

BOUNTIES FOR THE WELL-OFF

Seven areas where the 'well-off' are subsidised

TOTAL:
₹1,03,247 cr

The government spends nearly 4.2 per cent of the gross domestic product in subsidising various commodities and services. Public discussion of these subsidies focuses on their importance in the economic lives of the poor. This chart

shows the Indian state's generosity is not restricted to its poorest citizens. In many cases, the beneficiaries are disproportionately the well-off. In at least one area – corporate taxes – the government has recently taken decisive action, by identifying and quantifying exemptions amounting to ₹62,000 crore and announcing a clear path for phasing these out. A move to a goods and services tax would also eliminate leakages due to rationalisation of indirect tax exemptions estimated to cost ₹3.3 lakh crore.

These efforts could be extended to other areas where the poor and vulnerable are not exposed. The aim of this chart is to document some of this largesse, in areas that often attract policy attention. Our list is neither exhaustive in scope, nor precise in its estimates. But, nonetheless, it allows a broad understanding of how much government subsidises the better off.



₹762 cr
AVIATION
TURBINE FUEL



₹3,670 cr
RAILWAYS



₹4,093 cr
GOLD



₹5,501 cr
KEROSENE



₹11,900 cr
SMALL SAVINGS



₹37,170 cr
ELECTRICITY



₹40,151 cr
LPG