

India performs miserably in war on inequality

NEW DELHI: India has been ranked 132 out of 152 countries in an index that rates countries by their commitment to reducing inequality. The first report edition of the index, released recently, showed that OECD countries headed by [Sweden](#) ranked the highest while Nigeria was at the bottom. The US had the highest level of [inequality](#) among developed countries, though it is the wealthiest country in history.

Ironically, Bhutan, known for coining the term 'Gross National Happiness', is ranked even lower than India at 143. Of India's immediate neighbours, all but Nepal (81) and China (87) ranked between 138 and 150. Given that this region is home to the largest chunk of poor people in the world, that's worrying news.

The index and the inequality report were put together by the international NGO [Oxfam](#) and Development Finance International to measure the efforts of governments that had pledged to reduce inequality as part of the sustainable development goals. The index mainly focused on redistributive actions governments can take, rather than those that would prevent rising inequality in the first place.

"A recent study of 13 developing countries that had reduced their overall inequality level found that 69% of the reduction... was because of public services," stated the report. It added that progressive taxation, where corporations and the richest individuals are taxed more in order to redistribute resources and ensure the funding of public services, is a key tool for governments committed to reducing inequality.

The report noted that government spending on health, education and social protection was woefully low in India.

The tax structure looks reasonably progressive on paper, but in practice much of the progressive tax is not collected, it added. India fared poorly on labour rights as well as respect for women in the work place. The report said that if India were to reduce its inequality by a third, 170 million people could be raised out of poverty. In contrast, it noted how Namibia had halved the poverty rate from 53% to 23% with very high spending on health and education.

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