



## Show commitment to equity

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(Mains GS 3 : Inclusive growth and issues arising from it.)

### Context:

- Recently, Oxfam International presented its annual global “Inequality Report” with title **Inequality Kills**.
- The report calculated and presented the quantum growth in wealth of a minuscule few, and the simultaneous impoverishment of millions of working people.

### Causes direct harm:

- The wealth of the world’s 10 richest men has doubled since the pandemic began and the incomes of 99% of humanity are worse off because of **COVID-19**.
- Widening economic, gender, and racial inequalities—as well as the inequality that exists between countries—are tearing the world apart.
- However, this inequality is not by chance, but choice as “economic violence” is perpetrated when structural policy choices are made for the richest and most powerful people.
- This causes direct harm to all, and to the poorest people, women and girls, and racialized groups most.

### Revelation of report:

- During the novel coronavirus pandemic, the report reveals, more than half the world's new poor are from India; 84% Indian households have suffered a loss of income, with 4.6 crore people falling into extreme poverty.
- In this period, the richest 142 people have more than doubled their wealth to more than ₹53 lakh-crore.
- This can only be corrected if our policymakers reverse their framework of paying lip service to the poor while making policies that support the rich and inequality should perhaps be discussed threadbare in India before, and after every Union and State Budget.

### **Constitutional mandate:**

- There is a constitutional mandate to reduce inequality and it is the sacred responsibility of the Government to ensure delivery of the constitutional rights.
- The policymaking “duty” of all governments is to follow Part IV of the Constitution i.e. the Directive Principles of State Policy where article 38 and 39 mandate a policy path.
- Among other important principles, Article 38(1) states: “The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.”
- Article 39 (c) states: The State shall, in particular, direct its policy towards securing — (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

### **Right approach:**

- A rights-based policy framework should be followed by the Indian state to protect the poor and the marginalised and reducing inequality should be a high priority.
- However analysis of basic social services in the budget shows a different picture as India must be one of the only countries in the world where during the **COVID-19 pandemic** the health Budget has declined by a huge 10% in the last year.
- Social security expenditure has declined from an already pathetically low 1.5% in 2020-21 to 0.6% of the Union Budget in 2022 and social security pensions, for the elderly, for the disabled, and widows have been frozen at ₹200-₹300 a month for almost 15 years.
- However, policymakers have just in the last year increased their own salaries and pensions through a DA increase to 28%, and given themselves a bonus of 3%.

### **Undermine the guarantee:**

- During the pandemic, the **National Food Security Act (NFSA)** and the **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)** saved millions of Indians from hunger and premature death.
- After increasing allocations in the first phase of the pandemic, allocations were frozen, and budgets were slashed in Budget 2021-22 by saying that the allocation will be supplemented as and when needed.
- Programs such as the food security Act will not receive the quantum of allocations needed, even though food grain stocks are more than 90 million tons.
- However, it is clear that supplements come in an extremely miserly fashion, causing extensive distress, and in MGNREGA, undermining the legal guarantee of work on demand.

### **Resources are scarce:**

- Policymakers will tell us that resources are scarce but Oxfam says the combined wealth of India's 142 billionaires has increased by a massive ₹30 lakh-crore, in just the pandemic period.
- Jan Sarokar, a network of more than 30 social sector movements, has suggested that a 2% wealth tax, and a 33% inheritance tax on the top 1% of our population will fetch an estimated ₹11 lakh crore per annum, to support basic social sector entitlements.
- It is time to introspect, generate robust data, and face the truth and it is also perhaps up to society to stand up and make sure that we are true to our constitutional commitment of building a more just and equal society.

### **Conclusion:**

Stakeholders need to redesign our economies to be centered on equality with progressively taxing the extreme wealth; invest in powerful, proven inequality-busting public measures; and boldly shift power in the economy and society.