

## Some Elements Concerning the Relation Income Inequality- Economic Growth. Influence of Institutional Framework\*

Florina POPA

Romanian Academy, Institute of National Economy, Bucharest, Romania,

Correspondence should be addressed to: Florina POPA; florinapopa289@gmail.com

\* Presented at the 44th IBIMA International Conference, 27-28 November 2024 Granada, Spain

### Abstract

**The motive behind the study** of the study lies in the very importance of the topic of the research, of the significant elements that emerge from the studies carried out, income inequality being an important element of influence of economic growth, with economic and social implications, in society. **The void in literature that makes this study important** results from the original rendering of retained ideas and increase of the contribution brought to the research of this field. **The methodology used in the study** was documentation from the specialized literature, synthesis, processing by the author's own interpretation of retained ideas. **Summary of the findings** The acquired results contribute to the study of the relation between inequality and growth, of the elements that influence income inequality and also, the influence of institutional framework on income inequality, retaining relevant aspects that arise from the research fulfilled by various specialists in the field.

**Keywords:** taxes, fiscal policies, income inequality, economic growth, institutional framework.

**JEL Classification:** D31; E64; O43.

### Introduction

Taxes are an important source of budget revenues and one of the key components of fiscal policy. The increase in per capita income, as a result of economic development, gives individuals greater ability to pay taxes and thus, to actively participate in the taxing process. Although revenues from taxes collected from different economic sources are used by the public sector, in various areas, taxes influence the process of economic growth and socio-economic development (Celikay, 2019).

The reason for applying taxes consist in the need for the government to collect resources for financing various activities and the exercise of functions. At the same time, it can be said that these taxes require costs related to their collection and the impact on the efficiency of resource allocation and the equity of income redistribution. It can be exemplified the situation in which a measure of reduction in spending determines governments to move towards new fiscal measures, which indirectly involve costs for society, as well. (Parthasarathi S., 1995., Macek, R., 2018).

Tax policy can be considered one of the macroeconomic policies of governments, due to the direct action of fiscal policies, with visible results and economic and social impact. Increasing tax revenues can be easier than reducing expenses. These are elements that motivate governments to move more strongly towards issues concerning taxation. (Parthasarathi, 1995) .

Collected revenues are an important financial resource, for the state, but at the same time, they have an impact on several socio-economic components. (Celikay, 2019).

## **Income Inequality**

The OECD considers that income inequality results from different ways in which income is distributed among the population. Other references to the term inequality are, also, found in literature: "the gap between rich and poor, income inequality, the disparity of wealth, the differences in wealth and income, or the gap in wealth"[1] (OECD, Income inequality, <https://www.oecd.org/en/data/indicators/income-inequality.html>)

The way to measure inequality is the Gini coefficient. It compares the cumulative proportions of the population with the cumulative proportions of revenue it receives. It varies between 0, in the case of perfect equality (that is, each share of the population receives the same share of income) and 1, in the case of perfect inequality (that is, all incomes go to the individual with the highest revenue) (OECD) (OECD, Income Inequality, <https://www.oecd.org/en/data/indicators/income-inequality.html>).

### ***The relation inequality-economic growth***

Various studies note the relation between inequality and economic growth. In this regard, Lewis (1954), Kuznets (1955) and Kaldor (1956) (quoted by Muinel-Gallo and Roca-Sagales, Richard L. Bertrand Edt., 2011) observed that income inequality is determined by the level of economic development. They looked at how income redistribution is influenced by long-term economic development, signaling both an effect of increasing income inequality and a decrease in income inequality, depending on the stage of economic development (growth effect in the first stages and, respectively, decrease, in the last stages). The neoclassical model of growth (Solow, 1956) (quoted by Muinel-Gallo and Roca-Sagales Oriol, Richard L. Bertrand Edt., 2011) brings theoretical arguments that demonstrate the connection between inequality and capital accumulation, similar to the conception of Kuznets (1955) (quoted by Muinel-Gallo and Roca-Sagales Oriol, Richard L. Bertrand Edt., 2011).

Thus, the redistribution of income and wealth depends on the moments of the process of capital accumulation, being *unequal* in the initial stages of the process of capital accumulation and *equalizing* at the time of *accumulation* of wealth. (Muinel-Gallo and Roca-Sagales Oriol, Richard L. Bertrand Edt., 2011).

### **→*The relation fiscal policy-income redistribution***

Other studies note the relation between fiscal policy and income redistribution, which is seen as a tool in ensuring income redistribution. Tax policy in the form of taxes and social aid expenditure influences the well-being of individuals, through payments made through taxes and transfers, as well as through social aid expenditure, such as those for access to education and healthcare (Clements et. al. 2015, p. 3) (quoted by Manwar Hossein and Pathranarakul, 2022).

There are also views according to which fiscal policy is ineffective in addressing issues concerning income inequality, due to its low tax-to-GDP ratio (Kunawotor et al. 2022) (quoted by Manwar Hossein and Pathranarakul, 2022). The impact of fiscal policy on income redistribution results in the allocation of some limited amounts to social sectors, such as education and social assistance and health insurance, for the disadvantaged. (Apergis 2021) (quotoed by Manwar Hossein and Pathranarakul, 2022).

---

Some studies have used neoclassical theories to observe *the effects of fiscal policy on economic activity*. In their studies, Sato (1967), Krzyzaniak (1967), and Feldstein (1974) analyze the impact of various taxes on growth; Summers (1981) and Auerbach and Kotlikoff (1987) adapt Diamond's model (1965) (quoted by Muinelo-Gallo and Roca-Sagales Oriol, Richard L. Bertrand Edt., 2011), to observe the dynamic nature of the effects of fiscal policy; Judd (1985) and Chamely (1986), using the model developed by Cass and Koopmans (1965) (quoted by Muinelo-Gallo and Roca-Sagales Oriol, Richard L. Bertrand Edt., 2011) analyzed the impact of fiscal policy, taking into account the endogenous savings rates. In general, all these models highlight the variable effects of different fiscal policy instruments, for economic development.

There are also studies in which the authors have not observed results that lead to conclusions concerning the impact of fiscal policy on income redistribution. (Brinca et al. 2021; Caminada et al. 2019 ; Cevik and Correa-Caro 2020; Dotti 2020; Salotti and Trecroci 2018 ) (qutoed by Manwar Hossein and Pathranarakul, 2022).

In the theories of endogenous growth, new methods are presented, by which fiscal policy has effects on economic growth. At the same time, one can observe *the relation of mutual influence* between growth and inequality. Tax policy is an important tool in the process of redistribution. In the context of these theories of growth and of some significant factors for income redistribution, such as technological change and human capital, the influence of fiscal policy has increased, as an instrument of economic growth and redistribution. (Muinelo-Gallo, Roca-Sagales Oriol, Bertrand Edit., 2011).

In their studies on the relationship between *distributive politics and economic growth in 46 countries*, for the period 1960–1985, Alesina and Rodrik (1994) observe that higher income inequality, unfavourable impact the economic growth, resulting in a slowing down growth (qutoed by-Kholeka Mdingi, Sin-Yu Ho, 2021).

#### →*The causality relation inequality-growth*

In studies appeared in the 1990s, the researches are focused on how income inequality contributes to the process of economic growth, an inverse causality relation, between inequality and growth.

The growth models of Lewis (1954), Kaldor (1957), and Pasinetti (1962), Galor, and Moav (2004), which show the *favorable* impact of inequality, on economic growth are identified, (quoted by Muinelo-Gallo, Roca-Sagales Oriol, Bertrand Edit., 2011)

Other works (Stiglitz, 1969) (quoted by Muinelo-Gallo, Roca-Sagales Oriol, Bertrand Edit., 2011) reveal *unfavorable* effects of inequality on growth.

Redistributive policies can have *opposite* effects on growth; thus, given that inequality has negative effects on growth, the redistribution to those with lower incomes, by reducing inequality, can have favourable impacts on growth (Muinelo-Gallo, Roca-Sagalés Oriol, Bertrand Edit., 2011).

### ***Influence of institutional framework on income inequality***

The way in which institutional framework exercise its influence on income inequality, was objective of many studies achieved by theorists. Thus, in the following, will be done, a shor theoretical review in this subject.

Chong and Gradstein (2007) (quoted by Kosta Josifidis, Novica Supic, Emilija Beker-Pucar, 2017, p,170), in studying a large set of countries over 20 years, working with a panel data, note that inequality can affect institutions, results, also, observed by Konstantin Sonin (2003), Karla Hoff and Joseph E. Stiglitz (2004) and Alesina and George-Marios Angeletos (2005), in their previous studies. Also, Chong and Gradstein (2007), note a causality relation between inequality and institutional quality; mutual ifluence between inequality on the institutional quality.

Acemoglu et. al. (2014) (quoted by Hossein Manwar M., Pathranarakul P., 2022) considers that institutions favorably or unfavorably influence economic results and income redistribution. Thus, inclusive institutions favour economic activities, while extractive institutions negatively influence economic development. An effective institutional framework in the implementation of policy reforms of revenue redistribution helps to increase the efficiency of fiscal policy in reducing income inequality. (Acemoglu and Robinson, 2006). (quoted by Hossein Manwar M. and Pathranarakul P., 2022). In the opinion of Acemoglu (2009, p.136) (quoted by Jiancai Pi and Yanwei Fan, 2021), the term of institutions “encompasses different types of social arrangements, laws, regulations, enforcement of property rights, and so on.”[2]

Beramendi and Cusack (2008) (quoted by Kosta Josifidis, Novica Supic, Emilija Beker-Pucar, p. 170-171), using a panel of 13 OECD countries, study the evolution of inequality and its determinants across different forms of income and observe that the a great cross-countries diversity on income distribution can be determined by “political actors and economic institutions”. Compliance with the rule of law and the elimination as far as possible of corruption favours social cohesion and will ensure the orientation of the expenditure for education, health and social security, in order to combat the marginalization of the disadvantaged. (Hossein Manwar M. and Pathranarakul P., 2022).

Carmignani (2009) (quoted by Hossein Manwar M. and Pathranarakul P., 2022) argues that a weak institutional framework has a negative effect on income inequality, generating an increase in it.

Huynh (2021) (quoted by Hossein Manwar M. and Pathranarakul P., 2022) examines how institutional framework and Foreign Direct Investment influence income redistribution and their impact on income inequality. A quality institutional environment improves income inequality and the impact of Foreign Direct Investment, on it (Huynh, 2021).

Chusseau et al. (2008) studied how determinants like supply demand and institutional influence negatively the inequality in the sense of increasing income inequality, these factors are also known as supply-demand-institution approach (Freeman & Katz, 1994; Katz & Autor, 1999) (quoted by Jiancai Pi and Yanwei Fan, 2021).

## **Conclusions**

From the theoretical aspects presented, we can draw some essential ideas related to income inequality, as they were approached in this paper.

There were concerns of specialists in the field, related to issues on relation income inequality-economic growth, the causality relation between them and influence exerted by the institutional framework on the income inequality as can be seen in the following:

- opinions of some theoreticians who referred to aspects regarding the causality relation between inequality and economic growth, the mutual influence between them;
- studies in which the relation between fiscal policy and income redistribution is observed, fiscal policy being seen as an instrument in ensuring income redistribution. Some studies have used neoclassical theories to observe the effects of fiscal policy on economic activity.
- research on the influence of the institutional framework on income inequality, observing a favourable or unfavourable influence of institutions, on economic results and income redistribution.

## **Acknowledgment**

---

This article is a part of the research paper achieved in the year 2024, by a research team of Institute of National Economy, Romanian Academy "Fiscalitate și inegalitate: provocări pentru creștere economică robustă și incluziune socială pentru toți".

## Endnotes

[1] OECD, Income inequality, <https://www.oecd.org/en/data/indicators/income-inequality.html>;

[2] Acemoglu (2009), p. 136, quoted by Jiancai Pi and Yanwei Fan (2021), Institutional change and wage inequality, *International Review of Economics & Finance*, Volume 71, January 2021, Pages 440-452.

## References

- Acemoglu, Daron, and James A. Robinson (2006). "De Facto Political Power and Institutional Persistence". *American Economic Review*. Volume 96, No. 2, May 2006, pp. 325-330 (6 pages) Published By: American Economic Association, <https://www.jstor.org/stable/30034667>;
- Acemoglu D. (2009), Introduction to modern economic growth, <https://www.theigc.org/sites/default/files/2016/06/acemoglu-2007.pdf>
- Acemoglu, Daron, Francisco A. Gallego and James A. Robinson. (2014). "Institutions, Human Capital, and Development" *Annual Review of Economics* 6: 875–912. DOI: 10.1146/annurev-economics-080213-041119; <https://economics.mit.edu/sites/default/files/inline-files/Institutions,%20Human%20Capital%20and%20Development.pdf>; <http://www.annualreviews.org/doi/full/10.1146/annurev-ec-6> .
- Alesina, Alberto F., and George-Marios Angeletos. 2005. "Fairness and Redistribution: US vs. Europe." *American Economic Review*, 95(3): 913-935.
- Alesina A., Rodrik (1994) D. "Distributive politics and economic growth". *The Quarterly Journal of Economics*, Vol. 109, No. 2 (May, 1994), pp. 465-490 (26 pages), Published By: Oxford University Press
- Apergis, Nicholas. (2020), "The Role of Fiscal Policy in The Link Between Income Inequality and Banking Crises". *Applied Economics Letters*, 28(15), 1283–1287. Volume 28, 2021 - Issue 15, <https://doi.org/10.1080/13504851.2020.1808570>  
<https://www.tandfonline.com/doi/citedby/10.1080/13504851.2020.1808570?scroll=top&needAccess=true>
- Auerbach, Alan J. and Kotlikoff Laurence J. (1987), *Dynamic Fiscal Policy*. Cambridge University Press. [https://kotlikoff.net/wp-content/uploads/2019/03/Dynamic-Fiscal-Policy\\_1.pdf](https://kotlikoff.net/wp-content/uploads/2019/03/Dynamic-Fiscal-Policy_1.pdf)
- Beramendi, Pablo, and Thomas R. Cusack. 2008. "Diverse Disparities: The Politics and Economics of Wage, Market, and Disposable Income Inequalities." *Political Research Quarterly*, 62(2): 257-275.
- Quarterly, 62(2): 257-275.
- Barro, R.J. "Inequality and Growth in a Panel of Countries". *Journal of Economic Growth* 5, 5–32 (2000). <https://doi.org/10.1023/A:1009850119329>;
- Brinca, Pedro, Miguel H. Ferreira, Francesco Franco, Hans A. Holter, and Laurence Malafry. (2021). "Fiscal Consolidation Programs and Income Inequality". *International Economic Review* 61: 405–60. Volume 62, Issue 1 February 2021, Pages 405-460, <https://onlinelibrary.wiley.com/doi/full/10.1111/iere.12482>  
WILEY Online Library, <https://doi.org/10.1111/iere.12482>  
<https://onlinelibrary.wiley.com/doi/full/10.1111/iere.12482>;
- Caminada, Koen, Goudswaard Kees, Wang Chen, and Wang Jinxian (2019). "Income inequality and fiscal redistribution in 31 countries after the crisis". *Comparative Economic Studies* Volume 61, 119–148 (2019). SpringerLink, <https://doi.org/10.1057/s41294-018-0079-z>; <https://link.springer.com/article/10.1057/s41294-018-0079-z#citeas>
- Carmignani, Fabrizio. (2009). "The distributive Effects of Institutional Quality When Government Stability is Endogenous". *European Journal of Political Economy* 25: Pages 409-421. Volume 25, Issue 4, December 2009, ScienceDirect <https://doi.org/10.1016/j.ejpoleco.2009.03.003>; <https://www.sciencedirect.com/science/article/abs/pii/S0176268009000482>;
- Cass, David (1965). "Optimum Growth in an Aggregative Model of Capital Accumulation" *The Review of Economic Studies*, Vol. 32, No. 3 (Jul., 1965), pp. 233-240 Published by: Oxford University Press; doi:10.2307/2295827. JSTOR 2295827. <http://www.jstor.org/stable/2295827>;  
<http://piketty.pse.ens.fr/files/Cass1965.pdf>

- Celikay F. (2020), "Dimensions of tax burden: a review on OECD countries", *Journal of Economics Finance and Administrative Science* 25(49):27-43, ISSN: 2218-0648, DOI:10.1108/JEFAS-12-2018-0138, [www.chrome-extension://efaidnbmnnnibpcaipcgglefindmkaj/https://www.emerald.com/insight/content/doi/10.1108/JEFAS-12-2018-0138/full/pdf?title=dimensions-of-tax-burden-a-review-on-oecd-countries](http://www.chrome-extension://efaidnbmnnnibpcaipcgglefindmkaj/https://www.emerald.com/insight/content/doi/10.1108/JEFAS-12-2018-0138/full/pdf?title=dimensions-of-tax-burden-a-review-on-oecd-countries); [https://www.researchgate.net/publication/340281165\\_Dimensions\\_of\\_tax\\_burden\\_A\\_review\\_on\\_OECD\\_countries](https://www.researchgate.net/publication/340281165_Dimensions_of_tax_burden_A_review_on_OECD_countries)
- Cevik, Serhan, and Correa-Caro Carolina. (2020). "Growing (un) equal: Fiscal policy and income inequality in China and BRIC+". *Journal of the Asia Pacific Economy* Volume 25, 2020 - Issue 4, Pages 634-653, <https://doi.org/10.1080/13547860.2019.1699985>; <https://www.tandfonline.com/doi/abs/10.1080/13547860.2019.1699985>
- Chamely, C. (1986), "Optimal taxation of capital income in general equilibrium with infinite lives". *Econometrica* Vol. 54, No. 3 (May, 1986), pp. 607-622 (16 pages), Published by: The Econometric Society <https://doi.org/10.2307/1911310>; <https://www.jstor.org/stable/1911310>;
- Chong, Alberto, and Mark Gradstein. 2007. "Inequality and Institutions." *The Review of Economics and Statistics*, 89(3): 454-465. <http://dx.doi.org/10.1162/rest.89.3.454>;
- Economics and Statistics, 89(3): 454-465. <http://dx.doi.org/10.1162/rest.89.3.454>
- Christopher D. Carroll (2022), The Diamond (1965) OLG Model September 26, 2022, Johns Hopkins University, <https://www.econ2.jhu.edu/people/ccarroll/public/LectureNotes/Consumption/OLGModel.pdf>;
- Chusseau, N.; Dumont M., Hellier J. (2008), "Explaining Rising Inequality: Skill-Biased Technical Change And North-South Trade\*", *Journal of Economic Surveys*, Volume 2, Issue 3, Pages 409-457, July 2008, <https://doi.org/10.1111/j.1467-6419.2007.00537.x>; <https://onlinelibrary.wiley.com/doi/epdf/10.1111/j.1467-6419.2007.00537.x>;
- Clements, B., De Mooij R., Francese M., Gupta S., and Keen M. (2015). Chapter 1 Fiscal Policy and Income Inequality: An Overview. In *Inequality. and Fical Policy*, B. Clements, R. De Mooij, S. Gupta and M. Keen (Editors). Washington, DC: Publisher: International Monetary Fund, pp. 3–20. ISBN: 9781513531625; DOI: <https://doi.org/10.5089/9781513567754.071>; <https://www.elibrary.imf.org/display/book/9781513531625/9781513531625.xml?BookTabs=bookabstract>;
- Dabla-Norris, E., Kochhar, K., Ricka, F., Suphaphiphat, N. and Tsounta, E. (2015). Causes and consequences of income inequality: A global perspective. IMF staff discussion notes;
- Diamond, Peter (1965). "National debt in a neoclassical growth model". *American Economic Review*. Volume 55, No. 5, Part 1 (Dec., 1965), pp. 1126-1150, American Economic Association Stable <http://www.jstor.org/stable/1809231>
- Dotti, Valerio. (2020). "Income Inequality, Size of Government, and Tax Progressivity: A Positive Theory". *European Economic Review* 121: 103327. January 2020, Volume 121, Issue C Edited by T.S. Eicher, A. Imrohoroglu, E. Leeper, J. Oechssler and M. Pesendorfer DOI: [10.1016/j.eurocorev.2019.103327](https://doi.org/10.1016/j.eurocorev.2019.103327); <https://EconPapers.repec.org/RePEc:eee:ecorev:v:121:y:2020:i:c:s0014292119301874>;
- Edem Kunawotor, Mark; Bokpin Godfred Alufar; Asuming Patrick O., and Amoateng Kofi A.. (2022). "The Distributional Effects of Fiscal and Monetary Policies in Africa". *Journal of Social and Economic Development*, 1–20. Springer; Institute for Social and Economic Change, vol. 24(1), pages 127-146, DOI: 10.1007/s40847-021-00172-y, [https://ideas.repec.org/a/spr/jsecdv/v24y2022i1d10.1007\\_s40847-021-00172-y.html](https://ideas.repec.org/a/spr/jsecdv/v24y2022i1d10.1007_s40847-021-00172-y.html)
- Feldstein, M. (1974), "Incidence of a Capital Income Tax in a Growing Economy with Variable Savings Rates". *The Review of Economic Studies*, Volume 41, Issue 4, October 1974, Pages 505–513, <https://doi.org/10.2307/2296700> <https://academic.oup.com/restud/article-abstract/41/4/505/1543349>
- Freeman RB, Katz LF.(1994) Rising Wage Inequality:The United States vs. Other Advanced Countries. In: Freeman RB Working Under Different Rules. New York: Russell Sage Foundation ; 1994. pp. 29-62., Harvard University, <https://scholar.harvard.edu/lkatz/publications/rising-wage-inequalitythe-united-states-vs-other-advanced-countries>
- Galor, O. and Moav O., (2004), "From Physical to Human Capital Accumulation: Inequality and the Process of Development," *The Review of Economic Studies* (2004) 71, pag, 1001-1026, 2004, <http://piketty.pse.ens.fr/files/GalorMoavRES2004.pdf>
- Hoff, Karla, and Joseph E. Stiglitz (2004). "After the Big Bang? Obstacles to the Emergence of the Rule of Law in Post-Communist Societies." *The American Economic Review*, 94(3): 753-763. <http://dx.doi.org/10.1257/0002828041464533>

- Huynh, Cong Minh (2021). Foreign direct investment and income inequality: Does institutional quality matter? *The Journal of International Trade & Economic Development*, Taylor & Francis Journals, vol. 30(8), pages 1231-1243, November. DOI: 10.1080/09638199.2021.1942164; <https://ideas.repec.org/a/taf/jitecd/v30y2021i8p1231-1243.html>
- Judd, Kenneth, L. (1985), "Redistributive taxation in a simple perfect foresight model". *Journal of Public Economics* 8(1), pp. 59–83. Volume 28, Issue 1, October 1985, Pages 59-83 [https://doi.org/10.1016/0047-2727\(85\)90020-9](https://doi.org/10.1016/0047-2727(85)90020-9), <https://www.sciencedirect.com/science/article/abs/pii/0047272785900209>
- Jiancai Pi and Yanwei Fan (2021) Institutional change and wage inequality, *International Review of Economics & Finance*, Volume 71, January 2021, Pages 440-452, <https://www.sciencedirect.com/science/article/abs/pii/S1059056020302148>
- Kaldor Nicholas (1956) "Alternative Theories of Distribution,, RES *The Review of Economic Studies*, Vol. 23, No. 2 (1955 - 1956), pp. 83-100 Published by: The Review of Economic Studies Ltd. <http://www.jstor.org/stable/2296292> <http://piketty.pse.ens.fr/fichiers/enseig/econieg/articl/Kaldor1955.pdf>
- Kaldor Nicholas. (1957), "A model of economic growth". *The Economic Journal* Volume 67, No. 268 (Dec., 1957), pp. 591-624 (34 pages) Published By: Oxford University Press, <https://doi.org/10.2307/2227704>; <https://www.jstor.org/stable/2227704>
- Katz Lawrence F ; Autor David H. (1999), Chapter 26 - Changes in the Wage Structure and Earnings Inequality, *Handbook of Labor Economics*, Volume 3, Part A, 1999, Pages 1463-1555, [https://doi.org/10.1016/S1573-4463\(99\)03007-2](https://doi.org/10.1016/S1573-4463(99)03007-2); <https://www.sciencedirect.com/science/article/abs/pii/S1573446399030072>;
- Kholeka Mdingi, Sin-Yu Ho (2021)\_ Literature review on income inequality and economic growth, doi: [10.1016/j.mex.2021.101402](https://doi.org/10.1016/j.mex.2021.101402), National Library of Medicine, PubMed Central PMC. <https://pmc.ncbi.nlm.nih.gov/articles/PMC8374511/#bib0013>
- Koopmans, Tjalling, C. (1965). "On the Concept of Optimal Economic Growth". *The Economic Approach to Development Planning*. Chicago: Rand McNally. pp. 225–287. <https://elischolar.library.yale.edu/cowles-discussion-paper-series/392/>
- Koopmans, Tjalling C., (1963). "On the Concept of Optimal Economic Growth" Cowles Foundation Discussion Papers. 392.. <https://elischolar.library.yale.edu/cowles-discussion-paper-series/392>
- Kosta Josifidis, Novica Supic, Emilija Beker-Pucar, p. 170-171, Institutional Quality and Income Inequality in the Advanced Countries, January 2017, *Panoeconomicus* 64(2):169-188, DOI:10.2298/PAN1702169J , 2017, Vol. 64, Iss ue 2 (Special Issue), pp. 169-188)
- Krzyzaniak, M. (1967), "The Long-Run Burden of a General Tax on Profits in a Neoclassical World". *Public Finance* Volume 22 No. 4, pp. 472-491.
- Kunawotor Edem, Mark; Bokpin Godfred Alufar, and Barnor Charles. (2020). "Drivers of income inequality in Africa: Does institutional quality matter?" *African Development Review. Revue africaine de developpement* Volume 32 Issue 4 pag. 718–29. WILEY Online Library, <https://doi.org/10.1111/1467-8268.12473>; <https://onlinelibrary.wiley.com/doi/abs/10.1111/1467-8268.12473>
- Kuznets, Simon. (1955.) "Economic Growth and Income Inequality". *The American Economic Review* 45: 1–28. Volume XIV March, 1955 Number One, <https://assets.aeaweb.org/asset-server/files/9438.pdf>
- Lewis, Arthur, W. (1954), "Economic Development with Unlimited Supplies of Labour". *The Manchester School* 22. , Volume 22, Issue 2, pages 139-191, <https://la.utexas.edu/users/hcleaver/368/368lewistable.pdf>
- Macek, R. (2018), "Labour Taxation and its Impact on Economic Growth – Complex Analysis", DANUBE: *Law, Economics and Social Issues Review*, 9 (1), 49–61, *Review Provided in Cooperation with European Association Comenius (EACO)*, Brno, De Gruyter Open, ISSN 1804-8285, De Gruyter, Warsaw, Volume 9, Issues 1, pp. 49-61, DOI: 10.2478/danb-2018-0004, <https://www.econstor.eu/bitstream/10419/184539/1/danb-2018-0004.pdf> <https://doi.org/10.2478/danb-2018-0004>
- Malla Hossein Manwar and Pathranarakul Pairote, (2022) "Fiscal Policy and Income Inequality: The Critical Role of Institutional Capacity", Ralf Fendel (Academic Editor), MDPI, volume 10(5), pages 1-16, May, *Economies* 2022, 10 (5), pages 1-16, 115. <https://www.mdpi.com/2227-7099/10/5/115> <https://doi.org/10.3390/economies10050115> <https://www.mdpi.com/journal/economies>;
- Muinelo-Gallo Leonel and Roca-Sagalés Oriol (2011) Nova Science Publishers, In Chapter 4 Editor: Richard L. Bertrand, "Economic Growth Inequality and Fiscal Policies Survey of The Macroeconomics Literature", , In: *Theories and Effects of Economic Growth* pp. 99-119 2011, ISBN: 978-1-61209-795-4; [https://www.researchgate.net/publication/286141032\\_Economic\\_growth\\_inequality\\_and\\_fiscal\\_policies\\_A\\_survey\\_of\\_the\\_macroeconomics\\_literature](https://www.researchgate.net/publication/286141032_Economic_growth_inequality_and_fiscal_policies_A_survey_of_the_macroeconomics_literature)

- Parthasarathi Shome (Editor): Tax Policy Handbook ISBN: 9781557754905, Publisher: International Monetary Fund, 1995, DOI: <https://doi.org/10.5089/9781557754905.071>; <https://www.elibrary.imf.org/display/book/9781557754905/9781557754905.xml>
- Pasinetti, Luigi, L. (1962), "Rate of Profit and Income Distribution in Relation to the Rate of Economic Growth". *The Review of Economic Studies*, Vol. 29, No. 4 (Oct., 1962), pp. 267-279 Published by: The Review of Economic Studies Ltd. <http://www.jstor.org/stable/2296303>; <http://piketty.pse.ens.fr/files/Pasinetti1962.pdf>
- Salotti, S. & Trecroci, C. (2018). "Cross-country evidence on the distributional impact of fiscal policy". *Applied Economics*, 50(51), 5521–5542. <https://doi.org/10.1080/00036846.2018.1487001>; <https://www.tandfonline.com/doi/full/10.1080/00036846.2018.1487001>
- Sato, K. (1967), "Taxation and Neo-Classical Growth". *Public Finance* 22(3), pp. 346-370.
- Sonin, Konstantin. 2003. "Why the Rich May Favor Poor Protection of Property Rights." , *Journal of Comparative Economics*, 31(4): 715-731. <http://dx.doi.org/10.2139/ssrn.386102>
- Solow, Robert, M. (1956), "A Contribution to the Theory of Economic Growth.", *The Quarterly Journal of Economics*, Vol. 70, No. 1 (Feb., 1956), pp. 65-94 Published by: The MIT Press, y: The MIT Press Stable URL: <http://www.jstor.org/stable/1884513>; <http://piketty.pse.ens.fr/les/Solow1956.pdf>
- Stiglitz, J. E. (1969), "The Distribution of Income and wealth Among Individuals", *Econometrica*, 37(3); pp. 382-397 *Econometrica*, Volume 37, No. 3 (Aug., 1969), pp. 382-397 Published by: The Econometric Society Stable JSTOR, <http://www.jstor.org/stable/1912788> <http://piketty.pse.ens.fr/fichiers/enseig/econeg/articl/Stiglitz1969.pdf>
- Summers, Lawrence H. (1981) "Capital Taxation and Accumulation in a Life Cycle Growth Model." *The American Economic Review*, volume 71, no. 4, 1981, pp. 533–544. *JSTOR*, pp. 533-544 (Published by: American Economic Association <http://www.jstor.org/stable/1806179>).
- OECD, Income inequality, <https://www.oecd.org/en/data/indicators/income-inequality.html>.