

# [Redistribution of income](https://assignbuster.com/redistribution-of-income/)

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Redistribution of income Redistribution of income is defined as the distribution of income equally to every individual who is a part of the society irrespective of the standard of living of that   
individual. The main aim of the redistribution of the income is to the balance the   
economic stability of the society by spreading the resources equally to every section,   
to the poor and the unemployed. The redistribution in the current scenario was not   
effectively carried as the distribution channel (the government agencies) which was   
meant to supply the necessary funds to the individuals in need was not effective. There is   
a huge difference between the amount allocated and the amount actually spent when it is   
under implementation.   
The academic researchers and critics are more concerned on the highlighting the   
various developments aspects, they have not answered to the fact whether they have been   
implemented properly. According to Dwight R. Lee the fruitfulness of the system of   
distribution system has to be studied in order to the effectiveness of the program. The   
dollars are collected from the low or average income groups and the redistribution of the   
funds collected does not reach the people in need, the income is stranded in the hands of   
an influential group which has a political mark for its backing. The allocation of the funds   
even is done for the political benefit rather than looking into the actual need to which the   
income has to allocate. The governments authorizes a particular section to cater the   
distribution but the people who deserves the income will be left far unnoticed, but the   
Intermediateries will ripe the benefits, not the poor section. For example, the small   
farmers are not benefited by the subsides and incentives framed from the tax money of   
the individuals, instead the farmers with large financial security will enhance their   
financial status as the benefits are named to a section called farmers it does not reveal to   
which standard of the farmer it should cater. The farmer will produce the crop but he   
doesn't get the right price, instead the person who buys, the wholesaler or the retailer will   
benefit with the production as he pays lesser amount to the farmer than what he gets after   
selling in wider market. Thus there is vast gap between the perceptions of the government   
and the current reality. The government has to impose taxes to the public to generate   
funds to the empower the poor and the tax payers, non other than the average individual,   
and the government redistribution again goes into the hands of the non poor section who   
mediate or who were in between who channelize the flow of the income. The poorer   
sections are remaining poor and the sections mediating were benefited . The benefits   
formulated are not been effectively suited to meet the needs of people who were in actual   
in need of that income source.   
Reference sources:   
http://www. econlib. org/library/Enc/RedistributionofIncome. html   
http://www. econport. org: 8080/econport/requestpage= web\_or\_list&categoryID= 134