

# NEWAGE

## Chasing growth, not caring for equality wrong policy, Prof Sugata Marjit

Staff Correspondent | Published: 00:05, Jan 23,2018

A government entertains a wrong notion of welfare as long as it stays happy only with income growth and does not care much about rising inequality in society.

Prominent Indian economist Sugata Marjit said this at a lecture on Monday.

Sugata, Reserve Bank of India Professor of Industrial Economics at the Centre for Studies in Social Sciences, Calcutta, said that the government should be careful about growing income but the failure to distribute the growing wealth among the poor might only raise inequality.

‘When distribution (of wealth) worsens and we are happy that income has increased, we are cultivating the wrong notion of welfare,’ said Sugata in his lecture given at BRAC Centre Inn in Dhaka in the morning.

But the task of ensuring equal distribution of wealth, said Sugata, would be unattainable in countries where governments promoted favouritism or nepotism.

‘If inequality is increasing, it is definitely because of the government’s lack of care for carrying out its responsibilities,’ Sugata stressed.

His theory is better understood if the situation in Bangladesh is put into perspective.

Though per capita income increased, revealed the 2016 Household Income and Expenditure Survey, the income gap between rich and poor widened in the country in six years.

Only 1.01 per cent of the income went to the bottom 10 per cent of households in 2016 against 2 per cent of total income six years ago, the study found.

A study by the BRAC University last year revealed that the government was favouring its loyalists in distribution of wealth.

Professor Sugata said that it was very important to keep the degree of inequality unchanged as otherwise it might lead to unrests that might be detrimental to international trade and economic change.

He said that it was a strong sense of inequality felt by the poor Londoners that led to UK’s separation from the European Union.

BRAC University professor Salehuddin Ahmed moderated the lecture organised by BRAC Institute of Governance and Development.

Unequal distribution of wealth was what mainly led Bangladesh revolt against Pakistan and eventually won independence in 1971, said Salehuddin.