

PhD lecture series in advanced macroeconomics in Post-Keynesian, institutionalist, and Marxian political economy



Inequality and Growth in the Developing World

Queen Anne Building Room 139, University of Greenwich

17 Jun 2015, 10:00-14:00

Dr. Cem Oyvat

Course outline:

This course aims to examine the relationship between income inequality and economic growth in the developing economies. The first section is on the structural factors behind the income inequality in the developing economies. We will examine the Kuznets Hypothesis, trends in subsistence/informal sector and the role of agrarian structures on determining long-run inequality. The second section discusses income distribution's effect on economic growth through credit constraints, education, crime rates, social unrest, effort, fertility and corruption. We will also examine the productivity gap between small and large-scale farms and the Marshallian Inefficiency problem. Last, we will discuss the possible outcomes of land reforms and other redistributive policies.

Core readings:

Griffin, K., Khan, A. R., & Ickowitz, A. (2002). Poverty and the Distribution of Land. *Journal of Agrarian Change*, 2(3), 279-330

Alain De Janvry's notes on Land Rental Contracts and Marshallian Inefficiency (pg. 1-5)

<http://are.berkeley.edu/courses/ARE251/2004/handouts/Sharecropping04.pdf>

Kuznets, S. (1955). Economic Growth and Income Inequality. *American Economic Review*, 1-28.

*

Voitchovsky, S. (2009) 'Inequality and Economic Growth' in W. Salverda, B. Nolan and T.M. Smeeding, eds., *Oxford Handbook of Economic Inequality*. Oxford: OUP, ch. 22.

Optional readings:

Bernstein, H. (2004) 'Changing before our very eyes': Agrarian questions and the politics of land in capitalism today." *Journal of Agrarian Change* 4.1-2: 190-225.

Griffin, K., Rahman Khan, A., & Ickowitz, A. (2004). In Defence of Neo-Classical Neo - Populism. *Journal of Agrarian Change*, 4(3), 361-386.

Ray, D. (1998) *Development Economics*. Princeton: PUP, Ch. 7.

Ferreira, F. & M. Ravallion (2009) 'Poverty and Inequality : The Global Context,' in W. Salverda, B. Nolan and T.M. Smeeding, eds., *Oxford Handbook of Economic Inequality*. Oxford: OUP, ch. 24.

Engerman, S. L., & Sokoloff, K. L. (2005). The evolution of suffrage institutions in the new world. *Journal of Economic History*, 65(04), 891-921.

Galor, O., Moav, O., & Vollrath, D. (2009). Inequality in landownership, the emergence of human-capital promoting institutions, and the great divergence. *Review of Economic Studies*, 76(1), 143-179.

Easterly, W. (2007). Inequality does cause underdevelopment: Insights from a new instrument. *Journal of Development Economics*, 84(2), 755-776.

Seguino, S. (2012). Macroeconomics, Human Development, and Distribution. *Journal of Human Development and Capabilities*, 13(1), 59-81.

Oyvatt, C. (2013). Agrarian Structures, Urbanization and Inequality, Political Economy Research Institute Working Paper Series, No. 336