financial institutions or opportunities are very less (State financial inclusion report: Kerala).

Even though women in Kerala achieved high levels in education, there are still important spheres in which women's equality has not been achieved and in which discrimination persists. Participation of women in labour markets is low in Kerala and the rates of unemployment are high. For instance, the Labour Force Participation Rate (LFPR) for men and women during the period 2011-12 in Kerala was 579 and 248 respectively. This means that out of the total population in Kerala, during 2011-12, about 57 percent men were economically active or part of labour force whereas the percent of economically active women population was only 25 percent. And around 75 percent of the women population is considered as economically inactive.

In Kerala, where economic growth is higher than the all-India average and where women are relatively more educated, experience the highest unemployment among the major States in India. Kerala has the highest female unemployment rates in the country according to various rounds of NSSO surveys on employment and unemployment.

Results

Based on the review of the relevant literature and analysis of the secondary data, following are the important findings of the present study;

- Gender participation in Indian stock market is significantly varying. It has been found that the Indian stock markets are mainly male dominated, with fewer female participation.

⁹ Report of NSSO of various years.

- ii. Indian states show significant variations in the number of stock market investors. Maharashtra accounts for the highest number of investors while Lakshadweep has the least.
- iii. The financial literacy of stock market investors depends on their socio-economic profile. The attributes like age, education, income level and awareness have a significant impact on their investment decisions.
- iv. Gender plays a crucial role in stock market investment decisions and understanding the trading operations. Female investors display less confidence and invest in less risky assets. Male investors prefer stocks and foreign currency investments whereas women are inclined towards investments in gold and term deposits.
- v. Female participation from Kerala in Indian stock market is very less (approx. 32%). Female participation in stock market can be improved through providing financial literacy and rectification measures.

Based on the findings of the study, the following suggestions are made;

- i. Monitoring of gender participation in Indian stock market is useful in analysing the stock market participation.
- ii. States and Union territories with low stock market investors should enhance the provision of financial literacy to the people.
- iii. Investment should be promoted to be independent of socio-economic biases.
- iv. Gender diversity in stock market participation should be enhanced with financial training facilities.
- v. The state of Kerala should promote more investment from female investors to be more financially inclusive.
- vi. Women empowerment programs across the country should target both rural and urban women for providing financial knowledge and awareness on different financial products and associated risks.

Conclusion

The study examined the gender diversity in Indian stock market and asserts that Indian stock market is less inclusive of financial investors. Various factors like lack of financial knowledge, literacy and awareness are responsible for the low rate of participation. However, the level of women empowerment and education is increasing in India. Governmental policies and efforts like the promotion of financial inclusiveness have provided improvement in equalizing the gender roles in rural as well as urban India. More proactive measures are essential to reduce the gender gap in stock market investment. Financial educators should concentrate on educating women on the possible investment opportunities and the ways to handle stress and risk associated with them. Strong support from the media, society, institutions and agencies working in connection

with stock market will help to increase the level of participation and level of confidence among women.

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