Title:
Basics of Welfare Economics

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Summary:
Human beings are the building blocks of society. The societies agglomerate to make states. And then the nations are formed. The economy of a nation is the indicator of its prosperity

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Article Body:
Human beings are the building blocks of society. The societies agglomerate to make states. And then the nations are formed. The economy of a nation is the indicator of its prosperity. What the economy affects primarily are the people of a country. The technique, which uses the concepts of macroeconomics to achieve social goals, has been christened as welfare economics. Economics with all the data, tables, graph etc. can seem to be a very strict and rigid field. But the economists have now attached the human touch to the economic sphere too. Broadly speaking this field essentially involves the distribution of wealth among all the people and hence providing them with the buying capacity.

The need for this approach to study economics arises because of the increasing index of poverty. The people normally do not pay heed to the poor and the needy. There are increasing numbers of people involved in minimum wage jobs. They are employed but yet poor. The wage jobs do not cover the medical insurance or education for the kids. Now in this situation the person prefers to fulfill the need of a square meal then to go for the education option.

In a democratic set up it is seen that the welfare takes a high position in the agenda of the governments. This is, for one, required to ensure the votes. And secondly democracy has an influence of socialism and communism in it, thus the psyche of the government is for the benefit of the masses. America is known for being one such democracy. There are enough people to work for such causes.

The gamut of social welfare is very wide and anything can be brought under it. In one way it is provision of safety to the country’s citizens. Safety from poverty, hunger, disease and many other things a social worker can think of. Now a very thought-worthy question arose when Ralph Nadar brought forward the concept of corporate welfare to the forefront, in 1956. This involves giving tax holidays and other regulatory leverages to the corporations. The debatable issue is that the corporate firms in a capitalist structure cannot be expected to work for the social welfare. And at every step the interests of society and the corporate seem to clash. The design of the corporate structure of the country should be such that it can cater to the needs of themselves as well as those of the society. Corporate governance jurisprudence is probably stemmed out of such conflicts.

The core issue of this problem is probably the distribution of income. The dichotomy on this count arises when one school of thought suggests the governmental influence on income slabs and the other theorizes that government should not at all be involved but it should be the sole discretion of the employer to pay the employees. The actual game lies somewhere in the middle. The governmental regulations do influence the wage schemes. The need of the hour is however, to check the accumulation majority of the wealth among a few hands.

The economic reforms to boost the grass root level employees too have to be brought because it is they who really are at the hem of the economic growth. The new approach is good from the point of view of the low-income people but a balance has to be struck between their interests and the interests of business giants.