## Income Distribution and Economic Inequality

Edited by Zvi Griliches, Wilhelm Krelle, Hans-Jürgen Krupp, and Oldrich Kyn

SOZ POL

Campus Verlag Frankfurt/Main

Halsted Press
John Wiley & Sons
New York - Toronto - Chichester



## CONTENTS

Foreword	7
A. The Distributional Impact of Macroeconomic Policy	9
1. Edward C. Budd and T. C. Whiteman  Macroeconomic Fluctuations and the Size Distribution  of Income and Earnings in the United States	11
2. Wilhelm Krelle and Ralf Pauly Distributional Impacts of Public Expenditure Programs and Tax Changes	28
3. Martin Pf a ff and Wolfgang As a m  Distributive Effects of Real Transfers via Public Infra structure:  Conceptual Problems and some Empirical Results	66
4. Jan Pen Tax Policies and Transitory Income: Some Comments	97
B. Paradigms in the Theory of Income Distribution	101
1. Dennis W. Carlton and Robert E. Hall  The Distribution of Permanent Income	103
2. D. G. Champernowne  The Place of Stochastic Models of Income Distribution amongst other Models of it	113
3. Horst Albach, Thomas Fues and Bernd Geisen  Approaches to a Theory of Income Distribution in the Firm	132
4. Carl Christian von Weizsäcker  A small contribution to the theory of wage structure in collective bargaining	155
5. Hans-Jürgen Krupp  The Contribution of Microanalytic Simulation Models to the Theory of Income Distribution	160

C.	Accounting for Inequality of Earnings: The Human Capital Approach	173
1.	George J. Borjas and Jacob Mincer  The Distribution of Earnings Profiles in Longitudinal Data	175
2.	Robert E. B. Lucas Variances in Return to Human Capital	198
3.	Zvi Griliches Earnings of Very Young Men	209
4.	P. Taubman, J. Behrman and T. Wales The Roles of Genetics and Environment in the Distribution of Earnings	220
5.	Richard B. Freeman  The Effect of the Increased Relative Supply of College Graduates on Skill Differences and Employment Opportunities	240
D.	Income Inequality in its Political Environment	257
1.	Gustav F. Papanek  Economic Growth, Income Distribution and the Political Process in Less Developed Countries	259
2.	Oldrich Kýn  Education, Sex, and Income Inequality in Soviet-type Socialism	274
3.	Michael Wagner  Income Distribution in Small Countries: Some Evidence from Austria	290
4.	Jiri S l á m a A Cross-Country Regression Model of Social Inequality	306
5.	Frank Klanberg Facts, Figures, and Syndromes of Income Distribution: Some Notes in Retrospect	324
ī	ict of Contributors	321