Income Inequality

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Why in news?

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A report titled ‘An economy for the 99%’ is released by the rights group Oxfam, ahead of the World Economic Forum (WEF) annual meeting.

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What are the findings?

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- Rich -The total wealth in the India stood at $3.1 trillion and the total global wealth was $255.7 trillion.
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- India’s richest 1% now hold 58% of the country’s wealth. Only 57 billionaires in the country have the same wealth ($216 billion) as that of the bottom 70% population.
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- The figure is higher than its global equivalent of about 50%.
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- Globally, just eight billionaires have the same wealth as the poorest 50% of the world.
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- It said that since 2015, the richest 1% has owned more wealth than the rest of the planet.
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- Over the next 20 years, 500 people will hand over $2.1 trillion to their heirsi.elarger than gross domestic product (GDP) of India.
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- Poor -Meanwhile, in the past two decades, the richest 10% of the population in China, Indonesia, Laos, India, Bangladesh and Sri Lanka have seen their share of income increase by over 15%.
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- On the other hand, the poorest 10% have seen their share of income fall by almost 15%.
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- Due to a combination of discrimination and working in low-pay sectors, women’s wages across Asia are between 70% and 90% of the men’s.

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- Women -India suffers from a huge gender pay gap and has one of the worst levels of gender wage disparity i.e men earning more than women in similar jobs, with the gap exceeding 30%.
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- Women form 60% of the lowest-paid wage labour but only 15% of the highest wage earners in India
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- This means women are not only poorly represented in the top bracket of wage earners but also experience wide gender pay gap at the bottom.
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- It also said that more than 40% of women who live in rural India are involved in agriculture and related activities.
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- However, as they are not recognised as farmers and do not own land.
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- They have limited access to government schemes and credit, restricting their agricultural productivity.
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- There is also a routine use of forced girl labour in the world's largest garment firms that have been linked to cotton-spinning mills in India.
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- Also as per ILO, there are 5.8 million child labourers in India.
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What were the recommendations?

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- The report urged the Indian government to end the extreme concentration of wealth to end poverty, introduce inheritance tax and increase the wealth tax as its proportion in the total tax revenue is one of the lowest.
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- The Indian government must crack down on tax dodging by corporates and rich individuals to end the era of tax havens.
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- It must generate funds to invest in health care and education and increase its public expenditure on health from 1% of GDP to three% and on education, from 3% of GDP to 6%.
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- It is time to build a human economy that benefits everyone, not just the privileged few.
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Source: Business Standard

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