World Inequality Report

Why in news?

\n\n

World Inequality Report 2018 has been recently released

\n\n

What is World Inequality Report?

\n\n

\n
- It measures income and wealth inequality in a systematic and transparent manner.
\n
- This report is on a global scale which showcases the trend in inequality across the world, providing a comparative perspective across countries.
\n
- It seeks to fill a democratic gap and to equip various actors of society with the necessary facts to engage in informed public debates on inequality.
\n
- It is published by World Inequality Lab at the Paris School of Economics.
\n

\n\n

What does recent report signify?

\n\n

\n
- It has brought into focus of economic progress in India and there are reported growth in inequality here since the mid-1980s.
\n
- The reported had found that the top 1% of income earners received 6% of the total income in the early 1980s, close to 15% of it in 2000, and receives 22% today.
\n
- It also explains combination of large privatizations and increasing income inequality has fuelled the rise of wealth inequality among individuals.
\n

- The report also enables a comparison of economic progress made in India and China.
  \n

\n\n

What are the key comparisons made between India and china?

\n\n

\n
- Since 1980, while the Chinese economy has grown 800% and India’s a far lower 200%.
  \n
- At the same time inequality in China today is considerably lower than in India.
  \n
- The share of the top 1% of the Chinese population is 14% as opposed to the 22% reported for India.
  \n
- Per capita income in China was five times that of India in 2016 while the percentage of the population living on less than $1.90 a day was about 10 times less at the beginning of this decade.
  \n

\n\n

What are the reasons behind china’s growth?

\n\n

\n
- Imaginative public policy and a steady governancewas the ideology of china for which it had chosen Authoritative government.
  \n
- Leadership combined the drive for growth with the spreading of human capital.
  \n
- The spread of health and education in that country enabled the Chinese economy to grow faster than India by exporting manufactures to the rest of the world.
  \n
- Those goods may not have been good in quality but they were globally competitive, which made their domestic production viable.
  \n
- The resulting growth lifted vast multitudes out of poverty, which accounts for the relative equality of outcomes in China when compared to India.
  \n

- An ingredient of this is also the greater participation of women in the workforce of China, an outcome that eludes India.
  \n

\n\n

\n\n

Source: The Hindu

\n

