



The State of Inequality in India Report

For Prelims: The State of Inequality in India Report, EAC-PM, PLFS, Gross Enrolment Ratio, World Inequality Report 2022, India Inequality Report 2021, Multidimensional Poverty Index (MPI)

For Mains: State of Inequality in India and related issues

Why in News?

Recently, the '**State of Inequality in India**' Report was released by the [Economic Advisory Council to the Prime Minister \(EAC-PM\)](#).

What is the Report All About?

- **About:**
 - The report **compiles information on inequities across sectors** of health, education, household characteristics and the labour market.
 - Inequities in these sectors make the population more vulnerable and trigger a descent into [multidimensional poverty](#).
 - The report **stretches the narrative on inequality** by presenting a comprehensive analysis that shapes the ecosystem of various deprivation in the country, which directly impacts the well-being of the population and overall growth.
- **Parts of the Report:**
 - The report consists of two parts - **Economic Facets and Socio-Economic Manifestations** which looks at five key areas that influence the nature and experience of inequality.
 - **Five Key Areas:** These are **income distribution, labour market dynamics, health, education and household characteristics**.
- **Report is Based on:**
 - The report is based on the data derived from various rounds of the [Periodic Labour Force Survey \(PLFS\)](#), [National Family and Health Survey \(NFHS\)](#) and [United Information System for Education Plus](#).
 - Each chapter is **dedicated to explaining the current state of affairs**, areas of concern, successes and failures in terms of infrastructural capacity and finally, the effect on inequality.

What are the Key Highlights of the Report?

- **Wealth Concentration:**
 - **Urban areas have a 44.4% wealth concentration in the highest** quintile (20%) compared to a meager 7.1% concentration in rural areas.
- **Unemployment Rate:**
 - India's unemployment rate is **4.8% (2019-20)**, and the worker population ratio is **46.8%**.

- In 2019-20, among different employment categories, **the highest percentage was self-employed workers (45.78%)**, followed by regular salaried workers (33.5%) and casual workers (20.71%).
- The share of self-employed workers also **happens to be the highest in the lowest income categories.**

▪ **Health Infrastructure:**

- In the area of health infrastructure, there has been a **considerable improvement in increasing the infrastructural capacity** with a targeted focus on rural areas.
- From 1,72,608 total health centres in India in 2005, **total health centres in 2020 stand at 1,85,505.**
 - **States and Union Territories like** Rajasthan, Gujrat, Maharashtra, Madhya Pradesh, Tamil Nadu and Chandigarh have significantly increased health centres (comprising Sub-Centres, Primary Health Centres, and Community Health Centres) between 2005 and 2020.

▪ **Household Conditions:**

- By 2019-20, **95% of schools would have functional toilet facilities** on the school premises (95.9% functional boy's toilets and 96.9% functional girl's toilets).
 - 80.16% of schools have functional electricity connections with States and Union Territories like Goa, Tamil Nadu, Chandigarh, Delhi, Dadra and Nagar Haveli and Daman and Diu, Lakshadweep and Puducherry have achieved universal (100%) coverage of functional electricity connections.
- According to the [National Family Health Survey-5 \(2019-21\)](#), **97% of households have electricity access, 70% have improved access to sanitation**, and 96% have access to safe drinking water.

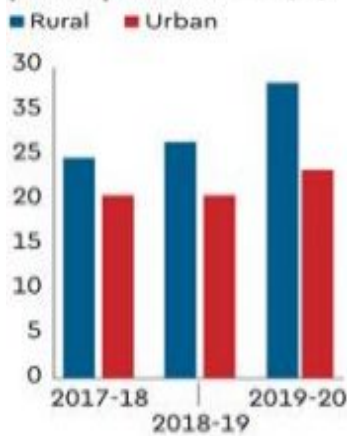
▪ **Education:**

- The [Gross Enrolment Ratio](#) has also **increased between 2018-19 and 2019-20** at the primary, upper primary, secondary and higher secondary.

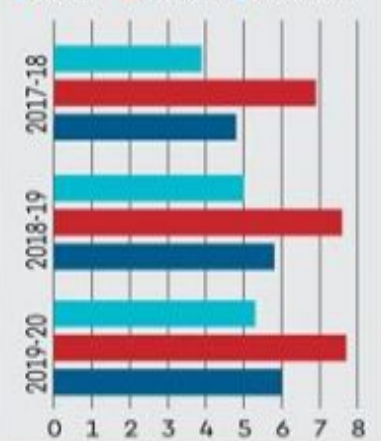
▪ **Health:**

- The results of NFHS-4 (2015-16) and NFHS-5 (2019-21) have **shown that 58.6% of women received antenatal check-ups** in the first trimester in 2015-16, which increased to 70% by 2019-21.
 - **78% of women received postnatal care** from a doctor or auxiliary nurse within two days of delivery, and 79.1% of children received postnatal care within two days of delivery.
- However, **nutritional deprivation in terms of overweight, underweight, and prevalence of anaemia** (especially in children, adolescent girls and pregnant women) remains areas of huge concern requiring urgent attention.
- Additionally, low health coverage, leading to high out-of-pocket expenditure, directly affects poverty incidences.

Labour force participation rate (%)



Unemployment rate (%)



Health infra

	2005	2019-20
Sub Centres (SC)	1,46,026	1,55,404
Primary Health Centres (PHC)	23,236	24,918
Community Health Centres (CHC)	3,346	5,183

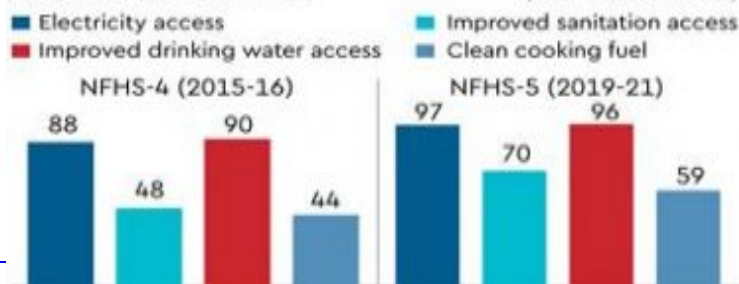
Spending on health

	Rural	Urban
Government hospital	₹4,290	₹4,400
Private Hospital	₹27,000	₹38,000

Gross enrollment ratio

Education level	2019-20	2018-19
Primary (I-V)	102.74	101.25
Upper primary (VI-VIII)	89.67	87.74
Secondary (IX-X)	77.9	76.9
Higher Secondary (XI-XII)	51.42	50.14

Household facilities



Wealth concentration*

Maximum	States/UT	Value
Chandigarh		80.80
Delhi		62.80
Punjab		62.00
Goa		55.90

Minimum	States/ut	Value
Bihar		3.300
Tripura		6.200
Meghalaya		6.300
Assam		6.400
Odisha		7.300
Jharkhand		8.800
West bengal		9.400

Quantile (%); *in the highest quintile

Source: PLFS, UDISE, NFHS

What are the other Related Report?

- [World Inequality Report 2022](#)
- [India Inequality Report 2021](#)
- [Multidimensional Poverty Index \(MPI\)](#)

What are the Recommendations of the Report?

- Creating income slabs that provide class information
- Establishing [universal basic income](#)
- Creating jobs, especially among the higher levels of education and increasing the budget for social protection schemes.
- There is a need to **formulate reform strategies, a roadmap for social progress** and shared prosperity.

Source: PIB