



“Education for Knowledge, Science & Culture”

*-Shikshanmaharshi Dr. BapujiSalunkhe*

Shri Swami Vivekanand Shikshan Sanstha's

**VIVEKANAND COLLEGE, KOLHAPUR** (AUTONOMOUS)

**Department of Economics**

Topic: **Income Inequality**

**Dr. Kailas S. Patil**

Department of Economics,  
Vivekanand College, Kolhapur

# Problem of rising Economic and Social **Inequality** and its Consequences



**Economic Inequality**  
**Social Inequality**

**Economic inequality** is the unequal distribution of income and opportunity between different groups in society

- Social Inequality

social inequality include income gap, **gender** inequality, health care, and social class.

# Economic Inequality

- **Economic Inequality**
- The 2019 report by Oxfam, titled "Public good or Private Wealth?" - **India's top 10% holds 77.4% of the total national wealth, while the top 1% holds 51.53% of the wealth.**
- **The bottom 60% population holds only 4.8% of the national wealth.**
- 13.6 crore Indians, who make up the poorest 10% of the country, have continued to remain in debt for the past 15 years.
- The **Gini coefficient** of wealth in India in 2017 is at 0.83, which puts India among the countries with highest inequality countries. ( 2020-0.832)

# Lorenz Curve

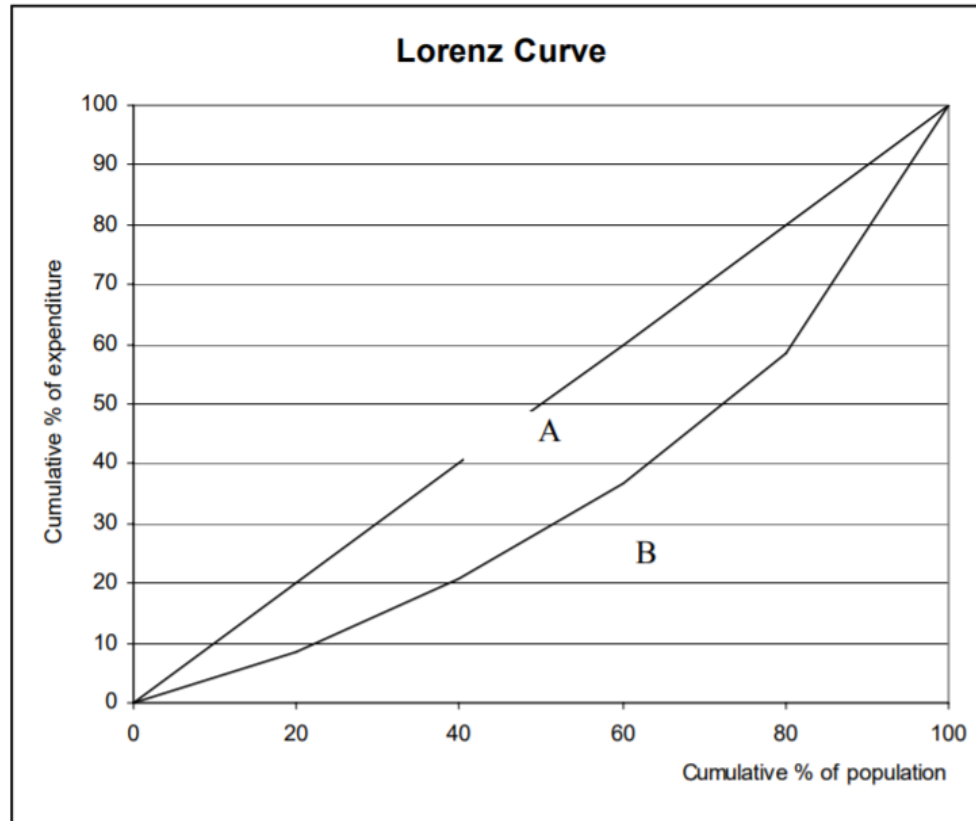


Figure 6.1. *Lorenz Curve*

# Inequality of Income and Wealth in India: Causes and Measures

- 1. Unemployment
- 2. Inflation
- 3. Taxation ( Evasion + Progressive)
- 4. Agricultural strategies
- 5. Corporate side economy
- 6. Skill related problem
-

# Measures to ....

- Industrial policy
- Agricultural marketing
- Skill- education
- Payment/ wage policy
- Equal opportunity
- Taxation Policy
- MSME
- Women empowerment
- Etc...

# Problem of Regional Imbalances in India

- **Regional imbalances** or **disparities** means wide differences in per capita income, literacy rates, health and education services, levels of industrialization, etc. between different **regions**. **Regions** may be either States or **regions** within a State. In **India** there are enormous **imbalances** on various accounts.



# Regional Disparities in India

- State per Capital Income as an Indicator of **Regional** Imbalance
- Inter-State **Disparities** in Agricultural and Industrial Development
- Population below Poverty Line
- **Spatial Distribution of industries**
- Degree of Urbanisation
- **Per Capita Consumption of Electricity**
- Employment Pattern
- **Intra-State Imbalance**

# Problem of Regional Imbalances in India

1. Historical Factor
2. Geographical Factors
3. Locational Advantages
4. Inadequacy of Economic Overheads
5. Failure of Planning Mechanism
6. Marginalisation of the Impact of Green Revolution to Certain Regions
7. Lack of Growth of Ancillary Industries in Backward States and Others.