
# Some glimpses From OXFAM Report

**ALL INDIA BANK EMPLOYEES’ ASSOCIATION**

- **Wealth of India's 10 richest enough to fund school, higher education of every child for 25 years: Study**

- **Wealth of richest 98 same as bottom 552 million, says Oxfam report**

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# Wealth of India's 10 richest enough to fund school, higher education of every child for 25 years: Study

**Oxfam India further said that an additional one per cent tax on the richest 10 per cent can provide the country with nearly 17.7 lakh extra oxygen cylinders.**

**By PTI 17th January 2022**
**NEW DELHI/DAVOS:**

THE NEW INDIAN EXPRESS

**Indian billionaires saw their combined fortunes more than double during the COVID-19 pandemic**, and their count shot up by 39 per cent to 142, while the wealth of the ten richest is enough to fund school and higher education of children in the country for 25 years, a new study showed on Monday.

In its annual inequality survey released on the first day of the World Economic Forum's online Davos Agenda summit, Oxfam India further said that an additional one per cent tax on the richest 10 per cent can provide the country with nearly 17.7 lakh extra oxygen cylinders, while a similar wealth tax on the 98 richest billionaire families would finance Ayushman

Bharat, the world's largest health insurance scheme, for more than seven years.

The COVID-19 pandemic saw a huge rush for oxygen cylinders and insurance claims during the second wave last year.

On wealth inequality, Oxfam report further said that 142 Indian billionaires collectively own wealth of USD 719 billion (over Rs 53 lakh crore), while the richest 98 of them now have the same wealth as the poorest 55.5 crore people in the bottom 40 per cent (USD 657 billion or nearly Rs 49 lakh crore).

If each of the 10 richest Indian billionaires were to spend USD one million daily, it would take them 84 years to exhaust their current wealth, while an annual wealth tax applied to multi-millionaires and billionaires would raise USD 78.3 billion a year that would be enough to increase government health budget by 271 per cent or eliminate households' out-of-pocket health budget and leave some USD 30.5 billion.

Noting that COVID-19 may have begun as a health crisis but has become an economic one now, Oxfam said the wealthiest 10 per cent have amassed 45 per cent of the national wealth while the share of the bottom 50 per cent of the population is a mere 6 per cent.

It further said that the inadequate governmental expenditure on health, education and social security has gone hand-in-hand with a rise in the privatisation of health and education, thus making a full and secure COVID-19 recovery out of reach for the common citizen.

The study urged the government to revisit its primary sources of revenue generation, adopting more progressive methods of taxation and assessing its structural issues that permit such wealth accumulation by the rich.

Additionally, the government should also redirect revenue towards health, education and social security, treating them as universal rights and as a means of reducing inequality, thereby avoiding the privatisation model for these sectors, Oxfam said.

"We call upon the government to redistribute India's wealth from the super-rich to generate resources for the majority by reintroducing the wealth tax and to generate revenue to invest in the education and health of future generations by imposing a temporary one per cent surcharge on the rich for health and education," it said.

On gender inequality, Oxfam India said women accounted for 28 per cent of all job losses and lost two-thirds of their income during the pandemic.

It further said India's 2021 budget allocation for the Ministry of Women and Child Development is less than half of the total accumulated wealth of the bottom ten of India's billionaire list and just a 2 per cent tax on individuals with an income of over 10 crore could increase the ministry's budget by an astounding 121 per cent.

If the wealth of the first 100 billionaires is accumulated, they could fund the National Rural Livelihood Mission scheme, responsible for creating Self Help Groups for women, for the next 365 years.

On health inequality, the report said a 4 per cent wealth tax on the 98 richest families in India would finance the Ministry of Health and Family Welfare for more than 2 years and noted that their combined wealth is 41 per cent more than the Union Budget of India.

On education inequality, the study said a 1 per cent of tax on wealth of the 98 billionaires in India can fund the total annual expenditure of the department of school education and literacy under the Ministry of Education, while 4 per cent of tax on their wealth can take care of Mid-Day-Meal programme of the country for 17 years or Samagra Sikshya Abhiyan for 6 years.

Similarly, a 4 per cent tax on the wealth of the 98 billionaires would be enough to fund the Mission POSHAN 2.0, which includes Anganwadi Services, POSHAN Abhiyan, Scheme for Adolescent Girls, and National Creche Scheme, for 10 years.

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# Wealth of richest 98 same as bottom 552 million, says Oxfam report

## 4% tax on the wealth can fund mid-day meal for 17 years

**Sachin P Mampatta | Mumbai January 16, 2022**
**BUSINESS STANDAARD**

India's richest families saw their wealth reach a record high in 2021, even as 84 per cent of Indian households saw an income decline amid the pandemic, according to a report from non-profit Oxfam India titled 'Inequality Kills'. It said the richest 98 Indians own the same wealth as the bottom 552 million people.

The number of Indian billionaires grew during the year from 102 to 142, according to the report published ahead of the World Economic Forum's Davos Agenda. It called for higher taxation on the richest 10 per cent of the Indian population to help fund measures to reduce inequality. This could cover schemes for education, health care, and social security, according to the report titled 'Inequality Kills'. The wealth of the top 100 families is now Rs 57.3 trillion, according to the report.

A separate analysis of the data from the World Inequality Report suggests that taxing the top 10 per cent would cover families with significantly lower wealth than the top 100. The average wealth of the top 100 families is Rs 5.7 trillion going by the Oxfam numbers. The average wealth of the top 10 per cent is Rs 63-65 lakh, shows a Business Standard analysis of the data from the World Inequality Report.

India was described as 'very unequal,' with the top 10 of the country holding 57 per cent of the wealth, while the share of the bottom half is 13 per cent. The report had also pointed out the role of higher taxation globally to reduce inequality.


The Oxfam report pointed out that government tax revenues are disproportionately dependent upon indirect taxes like the goods and services tax. This makes all people who buy a product or use a service pay tax at the same rate. This has the effect of the poorer sections of society's tax rate being similar to that of the wealthiest, despite having lower income.

Among other suggestions, Oxfam also recommended at least two surveys every 10 years to measure inequality and better social security for informal workers.

It said a 4 per cent tax on the wealth of 98 billionaires can fund the mid-day meal programme for 17 years. A 1 per cent wealth tax would be enough to take care of the total expenditure for school education and literacy, or fund the government health insurance scheme Ayushman Bharat for more than seven years, according to the report.

Inequality has a significant negative impact, including on gender parity, which taxation of the wealthy can help address, according to Oxfam India

Chief Executive Officer Amitabh Behar in a statement issued with the report.

"The pandemic has set gender parity back from 99 years to 135 years. Women collectively lost Rs 59.11 trillion ($800 billion) in earnings in 2020, with 13 million fewer women at work now than in 2019. It has never been so important to start righting the wrongs of this obscene inequality by targeting extreme wealth through taxation and getting that money back into the real economy to save lives," said Behar.

"India's fight against inequality and poverty must be supported by the billionaires who made record profits in the country during the pandemic," he added.

# Oxfam report: In 2021, income of 84% households fell, but number of billionaires grew

**The Oxfam report also found that as Covid continued to ravage India, the country's healthcare budget saw a 10% decline from RE (revised estimates) of 2020-21.**

Esha Roy | New Delhi | January 17, 2022
The Indian EXPRESS


*The India supplement of the global report also says that in 2021, the collective wealth of India's 100 richest people hit a record high of Rs 57.3 lakh crore (USD 775 billion). In the same year, the share of the bottom 50 per cent of the population in national wealth was a mere 6 per cent. (Reuters/File)*

The income of 84 per cent of households in the country declined in 2021, but at the same time the number of Indian billionaires grew from 102 to 142, an Oxfam report has said, pointing to a stark income divide worsened by the Covid pandemic.
The Oxfam report, "Inequality Kills'', released on Sunday ahead of the World Economic Forum's Davos Agenda, also found that as Covid continued to ravage India, the country's healthcare budget saw a 10% decline from RE (revised estimates) of 2020-21. There was a 6% cut in allocation for education, the Oxfam report says, while the budgetary allocation for social security schemes declined from 1.5% of the total Union budget to 0.6%.
The India supplement of the global report also says that in 2021, the collective wealth of India's 100 richest people hit a record high of Rs 57.3 lakh crore (USD 775 billion). In the same year, the share of the bottom 50 per cent of the population in national wealth was a mere 6 per cent. During the pandemic (since March 2020, through to November 30, 2021), the report says, the wealth of Indian billionaires increased from Rs 23.14 lakh crore (USD 313 billion) to Rs 53.16 lakh crore (USD 719 billion). More than 4.6 crore Indians, meanwhile, are estimated to have fallen into extreme poverty in 2020, nearly half of the global new poor according to the United Nations.
India has the third highest number of billionaires in the world, just behind China and the United States, says the report, with more billionaires than France, Sweden and Switzerland combined — a 39 per cent increase in the number of billionaires in India in 2021.
The report says, "this surge comes at a time when India's unemployment rate was as high as 15 per cent in urban areas and the healthcare system was on the brink of collapse.''
Oxfam has pointed out that about one-fifth of the increase in the wealth of the richest 100 families was accounted for by the surge in the fortunes of a single individual and business house – the Adanis.
"Gautam Adani, ranked 24th globally and second in India, witnessed his net worth multiply by eight times in a span of one year; from USD 8.9 billion in 2020 to USD 50.5 billion in 2021. According to the real time data by Forbes, as of 24 November 2021, Adani's net worth stands at USD 82.2 billion. This tremendous growth in a span of eight months, during India's deadly second wave, also includes returns from Adani's newly bought

Carmichael mines in Australia, and a 74 per cent acquired stake in the Mumbai airport. At the same time, Mukesh Ambani's net worth doubled in 2021 to USD 85.5 billion from USD 36.8 billion in 2020,'' the report says.

Oxfam India CEO Amitabh Behar said the global briefing points to the "stark reality of inequality contributing to the death of at least 21,000 people each day, or one person every four seconds".

"The pandemic has set gender parity back from 99 years to now 135 years. Women collectively lost Rs 59.11 lakh crore (USD 800 billion) in earnings in 2020, with 1.3 crore fewer women in work now than in 2019. It has never been so important to start righting the wrongs of this obscene inequality by targeting extreme wealth through taxation and getting that money back into the real economy to save lives," Behar said.

The Oxfam India briefing also points out to the increase in indirect taxes as a share of the Union government revenue last four years, while the proportion of corporate tax in the same was declining. The additional tax imposed on fuel has risen 33 per cent in the first six months of 2020-21 as compared to the last year, 79 per cent more than pre-Covid levels. At the same time, the wealth tax "for the super-rich'' was abolished in 2016, it says.

Lowering of corporate taxes from 30 per cent to 22 per cent to attract investment last year resulted in a loss of Rs 1.5 lakh crore, which contributed to the increase in India's fiscal deficit, the report says, adding, "These trends show that the poor, marginalised and the middle class paid high taxes despite going through the raging pandemic while the rich made more money without paying their fair share.''

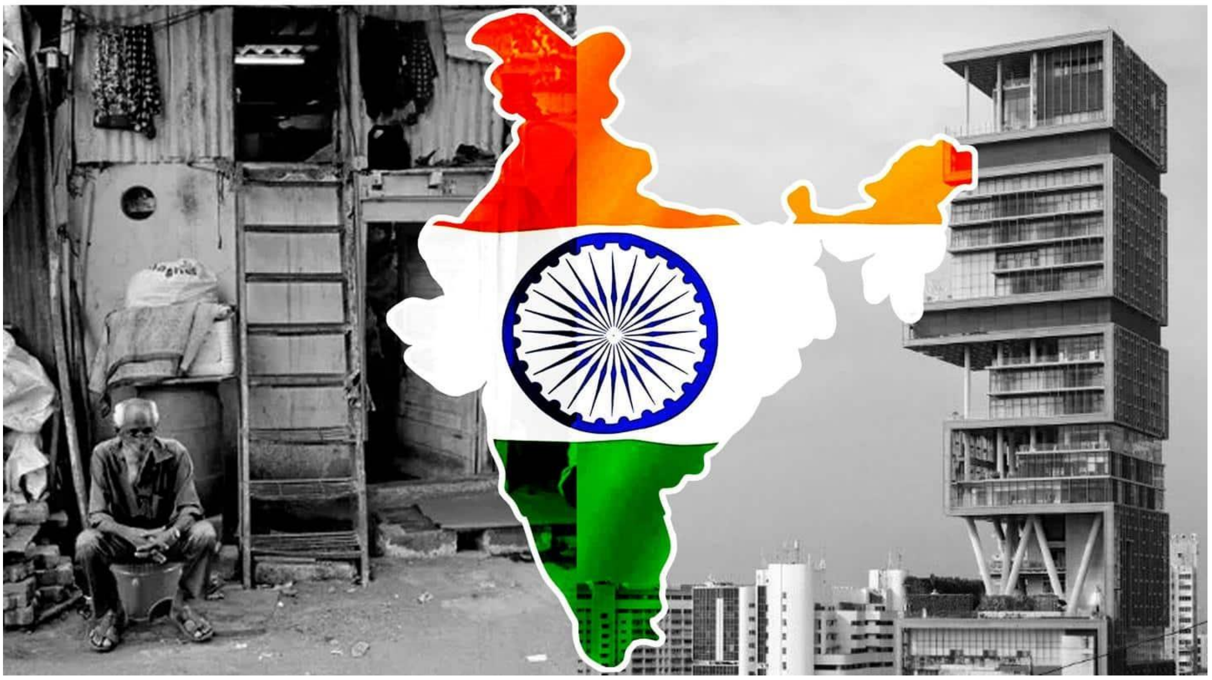
Data from the National Sample Survey (NSS) (2017-18) shows that Out-of-Pocket Expenditure (OOPE) in private hospitals is almost six times of that in public hospitals for inpatient care, and two or three times higher for outpatient care. The average OOPE in India is at 62.67 per cent, while the global average is at 18.12 per cent.

The report further says that despite the country's federal structure, the structure of revenue kept the reins of resources in the Centre's hands and yet the management of the pandemic was left to the states – who were not equipped to handle it with its financial or human resources.

# Number of billionaires increased in India, household income declined: Oxfam

Number of billionaires increased in India, household income declined: Oxfam

Saptak Datta, Jan 17, 2022,



India has the world's third-largest number of billionaires after United States and China.

In 2021, the income of 84% of Indian households fell, however, the number of billionaires in the country increased from 102 to 142, states a report by Oxfam.The "Inequality Kills" report states that India's 10 wealthiest people can support schooling and higher education for the country's children for the next 25 years. This underlines a widening economic gap aggravated by the COVID-19 pandemic.

**Context**

**Why does this story matter?**

- During the pandemic, the billionaires increased their wealth, however, the poor continued to suffer.
- Even as India has the world's third-largest number of billionaires after the United States and China, its unemployment rate was as high as 15% in urban areas in 2021, the report stated.
- Meanwhile, the Adanis were responsible for one-fifth of the growth in wealth among 100 richest families, it added.

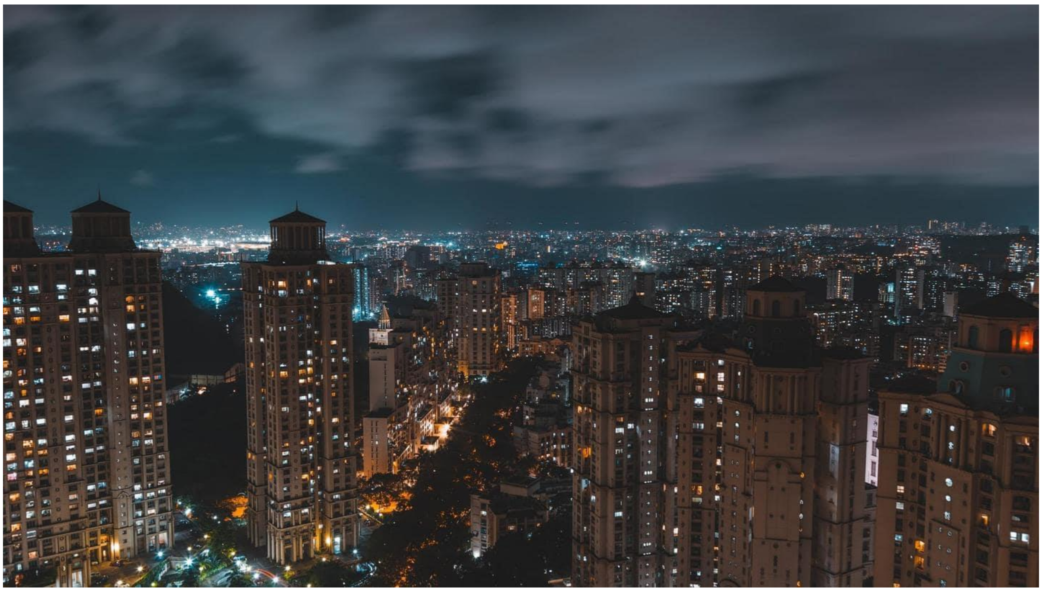
**Quote**

# Adani's net worth multiplied 8X: Report

"Gautam Adani witnessed his net worth multiply by eight times in one year; from $8.9 billion in 2020 to $50.5 billion in 2021," the report stated.Returns from the Carmichael mines in Australia, and shares in the Mumbai airport have contributed to Adani's expansion, it said."Mukesh Ambani's net worth doubled in 2021 to $85.5 billion from $36.8 billion in 2020,'' it added.

**Inequality**

## Wealth of Indian billionaires reached new heights



According to the report, the wealth of Indian billionaires climbed from Rs. 23.14 lakh crore to Rs. 53.16 lakh crore.An additional 1% tax on the wealthiest 98 billionaire families would fund Ayushman Bharat—the world's largest health insurance scheme—for almost seven years.It would take 84 years for the ten wealthiest Indian billionaires to deplete their existing fortunes, if they spend $1 million daily.

**Do you know?**

## Extreme poverty in India

According to the United Nations, more than 4.6 crore Indians fell into extreme poverty in 2020. They accounted for roughly half of the world's "new poor." In 2021, the bottom 50% of the population owned only 6% of the country's wealth, the Oxfam report said.

**Information**

## Wealth tax could've aided quality of health services: Report

An additional 1% tax on the wealthiest 10% of India's population could have delivered almost 17.7 lakh additional oxygen cylinders, the report said.Notably, India's health infrastructure massively had deteriorated during the second wave of COVID-19 (April-May 2021) as the demand for hospital beds, oxygen, and medicines skyrocketed.However, with an underfunded healthcare system, access to healthcare was dangerously limited.

**Estimates**

## Decline in healthcare and education budget

Even as COVID-19 continued to wreak havoc in India, the country's healthcare budget fell by 10% from revised estimates of 2020-21, the report said.The budgetary allocation for education was slashed by 6%, it added.It further said that the budgetary allotment for social security systems was also reduced from 1.5% to 0.6% of the total Union Budget.

**Quote**

## 'COVID-19 set back gender parity by 135 years'

"The pandemic has set gender parity back from 99 years to now 135 years," said Oxfam India CEO Amitabh Behar.He added that in 2020, women lost Rs. 59.11 lakh crore in earnings, with 1.3 crore lesser women working compared to 2019."It has never been so important to start righting the wrongs of this obscene inequality," said Behar.

# India 'poor and very unequal' with affluent elite: World Inequality Report

**Fruits of economic reforms monopolised by the elite: World Inequality Report**

**Indivjal Dhasmana | New Delhi December 8, 2021**
**BUSINESS STANDARD**

***The income gap between the top ten per cent and the bottom 50 per cent in India is one to 22 in 2021***

The top one per cent of the population in India owns more than one-fifth of the total national income in 2021 while the bottom half earns just 13.1 per cent, said the World Inequality Report. The economic reforms and liberalization adopted by India have mostly benefited the top one per cent, the latest report for 2022 said.

"India stands out as a poor and very unequal country, with an affluent elite," said the report, brought out by the France-based World Inequality Lab which does work through evidence-based research on the drivers of inequality worldwide.

The report is authored by Lucas Chancel, co-director of the World Inequality Lab and coordinated by famed French economist Thomas Piketty, among others. The report said the one per cent richest people in India hold 22 per cent of the total national income in 2021; the top ten per cent owns 57 per cent of the income.

The average national income of the Indian adult population is € 7,400 or Rs 204,200 that year on the purchasing power parity basis, the report said. However, it categorically clarified that the average national income of a country masks the inequalities.

The income gap between the top ten per cent and the bottom 50 per cent in India is one to 22 in 2021. The report showed that India is one of the most unequal countries in the world.

When it comes to the BRICS nations, South Africa and Brazil have wider income inequalities than India. The income gap between the 10 ten per cent and the bottom 50 per cent stood at one to 63 in South Africa and one to 29 in Brazil. In both China and Russia, it was one to 14.

The ratio in the richest nation, the US, is 1 to 17.

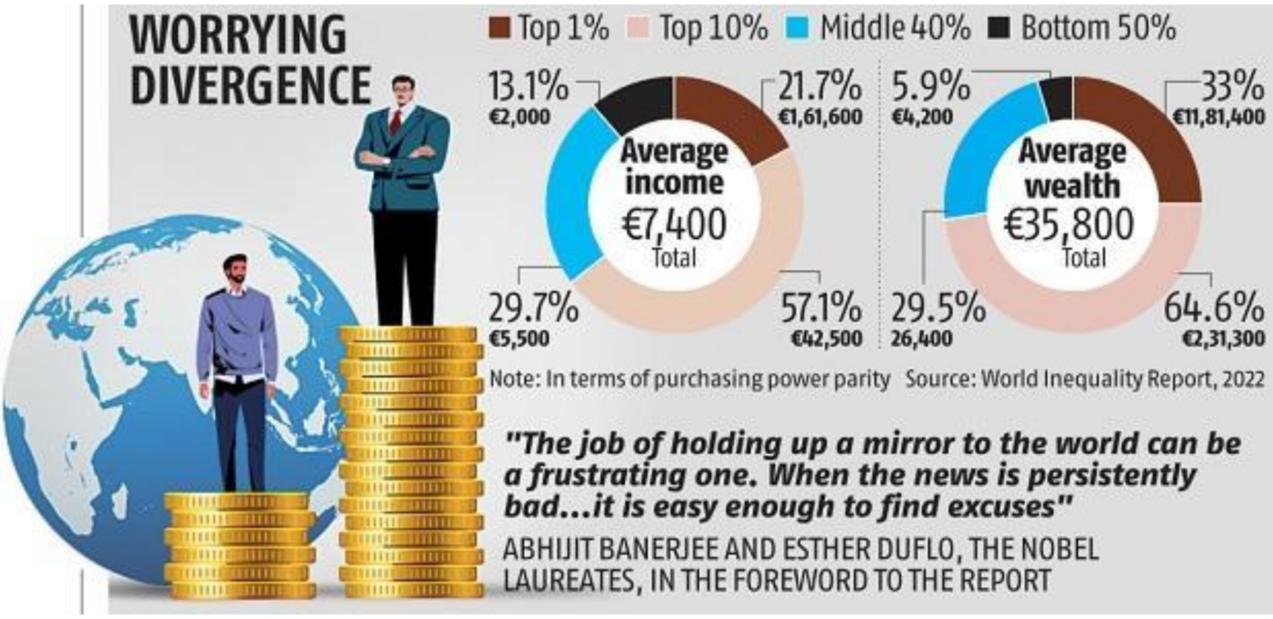
When it comes to the world, the richest ten of the global population currently take 52 per cent of global income, whereas the poorest half of the population earns 8.5 per cent of it.

However, the 2018 World Inequality Report also showed that the share of national income accruing to India’s top one per cent of earners was 22 per cent, while the share of the top ten per cent was around 56 per cent in 2014. This means that income distribution has remained more or less the same since then.

Inequality widens when it comes to wealth in India. The bottom 50 per cent of the households own almost nothing. The middle class is also relatively poor, owning 29.5 per cent of the total wealth as compared with the top 10 per cent and one per cent who hold 65 per cent and 33 per cent of the total wealth respectively.

The Average wealth of India stands at €4,200, which is six per cent of the total. The middle class owns an average wealth of only €26,400 or Rs 723,930. The top ten per cent and one per cent own €231,300 or Rs 6,354,070 and over €6.1 million or Rs 32,449,360.

In a way, inequality in India has widened compared to British rule (since the period power was transferred from the East India company to the British Crown till Independence), said the report. It found that Indian income inequality was very high under British colonial rule (1858-1947), with the top ten per cent of the population sharing around 50 per cent of the national income.




The report said that, after independence, socialist-inspired five-year plans contributed to reducing this share to 35-40 per cent.

Since the mid-1980s, deregulation and liberalisation policies have led to one of the most extreme increases in income and wealth inequality observed in the world, it found.

While the top one per cent has largely benefited from economic reforms, growth among low and middle income groups has been relatively slow and poverty persists.

The report also had adverse comments on the transparency of data released by the government. "Over the past three years, the quality of inequality data released by the government has seriously deteriorated, making it particularly difficult to assess recent inequality changes," it said.

**Gender inequalities**

These are very high. The female labour income share is equal to 18 per cent, significantly lower than the average in Asia, excluding China, at 21 per cent.

"This value is one of the lowest in the world, slightly higher than the average share in West Asia at 15 per cent. The significant increase, eight percentage points, observed since 1990 has been insufficient to lift women's labour income share to the regional average," the report said.

**Carbon inequality**

India is a low carbon emitter. The average per capita consumption of greenhouse gas is equal to just over 2 CO2e. These levels are typically comparable with carbon footprints in sub-Saharan African countries. The bottom 50 per cent consume one, the middle 40 per cent 2 and the top ten per cent, 9 CO2e/capita.

A person in the bottom 50 per cent of the population in India is responsible for, on average, five times fewer emissions than the average person in the bottom 50 per cent in the European Union and 10 times fewer than the average person in the bottom 50 per cent in the US.

Since 1995, the share of global wealth possessed by billionaires has risen from one per cent to over three per cent. This increase was exacerbated during the covid pandemic. In fact, 2020 marked the steepest increase in global billionaires' share of wealth on record, the World Inequality report said.

The share of the global bottom half in income halted its progression in 2020 due to covid. This drop was entirely due to the impact on South and Southeast Asia, and more precisely on India.

"When India is removed from the analysis, it appears that the share of the global bottom 50 per cent in income actually slightly increased in 2020," the report said.

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# Billionaires' club has record 126 members; combined wealth is $728 bn now

**Mukesh Ambani of Reliance Industries once again topped the charts with an all-time high net worth of around $104.7 billion (or Rs 7.85 trillion)**

**Krishna Kant | Mumbai December 28, 2021**

**BUSINESS STANDARD**

A strong rally on Dalal Street over the past one and a half years and an unprecedented boom in initial public offerings (IPOs) have continued to swell the number of billionaire promoters in India.

The number of promoters and businessmen with net worth of $1 billion (around Rs 7,500 crore) reached an all-time high of 126, up from 85 at the end of CY20. These billionaire promoters have a combined wealth of around $728 billion (around Rs 54.6 trillion), up from around $483 billion (around Rs 35.3 trillion) at the end of 2020.

The combined wealth of the 126 billionaire promoters in Business Standard's list is equivalent to a quarter of India's expected gross domestic product (GDP) of around $2,947 billion in FY22 at current prices. The billionaire's wealth-to-GDP ratio was 18.6 per cent last year.

Though the billionaires' list remains dominated by promoters of traditional family-owned conglomerates, this year's line-up saw the entry of tech and first-generation entrepreneurs who witnessed a big rise in their net worth, thanks to the stock market debut of their ventures. For example, Falguni Nayar, promoter of FSN E-Commerce (Nykaa.com), is now the 23rd wealthiest in the country with a net worth of around $7 billion.

Other promoters to make it to the billionaire's club, thanks to the IPO boom, include Abhishek Lodha of Macrotech Developers with a net worth of $6.73 billion, Vijay Shekhar Sharma of Paytm ($1.04 billion), A R Boob of Clean Science & Technology ($2.71 billion), Vinod Agrawal of G R Infraprojects

($1.92 billion), Hiren Patel of Nuvoco Vistas ($1.3 billion), and Rakesh Jhunjunwala ($1.07 billion)

Mukesh Ambani of Reliance Industries once again topped the charts with an all-time high net worth of around $104.7 billion (or Rs 7.85 trillion), up 21.4 per cent since the end of the 2020 calendar year in dollar terms. In comparison, Ambani's wealth had increased by 37 per cent in 2019.

**THE RICH LIST**

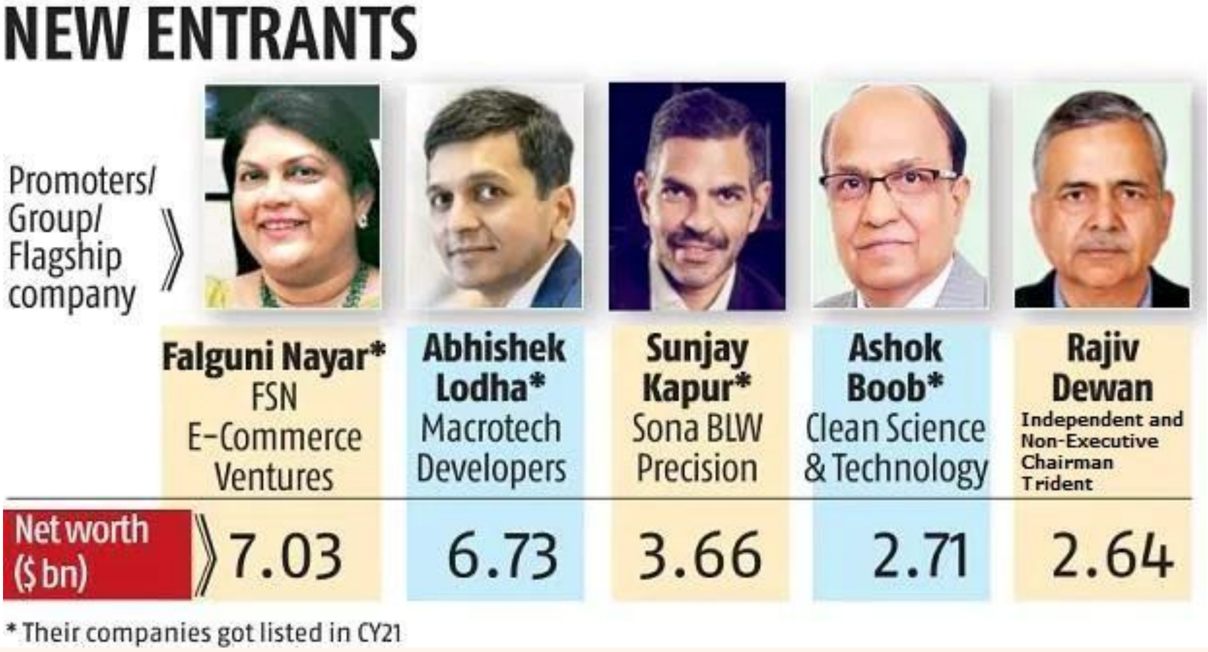
| Promoters/ group/ flagship company | Mukesh Ambani Reliance Industies | Gautam Adani Adani Ports & SEZ | Azim Premji Wipro | R K Damani Avenue Supermarts | Shiv Nadar HCL Technologies |
|---|---|---|---|---|---|
| Current net worth ($bn) | 104.7 | 82.3 | 37.1 | 30.1 | 26.8 |
| Change in CY21 (%) | 21.4 | 106.4 | 65.6 | 63.6 | 26.4 |

| Promoters | Group/Flagship company | Net worth ($bn) | Change in CY21 (%) |
|---|---|---|---|
| Ashwin Dani/Abhay Vakil/Manish Choksi | Asian Paints | 22.1 | **15.0** |
| Dilip Shanghvi | Sun Pharma | 14.4 | **30.1** |
| Rahul Bajaj | Bajaj Auto | 14.4 | **50.8** |
| NR Murthy/N Nilekani/S D Shibulal/ S Gopalakrishnan/K Dinesh | Infosys | 13.7 | **44.0** |
| Sunil Mittal | Bharti Airtel | 12.4 | **20.9** |

Ambani added around $18.4 billion to his wealth in 2020 at the rate of around $354 million a week or around Rs 380 crore a day at the current rupee-dollar exchange rate.

Reliance Industries’ market capitalisation is up around 25 per cent year-to-date to nearly Rs 16 trillion, up from Rs 12.81 trillion at the end of December 2020.

The Gautam Adani family of Adani Group was, however, the biggest gainer (in dollar terms) for the second year in a row. The Adani family's net worth more than doubled in 2021 to around $82.43 billion currently, from around 440 billion at the end of December 2020 and around $20 billion at the end of 2019.




Adani gained from a big rally in share price of the group companies, led by Adani Total Gas (up 366 per cent year-to-date), Adani Transmission (up 315 per cent), Adani Enterprises (up 250 per cent), and Adani Power (up 99.6 per cent). The combined market capitalisation of listed Adani Group companies is up 133 per cent year-to-date in 2021 to Rs 9.87 trillion, from Rs 4.24 trillion at the end of December 2020. The Adani family owns around 62.6 per stake in their listed companies on average, one of the highest among the country's big family-owned business groups.

Technology entrepreneurs, such as Azim Premji of Wipro and Shiv Nadar (of HCL Tech), and Infosys founders also saw a big jump in their wealth in 2021 as IT companies became some of the most loved stocks at the bourses with record high valuations.

Other top gainers include R K Damani of Avenue Supermart -- now the fourth wealthiest promoter in the country with a net worth of $30.1 billion, up from $18.4 billion a year ago. Rahul Bajaj of Bajaj Group was also a winner with a 51 per cent rise in his family net worth to $14.4 billion from $9.5 billion a year ago.

The year also saw a steep jump in the wealth of India's metal & mining barons, such as Sajjan Jindal of JSW Group (104 per cent jump in net worth), Anil Agrawal of Vedanta (up 135 per cent), and Naveen Jindal of Jindal Steel and Power (up 41 per cent).

# India's health inequality made worse by reduced health budget: Oxfam report

**Oxfam India's inequality report draws attention to the county's unequal healthcare story hit further by Covid-19**

**Veenu Sandhu | New Delhi July 20, 2021**
**BUSINESS STANDARD**

***Constant underfunding of the public healthcare system in the last decade has worsened health infrastructure, the Oxfam India report shows.***

When it comes to healthcare, people in general category are better off than Scheduled Castes (SC) and Scheduled Tribes (ST) households; Hindus are better off than Muslims; the rich do better than the poor; men are better off than women; and the urban population fares better than the rural.

These are the findings of Oxfam India's "Inequality Report 2021: India's Unequal Healthcare Story". The report says that the absence of universal health coverage has starkly and disproportionately affected marginalised groups at a time when socio-economic inequalities in India are growing because of the Covid-19 pandemic.

While 65.7 per cent of the households belonging to the general category have access to improved, non-shared sanitation facilities, only 25.9 per cent ST households have better, non-shared sanitation facilities. Also, 12.6 per cent more children are stunted in SC households than those in general category homes. And, the chances of a child dying before the age of five are three times higher for the bottom 20 per cent of the population compared to the top 20 per cent. The Oxfam India report also finds that institutional births and access to food supplements under the Integrated Child Development Services (ICDS) are 10 per cent less for Muslim households as compared to Hindu households; and 8 per cent less children are immunised in Muslim households.

**Covid second wave and health inequalities**

The disastrous second wave of the Covid-19 pandemic further exposed the weakness of India's public healthcare system. The National Health Profile (NHP) in 2017 showed that there is only one government allopathic doctor for every 10,189 people and one state-run hospital for every 90,343 people.

At 0.5, the number of hospital beds per thousand population in India is lower than some of the lesser developed countries such as Bangladesh (0.87), Kenya (1.4), and Chile (2.1).

Constant underfunding of the public healthcare system in the last decade has worsened health infrastructure, the Oxfam India report shows. The number of hospital beds per 10,000 population between 2010 and 2020 reduced from nine to five. Currently, India ranks 155 out of 167 countries on bed availability and has five beds and 8.6 doctors per 10,000 of its population. Rural India, which makes for 70 per cent of the population, has barely 40 per cent of the beds, the report shows.

**FITNESS UPDATE**

- Rural India houses 70% of the population but has only 40% of the beds
- Ayushman Bharat only covers the inpatient hospitalisation of the bottom 40% of the population. One in every three hospital admissions of the 500 million beneficiaries that availed of healthcare under the scheme remained out of coverage
- Health budget for 2021-22 declined by 9.8% from revised estimates of 2020-21, despite an urgent demand for upscaling medical infrastructure and research due to the pandemic
- Availability of free medicines in public healthcare facilities has declined from 31.2% to 8.9% for inpatient care, and from 17.8% to 5.9% for outpatient care over the last two decades

Source: Union Budget 2021-22; Public Health Foundation of India; Richard Mahapatra, (2021), 'Census 2021: India's Urban-rural conundrum'; Ministry of Health and Family Welfare, (2018), 'Hospitals in the Country'

This failure had a devastative result when the second wave of the Covid-19 pandemic struck: By May 2021, one in every two cases was in the rural areas, with states like Uttar Pradesh and Rajasthan having 75 per cent of their cases in rural areas.

"Persistent underfunding of (the) public health system, especially primary health care and inadequate health infrastructure in India remain to be addressed by the government even after (the) devastating second wave," said Amitabh Behar, CEO, Oxfam India.

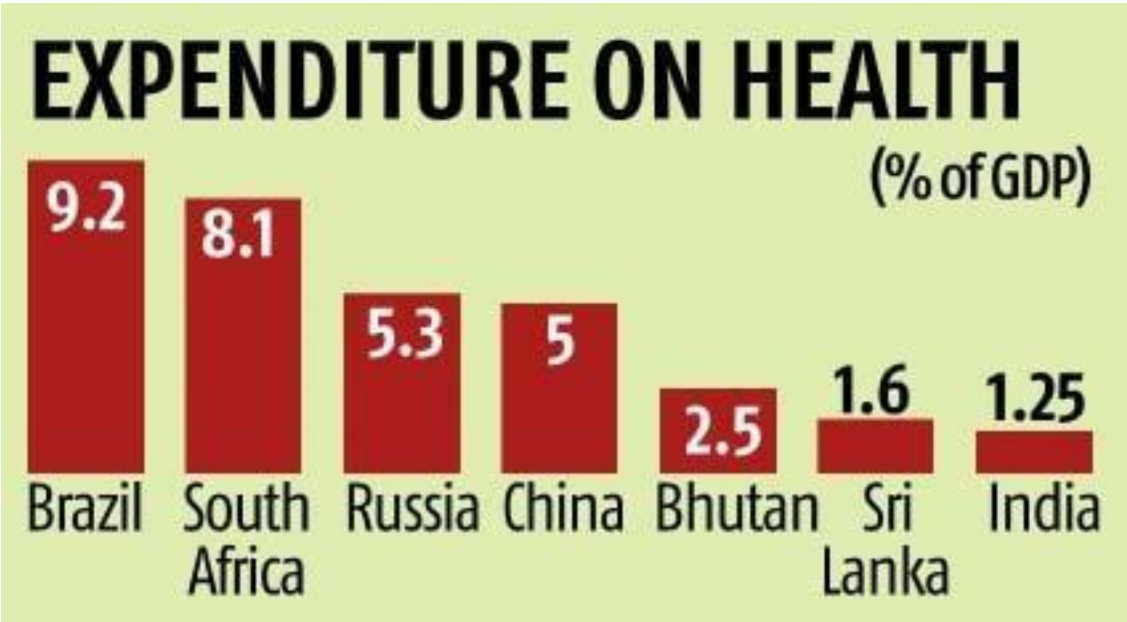
**Health across gender, caste, income**

While India's overall health indicators have improved in the last few decades, these gains have been skewed in favour of some. Over the years, a better health system has, for instance, helped increase life expectancy, but outcomes have varied across gender, caste and income levels, shows the Oxfam India report. Sample this:

- **The rich, on an average, live seven-and-a-half years more than the poor**
- **A woman from the general category lives, on an average, 15 years longer than a Dalit woman**
- **While there is overall improvement in infant mortality rate (IMR), Dalits, Adivasis and OBCs have higher IMR as compared to the general category. IMR for Adivasis is 44.4, which is 40 per cent more than the general category and 10 per cent more than the national average.**

The report recommends implementation of universal health coverage (UHC) supported by a strong public health sector. Marginalised communities also face a disproportionate burden of out-of-pocket expenditure (OOPE) on health. According to government estimates, 60 million people are pushed into poverty every year due to healthcare expenditure.

"Even after one year into the pandemic and facing two Covid-19 waves, (the) government of India has repeated its failure to allocate 2.5 per cent of gross domestic product (GDP) for health," said Anjela Taneja, Inequality, Health & Education lead Oxfam India.




In Oxfam's "Commitment to Reducing Inequality Report 2020", India ranks 154th in health spending, fifth from the bottom. In the 2021-22 Union Budget, a year following a pandemic, the Ministry of Health and Family Welfare (MoHFW) was allocated a total of Rs 76,901 crore, a decline of 9.8 per cent from Rs 85,250 crore from the Revised Estimates of 2020-21.

Oxfam India findings show that higher public health allocations have a positive effect on health outcomes in a pandemic. State governments with higher expenditure on health had lower confirmed cases of Covid-19. States such as Odisha and Goa, with higher expenditure on health, also had higher recovery rate from Covid-19.

The report also finds that the limited scope and coverage of insurance schemes instituted by state and Union governments cannot address the all-encompassing requirements of UHC. Data decently obtained through Right to Information (RTI) showed that only 19 people got Covid-19 treatment under the Union government's Ayushman Bharat in Bihar, one of the worst affected states during the second wave, said the report.

**Seven-state survey on health inequalities during Covid-19**

A primary survey of 768 respondents by Oxfam India, with Covid-19 or having recovered from Covid-19, showed the following:

- **Percentage of respondents in higher income groups who had to arrange for transport themselves was half of those in low-income groups.**
- **Percentage of respondents in low-income brackets facing discrimination in the community due to being Covid positive was five times than those in high income brackets.**
- **Over 50 per cent of SCs and STs faced difficulties in accessing non-Covid medical facilities compared to 18.2 per cent in the general category.**
- **Percentage of SCs using an unsafe source of water was three times that of the general category for open wells, and four times for open springs or streams.**
- **Among female respondents, 33.9 per cent experienced anxiety, irritation and anger, and sleep deprivation during the lockdown as compared to 18.2 per cent males**

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# Minimum global tax rate should be 25%, says World Inequality Report

**A higher rate of 25 per cent will reduce the risk of such a counterproductive outcome**

**Indivjal Dhasmana | New Delhi December 9, 2021**
**BUSINESS STANDARD**

***From India's perspective, the equalization levy which was imposed as a unilateral measure by India on digital transactions will be rolled back as a part of the commitment made by India in the past***

The World Inequality Report, released recently, has suggested raising the proposed global minimum tax rate on multinationals from the 15 per cent, which is agreed upon now. It said the 15 per cent rate would lead to a race among countries to reduce their corporation tax rates to that level, a risk that would reduce if the rate was raised to, say, 25 per cent.

It calculated a 15 per cent tax rate would result in a €500-million tax gain a year for India without a carve-out and €400-million tax gain a year with a carve-out.

On the other hand, a 25 per cent tax rate will lead to a €1.4-billion tax gain a year for India without a carve-out but a €1.2-billion tax gain a year with a carve-out. Carve-outs allow corporations with sufficient activity in low-tax countries to be exempt from the minimum tax.

The report, brought out by the France-based World Inequality Lab, said the agreement was flawed in several key aspects. It said the 15 per cent rate is lower than what working-class and middle class people typically pay in high-income countries. It is also lower than the average statutory rate that corporations face in those places.

“There is a risk that such a low reference point might trigger an additional reduction in statutory corporate tax rates in the countries that currently apply higher rates, thus reinforcing the ‘race to the bottom’ with corporate taxation observed since the 1980s,” said the report authored by Lucas Chancel, co-director of the World Inequality Lab, and coordinated by famed French economist Thomas Piketty, among others.

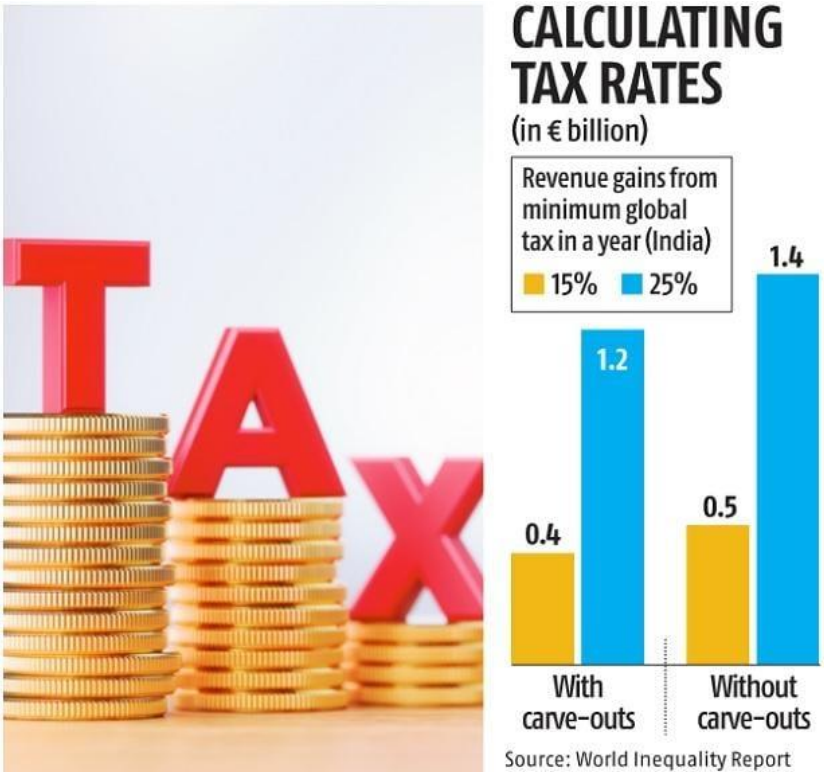
A higher rate of 25 per cent will reduce the risk of such a counterproductive outcome, it said.

According to the agreement reached under the aegis of the Organization for Economic Co-operation and Development (OECD) and later endorsed by the G-20 in October, there is a two-pillar approach to taxation.

Pillar-2 introduces a global minimum corporate tax rate at 15 per cent. The new minimum tax rate will apply to companies with revenues above €750 million and is estimated to generate around $150 billion in additional global tax revenues annually.

Under Pillar-1, multinationals with global sales above €20 billion and profitability above 10 per cent — the kind of companies that can be regarded as winners of globalisation — will be covered by the new rules, with 25 per cent of profits above the 10 per cent threshold to be reallocated to market jurisdictions. This will generate additional tax revenues of $125 billion annually.

Rakesh Nangia, chairman, Nangia Andersen India, said many developing countries stipulated tax rates higher than 15 per cent. If they continue to levy taxes at higher rates, they are likely to remain victims of profit-shifting to locations where the rate is kept at the minimum of 15 per cent. If they lower the rate to 15 per cent, they will significantly lose much-needed tax revenues.




On the contrary, the most advanced countries that account for a disproportionate share of the world's multinationals could set corporate tax rates way above the minimum since the cost of relocating headquarters and operating from an alternative location may outweigh any marginal benefit in tax saving.

Amit Maheshwari, tax partner at AKM Global, a tax and consulting firm, said according to the OECD, there was an expected increase in additional tax revenues to the extent of around $150 billion annually arising out of this deal though it was likely to cover only the top 100 multinational companies.

The proposal, while designed to stop the "race to the bottom" by developing countries to attract multinationals to their land by lowering their corporate tax rates, will now have to compete on other factors as well like infrastructure and employment generation. Developing markets lack infrastructure and may not be able to compete effectively on factors other than tax, he said.

Another reason of concern for developing countries is that the OECD threshold for applicability of Pillar 1 and 2 is quite high, he said.

India introduced a 6 per cent equalisation levy for digital advertising services in 2016. Later, in April 2020, it widened the scope to impose 2 per cent tax on non-resident e-commerce players. India has collected Rs 1,600 crore by way of the levy so far this fiscal, almost twice the last year's figure. India is likely to withdraw the equalization levy once the OECD agreement comes into effect.

From India’s perspective, the equalization levy which was imposed as a unilateral measure by India on digital transactions will be rolled back as a part of the commitment made by India in the past. It is pertinent to note that India’s current threshold for equalization levy is around €230,000 (Rs 2 crore) whereas the annual global turnover threshold to fall under the scope of Pillar 1 is € 20 billion, Maheshwari said.

"This raises significant concerns as to the tax collections which are likely to be lesser now," he said.

# Statsguru: Six charts explain another dimension of poverty in India

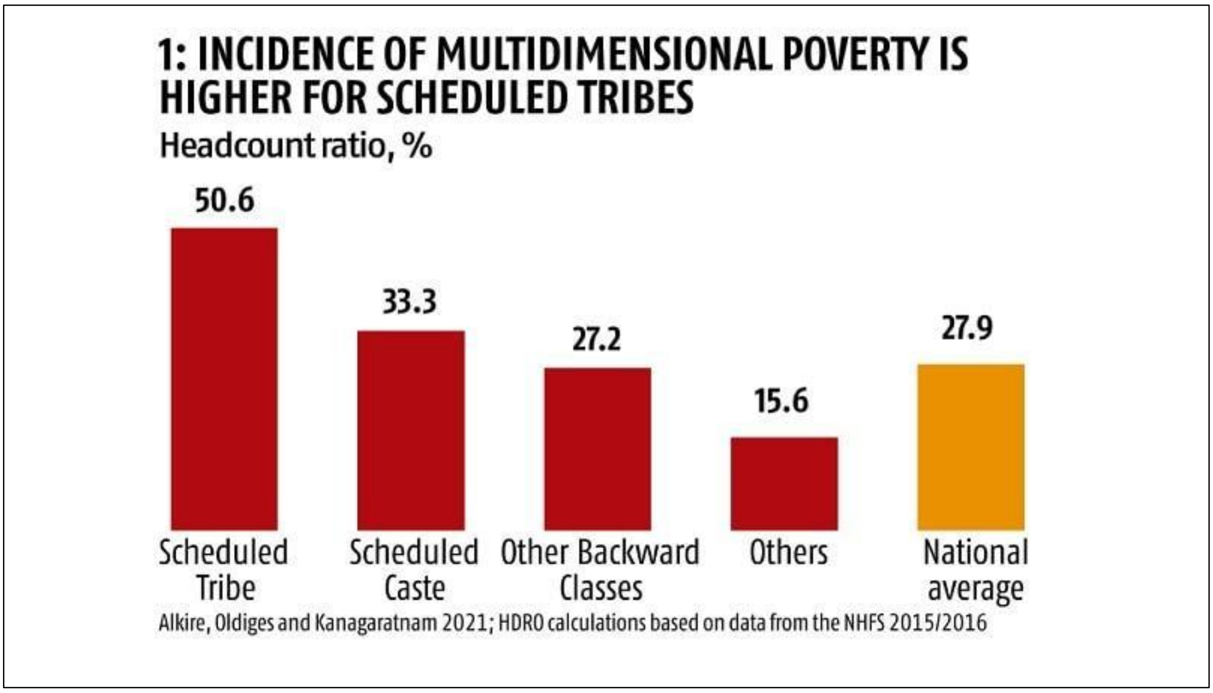
**The report highlights that differences among social groups define the incidence and intensity of poverty**

**Ishaan Gera** **October 18, 2021**
**BUSINESS STANDARD**

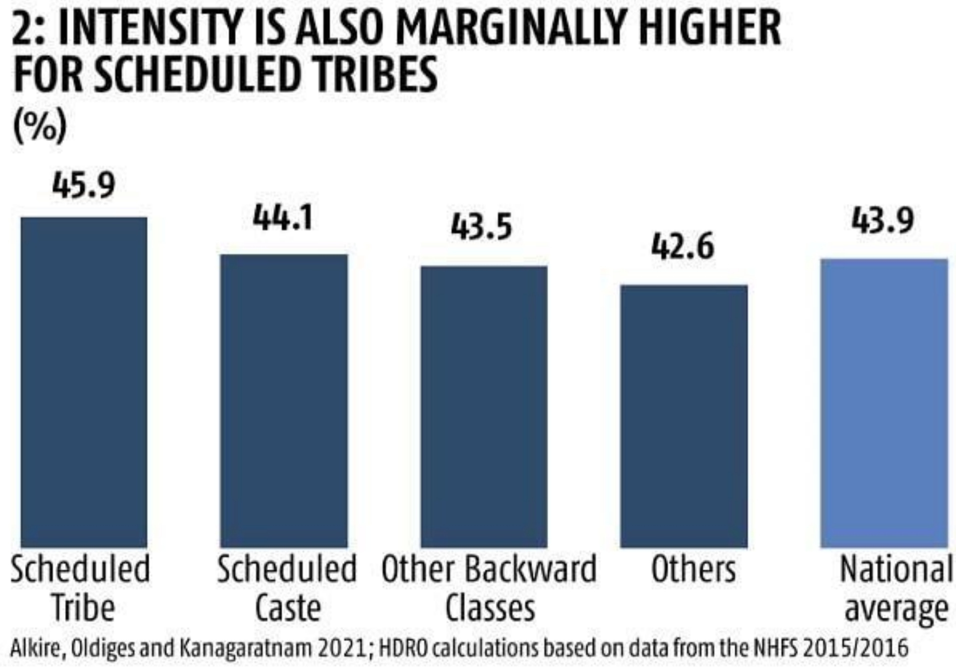

***The incidence of poverty or the headcount ratio was the highest among STs.***

The latest global multidimensional poverty index (MPI) report does not have any new data from India — the last analysis was based on NFHS 2015-16 data. Researchers have, however, found a new dimension to multidimensional poverty in the country.

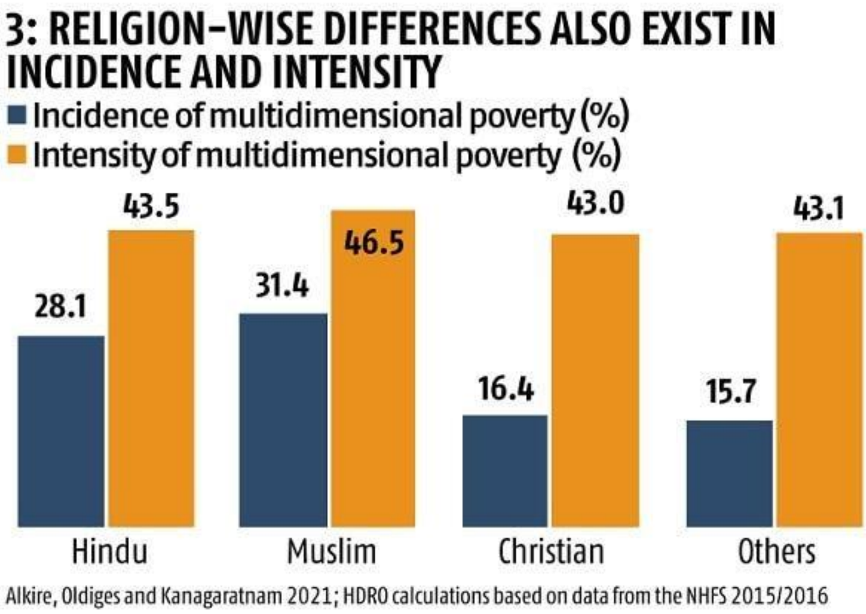
The report highlights that differences among social groups define the incidence and intensity of poverty. Five of the six multidimensional poor in the country belonged to lower social groups, with Scheduled Tribe (ST) population at the bottom of the pyramid. The incidence of poverty or the headcount ratio was the highest among STs. Over half of the ST population was multidimensionally poor, followed by Scheduled Caste groups, where a third were affected by multidimensional poverty.



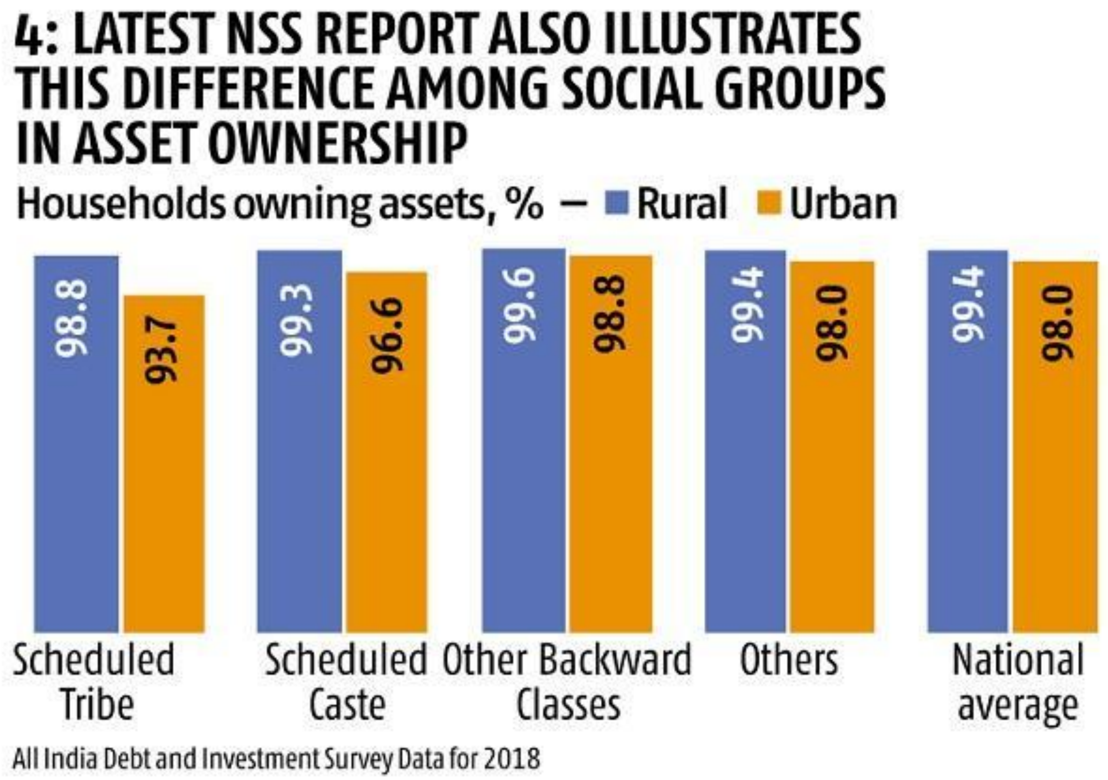

The all-India average was 27.9 per cent (*chart 1*). The intensity of multidimensional poverty, which illustrates the average share of deprivation experienced by the poor, was marginally higher for STs (*chart 2*).



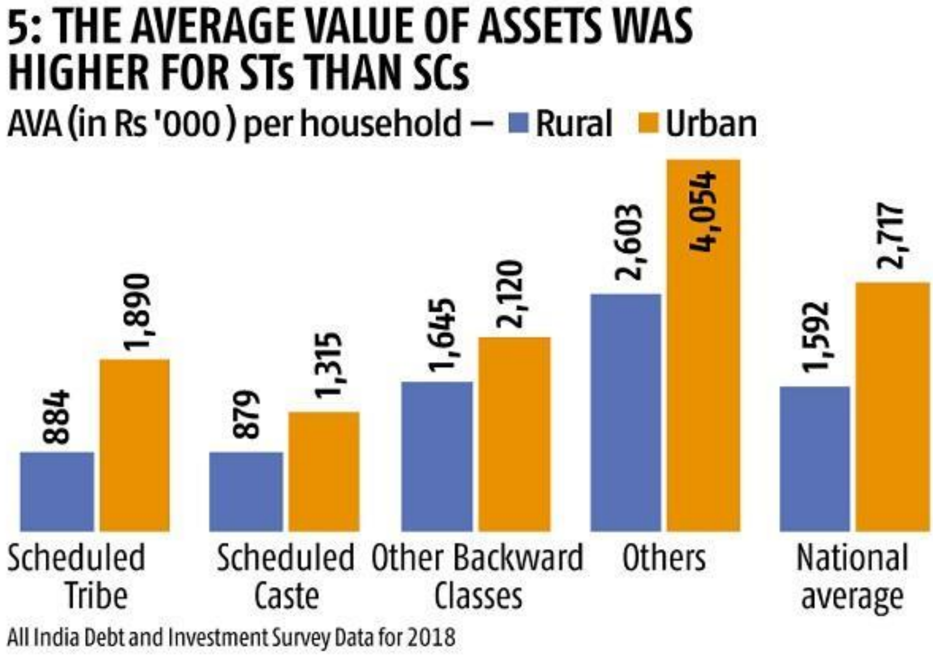

The latest MPI is based on a paper, "Examining multidimensional poverty reduction in India 2005/6–2015/16: Insights and oversights of the headcount ratio", published by Sabina Alkire, Christian Oldiges and Usha Kanagaratnam earlier this year. The paper analysing results from NFHS 2015-16 also shows the difference in incidence and intensity of multidimensional poverty among religious groups. Muslims had a higher headcount ratio, followed by Hindus and Christians (*chart 3*).



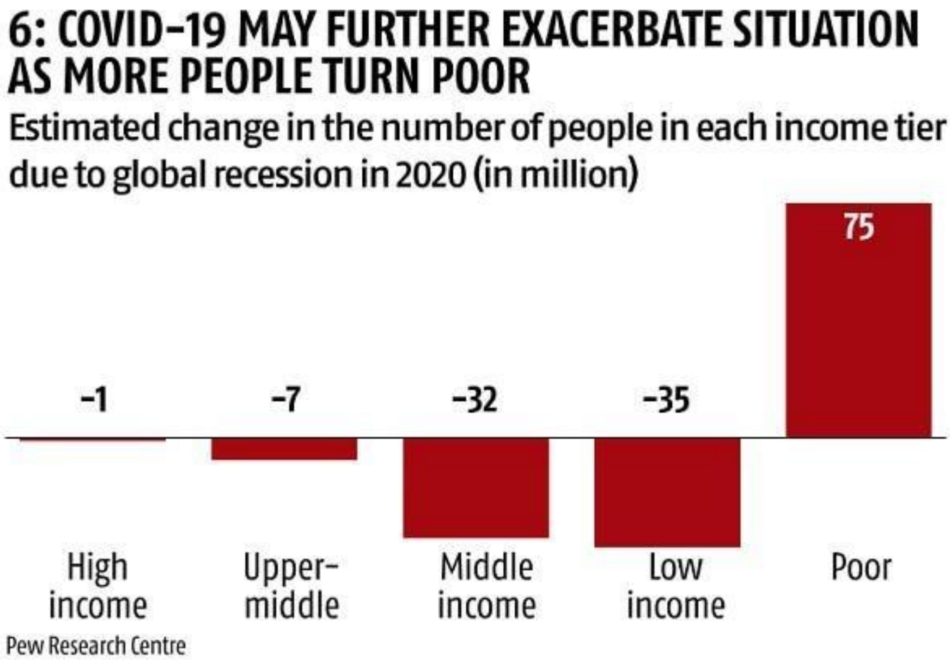
The All India Debt and Investment Survey (AIDIS), released last month, based on 2018 data, illustrates similar trends regarding asset holdings of social groups. About 98.8 per cent of ST households in rural areas had assets vis-à-vis 99.4 per cent national average. In urban areas, the divide was even starker with only 93 per cent of ST households having assets, compared to 98 per cent national average.




Even though the MPI indicates a higher incidence of poverty in Other Backward Classes than "Others" category, AIDIS data showed that their asset holdings in both rural and urban areas were higher than the "Others" category (*chart 4*). The average value of assets was higher for STs than SCs, as per AIDIS data. Rural inequality was higher than urban inequality (*chart 5*).




The multidimensional poverty index or the AIDIS data does not show the depravation caused by the Covid-19 pandemic. A Pew Research Centre study indicates that India may have added 75 million poor because of the disruption (*chart 6*).



# Poverty ratio 32.75% in rural areas against 8.81% in urban: NITI report

## The report surveyed 175,946 households in urban areas and 425,563 households in rural parts

**Indivjal Dhasmana** |
**New Delhi December 5, 2021**
**BUSINESS STANDARD**

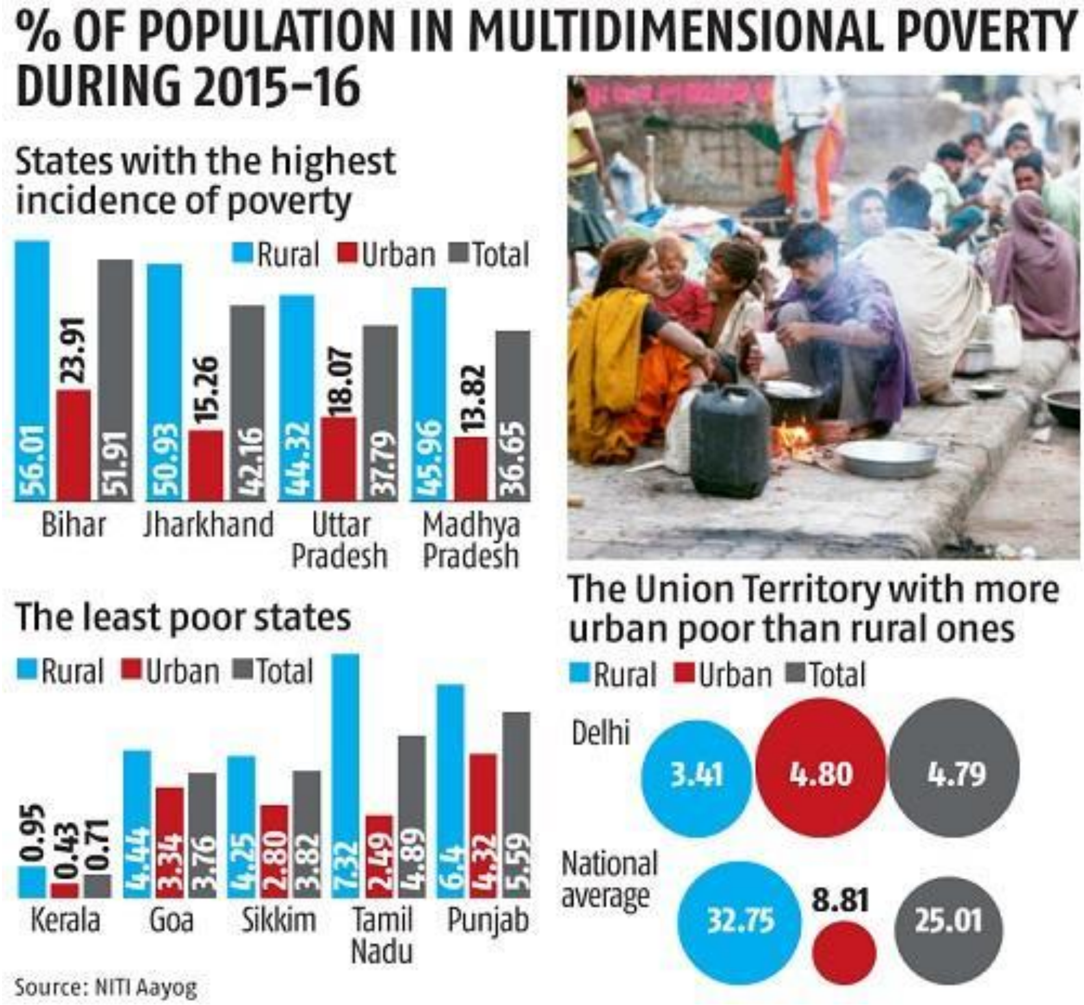
Urban areas, by all accounts, have skimmed off the fruits of development at least during 2015-16, the year of the National Family Health Survey (NFHS), on which the NITI Aayog's multidimensional poverty report is based.

While 25.01 per cent of the population was multidimensionally poor in the country, the poverty ratio was as high as 32.75 per cent in rural areas during that year. This was against 8.81 per cent of the population in urban areas.

The pattern was the same in states and Union Territories in varying degrees -- a greater proportion of the poor in villages than in urban areas -- except for Delhi, which is predominantly a city state.

The report surveyed 175,946 households in urban areas and 425,563 households in rural parts.

Taking a household as comprising five members, there were 874,730 people surveyed in urban areas and 2.22 million in rural areas that year.




The population of India stood at 1.31 billion in 2015, according to World Bank statistics. Of this, 67.22 per cent were in rural areas and the rest in urban parts.

Extrapolating the multidimensional poverty as given by the NITI Aayog_would mean that a bit over 288 million people in rural areas and close to 38 million in urban areas were poor in 2015.

There is no way to compare the multidimensional poverty ratio given in the report with earlier years since it was the first such report.

However, the difference between the poverty ratio in rural and urban areas was not as stark if one looks at the report of the erstwhile Planning Commission and a panel headed by C Rangarajan, who was chairman of the Prime Minister's Economic Advisory Council.

The earlier Tendulkar method of poverty showed the proportion of the poor in the rural population declined to 25.7 per cent from 33.8 per cent, while that in the urban population came down to 21.9 per cent from 29.8 per cent between 2009-10 and 2011-12. The Tendulkar method took those spending less than Rs 33 a day in urban areas and Rs 27 a day in the rural areas as poor. This had triggered controversy.

The Rangarajan-led panel came up with another report. According to it, the poor constituted 30.9 per cent of the rural population during 2011-12 against 39.6 per cent during 2009-10.

On the other hand, the urban poverty ratio fell to 29.5 per cent from 38.2 per cent over this period. The report took a person spending less than Rs 47 a day in cities and below Rs 32 a day in villages as poor.

This poverty line approach was abandoned by the NITI Aayog, which replaced the Planning Commission on January 1, 2015.

The current report calculated the ratio on the multidimensional poverty index, which is based on three dimensions -- health, education, and standard of living -- with each having a weighting of one-third in the index. These dimensions are further based on 12 segments -- nutrition, child and adolescent mortality, antenatal care, years of schooling, school attendance, cooking fuel, sanitation, drinking water, electricity, housing, assets, and bank accounts.

The Aayog has clarified the NHFS for 2015-16 preceded the full roll-out of flagship schemes of the Pradhan Mantri Awas Yojana, Jal Jeevan Mission, Swachh Bharat Mission, Pradhan Mantri Sahaj Bijli Har Ghar Yojana, Pradhan Mantri Ujjwala Yojana, and the Pradhan Mantri Jan Dhan Yojana.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# Nationwide General Strike

# 23rd & 24th Feb. 2022

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