

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

**LOK SABHA  
UNSTARRED QUESTION NO. 323  
TO BE ANSWERED ON 02.02.2026**

**RISING INCOME AND WEALTH INEQUALITY IN THE COUNTRY**

323. Shri Vijayakumar Alias Vijay Vasanth:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Government tax policies continue to favour the richest, while the poor and middle class face stagnant incomes and rising costs of living;
- (b) if so, the manner in which the Government justify the said policies;
- (c) the measures likely to be taken by the Government to ensure economic justice for women in the country;
- (d) whether the Government is aware that globally the elite control disproportionate wealth, yet India's top 1 per cent wealth share has risen even faster and the manner in which the Government plans to prevent India from becoming a society of extreme privilege;
- (e) whether the Government is aware that the report highlights the link between private capital concentration and rising inequality and the manner in which the Government regulates corporate and financial elites to prevent exploitation of workers;
- (f) whether the Government has assessed the widening regional disparities, particularly the growing rural–urban income gap and the marginalization of rural and disadvantaged communities and if so, the targeted schemes being implemented to address these disparities; and
- (g) whether the Government has taken note of the World Inequality Report's warning that unchecked inequality undermines social cohesion, if so, the steps proposed to be taken by the Government to prevent rising social unrest due to wealth concentration?

**ANSWER**

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

(a) & (b): No, Sir. The tax structure in India is progressive, with higher-income groups contributing a larger share of direct taxes, while economically weaker sections receive net fiscal support through subsidies and welfare schemes. Concerns relating to the cost of living are addressed through targeted interventions in food security, fuel support, housing, and health, with policy emphasis placed on inclusive schemes such as Direct Benefit Transfers.

(c): The Union Budget 2025–26 includes a Gender Budget Statement with allocations across multiple Ministries and Departments through schemes such as Saksham Anganwadi, Mission Shakti, and programmes supporting women entrepreneurs and women’s housing. Measures for economic justice for women include higher budgetary allocations for women-centric schemes, financial inclusion under the Pradhan Mantri Jan Dhan Yojana (PMJDY), nutrition and health programmes, maternity benefits, skill development initiatives, and support for women’s self-employment and Self-Help Groups (SHGs).

(d) to (g): In India, the data on class distribution of income is not compiled centrally. However, household consumption expenditure data collected by the National Statistical Office (NSO) could be used as a proxy to capture the economic disparity in terms of consumption expenditure. According to the latest Household Consumption Expenditure Survey 2023-24, the Gini coefficient for rural and urban areas is 0.237 and 0.284, respectively, down from 0.266 and 0.314 in 2022-23. This shows that the rural-urban gap is narrowing. This has been possible due to a multi-pronged approach followed by the Government that addresses economic inequality, promotes social mobility, and ensures fair economic participation.

The Government addresses rising wealth concentration through a progressive income tax structure, higher surcharges on high-income groups, and increased spending on food, health, education, housing, and social security.

The Government has been prioritising 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.

Further the Government has been implementing various targeted programmes such as Pradhan Mantri Awas Yojana, Mahatma Gandhi National Rural Employment Guarantee Act (Replaced with the Viksit Bharat – Guarantee for Rozgar and Ajeevika Mission (Gramin) Act, 2025), Deendayal Antyodaya Yojana - National Rural Livelihoods Mission, National Social Assistance Programme, Pradhan Mantri Jan-Dhan Yojana, 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, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), the Aspirational Districts Programme, and rural health, nutrition, and skill-development initiatives etc. It is also implementing various programmes, including Jal Jeevan Mission, Swachh Bharat Abhiyan, PM Ujjwala Yojana, PM Saubhagya Yojana, Ayushman Bharat, etc. to bring about overall improvement in the quality of life of the people through universal access to basic amenities.

The Government closely monitors global inequality reports, including the World Inequality Report. As mentioned in the latest report, (*National Multidimensional Poverty Index: A Progress Review 2023*, released by NITI Aayog, the proportion of the population in multidimensional poverty declined from 24.85% to 14.96% between 2015-16 and 2019-21, indicating that about 13.5 crore people have escaped poverty during the period. Further, as per the discussion paper (*Multidimensional Poverty in India since 2005-06*, published by NITI Aayog, multidimensional poverty in India is estimated to have declined from 29.17% in 2013-14 to 11.28% in 2022-23 indicating that 24.82 crore people have escaped poverty during this period.

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