DEVELOPMENT AND UNDERDEVELOPMENT

The Political Economy of Global Inequality

EDITED BY

Mitchell A. Seligson and John T Passe-Smith
# CONTENTS

*Preface* ix

1. The Dual Gaps: An Overview of Theory and Research  
   *Mitchell A. Seligson* 1

## Part I Is There a Gap Between Rich and Poor Countries?

2. The World Economy: A Millennial Perspective  
   *Angus Maddison* 9

   *John T. Passe-Smith* 17

4. The Rising Inequality of World Income Distribution  
   *Robert Hunter Wade* 33

5. Could It Be That the Whole World Is Already Rich?  
   A Comparison of RGDP/pc and GNP/pc Measures  
   *John T. Passe-Smith* 41

## Part 2 The Other Gap: Domestic Income Inequality

6. Economic Growth and Income Inequality  
   *Simon Kuznets* 61

7. Should Equity Be a Goal of Economic Policy?  
   *IMF Fiscal Affairs Department* 77

8. Inequality and Insurgency  
   *Edward N. Muller and Mitchell A. Seligson* 83
9 Some New Evidence on Correlates of Political Violence:
Income Inequality, Regime Repressiveness,
and Economic Development
Erich Weede 101

Part 3 The Classic Thesis: Convergence or Divergence?
10 The Five Stages of Growth
W. W. Rostow 123
11 Catching Up, Forging Ahead, and Falling Behind
Moses Abramovitz 133
12 Productivity Growth, Convergence, and Welfare:
What the Long-Run Data Show
William J. Baumol 155
13 Productivity Growth, Convergence, and Welfare: Comment
J. Bradford De Long 171
Roberto Patricio Korzeniewicz and Timothy Patrick Moran 183
15 Empirics of World Income Inequality
Glenn Firebaugh 209

Part 4 Culture and Development
16 The Achievement Motive in Economic Growth
David C. McClelland 225
17 The Confucian Ethic and Economic Growth
Herman Kahn 245
18 The Culture of Poverty
Oscar Lewis 249
19 The Effect of Cultural Values on Economic Development:
Theory, Hypotheses, and Some Empirical Tests
Jim Granato, Ronald Inglehart, and David Leblang 259

Part 5 Dependency Theory
20 The Structure of Dependence
Theotonio dos Santos 277
21 American Penetration and Canadian Development:
A Case Study of Mature Dependency
Heather-Jo Hammer and John W. Gartrell 289
22 The Irish Case of Dependency: An Exception to the Exception?
Denis O’Hearn 305

23 Growth Effects of Foreign and Domestic Investment
Glenn Firebaugh 327

24 The Long-Term Effects of Foreign Investment Dependence on Economic Growth, 1940-1990
Jeffrey Kentor 345

25 Income Inequality, Development, and Dependence: A Reconsideration
Arthur S. Alderson and Francois Nielsen 357

Part 6 The State, Growth, and Inequality

26 Big Bills Left on the Sidewalk: Why Some Nations Are Rich, and Others Poor
Mancur Olson Jr. 381

27 Mauritius: A Case Study
Arvind Subramanian 407

28 Why Aren’t Countries Rich? Weak States and Bad Neighbourhoods
Charles Kenny 413

29 Urban Bias and Inequality
Michael Lipton 427

30 Political Regimes and Economic Growth
Adam Przeworski and Fernando Limongi 435

31 Inequality as a Constraint on Growth in Latin America
Nancy Birdsall and Richard Sabot 449

32 The Myth of Asia’s Miracle
Paul Krugman 457

Part 7 Conclusion

33 Inequality in a Global Perspective: Directions for Further Research
Mitchell A. Seligson 465

Basic Indicators of the Gaps Between Rich and Poor Countries 483
Index 491
About the Book 503