The determinants of income inequality in Thailand: A synthetic cohort analysis

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Abstract
This paper presents tests and estimates of the human capital model of income inequality using synthetic cohort data for Thailand: 1992-2011. The model focuses on four primary determinants of income inequality: mean per capita income levels, the variances in years of education, in the number of children, and in the number of earners in the household. All of these factors are important sources of income inequality in Thailand, with relative impacts that differ across demographic groups and types of household structure. An inverted-U relation between mean per capita income levels and inequality is found, reflecting gender differences of the head of household, differences in household composition, and variation in access to finance. Although the human capital model emphasizes education, estimates presented here show other household characteristics, such as number of children and number of earners, can be even more important sources of inequality. © 2014 Elsevier Inc.

Author Keywords
C33; D31; Human capital; Inequality; O15; Synthetic cohort; Thailand

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