

Visiting scholar: Professor Liu Qijung

Affiliation: School of Public Administration, Huazhong University of Science and Technology, Wuhan, China

Title: Corruption and income inequality: empirical evidence from China

Abstract:

Using a dataset from China for the period 1986-2012, we find a linear and positive association between corruption and income inequality. The positive impacts of corruption on inequality decrease as the income levels increase. Further investigation indicates that causality runs from corruption to inequality in the long run. Population density, unemployment, investment, inflation, income level, market progress and urbanization are identified as significant channels through which corruption affects income distribution.

Key words: corruption; income inequality; economic development; China