

Everything you need to know about 'World Inequality Report'

Why in news?

World Inequality Report 2018 has been recently released

What is World Inequality Report?

- It measures income and wealth inequality in a systematic and transparent manner.
- This report is on a global scale which showcases the trend in inequality across the world, providing a comparative perspective across countries.
- It seeks to fill a democratic gap and to equip various actors of society with the necessary facts to engage in informed public debates on inequality.
- It is published by World Inequality Lab at the Paris School of Economics.

What does recent report signify?

- It has brought into focus of economic progress in India and there are reported growth in inequality here since the mid-1980s.
- The report had found that the top 1% of income earners received 6% of the total income in the early 1980s, close to 15% of it in 2000, and receives 22% today.
- It also explains combination of large privatizations and increasing income inequality has fuelled the rise of wealth inequality among individuals.
- The report also enables a comparison of economic progress made in India and China.

What are the key comparisons made between India and china?

- Since 1980, while the Chinese economy has grown 800% and India's a far lower 200%.
- At the same time inequality in China today is considerably lower than in India.
- The share of the top 1% of the Chinese population is 14%

as opposed to the 22% reported for India.

- Per capita income in China was five times that of India in 2016 while the percentage of the population living on less than \$1.90 a day was about 10 times less at the beginning of this decade.

What are the reasons behind china's growth?

- Imaginative public policy and a steady governance was the ideology of china for which it had chosen Authoritative government.
- Leadership combined the drive for growth with the spreading of human capital.
- The spread of health and education in that country enabled the Chinese economy to grow faster than India by exporting manufactures to the rest of the world.
- Those goods may not have been good in quality but they were globally competitive, which made their domestic production viable.
- The resulting growth lifted vast multitudes out of poverty, which accounts for the relative equality of outcomes in China when compared to India.
- An ingredient of this is also the greater participation of women in the workforce of China, an outcome that eludes India.

Source: xaam.in