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A Study on the Causes of Inequality in India and at The Global Level: A Perspective on SDG 10

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Abstract- One of the biggest obstacles to inclusive and sustainable development is inequality. From the standpoint of Sustainable Development Goal 10 (SDG 10), Reduced Inequalities, this study looks at the main drivers of inequality in India and around the world. It focuses on disparities in wealth and income, unequal access to healthcare and education, unemployment, gender discrimination, social exclusion, gaps between rural and urban areas, digital divides, and unequal chances. Inequality is further exacerbated in India by caste, informal employment, regional inequalities, and unequal access to public services; worldwide, gaps are exacerbated by differences in economic power, technology, resources, and development levels. Based on secondary data from the United Nations, World Bank, IMF, and other sources, the study emphasizes inclusive growth, social protection, equal opportunities, and international cooperation as essential measures for reducing inequality and achieving SDG 10.

Keywords- Inequality, SDG 10, India, Global Inequality, Inclusive Growth, Social Inclusion.

I. Introduction

Inequalities are growing. The richest 1% of people on the planet had 48% of the world's wealth in 2014, while the bottom 80% of people collectively owned only 6%. When one thinks that only 80 people have as much wealth as the 3.5 billion people with the lowest incomes worldwide, the disparity is brought into sharp focus. Between 1990 and 2010, income disparity rose by 11% on average in developing nations. More than 75% of households in emerging nations reside in cultures where income distribution is more unequal than it was in the 1990s. The most vulnerable countries—the least developed nations, landlocked developing nations, and tiny island developing states—continue to make progress in reducing poverty. Nonetheless, there are still significant differences in these nations' access to resources like health and education. Income disparity within nations has increased while it may have decreased between nations.

When inequality denies individuals opportunities and leaves many living in abject poverty, it becomes a barrier to growth. For example, children in South Asia's wealthiest quintile were twice as likely to finish primary education as those in the poorest quintile in the late 2000s. Children in the worst asset quintile in Latin America and East Asia are three times more likely than those in the richest quintile to pass away before turning five. There is increasing agreement that if economic growth is not inclusive and does not incorporate the three aspects of sustainable development—economic, social, and environmental—it will not be enough to alleviate poverty. Human growth is negatively impacted by growing inequality. The inequality-adjusted Human Development Index (HDI) shows that South Asia loses 25% of its HDI and Sub-Saharan Africa loses 33%.

Goal 10's objective is to make sure that, by 2030, the bottom 40% of the population's income growth exceeds the national average. Policies should, in theory, be universal and include the concerns of marginalized and underprivileged groups in order to lessen inequality. To establish circumstances of equity within nations, inclusion for all ages, gender, races, religions, and ethnicities must be actively pushed in social and political realms. Global financial markets will need to be better regulated, and developing nations will need to have more say in international decision-making in order to establish a more equitable global system.

Targets

- By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average.
- By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
- Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.
- Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.
- Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions to deliver more effective, credible, accountable and legitimate institutions.
- Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.
- Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements.
- Encourage official development assistance and financial flows, including foreign direct investment, to states where the need is greatest, in particular least developed countries, African countries, small island developing states and land-locked developing countries, in accordance with their national plans and programmes.
- By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%.

Objectives of the Study

The study has the following objectives:

1. To study the causes of inequality at the world level
2. To study the causes of inequality in India.

II. Methodology

The present study is descriptive and analytical in nature. It is based primarily on secondary data obtained from official reports and publications of NITI Aayog, the

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Government of India, and the United Nations. The SDG India Index 2023–24 has been used as the principal source for examining India's progress.

The study analyses SDG 10 from a multidimensional perspective, including:

- Economic inequality
- Gender inequality
- Social inequality
- Political representation
- Regional inequality
- Financial and social inclusion

The analysis is based on available official indicators and policy developments.

III. Causes of Inequality at The World Level

- The bottom 40% of the population's income and consumption have grown faster than the national average in the majority of countries since 2015, while differences still exist between regions and nations with varying income levels. Growing inequality is a result of the labor income share of GDP not improving. • Discrimination is becoming more common worldwide, and it is more common among women, those with disabilities, urban dwellers, the poorest people, and those with less education. • Humanitarian pressures have increased as the number of refugees worldwide has increased to 37.8 million, mostly from Afghanistan, the Bolivarian Republic of Venezuela, the Syrian Arab Republic, and Ukraine.
- Getting Goal 10 back on track will require providing extra support for vulnerable population groups, combating rising discrimination, protecting labour income and introducing structural reforms to boost growth in emerging and developing economies

Poorer economies are less likely to experience above-average growth among the bottom 40 per cent of the population

Since 2015, the bottom 40% of the population has seen higher income and consumption growth than the national average in roughly 6 out of 10 of the 108 nations with at least two recent surveys. Before and after the COVID-19 epidemic, pro-poor growth was generally more consistent in Eastern and South-Eastern Asia, Europe, and Northern America. On the other hand, only three of the seven Central and Southern Asian nations for which data are available achieved greater growth for the bottom 40% in comparison to the national average. In contrast, 7 out of 10 upper-middle- and high-income countries have achieved more rapid growth for their bottom 40 per cent

Less of GDP is going towards labour income, increasing the gap between workers and owners of capital

Since 57% of people of working age were employed globally in 2024, 3.6 billion workers and their families are directly impacted by labor income. The labor income share of GDP decreased globally from 52.9% in 2015 to 52.3% in 2024, which translates to an average annual loss of $255 (in 2021 PPP) per worker. This decrease shows that increases in production are not resulting in pay increases. Instead, a larger portion of economic gains are flowing to capital, which is concentrated among the wealthy, increasing inequality. Between 2015 and 2024, the labor income share

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decreased in most regions due to the economic effects of COVID-19. SIDS (2.6 percentage points), LLDCs (1.4 percentage points), and Latin America and the Caribbean (1.3 percentage points) all saw relatively steep declines. In contrast, there was a rise in Central and Southern Asia. Although starting from a much lower basis, LDCs also showed a slight increase.

Global refugee population surges to 37.8 million

By the middle of 2024, there were 37.8 million refugees worldwide under the United Nations High Commissioner for Refugees' (UNHCR) jurisdiction, including those in refugee-like circumstances and others in need of international protection. Just four nations account for two thirds of all refugees: Afghanistan, the Bolivarian Republic of Venezuela, the Syrian Arab Republic, and Ukraine. At 460 per 100,000 people, the global refugee ratio was more than twice as high as it was in 2015 and more than three times higher than it was in 2005.

Resource flows for developing countries increase, with official development assistance making up a bigger share of the total

In constant 2023 prices, total resource flows to developing nations increased from $290 billion in 2015 to $429 billion in 2023. At $259 billion, ODA accounted for the majority of these flows, increasing from 55% in 2015 to 60% in 2023. There were $5.5 billion in private sector instruments and $48.6 billion in additional official flows. Private flows, which are more erratic and saw a significant decline during the COVID-19 epidemic, have rebounded to $116 billion. In 2023, Asia received $141 billion, or 32% of all flows, while Africa received $91 billion, or 21%. $80 billion was given to LDCs. The United States, Germany and Japan were the largest contributors, providing $175.7 billion, $73.7 billion and $45.9 billion, respectively.

IV. Causes of Inequality in India

India and Goal 10

India's income disparity Gini coefficient decreased from 36.8% in 2010 to 33.6% in 2015. The three-pronged Jan Dhan-Aadhaar-Mobile programs are the focus of the Indian government's all-encompassing approach of social security, financial empowerment, and inclusion. These goals align with the Sustainable Development Goals, which seek to increase equity and advance everyone's social, economic, and political inclusion by 2030.

Inequality diminishes people's sense of fulfillment and self-worth, impedes the eradication of poverty, and jeopardizes long-term social and economic progress. The number of refugees has more than doubled in the past ten years. By the middle of 2025, 36.6 million people were refugees under UNHCR's mission, and UNRWA was helping an additional 5.9 million Palestinian refugees. The largest number of these displaced populations fled from Venezuela, Syria, and South Sudan.

Simultaneously, there is an increase in reports of discrimination worldwide, which disproportionately affects women, individuals with disabilities, urban dwellers, and those with less education or income. One in five people worldwide reported experiencing discrimination on grounds forbidden by international law in the previous year; among the world's least developed nations, this percentage rises to 24.3%. While

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older adults 60 years of age and older report discrimination largely on the basis of age, health, and disability, young people aged 15 to 29 report prejudice more frequently on the basis of migratory status, ethnicity, and sexual orientation.

Inequality can take terrible forms. Due to a lack of access to basic healthcare, women and children die every day from avoidable illnesses or childbirth. Systemic prejudice and a lack of opportunities are commonplace for older people, migrants, and refugees. Every nation is impacted by this problem, since one in five individuals globally—especially women and people with disabilities—experience prejudice of some kind. Religious and ethnic bias, as well as discrimination based on gender and sexual orientation, are only a few of the intersecting forms of this prejudice.

Problems like poverty, climate change, and economic crises transcend national boundaries in our globalized society. Extreme poverty exists in even the wealthiest nations, while racism, homophobia, transphobia, and religious intolerance persist in the oldest democracies. We must address global inequality as a global community since it impacts everyone.

Transformative transformation is necessary to reduce inequality. In addition to investing in health, education, social protection, and decent jobs—particularly for young people, migrants, and refugees—we must concentrate on ending extreme poverty and hunger.

By doing away with discriminatory laws, regulations, and practices, we can secure equitable opportunities and foster inclusive growth on a national level. In order to make global solutions more effective and responsible, we must make sure developing nations are more represented in international decision-making. Lastly, through well-managed policies that safeguard the millions of individuals who have been compelled to flee their homes in quest of a better life, governments must encourage safe, orderly, and responsible migration.

Globally, there are still disparities in income, gender, age, handicap, sexual orientation, race, and religion. This gap can lead to crime, illness, and environmental deterioration in addition to endangering economic growth and poverty alleviation. If people are denied the opportunity to improve their lives, we will never be able to accomplish sustainable development or create a better world.

Equality can and must be achieved to ensure a life of dignity for all. To do this, political, economic, and social policies must be universal, paying close attention to the specific needs of disadvantaged and marginalized communities.

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