Technological Progress and the Future of Kuznets Curve's

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Abstract We use OECD members' data and a simple stochastic optimal growth model to ascertain that new-born technological inventions increase the degree of inequality but that this declines as the technology disperses into the overall economy (Galor and Tsiddon (1997); Weil (2005)). Therefore, we show explicitly that Kuznets curve does not converge to a single inverted U-curve but fluctuates through technological progress as a sine curve.

 $\mathbf{Keywords}$ Kuznets curve · Income inequality · Cubic hypothesis · Technological progress

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