

Wealth Proprietorship And Economic Inequality Among Indian Youth From Various Social Classes In India

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Abstract

India has witnessed the exponential growth rate of inequality of income and wealth creation hugely since the decade of the 1980s. In the initial years of the decade 1980, top 1% of employed usually earned around 6 % to 7% of total income distribution. However the inequality in income standards widened mostly in post liberalisation era in India. Electrifying data (2014) shows that 22% of net income (distribution) went to only one percent of employed population. This is very upsetting trend that evidently show the widening inequality becoming prominent in society. Government planning and policy generally focus on GDP growth and poverty reduction and this approach, actively or passively, has mostly served the already rich social class. Wealth creation remained more and more limited to rich and affluent which constitute a very minor proportion of population.

Introduction

One of the major socio-economic issues in the world is economic inequality. IMF, UN and World Bank are putting several efforts for resolving this worldwide issue.

It is important to study economic equality both for understanding and addressing the unequal distribution of wealth in an economy (Dev, The Problem of Inequality, 2016). India has history of complex and huge relapsing caste system, power hierarchy, sacred dynasties and undignified rigid social classes. The overall inequality in India has increased and widen over the years (Dev, The Problem of Inequality, Indira Gandhi Institute of Development Research, Mumbai, 2015). The Indian economy is

sifted below up to two ranking in the recent years. The World Bank 'Country indicator' is also placing India as a low income economy but the billionaire wealth in India was exceptionally large and continuously growing. Sustainable development can not be discussed without talking about the inequality (Dev, 2015). David Ricardo and Piketty both fueled the debates on inequality at a wider platform especially

in the field of economics. Sustainability and survival on this planet are common agendas for all of us, which is possible through equality and proper distribution of resources.

The National Sample Survey also suggests that in India the inequality has increased among social classes in both urban and rural areas. Moreover, income level directly effects education, health and development of a social class. According to Business Today article¹ India's richest 1% is holding 58% of the country's wealth in totality which is even higher than the overall or global figures which is 50%. India top 1% population in the country hold 73% wealth rise while the poorest half had seen their wealth rise by 1% only. A report named "Reward Work, Not Wealth" also talks about the issue of gender and wealth inequality in most of the countries.

Pseudo-imperialism is practiced in the shield of visionless development for the leisure and unsustainable consumption of wealthy elites and richest segment of the world. A large population and particularly suppressed segment is deprived of basic facilities. Power, property and productivity are sold to the capitalists at a cheapest rate and they convert the hard work of others into profitability for their malicious motives. The climate and ecosystem is suffering the most due to exploitation of resources and its restoration is the urgently required.

Three C's are harming the climate and equality Commercialization, Consumption and Capitalism. Unfortunately, by the end of 2025 we will face the climate extremes due to induced overconsumption by few corporate tycoons. Corporate income inequality is also on the rise across the globe and geologists and sustainability experts are warning us again and again. It is a serious concern if unattended will leads to global slowdown and climate damage. Lopsided demand

for harmful full products will increase and pushed by the capitalists for profit making. Therefore, they will misuse the resources and public institutions for their benefits in long run.

¹ [Business Today Article Dated 30 January, 2019](#)

Background

Relevant literature is reviewed for understanding the actual nature of the problem. The study is focused on while collared employees employed from organized and unorganized sectors. The inequality is also observed in both the sectors in the past. Unorganized sector is growing very fast and it is a bit unregulated in terms of employment conditions (NSEUS, 2006).

Comparing to economies at large, India had highest increase in the number share of people who want to have equal income. This could be seen in Figure 1. In the year 1989-93, only 13% of respondents in Indian respondents talked about equal income. Whereas, by 2010-14, it had increased to 48% which is highest compared in the world. Also Figure 2 {the source of All India Debt and Investment Survey (AIDIS)} showed the increase in the level of wealth inequality over the period of time.

Figure 3 represents about the job classification (where engineer is considered as white-collar employees, a typist is considered as semi-skilled worker and lastly sweeper as unskilled worker) which shows that the white-collar employees have unequal distribution of work and majorly upper-class accounts for disproportion. The difference among upper class and other class is basically because of education. According to world bank research² India has highest level of inequality in terms of access to education. Figure 4 depicts about the wealth inequality amongst class and cast in India from 1961 to 2012. (Paliath, 2019)³ in its article showed that all social group such as SC, ST, OBC and Muslim are amongst the lowest in terms of annual income and per capita income and consumption as compared to others. Figure 5 talks about the wellbeing level in case of caste hierarchy expenditure and social group such as ST, SC and OBCs are amongst the lowest among the social group with low income level. Therefore, the marginal sections are

² [Livemint Article Dated 08 January, 2019](#)
³ [Business Standard dated 14 January 2019](#)

deprived to get education, employment and other benefits and this discrimination is based on their social classes or castes.

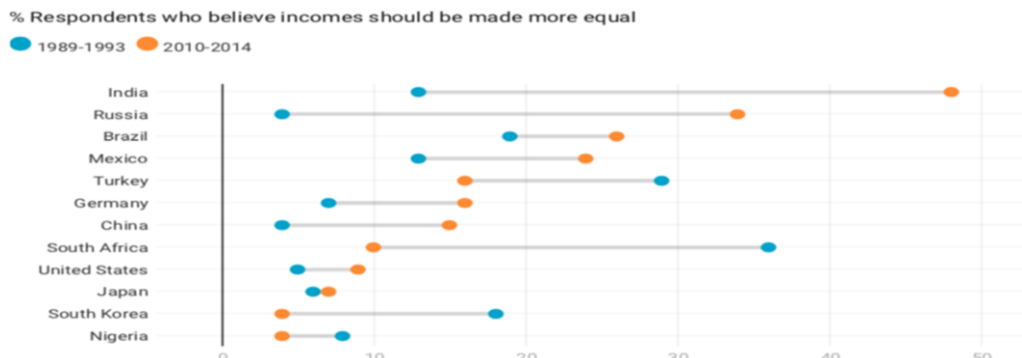


Figure 1: Percentage of Respondents

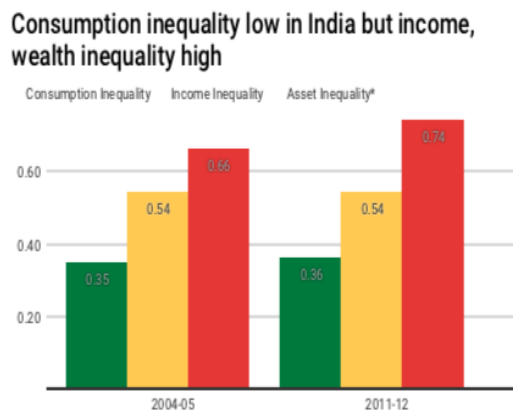


Figure 2: Consumption of Wealth

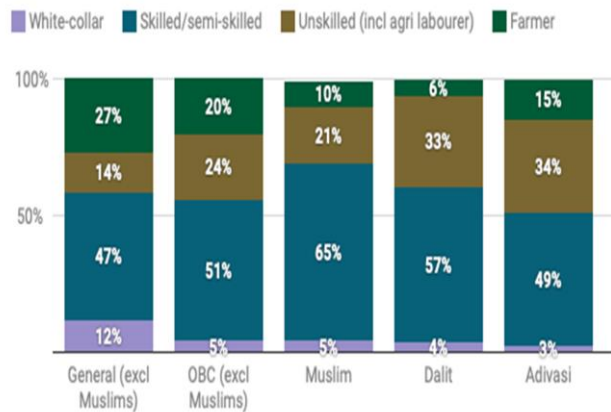


Figure 3: Job Classification

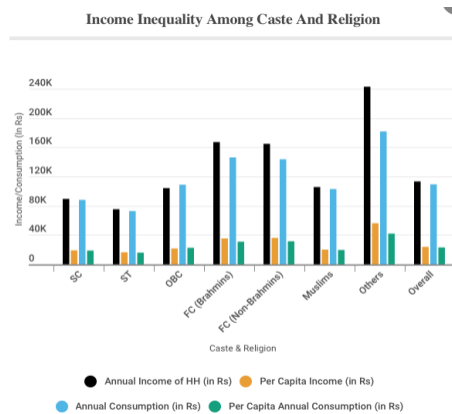
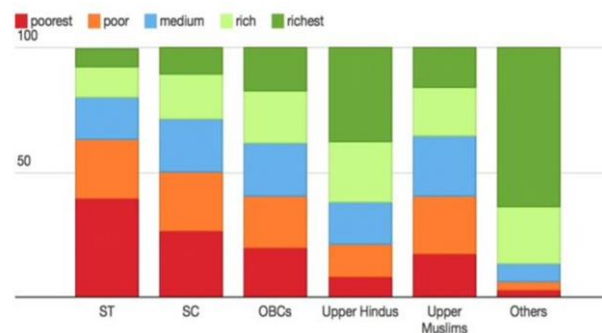


Figure 4: Income Equality

In the Eleventh five year plan the inequality indices have been computed based on per capita figures using the population of the states as weights. The Gini- coefficient also confirmed the inequality of income among various social classes (GOI, 2007- 2012). A study conducted on the income equality also confirms that the Gini ratio is the highest among Hindu High Castes (72%), whereas it is lower among other groups ranging from 64 per cent among SCs to 68 per cent among Muslims. Moreover, 36 per cent of the total wealth owned by Hindu High Castes and much lower among SCs (Nitin Tagade, 2018).

Methodology

Qualitative methods of data were use for the study for collection of the data. Both primary and secondary data is used in the study. Primary data is collected using questionnaire. The self-designed questionnaire was formulated on five- point Likert scale and the options range was given from strongly disagree to strongly agree. Likert scale was developed by Rensis Likert which helps in understanding the perception of the respondents towards ‘wealth and economic status’ from public as well as private sector from various social classes. The study was used to understand the perception of the respondents towards the socio-economic status, hierarchy, discrimination, access to education, employment opportunities, income inequalities, status and social class in today’s scenario. Secondary data was collecting using various articles, journals, web search, and other online sources. This helped us to understand the previous trends and history related



Source: 2011-12 NSSO Data from Indian Labour and Employment Report, 2014

Figure 5: Wellbeing Expenditure

to social status in India.

Survey Result Infographics

The data was analysis in three parts namely demographic profile, reliability analysis and analysis for statements. The total respondents who have filled the questionnaire were 84 out of which 46% of the respondents were male whereas

54% of the respondents were female. The sample selected was approximately in equal proportion in terms of gender which is shown in Figure 6(a). The age of the respondents was divided in two categories namely Less than 34 years and 34 years and above with 74% and 26% respectively in Figure 6(b). We have selected 34 as cut off point because the maximum employees from whom the data is collected belong to this age group and after 34 years of age mostly people choose an employment/livelihood for themselves. Talking about the education qualification of the respondents in Figure 6(c) 82% of the respondents were post graduate or above (or Professional Degree) and only 18% of the respondents were graduate. The data was collected almost equally amongst public and private sector where in Figure 6(d), 52% of respondents are working in corporate sector and remaining 48% are working in public sector.

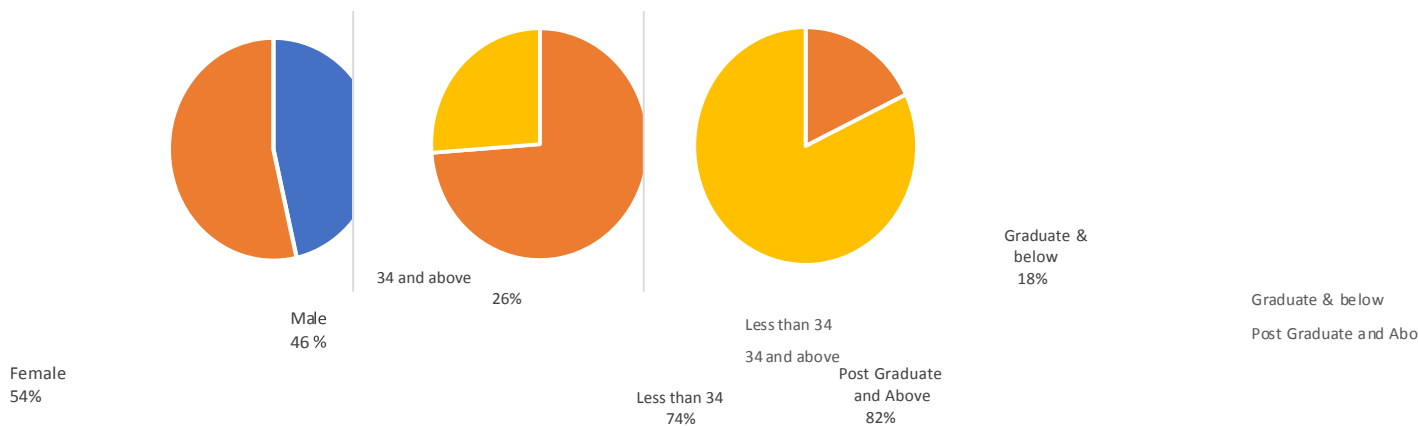


Figure 6(a) Gender

Figure 6(b): Age

Figure 6(c): Education Qualification

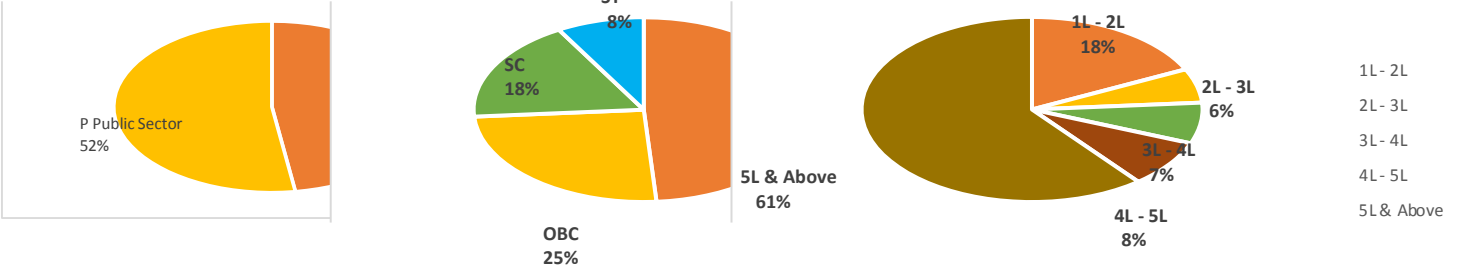
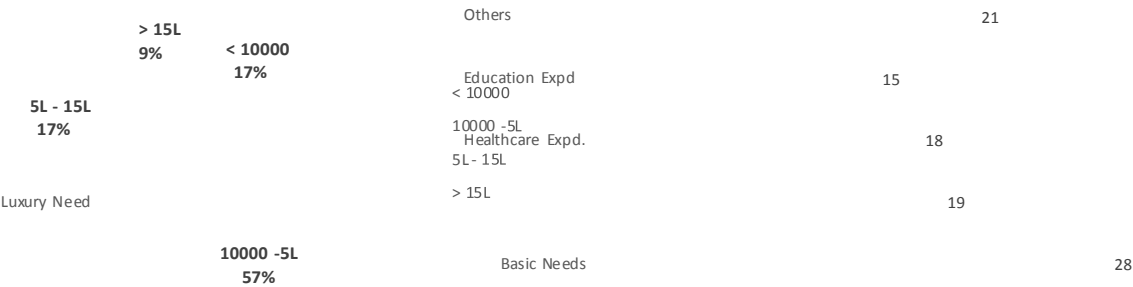


Figure 6 (d): Nature of Job
Annual Income (Earned)

Figure 7a: Social Class

Figure 7b:

Priority for Spending



0 5 10 15 20 25 30

Figure 7c: Amount of Saving in Account

S
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Private Sector
48%

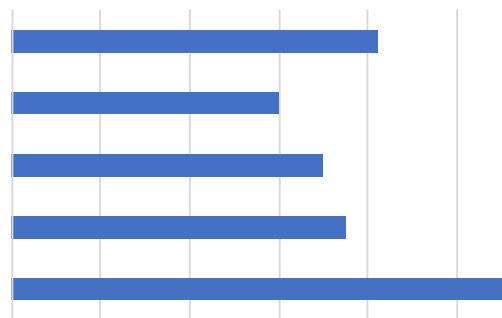
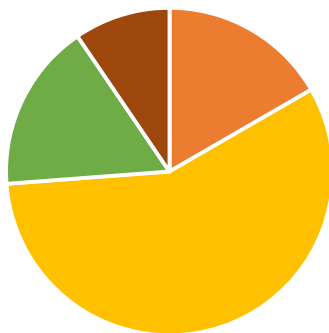
Private Sector
Public Sector

General
49%

ST

Figure 7d:
Priority for

SC



Now the next part in demographic profile talks about the social category, income, expenditure and preference of spending money. Figure 7(a) shows the bifurcation of data among various social groups collected of which 49% of the data belongs of General category followed by 25% OBC (other Backward Classes), 18% SC (Schedule Caste) and lastly 8% of ST (Schedule Tribes). The next figure 7(b) shows the annual income earned by the respondents where 61% respondents earns Rs.5 Lakh and above followed by 18% who earns Rs.1L - 2L, 8% of the respondents who earns Rs.4L - 5L followed by 7% and 6% with Rs.3L - 4L and Rs.2L - 3L respectively. Figure 7c talks about the amount saving the respondents have in their account of which 57% of respondents have Rs.10,000 to 5L in their saving

account, 17% each for both the respondents who have saving Less than Rs.10000 and Rs.5 L - Rs.15L and lastly 9% of the respondents have savings greater than Rs.15L. Moving ahead, Figure 7d talks about the preference of the respondents for spending their income amongst basic needs, luxury needs, healthcare need, education and others. The majority of respondents' first preference was basic needs followed by other needs, luxury needs, healthcare needs and lastly education need.

Reliability Analysis

The data was analyzed using reliability analysis through Cronbach alpha with the help of SPSS software. Reliability is a sound measurement for measuring questionnaire and identifies the true characteristic of data sets. Reliability analysis is done to show the relationship between scores received showing its true characteristic and the relationship by respondents of the given scale (Zikmund et al., 2003). The reliability for the questionnaire was 0.778 which is good reliability for the conducting the research. It can improve further if the statement 'I cannot change my social category and will be discriminated in the society' would be removed then it would further improved to 0.797.

Reliability Statistics

Cronbach's Alpha	N of Items
.778	15

Table 1: Reliability Analysis

Item-Total Statistics	Scale Mean if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Statements			
I can manage my social status, educational, health and all other needs.	43.86	.538	.755

I can manage my lifestyle, recreational and other needs.	43.95	.551	.753
I can afford better higher education in India or outside for myself or family members.	44.94	.410	.764
I cannot change my social category and will be discriminated in the society.	44.80	.015	.797
I cannot change mindset of others in spite of my income group or education.	44.40	.074	.791
I cannot buy respect for my social category and it is difficult to grow and survive.	44.92	.023	.796
I feel discriminated in society, organization, public places and social gatherings.	45.30	.028	.794
I get rewards for the work done irrespective of social status within my organization.	44.24	.547	.752
Are you getting appropriate increments without any discrimination in your organization?	44.35	.434	.762
Are you getting appropriate appraisal and motivation without any discrimination in your workplace?	44.35	.636	.745
The leaders or bosses are not discriminating your social category with other employees.	44.36	.447	.760
The seniors or immediate superiors are not rating you on the basis of your social category.	44.26	.482	.758
The fellows in your team are always supporting and not demotivating you because of your social category.	44.23	.557	.751
You are getting all the possible opportunities to work and to grow without any discrimination in your organization.	44.42	.559	.750

Do you think individual talent is given preference over social status of an individual for giving rewards?	44.31	.580	.747
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*Table 2: Item Total Statistics***General Descriptions**

For the study a self-administered questionnaire was used of which 15 statements talked about the perception related to social status, expenditure and discrimination etc. 75% of the employed respondents agreed & supported the statement that they can manage their social status, educational, health and all other needs in today's world. Followed by 73% of the employed respondents supported that they can manage their lifestyle, recreational and other needs. Whereas 71% of the respondents disagreed that they can afford better higher education in India or outside for myself or family members because of increase in inflation cost and expenditure related to education institute and less opportunities available to lower social class.

The upper caste respondents are spending most of the savings in luxury items and education. On the other side SC/ST/OBC respondents are spending most on basic needs, healthcare and education.

Also 69% of the respondents disagreed that even after so many efforts to come at par with general category they cannot change their social category and will be discriminated in the society. This is a crucial finding that after achieving similar education, workplace and employment status the SC/ST/OBC young employed respondent are not getting social acceptance and facing discrimination. Approximately 70% (majority) of the respondents agreed that they cannot change mindset of others in spite of similar income group or education. The upper caste respondents consider SC/ST/OBC as socially inferior and low as compared to general category. 65% of the respondents disagreed that they can buy respect for their social category and realized that it is difficult to grow and survive in this competitive world where inequality has widened over the period

of time. 65% of the respondents agreed that they feel discriminated in society, organization, public places and social gatherings even after have equal qualification and income alike upper class. In spite of earning well they are not getting the acceptance and social equality.

On the other side only 56% of the respondents agreed that they get rewards for the work done irrespective of social status within my organization. 51% of the respondents agreed that they are getting inappropriate increments without any discrimination in their organization as a large sample is from public sector and the increment policies are same as compared to private jobs. 51% of the employees agree that they are getting appropriate appraisal and motivation without any discrimination in the workplace. 55% of the respondents agreed that the leaders or bosses are not publically discriminating their social category with other employees but nepotism is an influencer as mentioned by many respondents in the comment box. 52% of the respondents agreed that their seniors or immediate superiors are not rating them on the basis of their social category. 56% of the respondents agreed that the fellows in the team are always supporting and not demotivating you because of your social category. Only 54% of the respondents agreed that they are getting all the possible opportunities to work and to grow without any discrimination in their organization but when they hide their social category. 56% of the respondents agreed that individual talent is given preference over social status of an individual for giving rewards in private organizations but when they hide their social class.

Conclusion

The socio-economic inequality still persists in the organized and unorganized sectors. Opening economy and liberalization has created a huge gap with respect to wealth creation. The basic thing is that only already rich and affluent easily

able to utilise the government schemes .wealth and competitiveness is key in operating a business and industry. However government has to play a key role in reserving some of the sectors in the economy for the lower economic classes who have potential to become successful entrepreneurs. Access to higher education, access to finance and insurance, access to land and government policies for rural and semi urban region development will go very far in narrowing the income gaps at least between middle and poor classes of society.

Urbanisation improves the disparity as the jobless gets jobs in urban centers. Access to education, jobs, banking and insurance services, irrespective of class and creed, is characteristic of urbanisation. Dispersal of growth centers and industries to more backward region helps in improving the employment scenario. at last it can be summed up that key role has to be played by state by implementing policies pro to backward and rural regions so that the “employment” and ‘entrepreneurship’ could be in reach of several who still are living life of depressed and poor class .training the human resource qualifies them to get employed. Education and imparting training to huge human resource available in India certainly have very positive role to play more effectively.

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