

Oxfam Report - 'Survival of the Richest'

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In news— Oxfam India's report on inequality in India has been released recently.

Key Highlights of the report-

- According to the latest report, **just 5 per cent of Indians own more than 60 per cent of the country's wealth**, while the **bottom 50 per cent of the population possess only 3 per cent of the wealth**.
- It also says that **between 2012 and 2021, 40 per cent of the wealth created in India has gone to just 1 per cent of the population**.
- It has revealed that only a mere 3 per cent of the wealth has gone to the bottom 50 per cent, adding that the total number of billionaires in India increased from 102 in 2020 to 166 billionaires in 2022.
- **The combined wealth of India's 100 richest has touched \$660 billion (Rs 54.12 lakh crore)** an amount that could fund the entire Union Budget for more than 18 months.
- While the number of hungry Indians increased to 350 million in 2022 from 190 million in 2018.
- The widespread hunger is resulting in 65 per cent of the deaths among children under the age of 5 in 2022.
- The wealth of the top 10 richest in India stands at Rs 27.52 lakh crore (\$335.7 billion, an increase of around \$110 billion which is an 32.8 per cent rise from 2021).
- Following the pandemic in 2019, the bottom 50 per cent of the population have continued to see their wealth chipped away.
- By 2020, their income share was estimated to have fallen to only 13 per cent of the national income and have less than 3 per cent of the wealth.

- Its impact has been exceptionally poor diet, increase in debt and deaths. This is in stark contrast to the top 30 per cent, who own more than 90 per cent of the wealth, with the top 10 per cent owning more than 80 per cent of the wealth concentrated in the top three deciles.
- The wealthiest 10 per cent own more than 72 per cent of wealth, and the top 5 per cent own nearly 62 per cent of the total wealth, which is higher than the pre-pandemic years (2018-19), and the top 1 per cent own more than 13 times the wealth owned by the bottom half of the society, with nearly 40.6 per cent of the total wealth in India.
- Oxfam adds that **India has the world's highest number of poor at 228.9 million.** On the other hand, the total number of billionaires in India increased from 102 in 2020 to 166 billionaires in 2022.
- Before the pandemic, in 2019, the Central Government reduced the corporate tax slabs from 30 per cent to 22 per cent, with newly incorporated companies paying a lower percentage (15 per cent).
- This new taxation policy resulted in a total loss of INR 1.84 lakh crore and had a significant role in the 10 per cent downward revision of tax revenue estimates in 2019-20.
- To increase revenue, the Union Government adopted a policy of hiking the Goods and Services Tax (GST) and excise duties on diesel and petrol while simultaneously cutting down on exemptions.
- The indirect nature of both the GST and fuel taxes make them regressive, which invariably burdens the most marginalized.
- Oxfam India has said that the **failure to tax rich people and corporations fairly exacerbates inequality** as governments then resort to taxing the rest of society more.
- Heavy reliance on consumption taxes like VAT increases inequality and is regressive in nature because poor

people pay a larger share of their incomes.

- It has said that **the bottom 50 per cent of the population at an All-India level pays six times more on indirect taxation as a percentage of income compared to top 10 per cent**
- Of the total taxes collected from these food and non-food items, 64.3 per cent of the total tax is coming from the bottom 50 per cent.
- A little less than two-third of the total GST is coming from the bottom 50 per cent, as per estimates, one-third from middle 40 per cent and only three to four per cent from the top 10 per cent.