

WITHIN NATIONAL INEQUALITIES : FROM PARETO TO THE KUZNETS WAVES

Email: bmilanovic@gc.cuny.edu or branko_mi@yahoo.com

Twitter: @BrankoMilan

My website (which contains readings for which the link is not given here):

<http://www.gc.cuny.edu/Page-Elements/Academics-Research-Centers-Initiatives/Centers-and-Institutes/Luxembourg-Income-Study-Center/Branko-Milanovic,-Senior-Scholar>

Inequality: A topic that came in from the cold

The central subject of the class is income inequality. Inequality has become a much more important topic in the press, social networks and academic publications over the last three or four years. This resurgence of interest is particularly striking in the United States where, because of the ideological dominance of the Chicago school of economics, the topic was considered irrelevant and “soft.” It was thought that only people mistrustful of markets or personally envious would care about inequality. Growth would ultimately improve everybody’s standard of living.

This position was a sharp departure from almost 200 years of economics’ concern with the questions of distribution, which Ricardo thought should be “the principal topic in political economy.” The Chicago model of economics has obviously been proven false as it bequeathed the West the sharpest economic crisis since the 1930s. To better understand inequality, it is necessary to review the historical evidence, and empirical and theoretical work on the topic. It is also important to realize that – despite the fact that it was during several decades an “underground topic” – there exists an important and sizeable body of knowledge.

The course is divided into three parts. The first part is introductory. It discusses the methodology used in the work on inequality and the data sources. What are our key metrics of welfare and thus of inequality? How do we define income or consumption? Should differences in income between individuals be measured in absolute or relative terms? Should we look at income before transfers and taxes or after? Do we look at households or individuals or both? How are top incomes treated in household surveys and fiscal data? Do we include the poorest people? Where do we find the data from which to calculate income or consumption inequality? Is wealth different from income and consumption, and how?

The second part reviews the most important theories of personal income distribution. Interest in personal income distribution goes back to about 100 years ago, and is thus relatively recent compared to the interest in the functional distribution of income (between labor=workers, capital=capitalists and land=landowners).

Since inequality is mostly about the empirics, theories of personal income distribution were heavily inductive. We start with Vilfredo Pareto who was the first economist to have seriously studied inter-personal income inequality. We continue with Simon Kuznets's famous inverted *U* curve which is still the workhorse of inequality economics (although it was defined 60 years ago), and complete with the views of several contemporary authors, in particular Thomas Piketty as expressed most clearly in his new book *Capital in the 21st century*. In my new book (*Global Inequality*), I argue that there are Kuznets waves or cycles and that advanced countries are currently going through the second such wave since the Industrial Revolution.

After a review of theories, we shall look at the past 30 years which have seen a steady and, at times apparently unstoppable, rise in inequality in about 2/3 of the countries worldwide. We shall review regional evidence, starting with the rich world, then the emerging market economies (China), and completing with post-Communist transition countries. Particularly interesting because it is bucking the trend, is the decrease of inequality in high-inequality countries like Brazil.

Each student will make one half-an-hour (including Q & A) presentation in class. The topic will have to be on inequality, but the choices may include relationship between inequality and some other phenomena, analysis or description of changes of inequality in a given country or region, critical review of several inequality papers or books etc. (I do not expect original, data-driven work, although that would be welcome. A review of literature from a given area is fine.)

The final exam will be take-home and will consist of two or three essay questions. The grading weights will be as follow: class participation 30%, presentation 30%, final exam 40%.

The amount of required readings (denoted by letter R) is not huge (approximately two readings per week). Other papers listed in the syllabus are important papers from the area, and may be useful for students who decide to pursue a given topic further (whether in this class or another). Only things covered in class and in required readings may be included in the final exams

Important recent books:

There has been a recent wave of new and important books on inequality. Some are listed here. They may be useful to read or to consult for this or another class.

Angus Deaton, *The great escape: health, wealth and the origins of inequality*, Princeton University Press, 2013.

Thomas Piketty, *Capital in the 21st century*, Harvard University Press, 2014.

Branko Milanovic, *Global inequality: A new approach for the age of globalization*, Harvard University Press, 2016; especially Chapter 2.

Tony Atkinson, *Inequality: what can be done?*, Harvard University Press, 2015.

Göran Therborn, *The killing fields of inequality*, Polity Press, 2013. See <http://www.polity.co.uk/book.asp?ref=9780745662589>

Branko Milanovic, *The haves and the have-nots: a brief and idiosyncratic history of global inequality*, Basic Books, 2011.

Claudia Goldin and Lawrence F. Katz, *The race between education and technology*, Belknap Press for Harvard UP, 2010.

Timothy Noah, *The great divergence: America's growing inequality crisis and what we can do about it*, Bloomsbury Press, 2012.

Chrystia Freeland, *Plutocrats: The rise of the new super global-rich and the fall of everybody else*, Penguin Press, 2012.

Also, Peter Lindert and Jeffrey Williamson, *Unequal gains: American growth and inequality since 1760*, Princeton University Press, 2016.

1. What is economic (income/consumption) inequality and how do we measure it?

Main theme: How do we define and measure inequality and where do we find the data?

1.1 Absolute or relative inequality? Income or consumption? Per capita or per equivalent adult? (2 RRs)

[R] Angus Deaton (1998), *Analysis of Household Surveys*, World Bank and Oxford University Press, pages 138-140 and 265-268 (part of section 4.3). Available at http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1997/07/01/000009265_3980420172958/Rendered/PDF/multi_page.pdf.

[R] Martin Ravallion (2003), "Competing concepts of inequality in globalization debate", World Bank Working paper series No. 3243. Also, Ravallion, Martin (2004), "Competing concepts in inequality debate", *Brookings Trade Forum 2004*, Brookings Institution: Washington, pp. 1-23.

Peter Lanjouw, Jenny Lanjouw, Branko Milanovic and Stefano Paternostro (1998), "Economies of scale and poverty: the impact of relative price shifts during economic transition", *Economics of Transition*, vol. 12, September 2004, pp. 509-536.

Yaron Amiel and Frank Cowell (1996), *Thinking about inequality : personal judgment and income distribution*, Cambridge: Cambridge University Press.

Gary Fields (2001), *Distribution and development*, New York, Russell Sage, Chapter 2.

Three important books on methodology of inequality studies

Frank Cowell, *Measuring inequality*, Oxford University Press, 2011 (Chapter 2, "Charting inequality", pp. 24-37).

Angus Deaton, *Analysis of Household Surveys*, World Bank and Oxford University Press, 1998, pages 134-140.

Nanak Kakwani, *Income inequality and poverty: Methods of estimation and policy applications*, World Bank, 1980, pp. 11-120.

1.2 Gini coefficient, Lorenz curve, Lorenz dominance, first-order stochastic dominance (1 RR)

[R] Shorrocks, Anthony (1983), "Ranking Income Distributions", *Economica*, vol. 50, pp. 3-17.

Yitzhaki, Shlomo (1998), "More Than a Dozen Alternative Ways of Spelling Gini" in Slottje, Daniel J. (ed), *Research on economic inequality*. Volume 8 (1998): 13-30

Yitzhaki, Shlomo (1994). "Economic Distance and Overlapping of Distributions, " *Journal of Econometrics*, 61, 147-159.

Lambert, Peter and Richard Aronson (1993), "Inequality Decomposition Analysis and the Gini Coefficient Revisited", *Economic Journal* vol. 103, np. 420 (September 1993), pp. 1221-27.

Graham Pyatt (1976), "On the Interpretation and Disaggregation of Gini coefficients", *The Economic Journal*, vol. 86, no. 382, pp. 243-255.

[R] Branko Milanovic (1994), "The Gini-type Functions: An Alternative Derivation", *Bulletin of Economic Research*, 1:1994, pp. 81-90.

Branko Milanovic (1997), "A Simple Way to Calculate the Gini Coefficient, and Some Implications", *Economics Letters* 56, 1997, pp. 45-49.

Frank Cowell (2009), "Measuring inequality", December 2009, available at <http://econdse.org/wp-content/uploads/2012/02/Cowell-measuring-inequality.pdf>

Peter Lambert and André Decoster (2005), "The Gini coefficient reveals more", available at <http://feb.kuleuven.be/eng/ew/discussionpapers/Dps05/Dps0508.pdf>.

[R] Hugh Dalton (1920), "The measurement of the inequality of incomes", *Economic Journal*, vol. 30, no. 119, pp. 348-361.

1.3 Sources of inequality data; problems with surveys (compliance, imputation of income, reference period) (1 RR)

[R] Angus Deaton (1998), *Analysis of Household Surveys*, World Bank and Oxford University Press, sections 1.1 and 1.2

Davies, Jim M. and Shorrocks Anthony F. (1989), "Optimal grouping of income and wealth data", *Journal of econometrics*, vol. 42, 1989, pp. 97-108.

Anton Korinek, Johan Mistiaen and Martin Ravallion (2006), "Survey nonresponse and the distribution of income", *Journal of Economic Inequality*, vol. 4, pp. 33-55.

Where to find the data:

An important recent review of all key databases for the study of income inequality (LIS, SEDLAC for Latin America, OECD, PovcalNet, World Income Distribution, All the Ginis, WIID and SWIID) was published in a special issue of *Journal of Economic Inequality*, vol. 13, Number 4, December 2015 (editors: Francisco Ferreira and Nora Lustig)

LIS: <http://www.lisdatacenter.org/> (Rich and middle-income economies; micro data available).

See Martin Ravallion, "The Luxembourg Income Study", *JEI*, vol. 13, pp. 527-548
Response

Janet Gornick, Markus Jantti, Teresa Manzi and Thierry Kruten, *ibid*, p. 549.

Africa: <http://www4.worldbank.org/afr/poverty/databank/default.cfm>.

Latin America: SEDLAC <http://sedlac.econo.unlp.edu.ar/eng/> (Latin American household surveys; micro data possible)

See François Bourguignon, "Appraising income inequality databases in Latin America", *JEI*, vol. 13, pp. 557-578.

World Bank POVCAL: <http://iresearch.worldbank.org/PovcalNet/index.htm> (all developing countries; more than 600 surveys; no access to micro data)

World Bank LSMS:

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/EXTLSMS/0,,contentMDK:21610833~pagePK:64168427~piPK:64168435~theSitePK:3358997,00.html>

(household surveys mostly from very poor countries; micro data available)

World Income Distribution (WYD) database:

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:22261771~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html>

(ventiles and percentiles of countries' income distributions, 1988-2005; last update July 2012)

All the Ginis (ATG) database:

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/0,,contentMDK:22301380~pagePK:64214825~piPK:64214943~theSitePK:469382,00.html>

(Compilation of all per capita Ginis since 1950s; last update October 2013)

See Tom Smeeding and J. P. Latner, "PovcalNet, WDI and 'All the Ginis': a critical review", *JEI*, vol. 13, pp. 603-628.

UN WIDER WIIS database: http://www.wider.unu.edu/research/WIID3-0B/en_GB/database/
(compilation of Ginis, deciles etc., for a variety of inequality statistics, income, earnings etc. last update September 2014)

See Steven Jenkins, "World income inequality databases: an assessment of WIID and SWIID", *JEI*, vol. 13, pp. 629-672.

World Top Incomes Database (WTID): <http://www.parisschoolofeconomics.eu/en/expertise-dissemination/wtid-world-top-incomes-database/>
(fiscal data from some 40 countries; base of the top 1% statistics)

LIS Upshot database:
<http://www.lisdatacenter.org/news-and-events/new-york-times-launches-new-site-the-upshot-with-study-based-on-lis-data/>
(detailed distributional data from the rich countries)

Nora Lustig, Appraising world income inequality databases,
<http://www1.wider.unu.edu/inequalityconf/sites/default/files/IGA/Lustig.pdf>
(slides)

2. Theories of income distribution (at national level)

Main theme: Are there any regularities in the movement of national income distributions?

2.1 Pareto: Iron law of income distribution (3 RRs)

[R] Essay I (“Unequal people”) and vignette 1.10 (“Two students of inequality: Vilfredo Pareto and Simon Kuznets”) from *The Have and the Have-nots*.

Branko Milanovic, “Globalization and inequality”, Introduction to the volume of selected readings, B. Milanovic (ed.), *Globalization and inequality*, Edward Elgar, 2012. Available at <http://econ.worldbank.org/projects/inequality> (pp. xii-xviii only).

Vilfredo Pareto, *Cours d'économie politique*, Lausanne, 1896.

Vilfredo Pareto, *Manual of Political Economy*, translated by Ann S. Schwirr, New York: Augustus M. Kelley, 1971. Originally published in French in 1906.

[R] John Creedy (1997), “Pareto and the distribution of income”, *Review of Income and Wealth*, pp. 405-411.

[R] Joseph Persky, “Retrospective: Pareto’s Law”, *Journal of Economic Perspectives*, vol. 6, No. 2 (Spring), 1992, pp. 181-192. Available at <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.6.2.181>.

G. Findlay Shirras (1935), “The Pareto Law and the Distribution of Income”, *The Economic Journal*, Vol. 45, No. 180 (Dec., 1935), pp. 663-681.

Anthony Atkinson (2016), “Pareto and the upper tail of the income distribution in the UK: 1799 to the present”, *Economica*. Available at <http://piketty.pse.ens.fr/files/Atkinson2016.pdf>.

Extra: Going from functional to personal income distribution

Atkinson, Anthony (2009), “Factor shares: the principal problem of political economy?” *Oxford Review of Economic Policy*, vol. 25, No. 1, pp. 3-19.

[R] Branko Milanovic (2016), “Increasing capital income share and its effect on

personal income inequality” in Contribution to Heather Boushey, Bradford DeLong and Marshall Steinbaum (eds.), *After Piketty’s ‘Capital in the 21st century’: The agenda for fighting inequality*, Harvard University Press, 2017.

2.2 Kuznets and Tinbergen: benign forces of economic improvement (2 RRs)

[R] Simon Kuznets (1955), “Economic Growth and Income Inequality”, *American Economic Review*, vol. 45, No. 1, March 1955, pp. 1-28. Available at <http://www.aeaweb.org/aer/top20/45.1.1-28.pdf>

Sudhir Anand and Ravi Kanbur (1993), “The Kuznets process and the inequality-development relationship”, *Journal of Development Economics*, 1993, pp. 25-52.

Ahluwalia, Montek (1976), “Inequality, poverty and development”, *Journal of Development Economics*, vol.3, pp. 307-342.

Gary Fields (2001), *Distribution and development; a new look at the developing world*, Russell Sage Foundation, New York and MIT Press (Chapter 3).

Higgins, Matthew and Jeffrey Williamson(1999), “Explaining inequality the world round: Cohort size, Kuznets curve, and openness”, June, available on www.ssrn.com.

Branko Milanovic (1994), “Determinants of cross-country income inequality: an ‘augmented’ Kuznets hypothesis”, World Bank Policy Research Paper No. 1246, World Bank. Available at http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/1994/01/01/000009265_3961005200139/Rendered/PDF/multi0page.pdf

Li, H., Lyn Squire and H.-f. Zou, 1998, “Explaining international and intertemporal variations in income inequality,” *The Economic Journal*, 108, 26-43.

[R] Jan Tinbergen, *Income Distribution: Analyses and Policies*, Amsterdam: North Holland, 1975. Review in

[R] Robert H. Haveman, “Tinbergen’s ‘Income Distribution: Analyses and Policies’—A Review Article”, *The Journal of Human Resources*, vol. 12, No. 1, pp. 103-114. Available at <http://www.jstor.org/discover/10.2307/145601?uid=2&uid=4&sid=21103394429833>.

Brian Snowdon, "Towards a unified theory of economic growth: Oded Galor on the Transition from Malthusian Stagnation to Modern Economic Growth", *World Economics*, vol. 9, No. 2, pp. April-June 2008, pp. 97-151.

Kuznets curve literature

Lindert, Peter H. and Jeffrey G. Williamson (1985), "Growth, Equality, and History", *Explorations in Economic History*, vol. 22, pp 341-377.

Kaelble, Hartmut and Mark Thomas (1991), "Introduction", in Y.S. Brenner, Hartmut Kaelble and Mark Thomas (eds.), *Income Distribution in Historical Perspective*, Cambridge and Paris:Cambridge University Press and Editions de la Maison des Sciences de l'Homme.

Williamson, Jeffrey (1991a), *Inequality, Poverty, and History*, Cambridge, Mass.:Basil Blackwell.

Polak, Ben and Jeffrey G. Williamson (1993), "Poverty, Policy and Industrialization in the Past", in J. van der Gaag and M. Lipton (eds.), *Including the Poor*, Washington, D.C.:IFPRI and the World Bank, forthcoming.

Paukert, Felix (1973), "Income Distribution at Different Levels of Development: A Survey of Evidence", *International Labor Review*, Vol. 108, Nos. 2-3, pp. 97-125.

Williamson, Jeffrey (1991), "British Inequality during the Industrial Revolution: Accounting for the Kuznets curve", in Y.S. Brenner, Hartmut Kaelble and Mark Thomas (eds.), *Income Distribution in Historical Perspective*, Cambridge and Paris: Cambridge University Press and Editions de la Maison des Sciences de l'Homme, 1991.

Dumke, Rolf (1991), "Income Inequality and Industrialization in Germany, 1850-1913: the Kuznets Hypothesis Re-examined", in Y.S. Brenner, Hartmut Kaelble and Mark Thomas (eds.), *Income Distribution in Historical Perspective*, Cambridge and Paris: Cambridge University Press and Editions de la Maison des Sciences de l'Homme.

Soderberg, Johan (1991), "Wage Differentials in Sweden, 1725-1950", in Y.S. Brenner, Hartmut Kaelble and Mark Thomas (eds.), *Income Distribution in Historical Perspective*, Cambridge and Paris: Cambridge University Press and Editions de la Maison des Sciences de l'Homme.

Thomas, Mark (1991), "The evolution of Inequality in Australia in the Nineteenth Century", in Y.S. Brenner, Hartmut Kaelble and Mark Thomas (eds), *Income Distribution in Historical Perspective*, Cambridge and Paris: Cambridge University Press and Editions de la Maison des Sciences de l'Homme.

Ram, Rati (1991), "Kuznets's Inverted U-Hypothesis: Evidence from a Highly Developed Country", *Southern Economic Journal*, vol. 57, April, pp. 1112-1123.

Oshima, Harry T. (1991), "Kuznets' Curve and Asian Income Distribution", in *Making Economies More Efficient and More Equitable: Factors Determining Income Distribution*, ed. Toshiyuki Mozoguchi, Economic Research Series No.28, The Institute of Economic Research, Hitotsubashi University, Tokyo: Kinokuniya Company Ltd and Oxford University Press.

Lindert, Peter H. and Jeffrey G. Williamson (1985), "Growth, Equality, and History", *Explorations in Economic History*, vol. 22, pp 341-377.

Ogwang, Thomas (1994), "Economic development and income inequality: a non-parametric investigation of the Kuznets U-curve hypothesis", *Journal of Quantitative Economics*, vol. 10, no.1, pp. 139-153.

Higgins, Matthew and Jeffrey Williamson(1999), "Explaining inequality the world round: Cohort size, Kuznets curve, and openness, June 1999, downloadable on www.ssrn.com.

Branko Milanovic (1994), "Determinants of cross-country income inequality: an 'augmented' Kuznets hypothesis", World Bank Policy Research Paper No. 1246, World Bank. Downloadable from www.worldbank.org/research/inequality.

2.3 Piketty: A political theory of income concentration (4 RRs)

A nice non-technical summary of current research:

Marie-Helene Duprat: “The dynamics of inequality: Is there a general pattern?” Econote, Societe Générale, December 2018.

<https://www.societegenerale.com/sites/default/files/2018/the-dynamics-of-inequality.pdf>

[R] Thomas Piketty, *Capital in the 21st century*, Harvard University Press, 2014, especially Chapter 8 (“The two worlds”)

[R] Branko Milanovic (2014), “Return of patrimonial capitalism: Review of Thomas Piketty’s *Capital in the 21st century*”, *Journal of Economic Literature*, June 2014, forthcoming. Available at http://mpra.ub.uni-muenchen.de/52384/1/MPRA_paper_52384.pdf.

Thomas Piketty, (2003), “Income Inequality in France, 1901-1998”, *Journal of Political Economy*, vol. 111, no 5, 2003, pp. 1004-1042.

Piketty’s book has led to literally hundreds of reviews. Some of the most interesting are:

Robert Solow, “Thomas Piketty is right”, *The New Republic*, April 22, 2014.
<http://www.newrepublic.com/article/117429/capital-twenty-first-century-thomas-piketty-reviewed>.

[R] Paul Krugman, “We are in a new gilded age”, *New York Review of Books*, May 8, 2014
<http://www.nybooks.com/articles/archives/2014/may/08/thomas-piketty-new-gilded-age/>

Brad DeLong blog on Piketty, April 19, 2014.
<http://equitablegrowth.org/2014/04/12/notes-finger-exercises-thomas-pikettys-capital-twenty-first-century-honest-broker-week-april-12-2014/>

[R] See also the exchange between Debraj Ray and Milanovic
http://glineq.blogspot.com/2014_06_01_archive.html
and
<http://debrajray.blogspot.co.uk/2014/06/ray-on-milanovic-on-ray-on-piketty.html>

Discussion in the *American prospect* (March 2014)
<http://prospect.org/article/piketty%E2%80%99s-triumph>.

2.4. Milanovic: The Kuznets cycles: benign and malign forces of inequality change (no RR)

Chapter 2 of B. Milanovic, *Global inequality: A new approach for the age of globalization*

Branko Milanovic, "income inequality: will it rise forever or does it run in waves?", *Nature*, October 2016.

Effects of inequality

Erik Thorbecke and Chutatong Charumilind, "Economic inequality and its socio-economic impact", *World Development*, 2002.

Ron Rogowski, "What changes inequality and what does inequality change?", December 2008.

3. National inequalities in the current era of globalization

Main theme: How much and why within-national inequalities increased in the last thirty years

3.1 New (and promising) literature on inequality and growth (2 RRs)

Roy van der Weide and Branko Milanovic (2014), "Inequality is Bad for Growth of the Poor (But Not for that of the Rich)", World Bank Policy Research Working Paper No. 6963. http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2014/07/02/000158349_20140702092235/Rendered/PDF/WPS6963.pdf

[R] Voitchovsky, Sarah (2005), "Does the profile of income inequality matter for economic growth?", *Journal of Economic Growth*, 10, pp. 273-296.

Ostry, Jonathan, Andrew Berg and Charalambos Tsangarides (2014), "Redistribution, inequality, and growth", IMF Staff Discussion Note, SDN/14/02.

[Inequality of opportunity]

[R] Paolo Brunori, Francisco Ferreira and Vito Peragine, "Inequality of Opportunity, Income Inequality and Economic Mobility Some International Comparisons", World Bank Policy Research Working Paper 6304, January 2013. Available at http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2013/01/07/000158349_20130107095623/Rendered/PDF/wps6304.pdf.

Gustavo Marrero and Juan-Gabriel Rodriguez, "Inequality of opportunity in Europe", *Review of Income and Wealth*, Series 58, No. 4, December 2012, pp. 597-621.

Marrero, Gustavo and Juan-Gabriel Rodriguez (2013), "Inequality of opportunity and growth," *Journal of Development Economics*, 104(C), pp. 107-122.

Miles Corak (2013), "Income Inequality, Equality of Opportunity, and Intergenerational Mobility", *Journal of Economic Perspectives*, vol. 27, no 3, pp. 79-102.

Marrero, Gustavo, Juan-Gabriel Rodriguez and Roy van der Weide (2016), "Unequal opportunity, unequal growth", mimeo.

3.2 Advanced economies (3 RRs)

[R] Organization for Economic Cooperation and Development (OECD), *In it together*, Paris: OECD, 2015. Only the summary.
Available at: <http://www.oecd.org/social/in-it-together-why-less-inequality-benefits-all-9789264235120-en.htm>

[R] Organization for Economic Cooperation and Development (OECD), *Divided we stand*, Paris: OECD, 2011. Only the summary:
<http://www.oecd.org/els/socialpoliciesanddata/49499779.pdf>.

Organization for Economic Cooperation and Development (OECD), *Growing Unequal? Income Distribution and Poverty in OECD countries*, Paris: OECD, October 2008.
Available at
<http://www.oecd.org/els/socialpoliciesanddata/growingunequalincomedistributionandpovertyinoecdcountries.htm>.

Peter Gottschalk, Björn Gustafsson and Edward Palmer (eds.) (1997), *Changing patterns in the distribution of economic welfare: an international perspective*, Cambridge University Press.

Maura Francese and Carlos Mulas-Granados (2015), "Functional Income Distribution and Its Role in Explaining Inequality". IMF Working Paper, November 2015.

Andrea Brandolini and Timothy M. Smeeding (2006), "Patterns of Economic Inequality in Western Democracies: Some Facts on Levels and Trends", *Political Science and Politics*, 39 (1), January, 21–26.

Andrea Brandolini and Timothy M. Smeeding (2007), "Inequality Patterns in Western-Type Democracies: Cross-Country Differences and Time Changes" in P. Beramendi and C. J. Anderson (eds.), *Democracy, Inequality and Representation*, New York, Russell Sage Foundation. Available at <http://www.wiwiss.fu-berlin.de/forschung/veranstaltungen/rse/PapersSS08/Democracy.pdf?1353071391>.

Andrea Brandolini, "A bird's eye view of long-term changes in income inequality", Banca d'Italia, mimeo, 1998.

[top income shares literature]

Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez (2013), "The Top 1 Percent in International and Historical Perspective", *Journal of Economic Perspectives*, vol. 27, no 3, pp. 3-20.

[R] Atkinson, Anthony, Thomas Piketty and Emmanuel Saez (2011), "Top incomes in the Long Run of History", *Journal of Economic Literature*, vol. 49, pp. 3-71.

Thomas Piketty and Emmanuel Saez (2006), "The Evolution of Top Incomes: A Historical and International Perspective", *American Economic Review*, 96 (2), May, 200–205.

Thomas Piketty, "Top Income Shares in the Long Run: An Overview," *Journal of European Economic Association*, vol. 2-3: 1-11, 2005.

Thomas Piketty and Emmanuel Saez, "Income inequality in the United States, 1913-1998," *Quarterly Journal of Economics* 118, 1: 1-39, 2003.

Burkhauser, Richard V., Shuaizhang Feng, Stephen P. Jenkins and Jeff Larrimore (2012), "Recent Trends in Top Income Shares in the USA: Reconciling Estimates from March CPS and IRS Tax Return Data", *Review of Economics and Statistics*, May, vol. 94, no. 2, pp. 371-388.

3.3 Developing world (4 RRs)

China

[R] Xie, Yu and Xiang Zhou (2014), "Income inequality in today's China", Proceedings of the National Academy of Sciences.

Zhuang, Juzhong and Li Shi (2016), "Understanding Recent Trends in Income Inequality in the People's Republic of China", ADB Economics Working Paper Series, No. 489, July 2016.

Wu, Ximing and Jeffrey Perloff (2005), "China's income distribution and inequality", *Review of Economics and Statistics*, vol. 87, No. 4, November, pp. 763-775.

[R] Wei Chi (2012), "Capital income and income inequality" Evidence from urban China", *Journal of Comparative Economics*, vol. 40, pp. 228-239.

[R] Piketty, Thomas, Li Yang and Gabriel Zucman (2017), Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015, WID.world Working Paper series 2017/6.

A special issue of *Current History*, "Inequality on the Rise: A Current History Anthology", September 2012-May 2013, vol. 111, No. 746-Vol. 112 No. 754. In particular papers on China (Martin King Whyte), Russia (Daniel Treisman), and Africa (Shantayanan Devarajan and Luc Christiaensen).

[R] Facundo Alvaredo and Leo Gasparini (2013), "Recent trends in poverty and inequality in developing countries", Universidad Nacional de la Plata, Documento de Trabajo No. 151, November 2013. Available at bit.ly/18URSGs.

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