

## India ranks at 76<sup>th</sup> position among 82 economies in WEF's Global Social Mobility Index 2020 rankings

The World Economic Forum's (WEF) Global Social Mobility Index 2020 shows that very few economies have the right conditions to foster social mobility and consequently income inequalities have become entrenched. On average, across key developed and developing economies, the top 10% of earners have nearly 3.5 times the income of the bottom 40%. The countries that provide their populations with most equally shared opportunities are mostly Nordic economies: Finland, Norway, Sweden, Denmark and Iceland.

The Global Social Mobility Index provides a new, holistic assessment of 82 global economies according to their performance on five key dimensions of social mobility distributed over the following pillars: 1. Health; 2. Education (access, quality and equity, lifelong learning); 3. Technology; 4. Work (opportunities, wages, conditions); 5. Protection and Institutions (social protection and inclusive institutions).

Among the 82 economies ranked by index, Denmark tops the chart, followed by Norway and Finland. Other major economies such as Germany ranks 11<sup>th</sup>, France ranks 12<sup>th</sup>, Canada ranks 14<sup>th</sup>, Australia ranks 16<sup>th</sup>, Japan ranks 15<sup>th</sup>, the United Kingdom ranks 21<sup>st</sup>, the United States ranks 27<sup>th</sup>, the Russian Federation ranks 39<sup>th</sup>, China ranks 45<sup>th</sup>, Saudi Arabia ranks 52<sup>nd</sup>, Turkey ranks 64<sup>th</sup>, Mexico ranks 58<sup>th</sup>, India ranks 76<sup>th</sup> and South Africa ranks 77<sup>th</sup>.

### The Global Social Mobility Index 2020 rankings

Rank	Country	Score
1	Denmark	85.2
2	Norway	83.6
3	Finland	83.6
4	Sweden	83.5
5	Iceland	82.7
6	Netherlands	82.4
7	Switzerland	82.1
8	Austria	80.1
9	Belgium	80.1
10	Luxembourg	79.8
<b>76</b>	<b>India</b>	<b>42.7</b>

Source: PHD Research Bureau, PHDCCI compiled from World Economic Forum

According to the report, if countries included in the index were to increase their social mobility index score by 10 points, this would result in an additional GDP growth of 4.41% by 2030 in addition to vast social cohesion benefits. Many policies designed to address social mobility require both additional public resources through taxation and a different mix of public spending on the key drivers of social mobility. Fiscal policy can maximize the impact of redistribution through careful design of how resources are allocated to different groups, geographical areas and types of spending. Improving tax progressivity on personal income, policies that address wealth accumulation and broadly re-balancing the sources of taxation can support the social mobility agenda.

#### **India**

- India ranks 76<sup>th</sup> on the index with a score of 42.7. Despite a significant decrease in the percentage of people living in absolute poverty, there are several areas for improvement for India to provide more equally shared opportunity to its population.

- First, because of low life expectancy and a low health access and quality performance, it scores 54.6 on the Health pillar.
- On the education front, it scores 41.1 on the Education Access pillar and 31.3 on Education Quality and Equity, due to its pupil-to-teacher ratios, which are still high across pre-primary, primary and secondary levels, among other factors.
- In terms of work opportunities, India has the second-highest level of workers in vulnerable employment in the ranking (76.2%), behind Saudi Arabia and a low female labour participation rate (29.8% of the male labour participation).
- Another area where real structural reform needs to take place is in terms of fair wages. Social protection coverage is also very low in comparison with its regional peers, and overall social protection expenditure is very low (2.68% of GDP). The combination of these factors is detrimental to the social mobility of its population.

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