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INVESTIGATING THE KUZNETS CURVE HYPOTHESIS IN INDIAN CONTEXT

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Abstract:

Equality in outcomes and opportunities is important for a common man and this can be best achieved with equalitarianism in economic, social and political parameters. Despite that if disparities prevail in any area or society around us is collapsing then definitely we are living in a bad place. In order to term a country as a happy place to live in, inclusive growth strategy should be followed. The same has been perused by the Indian Economy during the 11th and 12th Five Year Plan. But is it really benefitting everyone in the real sense needs to be analysed. In 1955, Simon Kuznets in his pioneering work gave an account of the relationship between economic growth and income inequality following a bell shaped curve, whereas later on inverted S shaped curve gained importance. Thus, same is analysed in the context of India by performing a descriptive analysis and it is concluded that India after experiencing a decline in inequalities from a high level around 1980s, showed an upward trend thereafter, with again depicting some marginal improvement in the end years. Thus, India seems to be on the second wave of Kuznets curve.

Key Words: Augmented Kuznets Curve, Income Inequalities, India, Kuznets Curve & Structural Transformation

1. Introduction:

Development is a major concept which touches every economy, irrespective of the stage it is positioned at. Overtime continuous changes are needed in the structure of demand, trade, production and employment which has a significant impact on the economy's well being, allowing it to improve its position globally. This view point can be regarded as true for India, which has successfully managed to bring significant variations among various inter related elements which are subject to transform over the period of time. Whenever a country experiences economic development, structural changes accompany it, as they are regarded one of the fundamental ingredients necessary to move from stagnation towards a more dynamic and regenerative economy. Accordingly, Allan Fisher, 1939 [1] and Colin Clark, 1940 [2] states that as the economy progresses the employment will shift from agriculture towards high productivity sectors of industry and services. The reason for the same was high income elasticity of demand of services (Fisher) and low productivity of services (Clark). Linking this with Indian economy indicates that India had also altered its structure accordingly. At the time of Independence, India had an upper hand in agriculture but now the GDP of the country is being topped by the tertiary sector contribution, crossing the 50 percent mark in terms of output. Thus , it can be rightly said that no economy can completely rely on agriculture and it has to move to blue collar jobs and highly professionalised white collar jobs and so this is being observed in India in terms of IT and software services sector.

As structural changes take place, it is likely to have few repercussions for the economy. Though being beneficial for the economy in terms of increased income, output and change in social ideology, beliefs, and social and political institutions, a few adverse effects in terms of increase inequalities also accompany it. According to Sumner, 2017 this can be viewed as a "*developer's dilemma which is considered as a distributional tension which lies at the heart of economic development of many developing countries*."[3]. According to ESRC, Global Poverty and Inequality Dynamics (GPID) research network, 2017, less developed countries are pursuing two goals simultaneously:

- ✓ On one hand they are concerned with economic development, which involves structural modifications being defined as re allocation of the economic activities towards more advanced and progressive sectors, incorporating the sectoral, factoral and integrative aspects of Structural changes. This move is likely to benefit only a few people in the starting due to economic and social constraints thus giving rise to the problem of income inequality, as posited by Arthur Lewis, 1954 [4] in terms of functional distribution of income and Simon Kuznets , 1955 [5] in his Nobel contribution on income inequalities.
- ✓ Alternatively, inclusive growth which can be defined as the growth process, likely to have broad benefits for the whole population in terms of increased equality of outcomes and opportunities is also given importance. This leads to decline in inequalities as it provides everyone with equal chances to move up in the economic ladder.

So this paper is basically concerned with the first goal of economic development of less developed countries, involving structural changes and its effects on income inequality by discussing it in the context of the applicability of the famous Kuznets Curve (Kuznets, 1955) on the Indian economy.

2. Objectives:

- ✓ To throw light on the work of Simon Kuznets giving the inverted U hypothesis along with discussing the previous literature on it.
- ✓ To understand the concept of Augmented Kuznets Curve**.**
- ✓ To discuss the pattern of income inequalities in India in the context of Kuznets hypothesis and examining the reasons for the same.
- ✓ To account for a few implications in this regard.

3. Methodology:

A descriptive analysis is performed to understand the conceptual framework in India with the data being collected from various secondary sources i.e. Journals and International Organisations. Data for post tax Gini (net Gini) for the year 1960-2012 is

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taken from Standardised World Income Inequality Database version 4_0 (2013) and version 6_0 (2017) compiled by Frederick Solt. To analyse the share in national income of top and bottom percentage of population, World Wealth and Income Database have been consulted for the same.

4. Kuznets Curve:

Income inequalities is considered as a deviation from equality of incomes , in which few individuals earn large fortunes those belonging to the lowest ladders doesn't even have necessary resources to account for a decent standard of living and thus undermine social welfare and social stability. It was of prime interest to Simon Kuznets, who in 1954 as the Presidential Address to the American Economic Association gave an account of the relationship between economic growth and income inequality by taking into account both cross sectional data and inter temporal data. He took time series data for three developed countries i.e. US, UK and two states of Germany and studied the secular trend of inequalities in these countries which followed an inverted U shape and gave the reasons for the same in terms of structural changes (Kuznets , 1955).

Table 1: Relative income shares in the country of US and UK

United States of America (US)	1929	Average (1944, 1946, 1947, 1950)
Bottom 40%	13.5%	18%
Top 20%	55%	44%
Top 5%	31%	20%
United Kingdom (US)	**1880**	**1947**
Top 5%	46%	24%
Bottom 85%	41%	55%

Source: Kuznets (1955), AER, p.4

From Table.1 one can view that there was a decline in income inequality after World War-I in both US and UK as the share of elite class declined and for those at the bottom improved. Kuznets claimed that, this fall in income inequalities was also accompanied by a rise in real per capita income in these countries. He linked this pattern with a structural change process which initially disequalizes the income distribution and later on offsets it, thus reversing the situation. A reasonable shift from low productivity agriculture sector towards more productive industrial sector known as industrialisation accompanied by rise in the share of urban population i.e. urbanisation is accounted for the same. He also regarded political factors to be a reason behind decline in the income inequalities. He made two points in this regard:

- ✓ The per capita income in the urban areas is more than it is in the rural areas due to higher average productivity in the urban areas.
- ✓ Inequality in income distribution is much worse in urban areas as compared to the rural areas.

Thus, this gave rise to the famous inverted U-shaped curve, also can be predicted as a *Bell Shaped Curve* as a link between economic growth which can be measured by per capita income, per capita consumption, time and economic development in linear and quadratic terms and income inequality either measured by Gini coefficient or income shares of different quantiles.

Explanation:

Linking Kuznets curve (1955) with the Lewis model (1954), one can account for the explanation of the curve as follows-Initially Arthur Lewis in his famous model of Economic Development with Unlimited Supplies of Labour (1954) considered a dual economy model in which on one hand there is a low productivity, rural, agriculture sector which uses non reproducible capital, traditional methods of production, produces wage goods and earns a lower income with workers living a hand to mouth life**.**

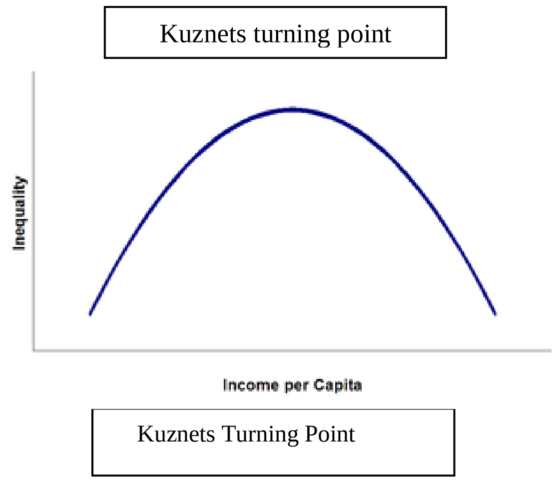

Figure 1: Kuznets Curve (Wikipedia)

Kuznets Turning Point:

Whereas the high productivity, urban, industrial sector uses reproducible capital, modern techniques of production, produces capital goods and earns high enough to save and invest in the economy. The supply of labour is unlimited in the rural areas and there is high demand for it in urban areas. So, as the process of industrialisation takes place in the urban areas, new industries emerge which leads to increase in demand for labour and this is augmented by the rural labour supply. So as workers move from rural to urban areas, family structures experiences a change moving from joint to nuclear family, leading to urbanisation and increase in share of manufacturing in GDP and employment . So this gives rise to income inequalities initially, as only few individuals are able to take advantage of increased opportunities of urban areas due to differential access to human capital and physical capital. Only the individuals which are educated and have access to capital market benefit in the starting. This leads to a gap between the income earned in rural areas and urban areas giving rise to income inequalities. Later on as the supply of labour in rural areas diminishes and the demand for it further increases in the urban areas, it leads to increased wages for the migrating labour and hence the pressure of population in rural areas decline, the average productivity of the remaining workers increases and hence income, thereby exerting a downward push on income inequalities. At this point the two markets will ultimately reunite and the process of dualism will turn into unification. Thus the process of structural change stands complete and hence when the majority of labour migrates to urban areas they better organise themselves and participate in city and economy life, undertake education and employment opportunities. They become aware of their rights and opportunities, trade unions become strong and are capable to enter into social unrest leading to strikes, demonstrations and outbursts of violence in case the decisions of the economy are against them. So in order to prevent social unrest and political instability, the government is forced to take redistributive measures and hence democratisation leading to decline in income inequality (Acemoglu and Robinson, 2002). Therefore, it states that in the long run economic development will itself take care of inequalities and hence produce an inverted U shape curve (bell shaped curve).

Thus, one might thus assume a long swing in the inequality characterizing the secular income structure: widening in the early phases of economic growth when the transition from the pre-industrial to the industrial civilization was most rapid; becoming stabilized for a while; and then narrowing in the later phases (Kuznets, 1955, p.18).

In the cross sectional sample, Kuznets accounted for the data of three underdeveloped countries i.e. India, Ceylon and Puerto Rico and developed countries i.e. US and UK. Analysing the data he retained his view point that the share of top 20% in income distribution is more than 50 % in underdeveloped countries whereas it is reverse in the developed countries. And the share of bottom 60% of the population is more than 30% in developed countries and less than 30% in underdeveloped countries. Thereby it states that the distribution of income is much more unequal in countries at lower stages of development and tends to improve as growth takes place.

5. Matrix of Review of Literature:

Title	Author (Date)	Major Findings
Inequality, poverty and development [6]	Montek S. Ahluwalia (1976)	A cross sectional sample for 60 countries (40 developing, 14 developed and 6 socialistic countries), the multivariate regression analysis between different process of economic development, log of per capita GNP in US $ at 1970 prices and income shares of different percentile groups, found support for Kuznets hypothesis.
The political economy of Kuznets curve [7]	Daron Acemoglu and James A. Robinson (2002)	Besides focussing on the economic factors, it took into account the political factors for the explanation of the Kuznets curve and concluded that income inequality initially lead to threat of social unrest and political instability in Britain, which forced democratisation, extension of franchise and redistribution leading to decline in inequality.
Structural Change , Inequality and Growth in Mexico [8]	Craig Adair (2006)	It examined the pattern of production, investment and trade after the initiation of liberalisation programme and concluded that it lead to a creation of an economic enclave of few industries producing capital goods for exports, which grew in a corner from the rest of the world, used high level of capital and technology, paid high wages and earned high income thus leaving behind non capital goods export industries and giving a push to income inequalities. Thus after experiencing structural reforms (1989), countries found on upward portion of the curve thus giving support for the augmented Kuznets curve, as against the original Kuznets hypothesis.
Beyond Kuznets: Inequality and the size and distribution of cities [9]	David Castells-Quintana (2017	It related the urbanisation process by taking average agglomeration size (as an indicator of average city size) with Gini coefficient by using Panel data for the year 1960-2010. It summarises a U- shaped relation i.e. as average city size increases inequalities first decline by providing employment and educational opportunities for low income workers and later on inequalities increases due to the costs of congestions and urban slums, thereby benefiting only skilled workers more and those which have the initial paying capacity for the living costs, besides giving support for Kuznets curve also.

6. Augmented Kuznets Curve (Inverted S Curve):

The famous Kuznets Curve focussed on the structural transformation process, characterised by the shift of the economy from agriculture to manufacturing sector producing a positive relation between economic growth and income inequality at lower stages of economic development and when the economy moves towards higher stages of economic development the relationship turns out to be negative, leading to decline in income inequalities. But nowadays the economies are increasingly moving towards high technology, knowledge intensive sector .i.e. the service sector, which is also likely to have its impact on inequalities as it is one of the higher stages of economic development achieved by a country. Since 1970s, few studies have questioned the validity of

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Kuznets curve and stated that there is a false belief that economic development will automatically take care of income inequalities. Instead of this, the process reversed once again which can be clearly understood by analysing the case of the US economy, which was the prime focus of original Kuznets hypothesis. Kuznets stated that inequalities declined in US around 1948, whereas the research revealed that afterwards there was a sharp reversal in the trend leading to increase in income inequalities since 1970s which could be termed as a remake of previous inverse- U curve: a new industrial revolution might have taken place, thereby leading to increasing inequality, and inequality will decline again at some point, as more and more workers benefit from the innovations (Piketty and Saez, 2003) [10]. Till 1970s, the US economy followed the Keynesian system of government in which income tax rates were set high at 80% to account for pro-poor growth, role of trade unions were strong and minimum wages were also supportive to bring about egalitarian distribution of income. Instead there were specific shocks and circumstances, likely the effect of World War II and Great Depression which contracted the top capital incomes as during depression the stock market crashed leading to decline in stock prices and hence capital incomes. But, from 1970 to 1998, the top 1 percent share increased steadily from 5 percent to 11 percent (Piketty and Saez, 2003,) which can be regarded as a remake of Kuznets curve leading to increase in income inequalities. This can be easily discerned from figure 2, in which the US economy is on the rising part of the curve. The main reasons attributed to this type of change were:

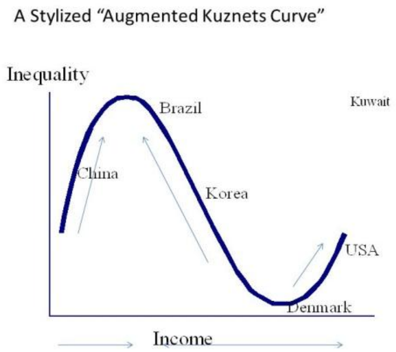

Figure 2: Source: Galbraith, 2008 [11]

- ✓ ***Skilled biased technical change*s** which lead to surge in demand for people with an intellectual bent of mind initiated due to the 20th century computer revolution. This brought large fortunes for the people with suitable skills, thereby increasing the skill premium gap and leaving the unskilled people behind.
- ✓ ***Neo liberalism*** of the economy, as the focus since 1970s tilted more towards unregulated market policies which lead the top executives to earn a greater amount of wealth from bonus, dividends, etc, further initiated by the ***rent seeking behaviour*** in which the people being positioned at the top income ladder, influence the government policies in their favour so as to further increase their wealth without returning the benefits to the society.
- ✓ The unionization rates and real value of minimum wages declined. Also the tax reform act of 1986 was responsible for this, which lead to decrease in income tax rates and hence the upswing in top incomes.

7. The Case for India:

India reclaimed the tag from China by emerging as the fastest growing economy in the world, achieving high growth rate of 7.2% in the December Quarter of the year 2017-18. But whether the high growth rates are sustainable in the future and indicate inclusive growth is questionable. So a descriptive analysis of the problem of income inequalities needs to be undertaken. At the time of independence, India was caught with a low growth rate around 3.5 percent termed as the Hindu growth rate. Overtime it made progress in various fields i.e. in GDP, per capita income, savings, telecommunications, etc. but several problems were also being encountered the main one being the system of license raj , which were like handcuffs for the business in India between 1947-1990. The main propagator of this system was PM Jawaharlal Nehru, who was a staunch supporter of socialism and his main aim was to develop the economy on the principles of autarky. There were various restrictions on investment, expansions and mergers and up to 80 government agencies had to be contacted before manufacturing a product or to set up a firm. Tariff and non tariff barriers were very high set at 97 percent which curtailed the income of rich people and hence inequalities fell around 1980s. But in mid 1980s some reform measures were undertaken by the Rajiv Gandhi Government leading to decline in number of industries requiring licensing, easing of MRTP restrictions as well as decline in tax rates to 50%.This deregulation lead to increased imports and hence this was followed by the crisis which hit the Indian economy badly, because of which India in order to accelerate the economy had to take conditional help from IMF and it was conditioned through introduction of structural reform programme i.e. LPG policy, 1991. But the policy which was actually meant for the betterment of the economy took it to a new level of increasing economic inequalities which are gargantuan in its size. The situation changed dramatically in the early 1980s, which marks the turning point for the dynamics of income inequality across the world, driven by a huge increase in top incomes, particularly incomes at the very top (0.01%). This lends support to the view of the structural transformation of the Indian economy from a "socialistic" to a pro-business path which was well-underway before the 1991 reforms as stated by Basole, 2014 [12]

Table 2: Gini Coefficient of Income distribution in India: 1960-2012

Year	Gini-Net/Gini Disposable	Year	Gini-Net/Gini Disposable
1960	48.25	1988	43.09
1962	47.24	1990	43.16

1964	46.03	1992	43.4
1966	45.92	1994	43.7
1968	45.97	1996	44.03
1970	45.69	1998	44.46
1973	45.46	2001	45.16
1975	45.86	2003	46.33
1977	40.88	2005	47.08
1979	41.32	2007	47.36
1980	41.52	2009	47.83
1982	42.00	2010	48.06
1984	42.42	2011	47.92
1986	42.8	2012	47.89

Source: SWIIDv4_0 (Years 1960-1975, Gini-Net), SWIIDv6_0 (Years 1977-2012, Gini Disposable) [13]

There is no consistent data available for India in terms of income distribution, so consumption expenditure is always used as a proxy for income to analyse the Gini coefficient of consumption inequalities using all India Household Consumption Expenditure survey of NSSO (both quinquennial and annual surveys). However income inequalities data based on consumption expenditure data understates the consumption expenditure of rich and therefore indicates fewer inequalities and hence cannot be considered as good evidence whereby in the real sense inequalities might be a bit high. *In India, the Gini index for consumption inequality based on IHDS was about 0.38, comparable to results from the NSS. However, the Gini index based on income was considerably higher, at 0.52 (India Human Development Survey, 2004-05).* In order to avoid discrepancies in the data, we analyse the data for net and disposable Gini by supplementing the same from Standardised World Income Inequality Database. It reveals that the income inequality first declined up to mid 1970s with a value of 45.69, then captured a major upswing reaching an all time high of 48.06 in 2010, whereas in 2011 and 2012, the inequalities have shown marginal improvement, indicating a declining trend towards 47.89. It can be seen from figure 3. that India seems to be on the second wave of Kuznets curve in which inequalities after declining from a high level (in pre-Independence period the share of top 0.01% was the highest) again started increasing around 1980s and this can be consistent with the structural shift of the economy from a regulated and controlled market towards more open, liberal and pro-business environment with again showing some marginal improvement in the end years. And if this declining trend catches a secular path then the revival of kuznets curve will stand true and economic development will itself take care of inequality in the end years as dictated by Simon Kuznets .Thus, India is experiencing either a U shaped curve (can be depicted as V shaped) or it seems to be in line towards an S shaped curve (because of marginal improvement in the end years).

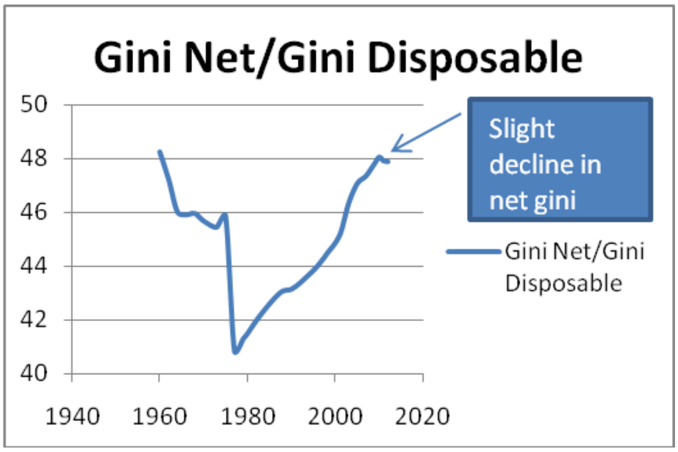

Figure 3: Based on Table II

But , why after experiencing a decline , India moved towards a divastating economy in terms of inequality since 1980s ? The main reasons can be :

Structural Transformation: India experienced a structural transformation, enabling it to move towards a more dynamic economy in terms of service sector contribution towards GDP. Earlier this sector was not given much importance, but it gradually got a push from 1980s and at a high rate thereafter since 1990s. Earlier transport and communication were synonyms with railways and telegraph but overtime the importance of aviation and communicating without the barriers of physical distance had become possible because of the knowledge intensive sector. But in order to become competitive in the world investment in human skills becomes the need of the hour and hence the economy moves towards high technology sector leading to skill biased technical change. India leapfrogged the process of structural transformation by moving directly from agriculture towards service sector (as manufacturing sector growth rate was nearly stagnant), although the contribution of service sector is highest in GDP (53.66%), but it is not in parity with the employment share (31%) which is worrisome and it is natural that this sector opens up doors for only those who have the require intellectual ability, skills to play with technologies and come up with new ideas. So it leads to skill biased technical change thereby increasing the skill premium between skilled and unskilled workers and hence aggravating the status of income inequalities. Due to liberalisation and improvement in technology , even non tradable services have been categorise as tradable , but still it contributes to a sort of dualism. Service sector is heterogeneous in nature as it contains diverse type of jobs ranging from low skills, clerical, manual and non tradable jobs to highly professionalised, managerial, technological and tradable jobs, thereby contributing to income inequalities. Tradable services will enjoy higher returns to labour and improved

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opportunities, while non-tradable services (those tied closely to the domestic market, including a large share of urban informal employment) may not realize equivalent advantages, thereby suggesting that these individuals and their families may be left behind under a service-led growth paradigm (UNRISD, 2010) [14]

Economic Policy of 1991: The economic policy of 1991 is popularly identified with opening up new opportunities for the economy in terms of investment, production and business expansions. But it seemed that, even if it benefitted the whole economy in terms of increased growth rate, the same has contributed towards an in-egalitarian distribution, as the policy of liberalisation, privatisation and globalisation has favoured the rich class more at the cost of the poor. Because of globalisation, financial openness in terms of FDI increased manifold averaged from 1281.80 million $ in 1995 to 8579 million $ in 2017. But it seems that globalisation in line with the reduction in trade barriers have benefitted only a few industries (IT, software services) , at the cost of others thereby leading to decline in inequalities between countries but inequalities within countries have increased and have positively affected only minor of population. More specifically, as Bourguignon points out, the top 10% captured almost half of all the gains from growth over the period of 30 years (Singh, 2017) [16]. FDI is attracted towards well developed sectors specially IT , consultancy and finance, which benefits the skilled labour of this sector much more , thereby ignoring the areas with bad work culture , lack of infrastructural facilities and poor governance. Privatisation of education and health has turned these services in commodities due to high cost thereby leading to decline in living standard of poor class caused by low consumption. Thus policies of globalisation and internationalisation of capital has lead to polarisation of income and wealth, thereby dividing the population into two parts – super rich and the marginalised class.

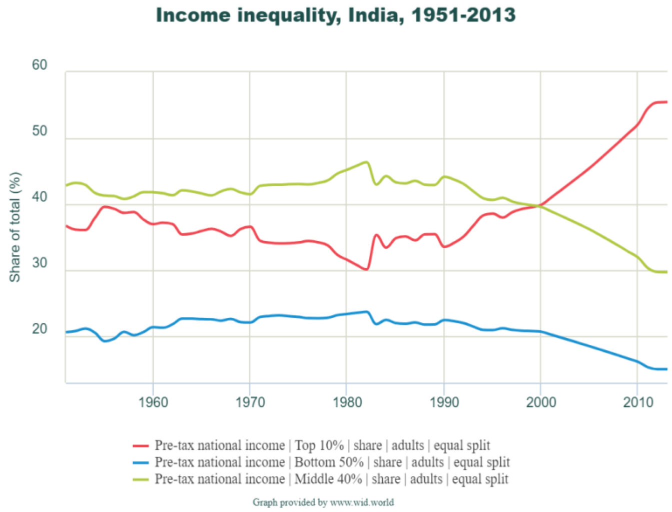

Figure 4: Source: WID. World [15]

Uncontrolled Capitalism: Consistent with the case of US it seems that India is also following the same path in terms of repercussions of capitalism. Privatisation has encouraged rent seeking institutions, as a more liberal economy gives incentives to the wealthy people to increase their share of economic growth much more by practicing monopoly conditions and manipulating the policies through getting licenses and under cutting the cost. This has lead to increase in their share of profits, dividends, rent and bonus of savers, investors, renters and speculators. Facts speak for themselves as it can be visualised from Fig 4. In which the gap between top 10% share in national income (before tax) and that of bottom 50% was much less before 1980s whereas after that it has been diverging at an alarming rate. The middle 40% of the population is at a much better stage as compared to the bottom 50% and was earning higher than the top 10% before the onset of market reforms policy but after that its gains from national income has been declining. If we just compare bottom 50% with top 10%, we can analyse the graph as a torch or champagne glass distribution, as shares of both of them is continuously moving in opposite directions thereby stating that growth rate might not be inclusive for India. . The top 1% income share is at its highest level (22%) since the creation of the Income Tax during the British Raj, in 1922 (Piketty and Lucas, 2017) [17]

8. Policy Options:

There is no magic wand which can instantly reverse the whole situation of increasing income inequalities, but some policy solutions which can be undertaken so as to extend the ray of hope into reality which can be seen in the end years towards declining inequalities are:

- ✓ In order to achieve faster and inclusive growth which was the main target of 11th five year plan, the government should focus on curbing the income of the elite class through progressive income tax rates, wealth tax, etc in order to avoid intergenerational transfer of wealth which leads to large fortunes being blessed upon the decendants**.** To keep the situation under control, Piketty (2014) in his book "Capital in the Twenty- First Century'' sugessted annual global wealth tax along with progressive income tax at the rates of 2% and 80% respectively [18]
- ✓ Alongwith imposing high tax rates, it should also focus on social security contributions by bring the informal sector under this net as this will reduce the gap between earnings of formal and informal sector. Informal sector involves precarious kinds of employment conditions, unstable jobs, casual and contractual work, hazardous working conditions and low earnings. This has lead to low productivity among the workers engaged in this sector and hence they are not able to break the vicious circle of poverty in which they are caught, thus leading to India being converted into shining India just for the upper elite class.

- ✓ Equality of outcomes and opportunity is also mandatory as no matter what the circumstances are , everybody has the right to equal access to education and health opportunities , but this seems to be dillusioned since the emrgence of private institutions in these sectors. They have started selling them as commodities at a high price instead of realising that these are the basic necessities of life which must have a universal coverage.
- ✓ Thus, working of globalisation and capitalism is not an issue, but the way they are operating in an economy like India is the main complication. It needs to be controlled through the Keynsian policy of state intervention, but the problems of inequality, informal employment, lack of acess to opportunities are the structural problems which go hand in hand with the process of structural reforms of globalisation and capitalism and and a substitute is needed so as to balance economic growth with equity. According to Joan Robinson's (1936) any government which has the power and will to remedy the major defects of the capitalist system would have the will and power to abolish it altogether, while governments which have power to retain the system lack the will to remedy its defects [19]

9. Final Remarks:

The main aim of this paper was to analyse the Kuznets curve in the light of Indian economy. As remarked by Piketty and Lucas, 2017 in one of their papers " India income inequality: From British Raj to Billionaire Raj'' stands valid as far as the period from 1980s is concerned due to introduction of unregulated markets which gave the wealth holders to further gain benefits from government policies and marginalising the poor in one corner of the society. But recent decades have shown some improvement which can be considered as a silver lining further supported by suitable measures or trickle down effect of development. Thus, India is experiencing a U shaped curve or is progressing towards an S shaped curve. There is a dire need to rise above the facts by testing it empiricaly. The study is limited by the use of secondary data only , whereas a detailed analysis needs to be undertaken at a diassgregated level of the states by conducting a primary survey which can give a better picture of income inequality in India.

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