



## Inequality in India

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### Why in News

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**Oxfam International** released its annual inequality report, 2019 report titled **“Public good or Private Wealth?”** highlighted the stark Income inequality existing in India.

### Inequality

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- The United Nations describes inequality as “the state of not being equal, especially in status, rights and opportunities”.
- Inequality can be broadly classified in to:
  - **Economic inequality:** Economic inequality is the unequal distribution of income and opportunity between individuals or different groups in society.
  - **Social inequality:** It occurs when resources in a given society are distributed unevenly based on norms of a society that creates specific patterns along lines of socially defined categories e.g. religion, kinship, prestige, race, caste, ethnicity, gender etc. have different access to resources of power, prestige and wealth depending on the norms of a society.
- Both these categories are deeply intertwined and inequality of one type affects the inequality in another e.g. Social Inequality due to gender have large impact on income of women. In patriarchal societies large gender wage gap tends to exist.

### Dimensions of Inequality in India

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In India, following are distinctive forms of social inequality:

#### Gender

- The **Global Gender Gap Report, 2018**, ranks India at **142** among 149 countries.
- Four parameters for measuring gender inequality are economic participation and opportunity, health and survival, educational attainment and political empowerment.
- Gender wage gap is highest in India according International Labor Organization

women are **paid 34% less than men.**

- Women comprise over 42 per cent of the agricultural labour force in the country, yet they **own less than 2 percent of its farm land** according to the India Human Development Survey (IHDS).

## Caste

- Caste is significant factor for determining access to resources like education, income, health valued by individuals.
- India's upper caste households earned nearly 47% more than the national average annual household income, the top 10% within these castes owned 60% of the wealth within the group in 2012, as per the World Inequality Database.

## Religion

- Religious identities are significant for an individual's ability to mobilize resources.
- Religious identities can cause prejudices which may lead to economic exclusion and other forms of discrimination which can impact jobs and livelihood opportunities.
- While minorities such as Christians, Parsis and Jains have a larger share of income/consumption than their population share, Muslim and Buddhist populations have significantly lower access to economic resources.

## Ethnicity

- Tribal communities in India have been identified as ethnic group on the basis of their unique culture, language, dialect, geographical location, customs etc.
- The National Family Health Survey 2015-16 (NFHS-4) showed that 45.9% of ST population were in the lowest wealth bracket as compared to 26.6% of SC population, 18.3% of OBCs, 9.7% of other castes.

## Economic Inequality

- The 2019 report by Oxfam, titled "Public good or Private Wealth?" showed that India's top 10% holds 77.4% of the total national wealth, while the top 1% holds 51.53% of the wealth.
- The bottom 60% population holds only 4.8% of the national wealth.
- 13.6 crore Indians, who make up the poorest 10% of the country, have continued to remain in debt for the past 15 years.
- The Gini coefficient of wealth in India in 2017 is at 0.83, which puts India among the countries with highest inequality countries.

## Consequences of Inequalities

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- Inequalities tend to **produce social conflict** among the social groups e.g. caste

groups like Jaats, Maratha, Patels are demanding reservations but this demand is opposed by caste groups already claiming the benefits of reservations, such clash of interest due to perceived inequality tend to produce violent conflicts between opposing caste groups.

- Inequalities among ethnic groups have led to various **ethnic movements** demanding separate states or autonomous regions or even outright secession from India. North East has been rocked by numerous such ethnic movement e.g. by Nagas for greater Nagalim etc.
- Religious inequality tends to generate **feeling of exclusion among religious minority groups**. This reduces their participation in mainstream, in India religious minorities have large population their economic exclusion compromises the GDP growth of nation as whole.
- Poor development indicators like IMR, MMR, low per capita income, lower education and learning outcomes at schools, high rate of population growth can be traced to existing socio-economic inequalities.
- High economic inequality is **detrimental to public healthcare and education**. Upper and Middle classes do not have vested interest in well functioning public healthcare and education as they have means to access private healthcare and education.

## Measures to Deal with Inequalities

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- **Constitutional Provision**

Enforcement of Constitutional Guarantee of equality as enshrined in fundamental rights. **Articles 14, 15 and 16** form part of a scheme of the Constitutional Right to Equality. Article 15 and 16 are incidents of guarantees of Equality, and gives effect to Article 14.

- **Promoting Civil Society**

- Provide a greater voice to traditionally oppressed and suppressed groups, including by enabling civil society groups like unions and association within these groups.
- Scheduled castes and Scheduled tribes should be motivated to become entrepreneurs, schemes like Stand up India need to be expanded to widen its reach by increasing funding.

- **Women Empowerment**

For gender equality policies like affirmative action by reserving seats in legislatures, increasing reservation at Local self government both at Urban and village level to 50% in all states, strict implementation of The Equal Remuneration act, 1976 to remove wage gap, making education curriculum gender sensitive, raising awareness about women right, changing social norms through schemes like Beti Bachao Beti Padhao etc.

- **Inclusion of Religious Minorities**

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Religious minority groups need special attention through representation in government jobs, provision of institutional credit, improvement of their education access, protection of their human rights by empowering National commission for Minority, strengthening rule of law etc.

- **Progressive Taxes**

Additional public resources for public services by progressive taxes on wealthy more and by increasing the effective taxation on corporations, more importantly broadening the tax base through better monitoring of financial transactions.

- **Economic Policies**

By ensuring universal access to public funded high quality services like Public health and education, social security benefits, employment guarantee schemes; inequality can be reduced to great extent.

- **Employment Generation**

- The failure to grow manufacturing sectors like Textile, Clothing, automobiles, consumer goods etc. is the important reason of rising inequalities.
- The Labor-intensive manufacturing has the potential to absorb millions of people who are leaving farming while service sector tend to benefit majorly urban middle class.

## Conclusion

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- India has committed to attaining the Sustainable Development Goals by 2030, and to end extreme poverty by that year.
- According to Oxfam if India stops inequality from rising further, it could end extreme poverty for 90 million people by 2019. If it goes further and reduces inequality by 36%, it could virtually eliminate extreme poverty.

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