

Research paper on Wealth disparity in India and the parameters leading to Wealth disparity

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Abstract - Considering India's economic development, wealth inequality is still an issue. This paper considers main determinant factors of wealth inequality like for example, levels of education, sources of income, ownership of assets, caste, and access to financial services. Using demographic data, governmental reports, and National Sample Survey Office surveys, we assess wealth distribution patterns and public attitudes around wealth discrepancy. The analysis depicts that lower levels of education, lack of access to financial services, and historical disadvantages related to with caste has resulted in some groups being able to accumulate wealth disproportionately. We contend that wealth inequality shall worsen in the absence of proactive interventions and will lead to further economic and political problems in India.

Wealth inequality in India has persisted even if the economy has seen a steady growth for decades. Influenced by the long lasting historical, social, and structural disparities. This paper explores how economic policy, urbanisation, gender, and intergenerational transmission of wealth fuel these inequalities. The study shows that although economic liberalisation has accelerated GDP growth, it has mainly been advantageous to privileged urban elites. Unequal access to online financial services and job discrimination further increases wealth concentration.

Keywords: Wealth disparity, Liberalisation, Globalisation, Privatisation, Inequality, Income, Caste system,

INTRODUCTION

The economic well-being of Indian communities and their individual components faces substantial challenge from the significant wealth disparities which exist across the nation. The Indian economy shows positive development yet economic gaps continue to exist regarding income distribution and possession of assets together with financial possibilities particularly

between cities and countryside spaces. Multiple elements such as educational background, occupational type, governmental policy comprehension and historical social elements such as caste determine how wealth is distributed unevenly across society.

The research undertakes a study of Indian wealth inequality utilising demographic data and economic measurements obtained from government reports and the National Sample Survey Office (NSSO) data as well as supplementary relevant sources. We analysed 100 individuals from various socio-economic groups through data collection to identify education-based and employment-based and income-based and financial access patterns. Wealth inequality in India is a deeply entrenched issue despite the country's high economic growth. Although the country has experienced high growth in its GDP and technological progress, wealth distribution is highly unequal, with urban elites and historically advantaged groups benefiting. The persistence of wealth inequality can be explained by structural impediments like restricted access to quality education, discriminatory employment opportunities, financial exclusion, and historical socio-economic disadvantages.

The economic liberalisation policies of the 1990s to promote growth have ironically increased inequalities between the poor and the rich. While some sectors, like information technology and finance have thrived. Rural and informal economies have continued to suffer from low income generation. The privatisation of basic services, like healthcare and education, has further deepen economic inequalities. impeding low-income households from escaping the poverty trap. The flow of capitalists' money into the economy has also been the reason for creating significant variation in wealth distribution.

Urbanisation has also been significant in determining wealth inequalities, as cities have seen a boom in high-paying jobs, while rural areas continue to experience economic decline. Urban migration due to work opportunities has seen informal settlements increase and economic exposure of migrant workers heighten. Further, concentration of wealth in industrial and commercial centres has also caused regional economic inequalities, rendering some states backward and peripheral.

On another level, increasing involvement of technology in generating wealth has created fresh aspects to disparity in wealth. As digital banking, e-commerce, and other financial technology opportunities have expanded with increased opportunities for economic expansion, they have basically served to grow the prospects mostly for better-off and well-informed people, while keeping worse-off and under-banked away.

This study endeavours to examine the drivers of wealth inequality in India, with an emphasis on education, work, financial services, asset holding, and social structures. It also investigates the role of globalisation, digital finance, and government policy on economic inequality. The research hopes to deliver actionable advice on how to correct these imbalances and ensure more equitable wealth distribution. By realising the principal determinants of wealth inequality, policymakers can design specific strategies to close the economic gap and promote sustainable development for all segments of society.

Income inequality in India continues to pose a vital challenge despite the country's fast economic growth. While the economy has improved remarkably, the wealth distribution still portrays long-standing inequalities linked to history, society, and the structure. Economic development, to a large extent, has focused on urban centres and the socio-economic elite, with fewer chances being left for rural areas and disadvantaged groups.

The major determinants of income inequality are:

Education Levels: Restricted access to good quality education denies upward economic mobility.

Income Sources: Dependence on sporadic or low-income employment increases income disparities.

Asset Ownership: Ownership of property and financial assets is skewed.

Caste and Social Background: Disadvantaged communities historically have system barriers.

Access to Financial Services: Financial exclusion restricts wealth accumulation.

This research paper examines the root determinants of wealth disparities in India, focusing on education, employment prospects, access to money, and the effects of globalisation. It also addresses urbanisation, gender differences, and inter-generational transmission of wealth, suggesting policy interventions for equitable distribution.

REVIEW OF LITERATURE

The wealth inequality in India is mainly due to the historic disparity in caste system and thus privileges given to the upper classes of the society thus creating unequal opportunities. In a diversified country like India, the regional diversity says a lot about the wealth distribution. Alongside political change which also favours the local businessmen. Disadvantaged groups (Scheduled Castes and Scheduled Tribes) have significantly lower wealth compared to "forward" caste groups. Other Backward Classes and non-Hindus are positioned in the middle regarding wealth. It is hypothesised that the rising levels of wealth inequality are deeply linked to the growth strategy being followed, by which the gains from growth have been redistributed among those who were already wealthy. Technological change and globalisation identified as primary drivers of widening disparities. Wealth inequality is more pronounced than income inequality globally and within nations. Rising inequality and wealth disparity linked to globalisation hinder potential benefits for impoverished populations. Early childhood is highly vulnerable to poverty and household environmental factors, leading to higher rates of under-nutrition and infectious diseases.

The analysis shows that changes in wealth are related to net worth, supporting power-law behaviour in the wealth distribution.

The study also examines labor income at the top-income end and compares it with the low- and middle-income groups. Less than one-third of rural children and a little over half of all urban children were fully immunised by 1992–93. Moreover, 38% of rural and 17% of urban children had received no vaccines by the time of the survey India is pursuing higher economic growth in all regions through structural adjustment

programs but Income based inequality has led to significant disparities in living standards due to uneven Distribution of resources across India, particularly affecting poorer regions.

This paper examines poverty and inequality in India, showing how these issues persist despite economic growth. It highlights significant disparities between different states and social groups, especially during the 1990s. This article reviews female workforce participation in India's North-Eastern region, noting low participation rates and attributing it to socio-cultural and economic factors that limit women's employment opportunities.

METHODOLOGY

• Our entire research was focused on collecting as many parameters as possible that influence in the creation of wealth.

- Used source such as Google Scholar to get appropriate findings.
- Keywords such as “wealth disparity”, “health disparity”, “fluctuating incomes”.

Mostly excluded foreign research papers due to lack of depth in research.

- Qualitative Surveys: collected responses from respondents belonging to various socio-economic groups to obtain impressions regarding wealth mobility.
- Policy Impact Analysis: Assessed the efficiency of previous government policies for curtailing wealth inequality.
- Data Sources Expansion: Combined information from census reports, income tax returns, and World Bank reports to reinforce conclusions.
- Inter-Regional Wealth Variance: Measured wealth distribution among states and metropolitan vs. rural areas to emphasise regional variations.
- The study employs a mixed-method methodology to examine wealth inequality, merging

Quantitative and Qualitative analysis:

Data Collection:

- Population data from official reports and the National Sample Survey Office (NSSO).
- Questionnaires of 100 people with different socio-economic backgrounds were recorded

Research Focus Areas:

- Distribution of income and ownership of assets.
- Access to education and financial literacy .
- Impact of social classes and government policies.

Policy Impact Analysis:

- Assessment of government's interest to curb wealth inequality.
- Efficiency of financial literacy programs and company loans.

OBJECTIVES

- Correlation between education levels and income of an individual
- How primary sources of income play a role in wealth accumulation
- Household income distribution across different economic classes
- Impact of asset ownership on wealth distribution
- Wealth disparity in the eyes of Indians
- How much influence do caste and social backgrounds have on economic opportunities
- Importance of financial services in wealth creation.
- Analysis of impact of gender, with women having lesser assets and financial independence; on wealth disparity
- Studying the relationship between wealth concentration and fast urbanisation in metropolitan cities.
- Analysing how family wealth is passed on between generations, supporting class mechanisms.
- Examining whether or not subsidies offered by the government really help in minimising wealth disparities or only serve to favor the upper class.
- Examining contributions of online banking, fintech, and cryptocurrency use towards find out patterns of wealth ownership.
- Understanding impact of working in the informal sector on the accumulation of wealth because of a lack of financial security
- The research attempts to put out wealth inequality factors in India using the following objectives:
- Data from statistics of Indian government reporting functions and NSSO surveys economic statistics make it possible for the study to show important patterns in asset distribution and distribution of income. A visual presentation device displays the

analysis while remedies suggested for wealth inequality and financial inclusion improvements create policy recommendations for India.

DISCUSSIONS AND FINDINGS

Education Levels: Most members in this demographic group received their education only up to secondary level or higher. Few members of the demographic possess graduate and doctorate qualifications.

Primary Source of Income: Most people in this demographic earn their living through private employments combined with self-employed entrepreneurial activities. Agriculture alongside daily wage labor plays an important part in the income of the demographic.

Monthly Household Income Distribution: Most of the populace brings home a monthly income lower than ₹30,000. Among the population a small segment reaches incomes that exceed ₹1,00,000 and therefore belong to the higher income bracket.

Asset Ownership: Most individuals possess real estate properties and financial instruments like land and property together with gold and stocks. Among the population there exists a significant number who have no assets.

Wealth Distribution Perception: The public perception survey revealed that wealth distribution matches the criteria of either being highly unequal or moderately unequal.

Caste Impact on Wealth Accumulation: The majority of society shares the view that social origin together with caste system shapes the way people accumulate their wealth.

Wealth Disparity and Levels of Education :The research highlights the close link between wealth creation and education levels. The demographic sample is comprised largely of individuals with lower or secondary education levels. Graduate and postgraduate degrees are held by a minority only, drastically reducing their economic mobility.

Education is recognised as the key factor in creating wealth, which affects employment and stability of income. Inadequate education constrains opportunities to higher-paying occupations, creating a vicious cycle in which wealth is held among educated elites.

Main Source of Income: The study reveals extensive dependence on private employment and self-employment as a source of income. Daily wage employment and agriculture are significant contributors in rural settings, where income is irregular and frequently inadequate. White-collar employment and entrepreneurial activities contribute to more stable incomes in urban settings. Income diversification is crucial, but rural preponderance of low-pay employment worsens wealth disparity.

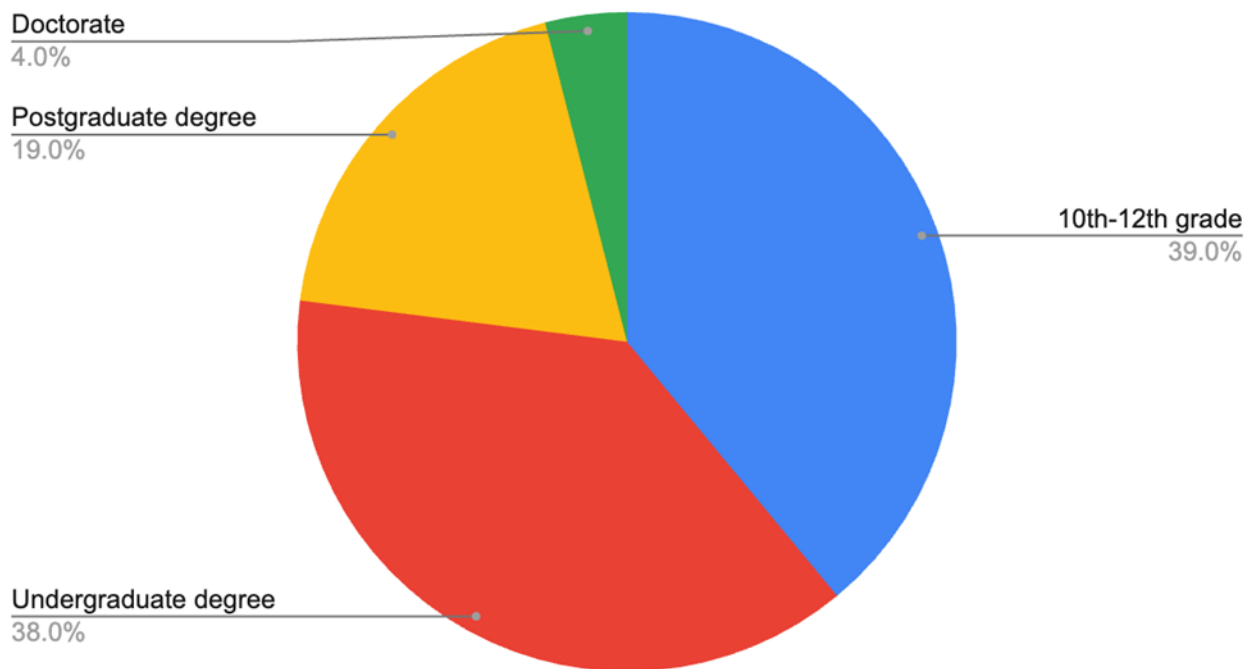
Distribution of Monthly Household Income: The document discovers that the majority of households receive less than ₹30,000 every month, positioning them in the lower-income category. A tiny fraction receives more than ₹1,00,000, capturing the economic elite. This gap reveals that wealth is disproportionately distributed at the top. Excessive income inequality in monthly wages constrains upward mobility for low-income groups.

Asset Holding and Wealth Inequality: Properties, gold, and shares are the most prevalent assets held by high-income earners, while the majority of the population owns very few or no assets. Asset accumulation is central to wealth protection and transmission to future generations. The absence of asset holding among the poor reinforces wealth inequality, as they are not able to establish long-term economic security.

Public Perception of Wealth Distribution: The public has a widespread view that wealth distribution in India is extremely unequal or moderately unequal according to surveys. This is a reflection of overall social perception of economic disparities and the hardships suffered by deprived groups. Public opinion mirrors economic information, suggesting that wealth disparities are more than statistical fact but lived reality.

The study sheds light on how structural inequalities continue to reinforce wealth inequality:

Count of Education Level



Education Levels

- The majority of the respondents had secondary or lower education levels, restricting employment opportunities.
- Higher education is associated with improved economic mobility.
- Primary Income Sources
- Urban respondents depended on private employment and entrepreneurship.
- Rural respondents depended on agriculture and daily wages with irregular income.
- Monthly Household Income
- Most households earned less than ₹30,000 per month.
- A tiny portion accumulated more than ₹1,00,000, reflecting an unequal wealth distribution.

Asset Ownership

- The affluent section owned assets such as property, gold, and shares.
- Majority of the population had no asset ownership at all.
- Public Perception of Wealth Distribution

- The surveys showed widespread agreement that the distribution of wealth is extremely uneven.
- Public perceptions are consistent with economic evidence, reflecting real-world experiences.

Caste and Accumulation of Wealth

- Caste still defines economic opportunities.
- The upper castes control professional areas and asset holdings.
- Impact of Technology and Globalisation
- Digital finance and technological innovations have mostly aided the affluent.
- Low digital skills among marginalised people reinforce exclusion.
- Education is a Foundation: Low-quality education creates cycles of low-income jobs.
- Income Diversity is Essential: Rural reliance on low-income employment enhances inequality.
- Ownership of Assets is Wealth-Enabling: The poor's lack of assets prevents long-term stability.
- Public Perceptions Mirror Facts: Wealth inequality is not merely statistical but actual.

RECOMMENDATIONS

- Higher education accessibility together with skill enhancement programs should be promoted to serve the population better.
- The nation should establish large-scale programs that train people in vocational fields and give educational scholarships to economically disadvantaged people.
- Streamline the access to business loans and startup grants, especially in the peripheral areas.
- The government should develop sponsored workshops for financial literacy which help people develop wealth.
- A policy action must be strategically implemented to amend current wealth distribution systems.
- The program should support social assistance initiatives targeted at people in the lowest income groups.
- The government should implement stricter proactive discrimination guidelines both for business financing and hiring personnel.
- In order to bridge wealth inequality, the study suggests the following measures:
Education and Skill Development:
- Enhance access to higher education and vocational training.
- Offer scholarships to economically weak segments.
Financial Inclusion:
- Simplify access to business loans and start-up grants.
- Increase financial literacy initiatives among marginalized communities.
Redistributive Policies:
- Adopt progressive taxation for high-net-worth individuals.
- Strengthen low-income household-based social welfare programs.
Promoting Asset Ownership:
- Offer incentives for low-income groups to invest in property and financial assets.
- Encourage microfinance institutions to encourage entrepreneurship.
- Mitigating Caste and Gender Inequalities:
- Implement anti-discrimination policies in employment and financial services.
- Promote women's financial empowerment through targeted interventions.

CONCLUSION

The government should invest more funds into education programs to improve rural residents' earnings capability. The implementation of financial literacy programs needs expansion because it will help lower-income people acquire solid money management capabilities. The government should elevate its social welfare measures to provide better assistance for low-income families. Opening financial services alongside extending access to credit will generate wealth generation possibilities for communities who have experienced marginalisation. Equitable economic measures targeting caste-related inequalities must foster equal opportunity in professional positions as well as the establishment of new businesses. The wealth gap in India will grow without proper intervention because strategic action is absent which results in economic as well as social unrest.

In order to bridge India's widening wealth gap, there needs to be a multi-faceted strategy. Government policy must emphasise inclusive economic growth so that there is equitable access to education, health, and financial services. Progressive taxation of high-net-worth individuals and corporate wealth must be strengthened in order to redistribute incomes. Increased coverage of financial literacy programs and wider access to digital banking among underprivileged sections can promote economic self-sufficiency. Also, specifically targeted schemes of welfare should address women, rural labor, and minorities in order to ensure wealth balance in distribution. Without an organised set of reforms, India runs the risk of sharpening social stratification, reducing economic growth, and increasing societal tensions. Subsequent studies should investigate the contribution of artificial intelligence, automation, and global warming to further shape patterns of wealth in the country.

Wealth inequality in India keeps increasing even in the face of economic development. Structural and historical inequalities, poor access to quality education, and financial exclusion sustain the gap. Mitigating the wealth gap requires a multi-pronged strategy involving:

- Inclusive Economic Growth: Providing equal access to education and health care.
- Progressive Taxation: Redistributing wealth through progressive tax policies.

- Financial Empowerment: Enlarging access to financial services and literacy initiatives.
- Targeted Welfare Schemes: To meet the needs of women, rural workers, and disadvantaged communities.
- Unless and until there are holistic reforms, wealth inequality will keep driving economic volatility and social unrest. There is a need for further studies on the influence of automation, artificial intelligence, and global warming on wealth inequality.

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