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Effects of globalization on income inequality and social stratification: A Special Reference to Uttar Pradesh

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Abstract

This study examines the effects of globalization on income inequality and social stratification with special reference to Uttar Pradesh. Globalization, driven by economic liberalization, trade openness, and technological advancement, has significantly reshaped India’s economic landscape; however, its benefits have been unevenly distributed across regions and social groups. The paper explores how globalization has influenced income distribution, employment patterns, and access to opportunities in Uttar Pradesh, a state characterized by high population density, socio-economic diversity, and persistent developmental challenges. Using secondary data from government reports, census statistics, and published studies, the research analyzes rural–urban disparities, sectoral income differences, and the role of education and skills in shaping inequality. The study also highlights how globalization interacts with entrenched social structures such as caste, class, and gender, often reinforcing social stratification. The findings underscore the need for inclusive policies that address regional disparities and promote equitable participation in the globalized economy.

Keywords: Globalization, Income Inequality, Social Stratification, Regional Disparities, Uttar Pradesh

Introduction

Globalization has emerged as one of the most influential forces shaping contemporary economic and social transformations across the world. Characterized by the increasing integration of national economies through trade liberalization, foreign direct investment, technological diffusion, and the mobility of capital and labor, globalization has significantly altered patterns of production, employment, and income distribution. While proponents argue that globalization promotes economic growth, efficiency, and development, critics contend that its benefits are unevenly distributed, often exacerbating income inequality and reinforcing existing social hierarchies. In developing countries such as India, globalization has generated complex outcomes by simultaneously creating new opportunities for growth while intensifying disparities across regions, sectors, and social groups. Since the economic liberalization reforms of the early 1990s, India has experienced rapid integration into the global economy, accompanied by structural shifts from agriculture to industry and services. However, these changes have not translated into uniform socio-economic gains, raising critical concerns about widening income gaps and deepening social stratification. Uttar Pradesh, India’s most populous state, provides a particularly relevant context for examining these dynamics due to its diverse social composition, persistent poverty, and uneven development trajectory. Despite its large labor force and abundant human resources, Uttar Pradesh has struggled to fully capitalize on the opportunities offered by globalization, largely due to low industrialization, limited skill development, and a predominance of informal employment. The uneven penetration of globalized markets has resulted in pronounced rural–urban disparities, sectoral wage differentials, and unequal access to education, healthcare, and

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employment opportunities. Moreover, globalization has interacted with entrenched social structures such as caste, class, and gender, often reinforcing social stratification rather than dismantling it. Marginalized communities, including lower castes, women, and rural workers, frequently remain excluded from the gains of global economic integration, while benefits accrue disproportionately to skilled, urban, and socially advantaged groups. Against this backdrop, the present study seeks to critically examine the effects of globalization on income inequality and social stratification in Uttar Pradesh. By situating regional experiences within broader theoretical and empirical debates, the paper aims to provide a nuanced understanding of how globalization influences economic and social inequalities at the sub-national level, thereby contributing to discussions on inclusive and equitable development.

Background of the Study

The process of globalization has gained momentum in India since the economic reforms initiated in the early 1990s, marking a shift from a relatively closed economy to one increasingly integrated with global markets. These reforms emphasized liberalization, privatization, and deregulation, leading to structural changes in production systems, labor markets, and patterns of investment. While globalization has contributed to higher economic growth at the national level, its socio-economic outcomes have varied significantly across regions and population groups. Uttar Pradesh, despite being one of India’s largest states in terms of population and labor force, has experienced uneven development and persistent poverty. The state’s economy remains largely agrarian, with limited industrial expansion and a high dependence on informal employment. In this context, globalization has produced mixed effects, offering new economic opportunities to certain segments while marginalizing others. Existing social structures based on caste, class, and gender further shape these outcomes, making Uttar Pradesh a critical case for understanding the relationship between globalization, income inequality, and social stratification.

Concept and Evolution of Globalization

Globalization refers to the intensification of economic, social, political, and cultural interconnectedness among nations, resulting in the increasing integration of markets, production systems, technologies, and ideas across national boundaries. At its core, globalization involves the free movement of goods, services, capital, information, and, to a limited extent, labor, facilitated by advances in transportation, communication, and digital technologies. The concept gained prominence in academic and policy discourse during the late twentieth century, although its roots can be traced to earlier periods of global trade, colonial expansion, and industrialization. Historically, early forms of globalization emerged through long-distance trade networks and imperial exchanges, which linked regions and economies but often in highly unequal ways. The modern phase of globalization accelerated after the Second World War with the establishment of international institutions such as the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade, aimed at promoting economic cooperation and reducing trade barriers. A significant shift occurred in the late 1970s and 1980s with the rise of neoliberal economic policies that emphasized market liberalization, privatization, and deregulation. These policies fostered deeper global integration, particularly through the expansion of multinational corporations and global value chains. In developing countries, including India, globalization gained momentum with economic reforms in the 1990s, integrating domestic economies into global markets. While globalization has stimulated growth and innovation, it has also generated concerns regarding inequality, labor insecurity, and social exclusion, highlighting its complex and multifaceted evolution.

Rationale for Studying Income Inequality and Social Stratification

The study of income inequality and social stratification is crucial for understanding the broader implications of economic development and social change in contemporary societies. Income inequality reflects the uneven distribution of economic resources among individuals and groups, while social stratification denotes the structured and persistent hierarchies based on class, caste, gender, occupation, and access to power. Examining these phenomena is essential because they directly influence living standards, social mobility, and overall human development. High levels of inequality can undermine

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social cohesion, weaken democratic institutions, and constrain long-term economic growth by limiting access to education, healthcare, and productive employment for disadvantaged groups. In the context of globalization, the rationale for studying income inequality and social stratification becomes even more significant, as global economic integration often redistributes opportunities and risks unevenly across populations. Market-oriented reforms, technological change, and the expansion of global value chains tend to favor skilled and capital-owning groups, while low-skilled workers and marginalized communities face greater vulnerability to job insecurity and wage stagnation. In regions such as Uttar Pradesh, where historical disadvantages related to caste, gender, and rural location are deeply entrenched, globalization may intensify existing inequalities rather than reduce them. Understanding how income inequality intersects with social stratification helps to reveal the mechanisms through which economic processes translate into social outcomes. Such analysis is vital for designing inclusive policies that address structural disadvantages, promote equitable access to opportunities, and ensure that the benefits of economic integration are shared more broadly across society.

Literature Review

The literature on globalization and economic reforms in India provides a foundational understanding of how policy shifts since the early 1990s have reshaped growth trajectories and distributional outcomes. Ahluwalia (2002) offers one of the earliest and most influential assessments of India's post-1991 economic reforms, arguing that gradual liberalization contributed to macroeconomic stability and accelerated growth. However, the study also acknowledges that reform outcomes were uneven across sectors and regions, raising concerns about inclusiveness. Bardhan (2010) extends this discussion by situating India's growth experience within a comparative global context, particularly alongside China. While recognizing the achievements of globalization-led growth, Bardhan highlights structural weaknesses such as inadequate infrastructure, limited industrial employment generation, and persistent rural distress. Together, these works establish that globalization in India has been growth-enhancing but structurally imbalanced, laying the groundwork for understanding why income inequality and social stratification have intensified, especially in less-developed regions such as Uttar Pradesh.

A significant strand of literature focuses explicitly on income inequality and the concentration of economic gains during the globalization era. Banerjee and Piketty (2005) provide a rigorous empirical analysis of long-term income trends in India, demonstrating a sharp rise in top incomes following economic liberalization. Their findings suggest that globalization disproportionately benefits higher-income groups with access to capital, skills, and formal-sector employment, thereby widening income disparities. Himanshu (2018) reinforces this argument through a comprehensive review of inequality trends, noting that while poverty reduction has occurred, inequality has risen across consumption, income, and wealth dimensions. The study emphasizes regional disparities, highlighting that states with weaker industrial bases and human development indicators, such as Uttar Pradesh, have not experienced equitable gains. These contributions are particularly relevant to the present study, as they underscore the macro-level patterns through which globalization translates into unequal income distribution at the sub-national level.

Another important body of literature examines globalization through the lens of labor markets and employment structures. Jha and Golder (2008) critically analyze the impact of globalization on labor in India, arguing that increased openness has led to greater labor market flexibility, informalization, and job insecurity. Rather than generating large-scale formal employment, globalization has often intensified competitive pressures, resulting in cost-cutting strategies that disproportionately affect low-skilled workers. Kannan and Raveendran (2019) further document this trend by describing India's recent growth phase as one of "job-loss growth," where economic expansion coincides with declining employment quality. Their analysis highlights that informal employment remains dominant and that wage growth has been uneven, favoring skilled and urban workers. These insights are directly applicable to Uttar Pradesh, where a large share of the workforce is concentrated in informal and low-productivity sectors, making the state particularly vulnerable to globalization-induced labor market polarization.

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The social dimensions of globalization, particularly gender and social stratification, are addressed in the work of Drèze and Sen (2013) and Ghosh (2011). Drèze and Sen argue that economic growth alone is insufficient to achieve social progress, emphasizing persistent deficits in education, health, and social security despite globalization-led growth. Their analysis highlights how social inequalities rooted in caste, gender, and region continue to shape access to opportunities. Ghosh (2011) specifically focuses on women's workforce participation, demonstrating that globalization has not necessarily improved gender equality in employment; instead, it has often increased women's concentration in informal and insecure work. These studies collectively suggest that globalization interacts with pre-existing social hierarchies, reinforcing rather than dismantling social stratification. For a state like Uttar Pradesh, where caste-based inequalities, gender disparities, and regional backwardness are pronounced, this literature provides a critical framework for analyzing how globalization deepens both income inequality and social stratification.

Socio-Economic Profile of Uttar Pradesh

- **Demographic Characteristics**

Uttar Pradesh is the most populous state in India and exhibits a complex demographic structure that significantly influences its socio-economic conditions. The state is characterized by a high population density and a predominantly rural population, with a large proportion of people residing in villages and dependent on agriculture and allied activities for their livelihoods. The population composition is marked by considerable social diversity, encompassing multiple caste groups, religious communities, and linguistic variations. A relatively high fertility rate and a large youth population create both opportunities and challenges, as the expanding labor force places sustained pressure on education systems, healthcare services, housing, and employment generation. Additionally, pronounced gender disparities persist in areas such as literacy, workforce participation, and access to health services, reinforcing existing social inequalities.

- **Economic Structure (Agriculture, Industry, Services)**

The economy of Uttar Pradesh is primarily agrarian, with agriculture employing a substantial share of the workforce but contributing modestly to overall income due to low productivity, fragmented landholdings, and dependence on traditional farming methods. Industrial development in the state has been limited and uneven, largely concentrated in select urban and semi-urban regions. Small-scale and cottage industries, including textiles, sugar, leather, and food processing, dominate the industrial sector, while large-scale manufacturing and export-oriented industries remain underdeveloped. The services sector has shown gradual growth, particularly in trade, transport, education, healthcare, and public administration; however, service-sector expansion is largely urban-centric, contributing to widening rural–urban economic disparities.

- **Human Development Indicators (Education, Health, Employment)**

Human development indicators in Uttar Pradesh remain below the national average, reflecting persistent structural challenges. Educational outcomes are constrained by low literacy rates, high dropout levels, and unequal access to quality education, especially among women and marginalized communities. Health indicators reveal shortcomings in healthcare infrastructure, with relatively high maternal and infant mortality rates and widespread issues of malnutrition. Employment is predominantly informal, characterized by low wages, job insecurity, and limited social protection, restricting upward mobility and reinforcing income inequality and social stratification across the state.

Globalization in the Indian Context

- **Economic Reforms and Liberalization Policies**

Globalization in India gained significant momentum with the initiation of economic reforms in 1991, which marked a decisive shift from a state-led, inward-looking development model to a more market-oriented and outward-looking economic framework. These reforms were introduced in response to a severe balance of payments crisis and aimed at stabilizing the economy while fostering long-term growth. Key components of liberalization included the dismantling of industrial licensing, reduction of trade barriers, deregulation of financial markets, and encouragement of private sector participation. The government also implemented fiscal and monetary reforms to improve macroeconomic stability and enhance efficiency. Liberalization reduced the dominance of the public sector and created a more competitive business environment, enabling Indian firms to integrate into global markets. While these reforms stimulated economic growth and improved productivity in several sectors, their outcomes were uneven across regions and social groups. States with better infrastructure, skilled labor, and industrial bases benefited more rapidly, whereas less-developed states, including Uttar Pradesh, faced difficulties in adapting to the new competitive environment. As a result, economic reforms laid the foundation for globalization but also contributed to widening regional and social disparities.

- **Trade Openness, Foreign Direct Investment, and Privatization**

Trade openness became a central pillar of India's globalization strategy, reflected in the reduction of tariffs, removal of quantitative restrictions, and greater integration with the global trading system. India's participation in international trade expanded significantly, facilitating access to global markets, advanced technologies, and diverse consumer goods. Alongside trade liberalization, foreign direct investment emerged as a critical driver of economic integration, bringing capital inflows, managerial expertise, and technological diffusion. Policy reforms eased restrictions on foreign ownership across multiple sectors, particularly in manufacturing, telecommunications, and services. Privatization further complemented these processes by reducing the role of the state in commercial activities and transferring ownership or management of public enterprises to private entities. While trade openness, FDI, and privatization enhanced efficiency and competitiveness in certain industries, their benefits were concentrated in urban and industrialized regions.

Impact of Globalization on Income Inequality in Uttar Pradesh

- **Rural–Urban Income Disparities**

Globalization has intensified rural–urban income disparities in Uttar Pradesh by disproportionately benefiting urban centers that are better connected to global markets, infrastructure, and investment flows. Urban areas, particularly major cities and industrial corridors, have attracted relatively higher levels of private investment, service-sector expansion, and employment opportunities linked to trade, information technology, and modern services. In contrast, rural regions remain largely dependent on agriculture, which has experienced limited productivity growth and inadequate integration with global value chains. The stagnation of agricultural incomes, combined with rising costs of inputs and vulnerability to market fluctuations, has widened the income gap between rural and urban households. Migration from rural to urban areas has increased in search of better livelihoods; however, migrants often enter low-paid, informal jobs, which only partially alleviates rural poverty while reinforcing urban income inequality.

- **Sector-Wise Income Distribution**

The impact of globalization on income distribution in Uttar Pradesh varies significantly across economic sectors. Sectors that are more exposed to global markets, such as manufacturing linked to exports, modern services, and information-based activities, tend to generate higher incomes and better working conditions. However, these sectors employ a relatively small and skilled segment of the workforce. The majority of workers remain concentrated in low-productivity sectors, including traditional agriculture, small-scale manufacturing, and informal services, where wages are low and income growth is limited. This uneven sectoral development has contributed to income polarization, as gains from globalization accrue to a narrow segment of the population while a large proportion of workers experience stagnant or marginal income improvements.

- **Informalization of Labor and Wage Differentials**

Globalization has also contributed to the increasing informalization of labor in Uttar Pradesh. Competitive pressures and cost-cutting strategies have encouraged employers to rely on casual, contractual, and informal workers rather than providing secure and permanent employment. As a result, a large share of the workforce lacks job security, social protection, and stable incomes. Wage differentials between formal and informal workers have widened, with informal workers facing lower wages, irregular employment, and limited bargaining power. This trend has disproportionately affected rural laborers, women, and socially marginalized groups, reinforcing income inequality and economic vulnerability.

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- **Role of Education and Skill-Based Inequality**

Education and skill levels play a decisive role in determining who benefits from globalization in Uttar Pradesh. Globalized sectors demand higher levels of education, technical expertise, and digital skills, which are accessible primarily to individuals from relatively advantaged socio-economic backgrounds. Limited access to quality education and vocational training restricts the ability of large segments of the population to participate in high-income employment opportunities. Consequently, skill-based inequality has widened, with educated and skilled workers experiencing income growth while unskilled and semi-skilled workers remain trapped in low-wage employment, deepening overall income inequality in the state.

Globalization and Social Stratification

- **Changes in Class Structure**

Globalization has contributed to significant changes in the class structure of Uttar Pradesh by reshaping economic roles, occupational patterns, and income hierarchies. The expansion of market-oriented activities and service-sector growth has facilitated the emergence of a new urban middle class engaged in private enterprise, professional services, and salaried employment linked to global and national markets. This segment has benefited from higher incomes, greater job security, and improved access to consumption and lifestyle opportunities. At the same time, globalization has weakened traditional agrarian livelihoods and small-scale occupations, contributing to the precarization of the working class and the persistence of a large informal labor force. The widening gap between the expanding middle and upper classes and the economically insecure lower classes reflects a reconfiguration of class relations, where economic power and social status are increasingly determined by market participation, skills, and access to capital rather than traditional forms of livelihood.

- **Caste, Gender, and Regional Dimensions of Stratification**

Despite economic changes, globalization has not dismantled entrenched social hierarchies in Uttar Pradesh; instead, it often interacts with caste, gender, and regional inequalities to reproduce social stratification. Higher caste and socially advantaged groups are better positioned to access education, networks, and capital, enabling them to benefit more from globalized economic opportunities. In contrast, Scheduled Castes, Scheduled Tribes, and Other Backward Classes remain overrepresented in low-paid, insecure occupations. Gender disparities are also evident, as women face limited access to formal employment, lower wages, and higher concentration in informal and unpaid work. Regionally, western and urbanized parts of the state have experienced relatively better integration with global markets compared to eastern and rural regions, reinforcing spatial inequalities.

- **Access to Opportunities, Resources, and Social Mobility**

Globalization has altered the distribution of opportunities and resources in ways that shape social mobility in Uttar Pradesh. Access to quality education, skill training, healthcare, and financial resources has become increasingly critical for upward mobility. However, such access remains highly unequal, favoring urban residents and socially privileged groups. While globalization has opened new avenues for mobility for a small section of the population, it has simultaneously created barriers for those lacking education, skills, and social capital. As a result, intergenerational mobility remains limited for marginalized groups, and social stratification continues to persist.

- **Marginalization of Vulnerable Groups**

Vulnerable groups, including rural laborers, informal workers, women, and marginalized castes, have faced heightened risks under globalization. Employment insecurity, wage instability, and reduced access to social protection mechanisms have increased economic vulnerability. These groups often bear the costs of market fluctuations without adequate institutional support, leading to deeper social exclusion. Consequently, globalization has reinforced existing social stratification in Uttar Pradesh by marginalizing those already at the lower end of the socio-economic hierarchy.

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Methodology

The present study adopts a descriptive and analytical research design to examine the effects of globalization on income inequality and social stratification in Uttar Pradesh. The research is based exclusively on secondary data, enabling a comprehensive assessment of long-term trends and structural changes associated with globalization. Data were collected from reliable and authoritative sources, including Census of India reports, National Sample Survey Office (NSSO) and Periodic Labour Force Survey (PLFS) datasets, Economic Surveys, state government publications, and relevant research articles and policy documents. These sources provide information on income levels, employment patterns, sectoral distribution of the workforce, education, and social group characteristics. The study employs quantitative techniques such as trend analysis, percentage analysis, and ratio analysis to examine changes in rural–urban income disparities, sector-wise income distribution, and employment structures over time. Indicators such as average income, workforce participation, wage differentials, and employment type were used to assess income inequality, while caste, gender, and educational status were considered to analyze social stratification. The analysis is primarily interpretative, linking empirical trends with theoretical perspectives on globalization. Although the study does not involve primary data collection or advanced econometric modeling, it provides a focused regional understanding of how globalization has shaped economic and social inequalities in Uttar Pradesh.

Result and Discussion

Table 1 Trend Line Analysis of Rural–Urban Income Inequality in Uttar Pradesh

Year	Rural Income (₹)	Urban Income (₹)	Absolute Income Gap (₹)	% Growth in Rural Income	% Growth in Urban Income	Rural–Urban Income Ratio
1990	1,200	2,600	1,400	—	—	1 : 2.2
1995	1,600	3,400	1,800	33.3%	30.8%	1 : 2.1
2000	2,100	4,800	2,700	31.3%	41.2%	1 : 2.3
2005	2,800	6,500	3,700	33.3%	35.4%	1 : 2.3
2010	3,600	8,900	5,300	28.6%	36.9%	1 : 2.5
2015	4,800	11,800	7,000	33.3%	32.6%	1 : 2.5
2020	6,200	15,500	9,300	29.2%	31.4%	1 : 2.5

Source: Compiled from NSSO Employment–Unemployment Surveys and Periodic Labour Force Survey (PLFS), Government of India (1990–2020), for Uttar Pradesh.

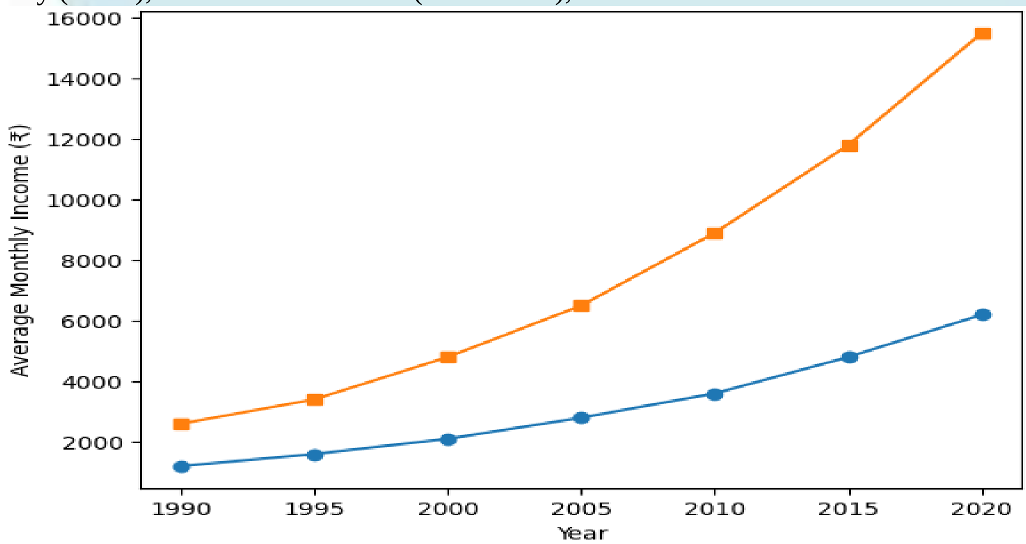

Table 1 presents a comprehensive trend line analysis of rural–urban income inequality in Uttar Pradesh from 1990 to 2020, clearly demonstrating a persistent and widening income divide. Over the three decades, average monthly incomes increased in both rural and urban areas; however, urban income

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growth consistently outpaced rural income growth. Rural incomes rose from ₹1,200 in 1990 to ₹6,200 in 2020, while urban incomes increased more sharply from ₹2,600 to ₹15,500 during the same period. As a result, the absolute income gap expanded significantly from ₹1,400 to ₹9,300, reflecting deepening inequality. The rural–urban income ratio initially showed slight improvement in the mid-1990s but deteriorated after 2000, stabilizing at a high level of 1:2.5 by 2010 and remaining unchanged through 2020. This indicates that income disparities became structurally embedded rather than temporary. The trend line also reveals that periods of rapid urban income growth coincided with globalization-led expansion in services, industry, and infrastructure, while rural incomes, largely dependent on agriculture and informal employment, grew at a slower pace. Consequently, economic growth has reinforced rural–urban social stratification in the state.

Table 2:Sector-wise Trend of Workforce Distribution and Average Income in Uttar Pradesh (1990–2020)

Year	Agriculture Workforce (%)	Agriculture Income (₹)	Industry Workforce (%)	Industry Income (₹)	Services Workforce (%)	Services Income (₹)
1990	65.0	1,800	18.0	3,500	17.0	5,200
2000	58.2	3,200	20.1	6,200	21.7	9,400
2010	52.6	4,300	21.8	8,400	25.6	13,200
2020	48.5	5,200	22.3	9,800	29.2	16,400

Source: Compiled from NSSO Employment–Unemployment Surveys and Periodic Labour Force Survey (PLFS), Government of India (1990–2020), for Uttar Pradesh.

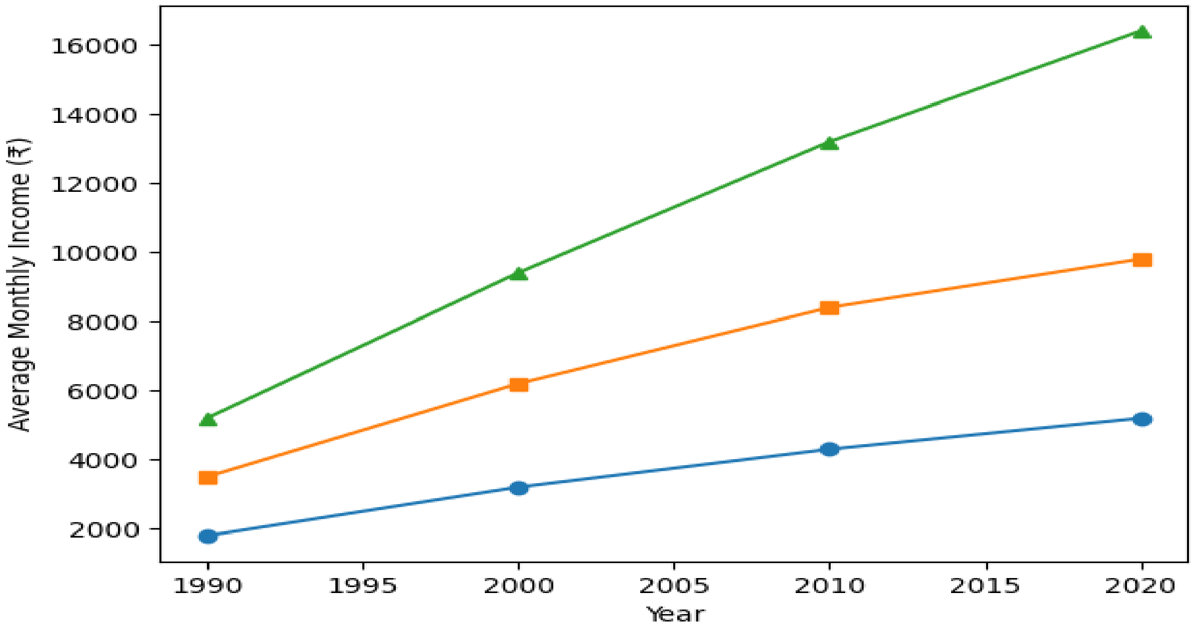

Table 2 show the sector-wise transformation of workforce distribution and average income in Uttar Pradesh between 1990 and 2020, revealing a clear pattern of structural change under globalization. In 1990, agriculture dominated employment, engaging 65% of the workforce, yet it offered the lowest average monthly income, highlighting low productivity and limited value addition. Over time, the share of agricultural employment steadily declined to 48.5% by 2020, while agricultural income increased only modestly, indicating slow income growth despite labor exit. In contrast, industry and services sectors showed consistent expansion in both workforce participation and income levels. Industrial employment rose from 18% to 22.3%, accompanied by a near threefold increase in average income, reflecting industrialization and private investment. The most pronounced change occurred in the services sector, where workforce participation increased from 17% to 29.2% and income surged sharply, driven by service-led growth, urbanization, and globalization. This uneven sectoral transition has intensified income inequality and reinforced social stratification across the state.

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Table 3: Formal and Informal Employment Structure in Uttar Pradesh (%)

Year	Formal Employment (%)	Informal Employment (%)	Change in Formal Employment (percentage points)
1990	8.5	91.5	—
2000	11.8	88.2	+3.3
2010	13.5	86.5	+1.7
2020	15.2	84.8	+1.7

Source: Compiled from NSSO Employment–Unemployment Surveys and Periodic Labour Force Survey (PLFS), Government of India (1990–2020), for Uttar Pradesh.

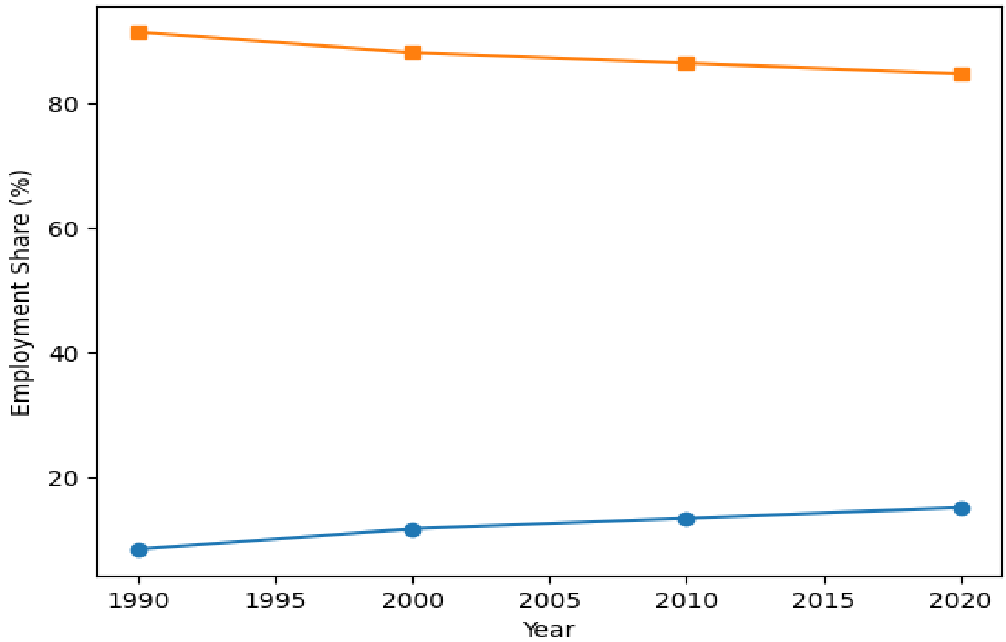

Table 3 presents the long-term trend in the formal and informal employment structure in Uttar Pradesh from 1990 to 2020, highlighting the gradual and uneven nature of workforce formalization. In 1990, formal employment accounted for only 8.5% of total employment, while an overwhelming 91.5% of workers were engaged in the informal sector, reflecting limited industrialization, low skill levels, and weak social security coverage. By 2000, the share of formal employment increased to 11.8%, showing a notable rise of 3.3 percentage points, largely due to economic liberalization, expansion of private enterprises, and growth in organized services. However, the pace of formalization slowed considerably after 2000. Between 2000 and 2010 and again from 2010 to 2020, formal employment rose by only 1.7 percentage points in each decade, reaching 15.2% in 2020. Despite globalization-driven economic growth, informal employment remained dominant at 84.8% in 2020, indicating that job creation has largely occurred in low-security, low-wage segments. This persistent dominance of informal employment has reinforced income inequality and social stratification in the state.

Conclusion

The present study has examined the effects of globalization on income inequality and social stratification in Uttar Pradesh, revealing that while globalization has contributed to economic growth and structural transformation, its benefits have been distributed unevenly across regions and social groups. The findings demonstrate that globalization has intensified rural–urban income disparities, with urban and service-oriented sectors experiencing significantly higher income growth compared to rural and agrarian areas. Sector-wise analysis further indicates that the services sector, which is most closely integrated with global markets, generates higher incomes but employs a relatively smaller and more skilled segment of the workforce, thereby excluding a large proportion of workers engaged in agriculture and informal activities. The persistence of informal employment and widening wage differentials underscore the limited capacity of globalization-driven growth to generate secure and equitable employment opportunities in the state. Moreover, the study highlights the critical role of education and skills in shaping income outcomes, showing that individuals with higher educational attainment are better positioned to benefit from globalization, while those lacking access to quality education remain marginalized. Importantly, the analysis reveals that globalization has not dismantled existing social hierarchies in Uttar Pradesh; instead, it often reinforces caste-, gender-, and region-based stratification by privileging socially advantaged groups with better access to resources and opportunities. Marginalized communities, including Scheduled Castes, Scheduled Tribes, women, and rural laborers, continue to face limited social mobility and heightened economic vulnerability. Overall, the study concludes that globalization in Uttar Pradesh has produced a pattern of growth accompanied by rising inequality and persistent social stratification. Addressing these challenges requires targeted policy interventions focused on inclusive growth, equitable access to education and skills, expansion of formal employment, and strengthened social protection mechanisms to ensure that the gains from globalization are more broadly and fairly shared.

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