**AIU Exam – Poverty, Inequality, and Development**

**Major**: Economic Development

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***Economic Development* by Michael Todaro**, (**Chapter 5)**

**Link to access study material (video or book):**

[**http://aiustudev.aiu.edu/submissions/profiles/resources/onlineBook/F5v9e6\_Economic%20Development-2020.pdf**](http://aiustudev.aiu.edu/submissions/profiles/resources/onlineBook/F5v9e6_Economic%20Development-2020.pdf)

**Introduction**:

**Economic** **Development** is a significant issue of our time. Through the stratification of society in countries, the economy of developed and developing countries was influenced by a lag, scarcity, abundance and particular distribution of wealth and specific resources. Although, driven from a wider disparity of causes, the income of workers from developing countries and those of the developed economies largely corresponds to the output per worker.

There existed a misconception that the size of a country being too small may mean that it can not overcome it’s development challenges or that being too large it cannot overcome economic inertia. This misplaced emphasis on the size of the country is counteracted with a deeper understanding of the Human Development index whereby income per capita, health and education are considered.

The human capital attainment of health, education and skills is vital to developing the country's economy and undeniably an essential aspect of human development. Though there is no guarantee that a more educated society will lessen the inequality among various classes, investment toward a more skilled workforce, with infrastructure and machinery, equipment and plant can almost guarantee an escape from the poverty trap.

Other aspects of a country such as resource endowment and the sets of skills and talents of individuals, are a necessary feature which needs more attention as to the functionality of the peoples involved. According to Nobel Laureate Douglass North, “economic institutions are “humanly devised” constraints that shape interactions (or “rules of the game”) in an economy; these include formal rules embodied in constitutions, laws, contracts, and market regulations, plus informal rules reflected in norms of behaviour and conduct, values, customs, and generally accepted ways of doing things. The manner and effectiveness of enforcement of rules is an important part of what makes a rule constraining, so formal and informal enforcement is an intrinsic aspect of an institution.” This key feature of the development of an economy might also do better to lessen the fragmentation within their totality as the inequality problem seemingly persists. It can almost be a means to an end when a regulated body oversees contracts of individuals and lends to the subjective measures which economists apply when seeking to measure the distribution of salaries and gain a better understanding of the income distribution among the entire household.

Development economists do well to assume on information collection by gross national income, however, underaged workers drive a large part of an economy, of the lower, lower middle and high-income economies. Also, the unemployment sector, unfunded labour force, and significant input of working hours along with a vast majority of underpaid domestic and caregivers who by and large keeps the informal and formal labour markets operational despite being exonerated of their substantial inputs. This is the worldwide pandemic of poverty.

**Questions:**

Answer each question below with complete paragraphs. Also give examples to illustrate the ideas. As well, give examples on how you would apply the knowledge in your work or life.

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1. Most development economists now seem to agree that the level and rate of growth of GNI and per capita income do not provide sufficient measures of a country’s development. What is the essence of their argument? Give some examples.

I agree with the stance taken by most development economists whereby Gross National Income and per capita income do not sufficiently provide an accurate data of the measures of development. The tools at our dispense are commendable in that they offer insights into the revenues of the workforce. Still, there leaves much to be assumed and an information deficit to overcome. Economic development has had a tremendous multi-dimensional approach which goes beyond the unequal self-distribution of income groups. Upon attempt to analyze the data of the Gini coefficient and the Lorenz curve only then do we see the limitations it presents about the more dynamic deciphers such as the health and qualities of medical infrastructure, the literacy and numeracy and education with the quality of the educational infrastructure, the accessibility of potable water, and rates of housing infrastructure, the incidence of crime and accessibility to criminal institutions all which plagues the society. The quality of the air we breathe and the habitations of the environments we live, the improper roads and adequate access of transport and transportation infrastructures, the survival and optimal coexistence of endangered species and the habitats they live. The problems which arise are manifold and with a broader spectrum of ratings, a better result can resolve the aspects of the economic development and the Human Capital.

2. Distinguish between size and functional distributions of income in a nation. Which do you conclude is the more appropriate concept? Explain your answer.

Size or personal income is the most common method economists use to understand the gap between the highest and lowest income earners. While it is a good measure of the inequalities of the various classes of the households which earn a portion on the national income, it does not take into account the aspects of how individuals might achieve the different income levels. And functional distribution of income determines how output is distributed among the factors of production.

The functional income distribution makes the distinction between the shares of types of income used for different spending purposes. To distinguish between the usefulness between the two types of income distribution; labour remuneration is expressed as a share of value added or GDP, it’s a known share and the residual therefore is the capital share. This becomes an empirical concept while the latter offers incomplete data, ignoring locational and occupational sources of income. This also does little in providing an insight of an individual spending power.

3. What is meant by absolute poverty? What measures of income poverty are favoured by development economists? How do income poverty measures differ from the UNDP’s Multidimensional Poverty Index? Why should we be concerned with the measurement of poverty in developing nations?

Absolute poverty is the situation of being unable or only barely able to meet the

subsistence essentials of food, clothing, and shelter. These are people who’s lives are in jeopardy of health risk and remain vulnerable to the government who owns and control them. Absolute poverty is sometimes measured by the number, or “headcount,” H, of those whose incomes fall below the absolute poverty line, Y . When the head-count is taken as a fraction of the total population, N. It define the headcount index, H>N also referred to as the “headcount ratio”. The poverty line is set at a level that remains constant in real terms, that is those people surviving on 1.90 USD per day.

Development economists counts the total number living below this specified minimum of real income as the international poverty line. Since poverty cannot be adequately measured with income alone the UNDP sought to fill this gap by applying the FGT index which is a class of measures to the multiple dimensions of poverty. The usage of calculations analogous to the single dimensional P index, then the multidimensional M index can be constructed. But firstly, understanding who is poor must be ascertained and that is done through using a “dual cut-off method.

Firstly, the cutoff levels within each dimension, and second, the cutoff of the number of sizes in which a person must be deprived (below the line) to be deemed multidimensionally poor. The most basic measure is the fraction of the population in multidimensional poverty—the multidimensional headcount ratio HM.

Another aspect of income poverty which makes the distinct difference between multidimensional poverty is that education, healthcare and standards of living are not taken into account.

We ought to measure poverty within developing nations because poverty affects most people “no civilized people can feel satisfied with a state of affairs in which their fellow humans exist in conditions of such absolute human misery”. John Rawls proposes the ideal phenomena, which even those who are well-off might be pricked with the mental strain of preemptive subatomic thought before he or she enters this unequalled, and disproportionate income distribution and uneven societies. More so when one doesn’t seem to be able to make themselves gainfully employed is an ugly experience . For the society to actually make strides on improving the issue of poverty, steps to alleviate poverty benefits the single man, the family man, the small business and the banks at large. It’s evidence that the very rich and those in the upper echelon don’t save the amount of the income that the middle class , who are squeezed to maintain, saves. This inequality is cause for concern as well. For the poor class to begin to solve his problems, he must become qualified to borrow and the banks to see him capable of starting, and growing his business for a chance to survive and positively impact the gross national product.

4. What are the principal economic characteristics of high-poverty groups? What do these characteristics tell us about the possible nature of a poverty-focused development strategy?

The principal economic characteristic of high-poverty nations is the result of the choices the colonial powers undertook.

The challenges of developing nations are not hap-hazardous when the legal, political and other institutions following decolonization facilitated the exploitation of human and other resources for the benefit of the elite, creating or reinforcing extreme inequality. The nature of the investments in and by the broader population became

Unfavorable for big corporations to interest themselves noting the de-dollarization of the national currency.

Colonial legacy matters for many reasons, as the largest decolonization of European masters marks the twentieth century; in it, some 80 countries gained an “independent” status and joined the United Nations. The ability to grow their economy as independent nations was flabbergasting, seeing many indigenous peoples were coerced to perform work based on the legal structure of financial and other institutions that would encourage investments. Amongst the developing and least developed countries are a shared legacy of stolen resources. When the conquered land was wealthier, then there was more to steal (kleptocracy).

In today’s high poverty groups such as Africa, considering the early slave trade, people were taxed for both goods and money, and in some cases of the new world, reparations were required in the form of gold to the lost out enslavers. Not only are these economically damaging but stagnated growth.

Accessibility to information remained limited and costly to obtain, thereby often causing goods, finances, and resources to be misallocated. And by these small externalities, we have to come to the understanding, can interact in ways accruing weight that’s damaging to the economic viability of nations presenting the real possibility of the underdevelopment- trap.

Latin- American countries has had a longer independence from the Dutch, Spanish and Portuguese and have long been middle-income. Despite this, there is no advance to high-income status—reflecting a situation now known as the “middle-income trap.

In Asia, countries such as the Philippines, Vietnam, Indonesia, Korea, and India have different colonial heritages; Spanish and American, French, Dutch, Japanese and British, respectively, and the diverse cultural traditions of the people translate into institutional and social behaviour. In the former colony of India the local people played a role in the colonial governance, which unlike Africa, whose governance were by expatriates, and have left a longer lasting damage of social mistrust. Newly independent nations continue to be dominated by former colonial powers and the United States, whereby China, though not formerly colonized but experienced foreign domination forges an economic characteristic. Also, the Soviet Union, during the Cold War period, maintained an economic grip on many countries whose poverty-focused plans were always in the former's favour, and the latter expressed social norms which facilitated long term business relationships.

These developing countries are prevalent with having an unstable currency, thus untrustworthy credit worthiness of potential borrowers. They lack a legal system which validates contracts and property rights including intellectual property. Their financial institutions are under developed and lacks efficient insurance systems that grant a broad access to formal credit markets which select projects on the basis of economic relative profitability, enforce rules of payment, and provide substantial market information for consumers and producers about prices, quantities and qualities of products and goods for trading.

These diverse characteristics give us a view of how poverty-oriented development strategies are formulated by their colonial experiences, which is one of the essential factors helping to explain the overshadowing development outcomes In today’s world.

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5. Describe Kuznets’s inverted-U hypothesis. Discuss the conceptual merits and limitations of this hypothesis for contemporary developing countries.

Simon Kuznets suggested that in the early stages of economic growth, the distribution of income will tend to worsen; only at later stages will it improve. This observation came to be characterized by the “inverted-U” Kuznets curve because a longitudinal (time-series) plot of changes in the distribution of income—as measured, for example, by the Gini coefficient— characterized by the higher inequality being closer to 1 and the lower inequality being closer to 0—being perfect equality.

Traditional and modern-sector enrichment tend to pull inequality in opposing directions, so the net change in inequality is ambiguous, and the validity of the Kuznets curve is an empirical question.

Disregarding the merits of the methodological debate, few development economists would argue that the Kuznets sequence of increasing and then declining inequality is inevitable. While modern sector enrichment and modern sector enlargement programme increases in the contemporary developing countries there are no actual evidence that equality can be achieved. The more a country gains industrial and educational reform the closer they will be enjoying equality in society. Equal educational opportunities, a well-trained work sector, and a better quality of life its citizens will enjoy. Though the argument remains that the more inequality is present in a nation the more productive the economy may be or the a rapid rate of growth will be experienced.

6. In the text, when we examined statistics from a wide range of developing countries, we found that growth does not guarantee poverty reduction; while higher income is clearly associated with less poverty, economies can even reach upper-middle-income status but continue to struggle with a quite high incidence of extreme poverty. What does this tell us about the importance of the character of a nation’s growth process and about its institutional structure?

The character of a nation’s growth process and it’s institutional structure is essential when considering sustained levels of growth and development. I will begin by putting the case of **South** **Korea** forward as a nation that has achieved higher incomes than its other forerunners starting from as late as the 1960s.

Even without being poised with the“preconditions for takeoff”. Investment has been invariably high since then, but as a share of GNI, the investment ratio, at 15%, was still below takeoff levels in 1965. Yet it rose dramatically to 37% of GNI by 1990 and remained close to 40% in the 2000–2007. The country’s quick ascent escaped Rostow’s claims that maturity is attained about 60years after take-off begins. There was a high technology consumption and increased consumer goods, and it may well be that the gap between traditional and advanced technology can be crossed more quickly at later stages of development. Now designated by the World Bank as a high-income country with about $38,340 PPP, it’s development economics gives us much reason to investigate the nations growth processes and the structure of it’s institutions.

Once a colony of Japan, South Korea implemented land reform and machine intensive agricultural programmes. These are ambitious marks of the dependence revolution among the developed world, mainly America and their once colonial ruler Japan. They also imported hugely from these countries which allowed them the vacancy for exporting their goods to these significant economies. Two policies of extraordinary importance was placing strong emphasis on primary rather than university education. Much more to be applause; the Korean government took steps including ensuring an extremely active industrial upgrading policy not only in agricultural output which directly impacted indigenous industries, but alternatively marginalized the role of multinational corporations and using debt and borrowing to finance extraordinary levels of investment rather than direct foreign equity investment. Much more can be said to a government that instead of allowing major world economies to dictate prices and international commodity agreements, took the lead in securing a monopoly and increased bargaining power for technology licenses and improved technology.

Incentivized firm and robust government intervention gives an object view lessons governments can learn in their policies to stem the poverty which exists at an alarming amount in developing economies, and the Korean government provides us with an example to follow by the power of the characteristics of the impending challenges came a stern will in the characteristic of the nations economic development policies.

7. What is the relationship between a Lorenz curve and a Gini coefficient? Give some examples of how Lorenz curves and Gini coefficients can be used as summary measures of equality and inequality in a nation’s income distribution.

Lorenz curve is a graph mapping the variance of size distribution of income from perfect equality. It usually falls below the diagonal line that offers the perfect equality against the vertical percentage of income and the horizontal axis of total percentage of population. The total area between the diagonal and the curve is divided by the total area of the half square to offer a result that can be used to validate the inequality or equality based on how close to 0 that gini is. ‘0’ being the reflection of an equal distribution of income. This ratio is known as the gini concentration ratio.

To provide a more in-depth view of his it can be a measure of the population's equality and then it’s application can be towards the anonymity principle of who has the higher income, the scale independence principle or how we measure the size of the economy or how its income is measured and lastly the population independence principle, stating it’s inaccurate to see the levels of equality merely on the information of income earners.

8. “The major determinant of a country’s income distribution is its distribution of productive and income-earning assets.” Explain the meaning of this statement, giving examples of different kinds of productive and income-earning assets.

In any trade offer exchange between countries, governments have to have trade policy stipulating the price, terms of trade and the goods being traded. Country not formally monetized could adapt a barter trade system whereby they exchange their products for others. Free trade is another policy of government postulating that in the production of the commodities that make use of their abundant factors of production such as land and labour, which a substantial amount of production of commodities such as coffee, cotton, cacao,, palm oil, bauxite, sugar and copper, olive and even seafood goes into producing, the producer seeks an absolute advantage over. Many small countries tend to produce the same goods. but at the same amount of real resource at lower absolute advantage. Gold and crude are major income earners, which small countries like Guyana and Trinidad national income accounts a considerable amount for. Other countries in the Persian Gulf and elsewhere sell refined and unrefined petroleum products throughout the world, accounting for over 70% of their national income where there is a greater concentration of the major commodities for trading, the income is mainly distributed in these areas. But not all cases, as countries who exhibit lower-skilled workers to operate a bauxite plant for example; higher skilled workers are imported who returns with the bulk of the incomes that, if otherwise invested into the human capital, would remain in the areas around where these plants or factories operate. As in the case of Jamaica, where government bargaining power is limited because of the culture of successive democratically elected officials.

9. Are rapid economic growth (as measured by either GNI or per capita GNI) and a more equal distribution of personal income necessarily conflicting objectives? Summarise the arguments both for and against the presumed conflict of objectives, and state and explain your own view.

The structure of a country's policy of reducing poverty might directly hinder inequality or influence it. The paradox reminds us that in achieving a higher income without thorough investment into programmes to uplift the human resource from ignorance then a remaining inequality will prevail. Such argument is evident in the question of who are the top income earners which the top 20% decile and quintile groups emitted seeing that even when compared with the maximum 40-80%of the lower income groups the disparity remains still. This may be by an unscrupulous design preset I.

The economic and growth dynamics on countries, are subliminally ingrained in the manufacturing, service, financial, agriculture, hospitality and all other sectors including the arts and other creative industries. Throughout the passage there is the undertone that these individuals is are unable to help themselves. That the lines of inequality are so vast that the people are unable to pull together both in the workforce and outside the workforce. It is true, since the privileged income earners exude a sense of ethnic divide among the unfortunate “hustle” culture. A further divide exhibits itself in the locational and occupational sources of income.

Most activity which saw to the major world economies now achieving top incomes are through the agricultural and forced labour of the underdeveloped countries. The wealth begot from the unified work of the uncompensated workers exported into the overseas and colonial banks, which is present-day financial backing of these stronger currencies now goes into aid funding and to a lesser degree skills training. The same can be said of the top income earners in these developing economies, who are expatriates naturalize by long term occupation but who’s incomes are sniffed from remaining in local banks. Instead, these high-income earners either resort to offshoring, flamboyant spending on luxury items such as gold, diamond platinum and other high-end items that are safely deposited elsewhere. These are the characteristics of the rich who lends themselves to financial drain of the impending economy from where they had built wealth and returned to instigate it’s continued escape to overseas shore. The gap between the upper income earned and those of the lowest are not only wide but the benefits to be had from the financial backative is also lost. Not to stray from the argument of rapid economic growth and equal distribution of personal income being it conflicting or attainable; only that the distinguishing factors are themselves unequivocally forged along differing lines with varying degrees and characteristics. Farming subsidy would prove a way out, since the mulattoes of Latin and Hispanic independent workers are born agriculturalists if not by tradition then by inheritance. This would prove a closing of the huge gap now exuded by the “crab in a barrel “ society. As a result of this poverty, we can also turn our attention to the environmental degradation of the surrounding communities that are seen on the vegetation, becoming squarely vegetative and lowering yields.

In my community of Hayes, Clarendon, there is a stark reality of the poison and unsanitary storage and disposal of waste by-products of the Russian owned Jamalco bauxite plant. The severity to the livelihood is seen on the people who are left to breathe the toxic air, and eat the fruits and food of plants affected by the acidic liquids seeping into the water table.

Looking further afield, the Exxon oil company is spill around areas of the arctic circle and the north pole has had life ending impact on sea lives and birds and polar bears among other endemic species. The wealth, it’s clear, outweighs the benefits humanity should have been enjoying. Now these are high-income jobs that well-educated workers occupy, only to the detriment of the whole. My personal views are not a equal distribution of income which is impossible to attain upon the merit of destruction to the egos of a few, what I am proposing is a compensation for the damages which the unemployed class has no part in. Neither did they contribute to the harsh realities they are for the most part affected by but they are the poor people who have inadequate housing or non, unsafe foods, water, and air to breathe which, when considering the context of the multidimensional poverty the need does arise for total eradication.

10. How might inequality lead to faster growth or development? How might it lead to slower growth or development?

Where inequality lead to faster growth is when specialized sectors of workers receive a significant portion of the GNI. They may also exhibit a growing inequality among the wages paid to the various classes of workers. This does not exclude underage workers or even unpaid wages to a majority class of unskilled workers who are used to drive the growth of that economy and thus can lead to a kind of development.

Growing amounts of development are driven by inequality and the faster the growth, it’s likely the severity of inequality is pronounced among the working class. The middle-class is squeezed without any possible means of actual progressing towards improved living standards. Several developing countries experience this economic development, the one more marked is India who still have over 364 Million people living in abject poverty.

11. Is progress being made in the fight against poverty? Why or why not?

There is the rhetoric of a suppose fight against poverty throughout the developing and developed world. The truth is that in every nation and high-income countries there exist the poor who cannot afford the basic necessities for leading a dignified life.

The multidimensional poverty indicators display themselves by a significant gap among the various class of people. If the fight against poverty was a very serious one then the rising corruption of government would be downward trending. Also the average amount of the workforce would not be surviving off a meagre 1.90 – 3.10 as set by the World Bank.

The real reason why the situations persist is never really known. In my attempt to understand how the world economic forum is operated is a fascinating subject which I am given in my international study. From the naivety of my stance, I may seek to offer my views that those in possession of stolen wealth who don’t seem interested for total equality among underprivileged groups want to impress their dominance and power in this way. That the interest is lacking is quite the understatement, the show goes on. God's people are alive despite the problems and struggles there are facing. Even in light of the programmes designed, a prominent display of continuing the service sectors to better serve the upper class.

12. What types of poverty policies have proved effective?

In my view, the types of poverty policies which proved effective are seen in the standardized laws that outlaw unfair treatments. The welcoming of women in school and education with equal opportunity to work as their male counterparts and for equal pay. In addition, for women to have more access to education, formal-sector employment, social security, and government employment programme Accessing medical supplies and increasing the number of beds in hospitals has merits, but even more, a devoted portion of the national budget for improving hospital and incentivize medical workers are essential in the poverty fight. An accountable and transparent policy on the expenditure of statutory deductions towards adequate and evenly distributed housing, increasing accessible road between rural and urban centre can work for those living in remote areas to carrying there produces to the marketplace. Automating basic levels of education, and lowering the prices of higher qualifications would mean a more literate public opinion who can make better reasoning in choosing their elected leaders and also know the extent of their rights as citizens. Adjust the rate of inflation to a minimum on the national currency also makes for a liberated people with more spending power and who’s dollar pack more punch. Mobilizing skills workers and carpenters and farmers to make basic household furniture available by default at a portion of the nation budget, to young adults leaving school and entering the work force would mean a more independent and encouraged school leaver for finding jobs or creating their own if that’s there wish. Since jobs are not so prevalent and those in position seek to retain their position despite already serving long terms, they can be installed to serve as a kind of proxy to each graduate who would even be interns for the student who desires this career choice

Teaching the child to fish instead of handing him a fish is the notion of these policies I propose. The deeper problems in society are readily awaiting the vulnerable groups so balancing there rate of survival through practical policy is a start in eradicating the result of poverty, decimating crime and killing, and unhealthy working age, all can make for a more productive, enthused and dignified workforce.

13. Economic growth is said to be a necessary but not sufficient condition to eradicate absolute poverty and reduce inequality. What is the reasoning behind this argument?

These exist a minimum wage that stands below the price of supply and demand. Additionally, the price of capital equipment is “institutionally” set at artificially low levels (below what supply and demand would dictate) through various public policies such as investment incentives, tax allowances, subsidized interest rates, overvalued exchange rates, and low tariffs on capital goods imports such as tractors and automated equipment relative to tariffs set on consumer goods. If these special privileges and capital subsidies were removed so that the price of capital would rise to its true “scarcity” level, producers would have a further incentive to increase their utilization of the abundant supply of labour and lower their uses of scarce capital.

Such factor substitution increases the overall level of employment and ultimately raises the incomes of the poor, who have been excluded from modern-sector employment and typically possess only their labour services.

The changing functional distribution is a traditional economic approach. It is argued that as a result of institutional constraints and faulty government policies the relative price of labour in the formal, modern, urban sector is higher than what would be determined by the free interplay of the forces of supply and demand. For example, the power of trade unions to raise minimum wages to artificially high levels,higher than those that would result from supply and demand even in the face of widespread unemployment is often cited as an example of the “distorted” price of labour. Artificially increased modern-sector wages reduce the rate of modern-sector enlargement growth, thus harming the poor. The

14. Outline the range of major policy options for a developing country to alter and modify its size distribution of national income. Which policies do you believe are absolutely essential? Explain your answer.

A major policy option is seem in the Ahluwalia-Chenery Welfare Index (ACWI),--accounting for the distribution of income in assessing the quality of growth is to value increases in income for all individuals but to assign a higher weight to income gains by lower-income individuals than to gains by higher-income individuals.

We then can give the transfer principle an chance to modify the size distribution of the national income. Called the Pigou-Dalton principle after its creators; it states that holding all other incomes constant if we transfer some income from a more affluent person to a poorer person (but not so much that the more needy person is now more affluent than the originally rich person), the resulting new income distribution is more equal. We can measure the Gini coefficient in each case and rank the one with the larger Gini as more unequal. However, this is not always a perfect solution. For example, the Gini coefficient can, in theory, be identical for two Lorenz curves that cross; sometimes different inequality measures that satisfy our two policies can give different answers as to which of the two economies are more unequal. These gini coefficient are used in studies of income and wealth distribution due to its convenient Lorenz curve interpretation. Note, finally, that we can also use Lorenz curves to study inequality in the distribution of land, in education and health, so better policy changes can be had. These will directly impact the multidimensional poverty index MPI upon which inequality can be stemmed and reforms towards the seventeen SDGs which are absolutely essential for a clearer and unified society wherein government trivially mismanage the countries resources. Quite necessarily these policies takes into account the poverty line and closing of the gap TPG of persons living below that assumed line

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The need is for a set of policies that con be harmonious in the effort to address the problems A policy or set of policies designed to correct factor price distortions.

A policy or set of policies designed to bring about far-reaching structural changes in the distribution of assets, power, and access to education and associated income-earning opportunities. Such policies go beyond the realm of markets and touch on the whole social, institutional, cultural, and political fabric of the developing world. A policy or set of policy designed to modify the size distribution of income at the upper levels through the enforcement of legislated progressive taxation on incomes and wealth; and, at the same time, providing the poor with direct transfer payments and the expanded provision of publicly provided consumption goods and services.

A set of targeted policies to directly improve the well-being of the poor and their communities, which goes beyond safety net schemes to offer programmes that build capabilities and human and social capital of the poor, such as micro- finance, health, education, agricultural development, environmental sustain- ability, and community development and empowerment programmes, as described throughout this text. These can be carried out either by government or by non-governmental organisations through local and international support

15. Referring to the end of chapter case study, what are some of the main challenges and opportunities for more rapid growth and development in India

**India i**s a novel nation with as much challenges as there are opportunities; a similarity facing most countries, but having the worlds largest population of 1.3 billion people the rapid growth experienced since 1947 to date is much glamorous in real sense. Positing the GDP, and maintaining a growth rate of 7 after reaching 9 at the end of the past decade is a major achievement of the part of government. The average age of Indians is the lowest in world at 28, leaving them poised for performing continued work in the industry, service, and financial sectors. This dividends means a population poised for further accelerated growth.

Firstly, let us shovel the escarpment of the hinderances which are allowed to tolerate in the Indian society; among some of the major ones are the slow processes of the judicial system. The backlog of cases in courts that judges understaff still performs their duties. This can be readily averted given the emergence of a strong IT informational sector, given that structural changes to upgrade this critical aspect which directly encourages public confidence and social inclusion. In light of the IT sector being one of India’s remarkable success stories, it can employee a broader share of the population reaching at maximum of 10 million people.

The problem of rural to urban migration and how it is managed if any at all can create alarming incidents of epidemic and other health crises. This will regulate careful infrastructure planning, but no doubt India has already improvised in tackle this precedent, by the Clean India Mission *Swachh Bharat* shows that urban patterns become established with or without planning. They can last for a century or more. The major differences across states and regions have been allowed to persist assumably for this fact. Punjab, a high-income state with New Delhi are, the major cities that see the migration patterns of people coming from Bihar and other backward regions. This perceived challenge is in the eyes of some seeking better opportunity that does exist has the inequality of income is marked and whatever meagre hustle individuals can make is better than having no chance to make non. Yes these challenges exits and they are major but clearly it is stemmed and allowed room to persist. One such cause for its continuation can be in the policy of marriage, which states no marriage until a modern domestic infrastructure be constructed by the male, whether with family support or not, is a close to ideal situation that underscores the ambitious new and young family. Having also the principle of a small family is a happy family holds firmly upon the basic unit of every society. To see that strides are proven successful, sanitation remains a vital role in nutrition and health. It plays a crucial role in preventing diarrheal diseases, including those caused by parasites that reduce the nutrients the body absorbs from food. As at India’s last census, under half of urban households had piped water supply from the formal water distribution system. Despite all this, India’s public spending on health is very low by global standards, having dedicated 1.4% of GNI compared to 3.5 global average. This tells that the self initiative is proven a powerful asset in arriving where they are today. Though life expectancy is not the highest at 68years and even lower in comparison to Bhutan, Indonesia, Nepal and Vietnam, it’s a mark left to be attained much earlier in their future as their 2047 centennial approaches. UNDP HDR report.

I want to touch briefly on the labor force participation of women and the educations which they receive. As more children are enrolled in schools and the literacy levels grow, there are also challenges in the learning capabilities. In grade two, children cannot read tiny words and innumerate also. This is more likely to be from the overcrowded classrooms having over forty students to on teacher. The problems may not be the student’s turnout but the pressures of teaching professionals to cope with such overwhelming numbers of children. Of these who are parents of fellowship graduates, their parents seem invested for better educational returns. It’s a problem ordinarily, as the wealthier parents can afford better schooling with better trained and highly qualified teachers. In my observance I have seen that every child can learn and though India agains spends less of GNP on education against the world standards, there is the fervent desire of parents whose backing and support is initiated for their children’s education.

These cohorts are given to the job markets which a grim picture is painted of the railroad infrastructure roll out which seek to employee , rail track cleaner, gatemen, low skilled worker to fill a sixty add vacancy and millions of application were received. A striking challenge is highlighted in the LFP of the rates of women being as low as 27% in comparison to the LFP of men standing at 80%. These are customary challenges which seem improving over the course of time. Culturally women are not allowed to work and their participation in times pass was only in agricultural activity, small farms which provided food for the family. Women support in and around the household continues however to be view at a matrimonial support of the family and they receive no remuneration. Neither are Indian women by a large extent given any control over their spouses salary. In the rapid growth and reform of these backward sectors however women are empowering themselves to get a formal education and work to support themselves and their families.

Customs are not easily averted nor cultural practice something tangible which can disappear, but intrinsic traits which don’t happens over night. India Is a vigorous society of castes and classes. The opportunities for successful economic development are present now; the self-initiative of government by more comprehensive support throughout the vast communities of Indians will see them seize the challenges and move on to becoming a world leader, given their tenacity.

**Conclusion**:

A fascinating subject is an economic development. It sparked my interest so much that it affords us a deeper delve into the world we inhabit. And the world that inhabits us—seeing now that a total of all the realities around us today are the result of systematic rulings, causal effects and concurrent decisions stretching way before our time.

An excellent knowledge for the world of work is the world of work. An impressive breakdown of the systems in place are the systems in place. The best practices of leading governments are the best practices of incoming governments. Taking the lead and demonstrating to the enquiring mind what is worthy is a reasonable duty. But the challenge is to go beyond our ethical commitments and into the hindered parts of human rights. Promoting and active labour for the labouring of others is quite a precocious fete. With hard work comes ethics and in the strive to excel at anything you do, a level of devotion and ultimate sacrifice must follow on the journey. To offer my take and opinions which most may not agree with is a liberating feeling, a feeling of completion, a feeling to have your voice and using it, however nominal and insignificant the changes it may bring, is even more empowering to the self.

Myself, have learned that the world needs a change, that the decimating issues plaguing humanity will only fervent in the face of unscrupulous behaviour and, self motivations. Surprising and fearful of learning that in the face of opposition, in the path of evil endeavours, it's the voice which is expected to speak but has kept silent and those equipped to act but has remained indifferent why evil seems to prevail. How, I ask is this any at all possible? I learned that concerning myself with how makes room to ask how is any of this possible to improve the lives of my fellow brother and sister in the equal race to the finish line, where awaits human dignity. I can also see why it is possible when I see myself as a victim of inequality and of degradable institutions governing lives of each individuals. That a measure of the harm done is not good enough but a total recourse of our activity towards bettering the quality of lives is a more honourable and reachable goal soon to be attained.

Having an audience is necessary for a support and a base who can be reached and so I decided to share this exam paper on by blog.

<https://voiceoftheghetto.art.blog/>

I also would like to do more high-value work, to be a highly sought after writer who contributes to the plight of the underprivileged and basing my artwork, writings and philosophical nature and creativity for those in a better position to see and apply through their work.

By knowing one becomes enlightened and seeing the industry of labour and the structural character of the economic system, to make myself a high-income earner is the only option I now have. Time is a quantity which when measured and used cannot be regained. So I now apply the time to do the work. That is it; do the work that can evolve the mind and the remission of sins. Being concerned with who will pay me is not a pressing issue at this time as more and much more work, better work, dedicated work for advancing the Human Rights and it’s declaration and eventual adaption into more binding laws of government and non-government institutions needs to be done. A reality for successive generations to reap the fruits of the seeds already planted.

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