

Income Inequality and Its Effects on Household Livelihoods in Parker Paint Community, Liberia

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Abstract : The prime objective of this research is to examine income inequality and its effects on household livelihoods in Parker Paint. Many researchers failed to address the potential threat of income inequality on diverse household livelihood indicators, including health, food, housing, transport and many others. They examine and generalize the effects of income differentials on household livelihoods by addressing one indicator of livelihood security. This research fills the loopholes of previous research by examining the effects of income inequality and how it affects the livelihoods of households, taking into consideration livelihood indicators including health, food security, and transport. The researcher employed the mixed research method to analyze the distribution of income and solicit opinions of household heads on the effects of their monthly income on their livelihoods. Age and sex structure, household composition, type of employment and educational status influence income inequality. The level of income, Lorenz curve and the Gini coefficient was mutually employed to calculate and determine the level of income inequality. One hundred eighty-two representing 96% of household heads are employed while 8, representing 4%, are unemployed. However, out of a total number of 182 employed, representing 96%, 27 people representing 14%, are employed in the formal private sector, while 110, representing 58%, are employed in the private informal sector. Monthly average income, savings, investments and unexpected circumstances affect the livelihood of households. Infrastructural development and wellbeing should be pursued by reducing expenditure earmarked in other sectors and channeling the funds towards the provision of household needs. One of the potent tools for consolidating household livelihoods is to initiate livelihood empowerment programs. Government and private sector agencies should establish more health insurance schemes, providing mosquito nets, immunization services, public transport, as well as embarking on feeding programs, especially in the remote areas of Parker paint. To climax the research findings, self-employment, entrepreneurship and the general private sector employment is a transparent double-edged sword. If employed in the private sector, there is the likelihood to increase one's income. However, this also induces the income gap between the rich and poor since many people are exploited by affluence, thereby relegating the poor from the wealth hierarchy. Age and sex structure, as well as type of employment, should not be overlooked since they all play fundamental roles in influencing income inequality. Savings and investments seem to play a positive role in reducing income inequality. However, savings and investment in this research affect livelihoods negatively. It behooves mankind to strive and work hard to the best of ability in earning sufficient income and embracing measures to retain his financial strength. In so doing, people will be able to provide basic household needs, celebrate the reduction in unemployment and dependence and finally ensure sustainable livelihoods.

Keywords : income, inequality, livelihood, pakerpaint

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