

A SURVEY OF LITERATURE ON POVERTY, INCOME DISTRIBUTION AND DEVELOPMENT

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Introduction

Of late theoretical and empirical explorations in development studies have focussed attention on the distributional aspects of economic growth. This is sought to be understood in terms of the interrelationship between economic growth, income inequality, poverty and welfare obtaining among the various regions and the socio-economic groups therein at national and international levels.¹ Traditionally "development" has been associated with high rates of growth in aggregate and per capita incomes. As such in the earlier approaches to development problems during the decades of 50s and 60s, exclusive emphasis was laid on raising the aggregate rates of growth of domestic product. This tendency was reinforced by international aid agencies which set growth targets and devised 'performance' indicators on the basis of which assistance was allocated.² This focus on aggregate growth rates was prompted by the belief that rapid industrialization and structural transformation would spread the benefits of growth throughout the various strata of society eventually by 'trickle down' process. It was assumed that 'reduction of poverty could only be tackled after a certain level of GNP had been reached. First the cake had to be produced and made bigger before it could be equally distributed³', once high income levels were attained distribution would exert its levelling effect with greater ease through rapid percolation. Hence greater inequality in earlier stages was postulated as a

¹ See Gunnar Myrdal : *Asian Drama : An Inquiry into the poverty of Nations*, 20th Century Fund, Pantheon Books, Penguin 1969. Adelman and C. T. Moris: *Economic Growth and Social Equity in Developing Countries*, Stanford University Press, 1973, Chenery et. al. : *Redistribution with Growth*, Oxford University Press, 1974, Alec Cairncross and Mohinder Puri (ed.) *Employment, Income Distribution and Development Strategy: Essays in honour of H. W. Singer*, Holmes & Meier, New York, 1976, also Paul Bairoch: *The Economic Development of the Third World since 1900*, Methuen and Co. Ltd., 1975, (Translated into English by Lady Cynthia Posten, Original published in 1967).

² Keith Griffin: *Land Concentration and Rural Poverty*, Macmillan Press, 1976.

³ Hans W. Singer: *Poverty, Income distribution and Levels of Living: Twenty-Five Years of Changes in Thinking about Development*, The Seoul National University Economic Review, Vol. XI, No. 1, Dec. 1977, p. 10.