

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 560
DUE FOR ANSWER ON 07.02.2023**

Rising income inequality

560 SHRI MALLIKARJUN KHARGE:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that the wealthiest one per cent in the country own more than 40 per cent of the country's total wealth, while the bottom half of the population together share just 3 per cent of wealth;
- (b) if so, the reasons behind such an exponential rise in income inequality in the country; and
- (c) the steps the Ministry has taken to control the rising income inequality in the country?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b) In India, the data on class distribution of income is not compiled centrally. However, household consumption expenditure data collected by National Sample Survey Office (NSSO) could be used as a proxy to capture the economic disparity in terms of consumption expenditure. The latest data of Large Sample Survey on Household Consumer Expenditure has been collected by NSSO in its 68th round conducted in 2011-12. The Gini coefficient (measuring the inequality between different expenditure classes of the population) in rural areas is observed to be almost same in 2004-05 and 2011-12 at 0.27 and 0.28 respectively. In the urban areas, the Gini coefficient has increased marginally from 0.35 in 2004-05 to 0.37 in 2011-12. The process to conduct the next Household Consumption Expenditure Survey has been initiated in August 2022.

(c) The Government of India has been focusing on inclusive growth as reflected in its commitment to Sabka Saath, Sabka Vikas and has initiated several targeted schemes that aim to reduce poverty and inequality, provide social security, income generation and livelihood options, and improve the quality of life of the vulnerable sections of the population in the country.

Key measures taken for inclusive development include Pradhan Mantri Garib Kalyan Yojana; additional Emergency Working Capital Funding for farmers through NABARD; concessional

credit through Kisan Credit Cards; fund transfer under PM-KISAN, PM Fasal Bima Yojana claim payments; additional subsidy for DAP & P&K fertilizers; extension of SVAMITVA Scheme to all States/UTs; enhancing agricultural credit and infrastructure funds; interest subvention for dairy cooperatives; liquidity support under Rural Infrastructure Development Fund to States; Agri-Infrastructure Fund for farm gate infrastructure; scheme for Formalisation of Micro Food Enterprises, Pradhan Mantri Matsya Sampada Yojana, National Animal Disease Control Programme, Animal Husbandry Infrastructure Development Fund, Promotion of Herbal Cultivation and Beekeeping and extension of Operation Greens from Tomatoes, Onion and Potatoes to all fruits and vegetables.

Further, the Government is implementing, inter-alia, Deendayal Antyodaya Yojana – National Rural Livelihoods Mission, Deen Dayal Upadhyay – Gramin Kaushalya Yojana, Pradhan Mantri Awaas Yojana – Gramin, Pradhan Mantri Gram Sadak Yojana, and National Social Assistance Programme to bring about overall improvement in the quality of life of the people in rural areas through employment generation, strengthening of livelihood opportunities, promoting self-employment, skilling of rural youths, provision of social assistance and other basic amenities.
