

World Inequality report, 2022

December 8, 2021

In news— World Inequality Report (WIR), 2022 has been released recently.

About the report-

- It presents the most up-to-date and complete data on the various facets of inequality worldwide as of 2021: global wealth, income, gender and ecological inequality.
- The World Inequality Database **aims to provide open and convenient access** to the most extensive available database on the historical evolution of the world distribution of income and wealth, both within countries and between countries.
- WID was **initially created as the World Top Incomes Database (WTID) in January 2011** with the aim of providing convenient and free access to all the existing series.
- In December 2015, the WTID was subsumed into the WID, The World Wealth and Income Database.
- **MENA (Middle East and North Africa) is the most unequal region** in the world, **Europe has the lowest inequality levels**.
- MENA consists of Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen.
- **Nations have become richer, but governments have become poor**, when we take a look at the gap between the net wealth of governments and net wealth of the private and public sectors.
- Wealth inequalities have **increased at the very top of the distribution**.
- The rise in **private wealth has also been unequal within countries** and at the world level.

- **Global multimillionaires have captured a disproportionate share of global wealth growth over the past several decades:** the top 1% took 38% of all additional wealth accumulated since the mid-1990s, whereas the bottom 50% captured just 2% of it.
- **Gender inequalities remain considerable at the global level,** and progress within countries is too slow
- Data shows that these inequalities are not just a rich vs. poor country issue, but rather a high emitters vs low emitters issue within all countries.

India's performance-

- It says that **India is among the most unequal countries** in the world, with rising poverty and an 'affluent elite.'
- It highlights that the **top 10% and top 1% in India hold 57% and 22% of the total national income respectively** while the bottom 50% share has gone down to 13%.
- The **average national income** of the Indian adult population is **Rs 2,04,200.**
- Here, the bottom 50% earns Rs 53,610 while the top 10% earns Rs 11,66,520, over 20 times more.
- The report says that emerging economies like **India and China experienced faster increases in private wealth than wealthy countries** after they transitioned away from regulated economies.
- In India, particularly, **private wealth went up from 290% in 1980 to 560% in 2020.**
- The report shows that the **income inequality in India under the British colonial rule (1858-1947) was very high,** with a top 10% income share around 50%.
- After independence, **due to socialist-inspired five-year plans, this share was reduced to 35-40%.**
- The average household wealth in India is around Rs 9,83,010.
- In 2021, the wealthiest 10% of the population owned 65%

of total household wealth in India.

- **The share of female labour income share in India is equal to 18% which is significantly lower than the average in Asia (21%, excluding China) & is among the lowest in the world.**