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**GEK1018 – Discussion Topic 2**

Will the poor countries catch up with the rich? Is a more equal distribution of income good or bad for a country's development?

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## **A. Preface**

The word 'inequality' has seldom left the minds of both world and local leaders. From intergovernmental organizations to local political parties lobbying for the support of its citizens; inequality has been intensively debated on at all fronts. This essay focuses on two common issues arising from the complex concern of inequality. Section B discusses the possibility of global economic convergence, and searches for likelihoods of poorer countries growing fast enough to catch up with richer ones. Subsequently, Section C examines if inequality on a local scale is entirely problematic or a necessary evil for a country's development.

### **B1. The Issue of Global Convergence: Introduction & Methodology**

To examine the issue, the following methodology is used. Trends of growth and future figures are first studied, following which the reasons behind the divergence are examined. To each factor, the current solutions put in place are evaluated to judge if they will help turn a diverging path into a converging one. Then, a conclusion is made as to whether a convergence of various economies is on the cards in future.

### **B2. Current Trends & Statistical Evidence**

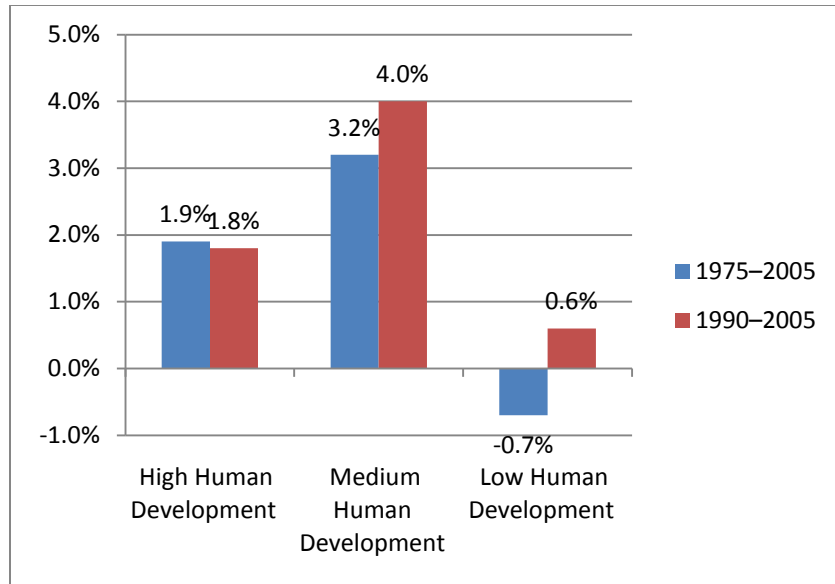
The 2007/2008 edition of the Human Development Report<sup>1</sup> shows a massive difference of US\$22,874 (PPP adjusted) is observed between countries considered of high human development as opposed to countries on the other end of the spectrum. While it is expected for the gap between the rich and the poor to be large globally, what can be inferred is also the gap between the rich and those considered to be the middle strata of the development chart. A daunting figure of US\$19,110 lies between countries like that of Nepal, Egypt and Indonesia (Medium Human Development) and Iceland, Australia and Singapore. The gap is not just astounding between the upper and lower levels but also between the rich and the middle class in the global economy.

We then need to analyze the growth trends of the same group of countries to judge if there is a chance of convergence. The same report offers a view on two time periods – 1975 to 2005 and 1990 to 2005.

Figure 1 compares growth rate over two periods for the 3 groups. While countries of high human development have slowed down by 0.1%, those of medium human development have made an increase of 0.8% while the lowest end recorded a 0.9% increase.

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<sup>1</sup> United Nations, *Human Development Report 2007/2008* (New York: United Nations Development Programme, 2009), p. 276



**Figure 1: Growth Rate - A two period comparison (Source: United Nations, 2008)**

These figures may suggest convergence is the long term future. However, such changes are debatable. To ensure its validity, we looked into other studies that utilized the Gini Index to measure global inequality. The results are no different from ours.

Table 1 shows that all Gini values for the 1990s, with the exception of the two extremes (61 and 71), lie within a relatively narrow range between 63 and 66. The current massive global inequality is undoubtable.

Author	Year	Gini Value
Milanovic (2005)	1993	66
Milanovic (2005)	1998	65
Bourguignon and Morrison (2002)	1990s	66
Sala-i-Martin (2002a)	1998	61
Bhalla (2002)	2000	65
Dikhanov and Ward (2001)	1999	68
Dowrick and Akmal (2001)	1993	71
Sutcliffe (2003)	2000	63
Valenzuela and Rao (1997)	1990	65

**Table 1: Tabulated Results of Research Data on Global Inequality. (Source: Milanovic, 2006)**

However, in Milanovic's report<sup>2</sup> that examined the data in Table 1, it was stated that there is no unanimity in terms of the direction of change. Salai-Martin and Bhalla, who both utilized similar methodologies, argue that global inequality has declined by 3 to 4 Gini points. Inversely, Dikhanov and Ward as well as Bourguignon and Morrison reported an increase of about 1 Gini point. Standing on the border is Sutcliffe who argued there was no change in inequality. We conclude from the given data that even if change has occurred, the magnitude of change is minute at a range of -1 Gini point to

<sup>2</sup> Branko Milanovic, "Global Income Inequality: What It Is And Why It Matters?", *DESA Working Paper*, 26 (2006), p. 10.

+4 Gini points. However, statistical data, though empirical, only tells one side of the story. We delve into other areas to conclude our stand on this topic.

### **B3. Factors Causing Inequality**

There is a multitude of reasons behind the large inequalities we have observed. In this section we cover key areas that have the largest impacts.

#### **B3A. Education Disparity & Polarization**

The most fundamental bridge to attaining mobility in economic status is that through education. Ironically, education can be a polarizing force that amplifies the divide. Studies<sup>3</sup> have shown that educated parents are more likely to send their children to school as compared to non educated or even lowly educated parents. It takes an educated person to understand the value of education. In this, we see that countries that have large pools of educated citizens will continue to climb up the literacy ladder while those with larger pools of uneducated citizens will stagnate or rise very slowly in the field of literacy.

An additional barrier related to this is child labour. Child labour is rampant in many parts of the lesser developed world<sup>4</sup>. The reason for this, as the International Labour Office explains, is that parents who require direct economic contributions from their children see the present value of family income that the child brings as of a much higher worth than the long term benefits garnered from education<sup>5</sup>. As such, economies that require a high amount of child labour find it hard to break the literacy gap. Thus, the natural polarizing force of education is a hindrance to economic convergence. This is set to continue due to the unresolved reasons stated above.

#### **B3B. Geographical Constraints**

Geographical constraints can be seen as either unsurpassable barriers or barriers that require a large investment in infrastructure to get around. Firstly, we look into landlocked countries. Landlocked countries are countries that do not have the benefit of water bodies around them to participate in sea trade<sup>6</sup>. Trade has been highlighted multiple times as the way forward to reduce global inequality. It works on the idea of comparative advantage where even lesser developed countries have valuable commodities on the table to offer to more established economies. However, there are some economies that are not able to enjoy such bridging methods. Nepal is sandwiched between India and China. It does not enjoy a stable working relationship with its neighbors and finds trading with the outside world a difficulty<sup>7</sup>. Its only option is via air

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<sup>3</sup> Jane Torr, 'Mothers' Beliefs about Literacy Development: Indigenous and Anglo-Australian Mothers from Different Educational Backgrounds', *Alberta Journal of Educational Research*, 54 (2008), pp. 1-18.

<sup>4</sup> International Labour Office, *Child Labour: A textbook for university students* (Geneva: International Labour Office, 2004), p. 2

<sup>5</sup> *Ibid*, pp. 19-20

<sup>6</sup> Michael L. Faye, et al, 'The Challenges Facing Landlocked Developing Countries' in Taylor & Francis (ed.) *Journal of Human Development* (Oxford: Routledge Publishing, 2004), p. 31-66.

<sup>7</sup> Bishnu Raj Upreti, *Armed Conflict and Peace Process in Nepal*, (New Delhi: Adriot Publishers, 2005), p. 46.

which is currently too expensive to be profitable to the country. As such, trade is not an option for certain countries facing geographical constraints.

Besides the issue of trade, it has been commonly noticed that lesser developed countries are involved mostly in the primary industry<sup>8</sup>. Such countries are mostly agriculture dependent, which in turn is climate dependent. With the current accelerating change in climatic patterns, countries such as The Bahamas, Vietnam, and Qatar have their primary industries at stake at the onset of a sea level rise<sup>9</sup>. The general failure of Copenhagen 2009 has put a long term solution to this problem in much doubt. Thus, such geographical constraints are highly detrimental to the growth of poorer nations, casting a long shadow of doubt on the possibility of economic convergence.

### **B3C. Economic Structure**

The dependence of lesser developed countries on the primary industry is a vicious cycle. World commodity prices have placed freshly harvested raw goods on the lower end of the profit table<sup>10</sup>. This means that countries who gather and harvest end up getting a smaller share of the profits in comparison to medium or highly developed countries that import such raw materials and package them for sales. An example of this is the coffee industry. Ten years ago, producer-country exports such as Honduras, Vietnam, and Ethiopia captured one-third of the value of the coffee market. Today, they capture less than ten per cent. Over the last five years the value of coffee exports has fallen by US\$4bn. In stark comparison to producer-countries, profit margins are high. The big four coffee roasters, Kraft, Nestlé, Procter & Gamble, and Sara Lee, each have coffee brands worth US\$1bn or more in annual sales. Together with German giant Tchibo, they buy almost half the world's coffee beans each year. Nestlé has made an estimated 26 per cent profit margin on instant coffee. Sara Lee's coffee profits are estimated to be nearly 17 per cent - a very high figure compared with other food and drink brands<sup>11</sup>. It is undeniable that producer countries are short changed in this aspect.

This is compounded by the need of lesser developed countries to import technological equipment from medium/highly developed countries that are much more expensive than their profits in trade. In short, they are earning less but spending more.

Secondly, lesser developed countries that are unable to produce their own food need to import food to satisfy the basic needs of their citizens. Their food trade has fallen drastically from a surplus of \$1 billion to a deficit of \$11 billion over 30 years. In comparison, developed countries only spend 24% of their GDP on food as compared to 54% for lesser developed countries<sup>12</sup>. Considering that food is the fundamental need of

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<sup>8</sup> David Colman, *Economics of change in less developed countries*, (New Jersey: Prentice-Hall, 1994), p. 105-187.

<sup>9</sup> Susmita Dasgupta, 'The impact of sea level rise on developing countries: a comparative analysis', *Climatic Change*, 93 (2009), p. 384.

<sup>10</sup> Benjamin I. Cohen, 'The Less-Developed Countries' Exports of Primary Products', *The Economic Journal*, 78 (1968), pp. 334-343.

<sup>11</sup> Charis Gressler & Sophia Tickell, *Mugged: Poverty in Your Coffee Cup*, (Massachusetts: Oxfam International, 2002), pp. 3-7

<sup>12</sup> United Nations, *The State of Agricultural Commodity Markets 2009* (Rome: Food & Agriculture Organization, UN, 2009), pp. 8-26.

a growing nation, such hindrances serve only to widen the inequality gap that is already struggling to find ways to converge.

### **B3D. Social Considerations**

Several social considerations have to be taken into account as well. Large populations tend to cause policies to take longer to materialize on the ground due to multiple levels of governance required to rule such a large country. This leads to a higher chance of corruption. The World Bank estimates that over 10<sup>9</sup> US dollars annually are lost due to corruption, representing 5% of the world GDP. In lieu of this, the African Union estimates that due to corruption, the African continent loses 25% of its GDP<sup>13</sup>.

Migration is another factor to consider. Among people who have moved across national borders, a third moved from a developing to a developed country. In addition, most of the world's 200 million international migrants moved from one developing country to another or between developed countries<sup>14</sup>. The rapid flow of migrants is a problem to developing countries as they are unable to hold onto domestic talents that understand the country best.

Such social factors are additional burdens that hinder the already crawling converging process.

### **B4. Are Current Solutions Sufficient?**

With the major problems laid out, we study if current solutions can bridge the divide. The current solutions are largely provided by the 8 Millennium Goals stated by the United Nations in 2000<sup>15</sup>. Projected to be achieved in 2015, it looks into providing a comprehensive answer to the issues we raised. However, Secretary General of the UN, Mr. Ban Ki-moon has admitted that the UN is far from achieving its stipulated goals and 'the UN faces a development emergency'<sup>16</sup>. Sub-Saharan Africa has been specially identified to have made little progress on all fronts. The top two reasons are as follows.

#### **B4A. Problems with Co-operation in Current Economic Climate**

Many of the identified goals require the co-operation of developed countries to provide donations to lesser developed countries. However, this is hard to come by especially in the current economic slowdown where the United States, Britain and Japan has mentioned in the governments should focus on economic stimulus programs which must be worth at least 2 percent of domestic products<sup>17</sup>. Foreign aid does not fall into such categories. In dire situations such as the current downturn, it is inevitable though

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<sup>13</sup> Boris Podobnik, 'Influence of corruption on economic growth rate and foreign investment', *The European Physical Journal B*, 63 (2008), pp. 547-550.

<sup>14</sup> United Nations, *Human Development Report 2009* (New York: United Nations Development Programme, 2009), pp. 2-5.

<sup>15</sup> United Nations, *Human A Practical Plan to Achieve the Millennium Development Goals* (New York: United Nations Millennium Project, 2009), pp 2-15.

<sup>16</sup> Anna Zakharova, *Re-evaluation of the UN Millennium Development Goals* (Virginia: Issue Brief for the Special Political and General Assembly Plenary, 2010), p. 2.

<sup>17</sup> *Ibid*, p. 5.

understandable that most countries have opted to solve their domestic problems before putting their last priorities on aiding lesser developed countries. Voluntary donations are hard to ascertain due to its nature and its relatively low priority.

#### **B4B. Solutions Are Only Funding Orientated**

Current solutions focus highly on funding and donations which may mean little on the ground. Not only does such funding face the social problems we discussed, lesser developed countries face a lack of know how to structure their economies to be more resilient and to be forward looking<sup>18</sup>. Additionally, pure funding also does not answer many of the problems we discussed earlier such as education and the current economic structures of lesser developed countries.

#### **B5. Our Conclusion for Global Convergence**

We conclude that the feeble measures of good will coupled with only a slight statistical evidence of a possible convergence, the chance of poor countries catching up with the rich is highly unlikely. Unless there is a broader, sustained and improved battery of solutions in place that can better answer the major problems raised, global convergence is likely to remain an egalitarian's dream.

#### **C1. Equal Income Distribution & A Country's Growth: Introduction & Methodology**

We now shift our focus to local income inequality and its effects on a country's growth. It is common to lobby for equal income distribution as a necessity for economic growth. However, we will discuss this issue first by observing that income inequalities are not simply limited to lesser developed countries and judge the differences in outcomes. We then argue that income equality is only good for a country's growth if it promotes opportunities for income mobility.

#### **C2. Trends**

We begin with an illustration showing that income inequality does not have an absolutely bad effect if economic growth moves in tandem with it. Income inequality in China is increasing each year. However, due to strong economic growth, China has made great improvements in poverty reduction. The following figure presents a clearer picture of poverty reduction in China by comparing with Sub-Saharan Africa countries.

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<sup>18</sup> Biagio Bossone et. al, *Strengthening Financial Systems in Developing Countries: The Case for Incentives-Based Financial Sector Reforms* (Washington: The World Bank, 1998), p. 6-9.



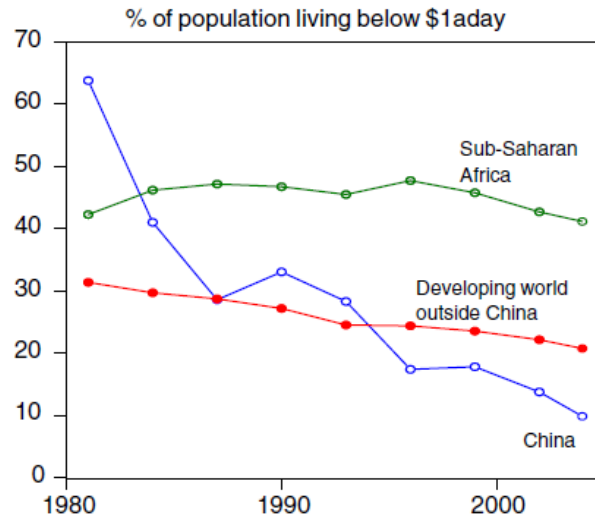


Figure 2: Poverty rates for China and Africa. (Source: Chen and Ravallion, 2007)

### C3. Top End Inequality Vs. Bottom End Inequality

The findings above lead us to discuss two cases for income inequality – Top end inequality and bottom end inequality. Barro (2000) finds a negative relationship between inequality and growth for poorer countries. However, the inverse is true in the case of richer countries<sup>19</sup>.

#### C3A. Top End Inequality

In top end inequality, people are wealthy enough to invest. As investment is positive towards the economy growth of a country, top end distribution of wealth drives the development of a country. Besides that, the rich people tend to save more than the poor as the poor do not have excess income to save. Thus, economic growth in the long-run is positive if a country has decent stock of capital which is mainly contributed by investments and savings.

Moreover, income inequality in top end economies tends to reward people with greater capabilities which encourages competition and spurs economic growth. By not imposing any limitation, exceptional individuals are free to do their productive best thus inducing better efforts from individuals or firms to innovate and become more efficient. This is the core requirement for technological progress that creates the possibility for capital deepening. Recent data shows that even though the Gini index in the United States is relatively high among developed countries, competition have brought in more competitive minds which has allowed high levels of GDP per capita<sup>20</sup>

<sup>19</sup> Robert Barro, 'Inequality and Growth in a Panel of Countries', *Journal of Economic Growth*, 5 (2000), pp. 5-32.

<sup>20</sup> Nigel Holloway, 'In Praise of Inequality', retrieved from [http://www.forbes.com/billionaires/free\\_forbes/2003/0317/098.html](http://www.forbes.com/billionaires/free_forbes/2003/0317/098.html) on 05 Feb 2010.

### **C3B. Bottom End Inequality**

In poor countries, income inequality often becomes the main cause of social-political unrest. It motivates the poor to engage in crime, riots, and other disruptive activities<sup>21</sup>. As a direct result, political instability and uncertainty inhibits foreign direct investment which in turn deters economic growth, causing a vicious cycle.

In particular, Latin America ranks at the top among world regions in terms of inequality (World Bank's *World Development Report 2006*). High inequality thus puts the brakes on the country's development as government policies cannot be effectively implemented. In particular, the poor have greater temptation to engage in predatory activities at the expense of the rich<sup>22</sup>. Moreover, higher income inequality directly results in higher poverty given average income levels<sup>23</sup>. This is a problem as it is well known that poverty is growth-inhibiting.

Latin America also has a high Gini coefficient for distribution of operational holdings of agricultural land, about 0.81 while in other world regions it hovers around 0.60<sup>24</sup>. Unequal distribution of assets such as land prevents large population of people participating in the economic development process, which will benefit the country in the long-run.

Similarly, the Gini coefficient for distribution of years of schooling in Latin America is 0.42 against 0.27 in industrial countries<sup>25</sup>. Lack of education for children will diminish human capital in the long-run and eventually cause the stagnation of development in the country. Together with the divergence in asset distribution, this points to large inequalities in opportunity which is a major root of income inequality.

### **C4. The Case For Income Inequality**

The data above prove that income inequality may not necessarily be a bad thing for development in some cases. Certain countries have used it to their advantage while others have not. We explore the reasons why. It is easy to point to income inequality as the problem that hinders a country's growth. However, there are many ways that inequality is not just a necessary evil but is also a reason for a country's growth.

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<sup>21</sup> Jess Benhabib & Aldo Rustichini, 'Social Conflict and Growth', *Journal of Economic Growth*, 1, 1 (1996), pp. 129-146.

<sup>22</sup> Roland Bénabou, 'Inequality and Growth', *NBER Macroeconomics Annual*, 11 (1996), p.73.

<sup>23</sup> Guillermo Perry et. al, *Poverty reduction and growth: virtuous and vicious circles*, (Washington: The World Bank, 2006), pp. 102-104.

<sup>24</sup> Klaus Deininger & Pedro Olinto, 'Asset distribution, inequality, and growth', *Policy Research Working Paper Series*, 2375 (2000), pp. 2-34.

<sup>25</sup> Luis Servén & Humberto López, 'Fiscal Redistribution and Income Inequality in Latin America', *Policy Research Working Paper Series*, 4487 (2008), pp. 5-31.

#### **C4A. A System Of Competitiveness Breeds Strong Incentives**

Having income inequality is a sign of a free market economy that has dramatically less interference from the government<sup>26</sup>. Unlike socialist economies where a myriad of policies are targeted to have the entire citizen base to be on par as far as possible, capitalist economies are largely profit driven. While this system can be called cruel at times, it rewards exceptional individuals that are free to do their productive best and reap rewards.

The main argument that highlights the need for income inequality is that it drives competition. It encourages those on the top end to compete harder as they are rewarded with greater income<sup>27</sup>. Income is a huge incentive for individuals and firms to be more productive and innovative. On the other end of the spectrum, the lower income groups will be inspired to improve and take the necessary steps to propel themselves forward as the incentives for doing so are high. These results in self induced personal improvements as those from the lower income group will be motivated to take up education and other skill upgrading courses to put themselves in a better position to benefit from the competitive system.

On the other hand, should there be little differentiation between the rich and the poor, there will not be a strong motivation to compete and be better as policies that attempt to ensure income equality will slowly bottleneck the potential of the economy.

#### **C4B. Attracting and Retaining Talent**

In a developing country it is inevitable that a wide spectrum of talents and abilities that range from poor to brilliant will be found. What is important is that the country continually rewards its top minds so that they continue to stay and work towards the development of the country<sup>28</sup>.

There is a knock on effect to the above benefit. A country that shows that it has a conducive environment to breed talents will enjoy an influx of foreign talent that spurs economic growth and development of the country. When firms and individuals look to invest, they hunt for secure environments where the government is not over zealous in its efforts to maintain income equality. India's economic decisions in 1969 to 1974 saw radical state intervention that brought massive levies and taxes on the basis of both increased government ownership and income equality<sup>29</sup>. It lost much of its foreign talent and investments as the country was seen as having a harsh landscape not conducive to growth. An example of such policies is a heavily slanted progressive tax system. It has a problematic aspect, where it penalizes the rich who are usually the more productive

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<sup>26</sup> Michael Watts et. al, *Reforming Economics and Economics Teaching in the Transition Economies: From Marx to Markets in the Classroom*, (Cheltenham: Edward Elgar Publishing Ltd, 2002), pp. 11-34.

<sup>27</sup> Hans Aage, *Inequality, Incentives and Income*, (Copenhagen: University of Copenhagen, 1989), pp. 1-26.

<sup>28</sup> Tan Tarn How, *Singapore Perspectives 2007: A New Singapore*, (Singapore: World Scientific Publishing Co. Pte. Ltd, 2007), pp. 51-56.

<sup>29</sup> Dietmar Rothermund, *An economic history of India: from pre-colonial times to 1991*, (Canada: Taylor & Francis e-library, 2003), pp. 125-146.

agents in the economy. Thus, such situations may cause lesser developed countries to lose the little talent they have, which is highly detrimental to economic growth.

The United States was singled out as a country belonging to the category of top end inequality. In the 2000 census of the science and engineering sector, it was found that a staggering 51% of its college educated workforce, some with engineering doctorates, were foreign born. The image of a land of opportunity that the United States holds has allowed it to attract top notch talent and ensured its competitive edge on the global stage.

As such, income inequality can be a strong sign of economic freedom where the potential of the country is not limited to short sighted government policing done in the name of income equality, allowing the country to both attract and retain talent.

#### **C4C. Other Considerations**

We must not ignore the multiple disadvantages that income inequality brings to the table. Firstly, there is the problem of social conflict as inequalities breed envy and jealousy among the different groups<sup>30</sup>. This can further lead to petty theft and other deep seated social problems such as organized crime groups and the like.

Secondly, income inequality is directly representative of the individual's ability to consume. A low income means that there are low consumption possibilities for that particular section of the population. This points to wide divergences in welfare<sup>31</sup> enjoyed by citizens which is an issue not to be taken lightly.

#### **C5. The Decisive Factor of Equal Opportunities Not Equal Outcomes**

To these main counter arguments, we would like to reiterate the notion of equality only in the aspect of opportunity. The two considerations are based strongly on outcomes which are myopic ways of viewing income inequality. Should we judge simply on the income pocketed per individual, we fail to see that natural disparities ranging from skills, talents right down to genetic differences that relegates income equality merely as an outcome.

Giving equal opportunities for income mobility is the solution that has been adapted in many countries with successful results. Opportunities should be open to all regardless of background. In Singapore, the government puts special emphasis on education with the Compulsory Education Act<sup>32</sup> enacted to ensure all its citizens regardless of financial background receive at least Primary education. Poor families are given multiple avenues of funding to ensure their children get the education they deserve.

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<sup>30</sup> Christian Joppke, 'Research in Inequality and Social Conflict: A Research Annual, Vol. 1', *Contemporary Sociology*, 6 (1990), pp. 810-811.

<sup>31</sup> Nanak Kakwani, *Income Inequality, Welfare, and Poverty*, (Washington: The World Bank, 1995), pp. 21-30.

<sup>32</sup> Singapore Statutes Online, "Compulsory Education Act, Chapter 51", retrieved from [http://statutes.agc.gov.sg/non\\_version/cgi-bin/cgi\\_getdata.pl?actno=2001-REVED-51&doctitle=COMPULSORY%20EDUCATION%20ACT%0a&date=latest&method=part&sl=1&segid=#974189328-000004](http://statutes.agc.gov.sg/non_version/cgi-bin/cgi_getdata.pl?actno=2001-REVED-51&doctitle=COMPULSORY%20EDUCATION%20ACT%0a&date=latest&method=part&sl=1&segid=#974189328-000004) on 06 Feb 2010.

Besides opportunities in basic education, Singapore has made it a priority to aid low wage workers to upgrade their skills for better paying jobs. The Workfare Income Supplement (WIS) scheme addresses problems such as workers lacking literacy and numeracy skills that cause them to shy from training and also dependence on overtime work that cause them to not put aside time for upgrading as they would lose a crucial portion of their income<sup>33</sup>.

The notion of equal opportunities also serves to consign the two counter arguments into non issues. Firstly, there will be a much reduced case for conflict as those of lower incomes know that incentivized opportunities to move up the income ladder are readily available. Secondly, there is hope and not despair for the lower income groups to enjoy equal consumption possibilities in the near future should they take the step up.

### **C6. Our Conclusion for Equal Income Distribution & A Country's Growth**

The key idea of equality in income opportunities and not superficial income equality in outcome bodes well for a country's development and growth. While income equality can be myopically seen to be harmful, it holds many benefits to a country's development that will be fully realized if society everybody regardless of race, class or gender, has an equal opportunity to excel.

### **D. Final Conclusion**

In this paper, we have discussed both the global and local aspects of income inequality. While global convergence is unlikely in the near future, income inequality on a local scale can very much be a driving force for the economies of lesser developed countries to catch up in the distant future. This is especially true if opportunities on the ground are equal and well administered.

As America's 35<sup>th</sup> president – John Fitzgerald Kennedy once said, “All of us do not have equal talent, but all of us should have an equal opportunity to develop our talents.” Equality in income mobility on a local scale may very well translate to greater things globally.

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<sup>33</sup> Sue-Ann Chia, *'More Help On The Way For Low Wage Workers'*, (The Straits Times, 8 Feb 2010), p. A1.

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