

# Income Inequality, Redistribution and Democratization

## Summary

In this paper, we investigate the economic factors which determine a transition to democracy. Our approach of analysis based on the framework proposed by Acemoglu and Robinson (2006) in which there are the conflicts of redistribution between the rich (class) and the poor (one).

In our model, we assume that the poor have two types: Weak and Strong. The difference between the Weak type and the Strong one is the later can win a revolution, but the former will lose. However, this is the private information of the poor and not observed by the rich. When the inter-group income inequality increases, with these asymmetric informations, the Weak type of the poor would also have a great likelihood of attempting a revolution. As a result, the rich have to democratize.

This paper concludes that larger inequality results in higher probability of democratization.