



Survival of the Richest Report: The India Story

For Prelims: Oxfam International, World Economic Forum, Informal sector, National Health Policy, Windfall Tax.

For Mains: Inclusive Growth, Issues of Inequality and its Solution.

Why in News?

According to the **Oxfam's Report "Survival of the Richest: The India story"**, the **richest 1%** in India now own more than **40%** of the **country's total wealth**, while the **bottom half of the population** together share just **3% of wealth** between 2012 and 2021.

- [Oxfam International](#) released the India supplement of its annual inequality report on the first day of the [World Economic Forum Annual Meeting](#) at **Davos**.
- The report states that **taxing India's ten-richest individuals at 5%** could generate enough money to bring children back to school.



What are the Findings of the Report?

- **Gender Inequality:**
 - The report also highlighted gender inequality in India, stating that female workers earned only **63 paise** for every **1 rupee** earned by **male workers**.
 - The situation is even worse for [Scheduled Castes](#) and **rural workers**, as they earned **55%** and half of what the **advantaged social groups** earned respectively, between **2018** and

2019.

- **Social Inequality:**
 - **Oxfam India** stated that the **country's marginalized communities such as Dalits, Adivasis, Muslims, Women,** and [informal sector workers](#) are continuing to suffer in a system that **prioritizes the survival of the richest.**
 - The poor in India are paying **disproportionately higher taxes**, and spending more on essential items and services when compared to the rich.
- **Suggested Measures to Combat Inequality:**
 - To implement **inheritance, property and land taxes**, as well as **net wealth taxes**, in order to reduce **inequality** and **generate revenue** for social programs.
 - To enhance the budgetary allocation of the **health sector to 2.5%** of [GDP](#) by **2025**, as envisaged in the [National Health Policy](#).
 - To enhance the **budgetary allocation** for [education](#) to the **global benchmark** of **6%** of **GDP.**
 - To combat these problems, Oxfam urged **higher taxes on the rich**, through a combination of measures including **one-time “solidarity” taxes** and **raising** minimum rates for the wealthiest.
 - **Oxfam International** has called for food companies that are making large profits as inflation has surged to face [windfall taxes](#).
 - The idea behind this is that these companies have benefited from the rising prices of **food and other essentials** and should contribute a **fair share** to help address [poverty](#) and [inequality](#).
 - This measure could generate revenue for governments to support social programs that help **reduce poverty and inequality.**
 - **Portugal** introduced a **windfall tax** on both **energy companies** and major **food retailers**, including **supermarket** and **hypermarket chains.**
- **Sources for Data:**
 - The report is based on data from multiple sources, including **Forbes** and **Credit Suisse** for information on wealth inequality and billionaire wealth in the country.
 - Additionally, government sources like the [National Sample Survey \(NSS\)](#), [Union budget documents](#), and parliamentary questions have been used to corroborate the arguments made throughout the report.

What is the Windfall Tax?

- **Windfall taxes** are taxes imposed on **unexpected** or **extraordinary profits**, such as those made during times of **economic crisis, war,** or [natural disasters](#).
- Governments typically levy **a one-off tax retrospectively** over and above the **normal rates of tax** on such profits, called **windfall tax.**
- One area where such taxes have routinely been discussed is **oil markets**, where price fluctuation leads to **volatile or erratic profits** for the industry.

What is Oxfam International?

- **Oxfam International** is a **confederation of 21 independent charitable organizations** working together with partners and local communities in more than **90 countries.**
- Its mission is to end the **injustices** that **cause poverty.**
- Oxfam works to find **practical, innovative ways** for people to **lift themselves out of poverty and thrive.**
- They **save lives** and help rebuild **livelihoods** when **crisis strikes.**
- They campaign so that the **voices of the poor influence** the **local and global decisions** that affect them.

[Source: TH](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/survival-of-the-richest-report-the-india-story>

