

**INCOME INEQUALITY AND ITS DETERMINANTS: A  
COMPARATIVE STUDY OF SELECT COUNTRIES BASED ON  
INCOME AND GOVERNANCE QUALITY**

**THESIS**

Submitted for Partial Fulfillment of the Requirement for the Degree of  
Doctor of Philosophy in Economics

**BY**

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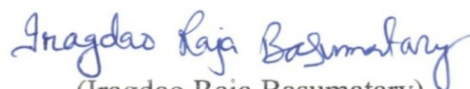
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**DECLARATION**

I, Iragdao Raja Basumatary, hereby declare that the thesis entitled **“Income Inequality and Its Determinants: A Comparative Study of Select Countries Based on Income and Governance Quality”** has been carried out by me under the supervision of Dr. Manjit Das, Professor, Department of Economics, Bodoland University, Kokrajhar.

The thesis submitted for the award of the Degree of Doctor of Philosophy in the Department of Economics, Faculty of Social Science, Bodoland University, Kokrajhar, is the outcome of my own research work and has not been submitted previously in part or in full to this or any other university or institute for the award of any other degree or diploma.

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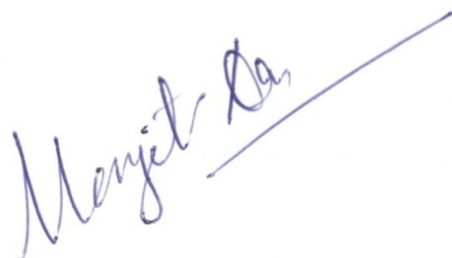
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**CERTIFICATE**

This is to certify that the research work titled **“Income Inequality and Its Determinants: A Comparative Study of Select Countries Based on Income and Governance Quality”** is the original research work carried out by Mr. Iragdao Raja Basumatary, a bonafide Research Scholar in the Department of Economics, Faculty of Social Science, Bodoland University, Kokrajhar, under my guidance. He has fulfilled all the requisites for the submission of his thesis in conformity with the guidelines of the Bodoland University and the University Grants Commission (UGC) of India. The thesis has not been submitted previously to this or any other university or institute for the award of any degree or diploma to the best of my knowledge.

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**I would like to dedicate this Thesis to my beloved  
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## List of Tables

Table 3.1: Variable list, proxy, symbol used, description, and data sources .....	65-66
Table 3.2: Classification of Countries .....	67
Table 3.3: Descriptive statistics and bivariate correlation of LICs.....	69
Table 3.4: Descriptive statistics and bivariate correlation of LMICs .....	70
Table 3.5: Descriptive statistics and a bivariate correlation between dependent and independent variables of UMICs .....	71
Table 3.6: Descriptive statistics and bivariate correlation of HICs .....	71
Table 3.7: LLC unit root test.....	72
Table 3.8: Diagnostic check.....	73
Table 3.9: FGLS, PCSE, and DK regression results (lnINE: dependent variable).....	75
Table 4.1: Variable list, proxy, symbol used, description, and data sources .....	93-94
Table 4.2: Descriptive statistics and correlation for EWG countries.....	97
Table 4.3: Descriptive statistics and bivariate correlation for ERG countries.....	98
Table 4.4: LLC unit root test.....	99
Table 4.5: Diagnostic tests.....	100
Table 4.6: FGLS, PCSE, and DK results for EWG countries (lnINE: dependant variable).. .....	101-102
Table 4.7: FGLS, PCSE, and DK results for ERG countries (lnINE: dependant variable)... ..	102
Table 5.1: Variables list, proxy, symbol used, description, and data sources .....	120
Table 5.2: Descriptive statistics and bivariate correlation .....	124
Table 5.3: Unit root test results.....	124
Table 5.4: Results of optimum lag selection.....	124
Table 5.5: Results of cointegration test.....	125
Table 5.6: Long-run ARDL results .....	125
Table 5.7: Short-run ARDL results.....	128
Table 5.8: Diagnostic test results .....	129
Table 6. 1: Decision to fail to reject or reject the hypothesis .....	134-135
Table 6. 2: Decision to fail to reject or reject the hypothesis .....	135-136
Table 6. 3: Decision to fail to reject or reject the hypothesis .....	136

## List of Figures

Figure 1. 1: The Lorenz curve and the calculation of the Gini coefficient from the Lorenz curve.....	9
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Figure 3.1: Trends of the average Gini coefficient (income inequality) among different income group countries during 1996-2021 .....	55
Figure 3.2: Conceptual link between income inequality and different factors .....	59
Figure 3.3: Steps to analyze the regression results .....	74
Figure 4.1: Trends of the average Gini coefficient (income inequality) in EWG and ERG countries during 1996-2021 .....	87
Figure 4.2: Conceptual link between income inequality-liberal democracy and income inequality-governance quality.....	89
Figure 4.3: Steps to analyze the regression results .....	99
Figure 5.1: Trends of the income inequality (top 1% income share) of India during the period from 1996 to 2021.....	114
Figure 5.2: Conceptual link between income inequality-unemployment and income inequality-governance quality.....	116
Figure 5.3: Steps to analyze the ARDL regression results .....	129
Figure 5.4: CUSUM and CUSUM squared test results .....	130

## List of Boxes

Box 3.1: Regression results of LICs, LMICs, UMICs, and HICs in equation form.....	76-77
Box 4.1: Regression results of EWG and ERG countries in equation form.....	103-104
Box 5.1: Regression results of India in equation form .....	128

## List of Appendices

A 1: List of countries of LICs, LMICs, UMICs, and HICs .....	140
A 2: Average Gini coefficient (income inequality) in LICs, LMICs, UMICs, and HICs during 1996-2021 .....	141
A 3: Gini coefficient (income inequality) in LICs during 1996-2021 .....	142
A 4: Gini coefficient (income inequality) in LMICs during 1996-2021 .....	142
A 5: Gini coefficient (income inequality) in UMICs during 1996-2021 .....	143
A 6: Gini coefficient (income inequality) in HICs during 1996-2021.....	143
A 7: List of countries of EWG and ERG countries .....	144
A 8: Average Gini coefficient (income inequality) in EWG and ERG countries during 1996-2021.....	144-145
A 9: Gini coefficient (income inequality) in EWG countries during 1996-2021 .....	145
A 10: Gini coefficient (income inequality) in ERG countries during 1996-2021 .....	146



## ABBREVIATIONS

2SLS/TSLS	Two Stage Least Squares
3SLS	Three Stage Least Squares
ADF	Augmented Dickey Fuller
AIC	Akaike Information Criterion
AMG	Augmented Mean Group
ARDL	Autoregressive Distributed lag
BRICS	Brazil, Russia, India, China, and South Africa
BRICS-T	Brazil, Russia, India, China, South Africa, and Turkey
CC	Control of Corruption
CCE	Common Correlated Effects
CCEMG	Common Correlated Effects Mean Group
CD	Cross-Sectional Dependence
CMIE	Centre for Monitoring Indian Economy
CUSUM	Cumulative Sum
CUSUMSQ	Cumulative Sum of Squares
DK	Driscoll-Kraay
DOLS	Dynamic Ordinary Least Squares
DRC	Democratic Republic of the Congo
ECM	Error Correction Model
EDE	Equally Distributed Equivalent
EMDCs	Emerging Markets and developing countries
ERG	Extremely Robust Governance
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
EWG	Extremely Weak Governance
FDI	Foreign Direct Investment
FE	Fixed Effect
FGLS	Feasible Generalized Least Squares
FMOLS	Fully Modified Ordinary Least Squares
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GE	Government Effectiveness

GLS	Generalized Least Squares
GMM	Generalized Method of Moments
GNI	Gross National Income
HDI	Human Development Index
HICs	High-Income Countries
HQIC	Hannan-Quinn Information Criterion
ICT	Information and Communication Technology
IGIM	Intergenerational Income Mobility
IHDS	Indian Human Development Survey
ILO	International Labour Organization
IMF	International Monetary Fund
IV	Instrumental Variable
IVLS	Instrumental-Variable Least Squares
LDCs	Less Developed Countries
LICs	Low-Income Countries
LLC	Levin-Lin-Chu
LMI	Lower-Middle Income
LMICs	Lower-Middle Income Countries
LSDV	Least Square Dummy Variable
MLM	Maximum Likelihood Method
MMQR	Method of Moments Quantile Regression
NIDS	National Income Dynamics Study
NNI	Net National Income
NSDP	Net State Domestic Product
NSS	National Sample Survey
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OLS	Ordinary Least Squares
PCNSDP	Per Capita Net State Domestic Product
PCSE	Panel-Corrected Standard Errors
PLS	Partial Least Squares
PMG	Pooled Mean Group
POLS	Pooled Ordinary Least Squares
PP	Phillips-Perron

PRC	People's Republic of China
PV	Political Stability and Absence of Violence
QR	Quantile Regression
RBI	Reserve Bank of India
RE	Random Effect
RL	Rule of Law
RQ	Regulatory Quality
SBIC	Schwartz Bayesian Information Criterion
SSA	Sub-Saharan Africa
SUR	Seemingly Unrelated Regression
SVAR	Structural Vector Auto Regression
SWIID	Standardized World Income Inequality Database
UAE	United Arab Emirates
UECM	Unrestricted Error Correction Model
U.K.	United Kingdom
UMICs	Upper-Middle Income Countries
UN	United Nations
UNDP	United Nations Development Programme
UQR	Unconditional Quantile Regression
U.S.	United States
VA	Voice and Accountability
VAR	Vector Autoregressive
VARX	Vector-Error Correcting Autoregressive with Exogenous Variables
VECM	Vector Error Correction Model
WALS	Weighted Average Least Squares
WDIs	World Development Indicators
WGs	Worldwide Governance Indicators
WID	World Inequality Database
WIID	World Income Inequality Database
WIR	World Inequality Report