

**Inequality:**

- It refers to differences in income or expenditure levels of various sections of society.

Population	Cumulative Income
Poorest 20%	8%
Richest 20%	45%

- Quintile Ratio = Income of Top 20%/Income of Bottom 20%
- $45/8 = 5.6\%$

**Palma ratio**

- ratio of national income shares of the top 10% of households to the bottom 40%

**Lorenz Curve**

- Graphical presentation of inequality.
- Greater the distance from the line of absolute equality, greater the inequality.

**Gini Coefficient**

- It is an arithmetic measure of inequality based on the Lorenz curve.
- $G = \text{Area between } 45^\circ \text{ line \& Lorenz Curve} / \text{Area below } 45^\circ \text{ line}$
- Value of G ranges from 0-1

Inequality can also be expressed in terms of income, expenditure, wealth

**Contemporary debates on approaching inequality:-**

- Conventional view → inequality is economic only → Further, Economic inequality means income inequality only
- Amartya Sen → we differ in social background, age, gender, caste class etc. → Thus a broader category needed → Individual capabilities and freedom to achieve objectives → inclusion of gender inequalities, welfare policies, affirmative action, and public provision of healthcare and education

**Types of inequality:**

- Economic inequality → measured in terms of income, wealth, consumption;
- Social inequality → Discrimination based on caste, religion, gender, ethnicity etc.
- Political inequality → Lack of democracy; lack of representation of backward sections

- ❑ Regional inequality → at intra state, inter state, inter national levels  
→ colonialism and exploitation

### Causes of Inequalities

1. Inequalities/differences in ownership of land and wealth.
2. Institution of private property and inheritance laws.
3. Differences in inherent abilities of individuals.
4. Differences in access to education and training.
5. Leakages in Government's developmental programmes.
6. Scarcity of capital
7. Inadequate infrastructure, especially social infrastructure.

### Government Measures

1. Land reforms
2. Establishment of public sector
3. Developmental programmes -
  - a. Poverty alleviation and employment generation program. Eg: MGNREGA
  - b. Rural development programme. Eg : Gram Sadak Yojana, Rurban Mission
  - c. Urban development programme.
  - d. Skill development programme. Eg : Skill India Mission
  - e. Social security programmes. Eg : Jan Dhan Yojana
4. Nationalisation of banks
5. Support to micro, small & medium enterprises.
6. Progressive tax rate/taxation and expenditure.