

Contents

1	Introduction	1
2	Environment and Equilibrium	5
2.1	The Political–Economic Equilibrium	7
2.2	Competitive Economic Equilibrium	8
2.3	A Perfect Foresight Political Equilibrium	9
2.4	Capital Stock as a State Variable	10
2.5	Markovian Payoff Functions	13
2.6	Static Versus Dynamic	15
2.7	A Ramsey Solution	15
2.8	Inter–Versus Intra–Generation Interactions	19
3	A Parametric Example	21
3.1	The Economics	22
3.2	The Politics	23
3.3	A Markovian Solution	24
3.4	A Simulation Exercise	25
3.5	A Calibration Exercise	26
4	An Empirical Appraisal	31
4.1	Democracy as an Identifying Assumption	32
4.2	Structural and Reduced–Form Equations	33
4.3	Income Distribution Data	33
4.4	Heteroscedasticity	34
4.5	The Size of Redistribution	35
4.6	Growth Regressions	35
5	Conclusion	43
5.1	Extension	44
6	Appendix A	45
7	Appendix B	53

References 55

Index 59



<http://www.springer.com/978-1-4614-1289-2>

Taxation, Growth and Fiscal Institutions

A Political and Economic Analysis

Lee, A.J.

2012, XIV, 61 p. 1 illus., Softcover

ISBN: 978-1-4614-1289-2