UNIVERSIDAD DE GRANADA

Departamento de
Teoría e Historia
Económica

Seminario: Ángel Solano-García (Universidad de Granada)

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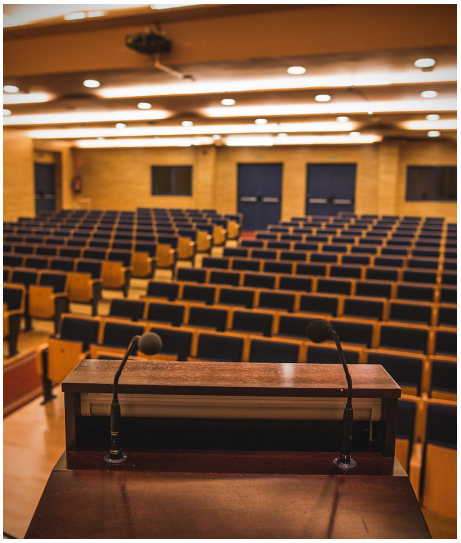

Título: Income inequality and voters' support for government intervention. A simple political model

Sala: E28

Hora: 12:30

Abstract: This paper studies the effect of voters' support for government intervention on the choice of policies that reduce income inequality. Using a Downsian two-party political competition framework in which voters differ in both income and ideology, I find that an increase in income inequality does not necessarily imply an increase in the tax rate chosen by majority voting. I only obtain this result, supported by the traditional models on redistributive politics (Romer (1975), Roberts (1977) and Meltzer and Richard (1981)), if the support for government intervention is alike for conservative and liberal voters. However if conservatives' support for public spending is reduced, high-income inequality is compatible with a moderate tax rate.

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