

Government of India  
Ministry of Finance  
Department of Economic Affairs

**LOK SABHA**  
**UNSTARRED QUESTION NO. 174**  
TO BE ANSWERED ON FEBRUARY 2, 2018

WEALTH INDEX OF STATES

174. ADV. JOICE GEORGE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has released the wealth index of States, if so, the details thereof, States/UT- wise and rank-wise;
- (b) the details of tools/variables used for conducting the study in this regard;
- (c) whether the Government has used quintiles scores to classify population for States, religious and caste groups and rural-urban areas in each quintile, if so, the details thereof;
- (d) whether High levels of income and wealth inequality is a matter of great concern in the country, if so, the details thereof; and
- (e) whether the Government is planning any policy intervention in this regard and if so, the details thereof and if not, the reasons therefor?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PON. RADHAKRISHNAN)

(a) The National Family Health Survey 2015-16 (NFHS-4) conducted under the stewardship of the Ministry of Health and Family Welfare, Government of India has presented data on wealth index of States/Union Territories (UTs). Chandigarh, followed by Delhi and Punjab have the highest percentage of population in the highest wealth quintile. A statement on State/UT wise percentage of population in the highest wealth quintile is placed at Annexure-I.

(b) The wealth index has been computed by using household scores based on indicators which reflect ownership of assets and other characteristics. The sample households are given scores based on the number and kinds of consumer goods they own, ranging from a television to a bicycle or car, and housing characteristics such as source of drinking water, toilet facilities, and flooring materials. These scores are derived using principal component analysis. National wealth quintiles are compiled by assigning the household score to each usual (de jure)

household member, ranking each person in the household population by their score, and then dividing the distribution into five equal categories, each with 20 per cent of the population.

(c) The NFHS-4 has reported the wealth quintiles according to caste groups, religious groups and according to urban and rural residence of the households. As per NFHS-4, 51 per cent of the population in scheduled caste households and 71 per cent of the population in scheduled tribe households are in the two lowest wealth quintiles. It has also reported that in India, the wealthiest households are concentrated in urban areas. According to NFHS-4, 74 per cent of the urban population is in the two highest wealth quintiles, while more than half of the rural population (56 percent) falls in the two lowest wealth quintiles.

(d) to (e) The wealth indices of States/UTs are based on select indicators of ownership of assets and housing characteristics. As per the NFHS wealth index, there are wide State/UT wise variations in the percentage distribution of the *de jure* population by wealth quintiles. Reducing inequalities is high on the agenda of the Government. According to Economic Survey 2017-18, utmost priority to social infrastructure like education, health and social protection is being given by the Government to engineer an inclusive and sustainable growth in India. The Government has been enhancing expenditure on human capital along with adopting measures to improve efficiency of expenditure by convergence of schemes. This is evident from the RBI data which show that the expenditure on social services by the Centre and States (General Government) as a proportion of GDP has increased from 5.8 per cent in 2015-16 to 6.6 per cent 2017-18 (BE).

Several initiatives have been taken up by the Government of India to eliminate poverty, inequality and to empower the marginalized sections of the society by expanding the social security net through Pradhan Mantri Suraksha Bima Yojana (Accident Insurance), Atal Pension Yojana (Unorganized Sector) and Pradhan Mantri Jeevan Jyoti Yojana (Life Insurance) and institutional support for entrepreneurship with the help of MUDRA Bank, to provide microfinance to entrepreneurs in rural hinterland of India and a National Hub for SC/ST entrepreneurs has been created to support the entrepreneurs belonging to the marginalized communities. In addition, Stand up India scheme was launched to boost the spirit of entrepreneurship among the most vulnerable groups of the society wherein every single branch of a public sector bank is asked to support one entrepreneur each from women and SC/ST category. Apart from providing the social security net and institutional credit support to the marginalized sections of the society, the Pradhan Mantri Jan Dhan Yojana is operational that strives to achieve financial inclusion by ensuring that the economically weaker sections have access to bank accounts. Other programmes/schemes such as, Mahatma Gandhi National Rural Employment Guarantee Act, Deendayal Antyodaya Yojana -National Rural and Urban Livelihoods Mission, Swachh Bharat

Mission, Pradhan Mantri Awas Yojana, Skill India, Make in India, etc. are being implemented by the Government in both rural and urban areas of the country which aim to create directly and indirectly additional employment opportunities to reap the benefits of the demographic dividend.

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Annexure-I in referred to reply of the Lok Sabha Question No. 174 due for reply on 02.02.2018

**State/UTs wise percentage of population in highest wealth quintiles  
arranged in descending order**

State / UTs	% of Population in the Highest Wealth Quintile
Chandigarh	78.5
Delhi	61.1
Punjab	60.7
Goa	54.5
Kerala	48.1
Haryana	45.8
Lakshadweep	37.3
Puducherry	35.3
Mizoram	32.6
Himachal Pradesh	31.8
Andaman & Nicobar Islands	30.3
Gujarat	29.9
Uttarakhand	29.0
Daman & Diu	28.9
Jammu & Kashmir	26.0
Maharashtra	26.0
Telangana	22.3
Tamil Nadu	22.0
Karnataka	21.0
Dadar & Nagar Haveli	19.4
Rajasthan	19.2
Andhra Pradesh	17.0
Madhya Pradesh	15.8
Uttar Pradesh	15.5
Chhattisgarh	13.5
Sikkim	11.6
Nagaland	10.5
Manipur	9.5
West Bengal	9.2
Jharkhand	9.0
Arunachal Pradesh	8.9
Odisha	7.2
Meghalaya	6.5
Assam	6.4
Tripura	6.3
Bihar	3.3

Source: India Report: National Family Health Survey -4 (2015-16)

