

ECONOMIC GROWTH AND INCOME DISTRIBUTION:
A CASE STUDY OF KOREAN EXPERIENCE

by

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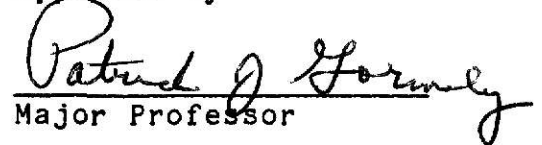
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I. Purpose of Study

In recent years the topic of income distribution has been widely discussed in development economics. In the past aggregate growth was believed to solve every problem and most LDCs concentrated on achieving growth. But even when rapid growth has occurred many problems have arisen. Moreover, the problem is complicated by the question of trade-offs between growth, employment and equity.

Many studies have analyzed the contribution of economic growth to welfare and there have been conflicting views on the relationship between economic growth and income distribution in rapidly growing economies.

Though the general belief that economic development decreases the relative income of the poor is somewhat controversial, there is no question that the distribution of income--and especially the extent of poverty--has become a major issue both within the less developed countries themselves and within the international community. Many academicians, aid agencies and policy makers in less-developed countries have become aware of the severity of poverty and inequality and are now trying to deal with them.¹⁾

The conspicuous failure of growth to eliminate poverty has led to a proliferation of studies on the cause of income