Addressing Inequality in South Asia

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Fifty years have passed since the Nobel laureate poet-turned-pleni potency, Octavio Paz, saw India, where he was Mexico’s ambassador, as “a land of extremes”. The poet’s muse was his encounter with the profusion of sights and sounds, colors and smells, people and animals that greeted him during his travels in the subcontinent. It included what he described as “the incredible opulence” of the maharajahs surrounded by what he saw as “equally unbelievable” poverty.

Is that still the case today?
Based on standard monetary indicators, South Asia has moderate levels of inequality.

Sources: Based on World Bank’s World Development Indicators (WDI) database, and the Organisation for Economic Co-operation and Development’s (OECD) Income Distribution and Poverty data series.
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Billionaire wealth in India is exceptionally large

Sources: Based on *Forbes* magazine’s Billionaires database, and World Bank’s WDI database.
The health outcomes of the poor are among the worst worldwide.

Greater inequality reduces the quality of public services when the rich can opt out

Sources: Based on Mansuri 2013 for this report.
Poverty is higher in Indian districts suffering from Naxalite violence

Sources: Based on India National Sample Survey (NSS) 2011–12.
Schooling among young adults is highly unequal in some countries in South Asia.

Richer countries tend to be more unequal in both South Asia and East Asia


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Monetary inequality is increasing across most of South Asia

South Asia do not see an environment conducive to lower inequality

Sources: Based on Gallup World Poll.
Multiple factors affect household outcomes relative to others in society.
Opportunities in education are better than in health or sanitation, as measured by HOI.

Better opportunity is driven by greater coverage

Parents’ education and location are critically important circumstances.

Considerable occupational mobility exists across generations in India

Sources: Based on India Human Development Survey (IHDS) 2004–05.
Occupational mobility is higher for younger generations

Sources: Based on IHDS 2004–05.
Upward mobility in South Asia countries is similar to that in the United States and Vietnam.

Sources: Based on Dang and Lanjouw 2014 for this report and Dang, Lanjouw, and Khandker 2014 for this report.
Upward mobility is much stronger in cities than in rural areas in India.

Sources: Based on IHDS 2004–05.
The composition of urban employment varies with city size in India

Sources: Based on NSS 2009–10 and RGCC 2012.
The composition of urban employment also varies with city governance in India.

Sources: Based on NSS 2009–10 and RGCC 2012.
Social assistance is less adequate than social insurance but has greater coverage.

Government revenue in South Asia is low compared with the rest of the world

Sources: Based on International Monetary Fund Data Mapper.
Electricity subsidies favor the better-off

Development spending per person is lower in poorer states and districts

**Sources:** World Bank 2010.
Access the report at
https://openknowledge.worldbank.org/handle/10986/20395

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