



MENA Seminar Series

Middle East and North Africa
Chief Economist's Office

Inequality Undermines Democracy and Growth

Thursday, September 26 at 12:30 pm Room J 5-050

Speaker: **Thorvaldur Gylfason**, Professor of Economics at the University of Iceland and Research Associate at CESifo (Center for Economic Studies) at the University of Munich.

Chair: **Rabah Arezki**, Chief Economist, Middle East and North Africa, The World Bank

Abstract

This talk aims to show that income equality and interpersonal trust go along with several other facets of social capital as determinants of economic growth across countries. In a large sample of countries, equality in the distribution of income as measured by the World Bank and by The Standardized World Income Inequality Database is shown to be correlated with economic diversification, the rule of law, transparency as measured by the corruption perceptions index, trust as measured in the World Values Survey, and democracy, all of which are good for growth.