

Redistribution of income

Sociology



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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 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

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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 Intermediaries will ripe the benefits, not the poor section. For example, the small farmers are not benefited by the subsidies 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