

Distribution of Household Income in Rural Punjab

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Equality is a cherished socio-economic objective of Indian economic planning. Equality among citizens is enshrined both in the constitution and in our legal system. Interest in size and distribution of income gained momentum with the introduction of planned development after independence. For attaining the egalitarian ideals the Directive Principles enjoin that the ownership and control of material resources of the country should be so distributed as best to subserve the common good, and that the operation of economic system should not result in the concentration of wealth and means of production in a manner detrimental to the common good.¹ The same egalitarian ideals have informed all subsequent Indian Plans.

The existence of large disparities in living standards between regions and between classes of people is widely believed to be an important cause of prevailing social tensions and unrest. Many hold the view that inequalities are growing and this trend, if unchecked, would aggravate social tensions and endanger the country's stability. On the other hand, there are some who think that inequality in incomes is favourable for the rapid development. It is often hypothesized² that the amount that a nation saves depends not only on the absolute level of national (or per capita) income but also on the skewness of its distribution. However, precise relationship between economic inequalities and socio-political tensions or rapid economic development is debatable. But there can be no denying the fact that prevalence of inequalities is a negation of the goal of 'socialistic pattern of society'.

The main purpose of this paper is to examine the size and distribution of income of rural households in Punjab and to evaluate the inequality measures of the distribution. In addition to the estimation of the degree of