

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

**LOK SABHA  
UNSTARRED QUESTION NO. 1626  
TO BE ANSWERED ON 10.03.2025**

**GROWING ECONOMIC INEQUALITY**

**1626. SHRI S SUPONGMEREN JAMIR:**

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken by the Government for addressing the growing economic inequality in the country, where the wealth of Billionaires has tripled while millions remain below the poverty line;
- (b) whether the Government has any plans to reintroduce the wealth tax (2015) or implement a robust taxation system on the super-rich;
- (c) the measures taken by the Government to ensure that economic growth benefits reach to all citizens particularly in addressing issues such as stagnant wages, rising inflation and poor job growth; and
- (d) whether the Government has any comprehensive plan to balance wealth concentration with fairness and justice in policy making?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a): The primary policy objective of the Government is development of all sections of the population. Its focus on inclusive growth is reflected in commitment to “Sabka Saath, Sabka Vikas” 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. With these objectives, the Government is implementing a number of targeted programmes such as Pradhan Mantri Awas Yojana, Mahatma Gandhi National Rural Employment Guarantee Scheme, Deendayal Antyodaya Yojana - National Rural Livelihoods Mission, National Social Assistance Programme, Deen Dayal Upadhyaya Grameen Kaushalya Yojana, Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana, Pradhan Mantri Mudra Yojana, Stand Up India Scheme, Umbrella Programmes for Development of Minorities and Other Vulnerable Groups; Rashtriya Krishi Vikas Yojna; fund transfer under PM-KISAN, PM Fasal Bima Yojana claim payments; fertiliser subsidies; interest subvention for dairy cooperatives; Agri-Infrastructure Fund for farm gate infrastructure etc. Further, the Government has implemented various programmes, including Jal Jeevan Mission, Swachh Bharat Abhiyan, PM Ujjwala Yojana,

PM Saubhagya Yojana, Ayushman Bharat, Pradhan Mantri Jan-Dhan Yojana, etc. to bring about overall improvement in the quality of life of the people through universal access to basic amenities.

(b): There is no such proposal under consideration. India has a progressive direct taxation regime wherein a person in the higher bracket pays income-tax at higher rates as compared to a person in the lower income bracket. Further, surcharge on income-tax is applicable to persons having income above a certain level. Thus a robust taxation system is already in place vis-a-vis taxation of higher brackets of income-earners.

(c) and (d): The Government has a multi-pronged approach that addresses economic inequality, promotes social mobility, and ensures fair economic participation. It has been prioritizing employment generation and improving employability. The annual periodic labour force survey (PLFS) report shows that labour markets have recovered beyond pre-COVID levels in both urban and rural areas. The unemployment rate for individuals aged 15 and above has decreased from 5.8% in 2018-19 to 3.2% in 2023-24.

Various schemes and programs have been implemented to expand job opportunities, as provided in reply to part (a) above. Besides, the focus on growth-promoting measures like robust capital expenditure, continuing improvements in logistic facilities, urban development, promotion of MSMEs, agriculture and manufacturing are promoting overall economic growth, thereby improving employment, and purchasing power of the citizens.

The government is also implementing the Skill India Mission (SIM) to provide skill, re-skill, and up-skill training through an extensive network of skill development centres, schools, colleges, and institutes. The SIM aims at enabling youth of India to get future ready, equipped with industry relevant skills. Besides, the PM Vishwakarma scheme was launched in September, 2023 to provide end-to-end support to artisans and craftspeople of 18 trades who work with their hands and tools.

The Government has proposed significant measures in the Union Budget 2025-26 to enhance the spending power of the middle class. The Union Budget has proposed that there will be no income tax payable upto income of ₹12 lakh per annum under the new tax regime. The Budget has also proposed a change in slabs and rates of personal income tax across the board to benefit taxpayers. The new structure is expected to substantially reduce the taxes of the middle class and leave more money in their hands. The other measures of the Government to benefit the middle class include enhanced pension schemes, support for affordable housing, public health schemes and financial support to entrepreneurs.

