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# The Effects Of Income Inequality On Service Sector Growth

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THE EFFECTS OF INCOME INEQUALITY ON SERVICE SECTOR GROWTH

by

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B.Sc., University of Calcutta, 2011

M.Sc., University of Calcutta, 2013

A Research Paper

Submitted in Partial Fulfillment of the Requirements for the

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Approved by:

Prof. Subhash C. Sharma, Advisor and Chair

Graduate School  
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AN ABSTRACT OF THE RESEARCH PAPER OF

JEETEN KRISHNA GIRI, for the Master of Arts degree in ECONOMICS, Southern Illinois University Carbondale.

TITLE: THE EFFECTS OF INCOME INEQUALITY ON SERVICE SECTOR GROWTH

MAJOR PROFESSOR: Dr. Subhash C. Sharma

The objective of this paper is to investigate the effects of income inequality on the service sector growth of 45 countries from the period 1971 to 2010. The countries are divided into low, middle and high income groups, and the analysis is carried out in two sub-time periods, 1971 to 1990 and 1991 to 2010. The analysis reveals that during 1971-1990, the effect of income inequality on service sector growth is negative and significant for low and middle income countries, whereas it is insignificant for high income countries. During 1991-2010 the effect of income inequality on service sector growth is positive and significant for all country groups.

## DEDICATION

I dedicate my research paper to my parents and my grandmother. A special gratitude to my family and friends who have always encouraged me and stood by my side.

## ACKNOWLEDGMENTS

I would like to express my sincere gratitude to my advisor, Professor Subhash C. Sharma, for his support and guidance in completing this research paper. I would also like to show my sincere gratitude to all my professors and teachers who taught me and supported me throughout my academic life.

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## CHAPTER 1

### INTRODUCTION

Economic growth and income inequality has been a subject of contention in empirical studies for the past two decades. The new growth theory models first developed by Barro (1991) enabled researchers to identify the impact of income inequality on economic growth. Pragmatic views have differed on the relationship between income inequality and economic growth. During the 1990s with the availability of cross country and panel data, researchers find a negative relationship between inequality and economic growth (Alesina and Perotti, 1994), (Torsten et al., 1994), (Alberto and Rodrik, 1994), (Clarke, 1995), (Birdsall et al., 1995), (Benabou, 1996) and (Perotti, 1996). While other like Forbes (2000) suggest the relationship to be positive.

Barro (2000) and Banerjee et al. (2003) show that income inequality affect economic growth both positively and negatively depending on whether the country is rich or poor. One common aspect of all these studies is that they consider only overall economic growth. But, income inequality may affect the growth of different sectors of an economy quite differently. This variation in sectoral relationship with income inequality is thus not evident from existing literature on income inequality and economic growth. In this paper, we thus deviate from the general trend and try to look at how inequality affects the service sector growth of an economy. In the recent past a major part of overall economic growth is driven by the service sector in many

countries. Unlike few decades ago when manufacturing sector was held crucial for growth. In appendix A, we find that from 1970 to 2010 the service sector value added is approximately 59.14 percent of the total GDP. Disaggregating the whole time period into two separate periods strengthens our claim. Service sector contributes almost 51.19 percent to the overall GDP between 1970 and 1990, whereas from 1991-2010 the share of service sector output to GDP is significantly high at nearly 61.72 percent. Thus, it becomes imperative to study the relationship between income inequality and service sector expansion.

The existing literature on service sector growth have neglected income inequality to be a major determinant. Fiala (1983) is the first to study the impact of inequality on the service sector. He captures the size of the service sector by the percent of workforce employed in it. The intuition behind this is that an increase in the share of workforce employed in the service sector, implies the sector is expanding. He considers panel data on the percent of workforce in the service sector in 1970 for a set of 39 countries. Income inequality is measured by the income share of the population and GINI coefficient in 1960. Income shares have been categorized as: Low 20%, 21-40%, 41-60%, 61-80%, 81-95% and top 5%. The findings of the paper suggest that expansion of the service sector is associated with greater inequality in the concentration of wealth, i.e. more wealth among the top 20% and top 5%, whereas higher concentration of wealth in the lower strata of the population exhibits a negative relation with the service sector growth. Apart from these findings, the estimated coefficient on Gini ratio is also positive and significant. This too indicates

that service sector growth is associated with a higher inequality. He puts forward an argument that increased dependence on foreign investment leads to capital intensive production techniques, which causes industrial employment to fall. This creates an inequality among the erstwhile industrial workers and the workers in the other sectors. Further, there is a wage difference between the existing capital intensive industry workers and the small scale workers. The industrial sector with better technology hires or retains workers with higher skills and pay higher wages. This restricts wealth in the hands of a handful of elites and magnifies inequality. Under this situation, there is greater employment in the service sector and the informal sector which leads to their expansion.

Roberts (1978) argues that when wealth is concentrated in the hands of the elites, they take advantage of the inexpensive personal services offered by the less skilled workers. The elites spend more on consumer durables and hire cheap services, which expands the service sector. Since, the literature on income inequality and service sector growth is limited we look at the evolution of studies that have focused on service sector growth and its determinants. Mahadevan (2000) studies the sources of service sector growth in Singapore. She investigates the general claim that Singapore vis-à-vis other newly industrializing South Asian economies growth is input driven and contribution of total factor productivity (TFP) is insignificant. A stochastic frontier approach is used to decompose output growth into input growth and TFP growth. Further, TFP growth is subdivided into Technological Progress (TP) and Technical Efficiency (TE). The results re-establish the general claim that input

growth is the main determinant of Singapore's total output growth as well as services. Earlier studies attribute TFP's insignificance to lack of TP. Mahadevan (2000) suggests that the insignificance of TFP is due to lack of technical efficiency which overshadows the technical progress.

Stare and Jaklič (2011) attempt to study the major determinants of service sector employment growth. The service sector is categorized into three subsectors namely, public, private and mixed. The service sector employment share of total employment is used as a proxy for growth of the service sector. The study is based on panel data of emerging market economies from 1995 to 2008. They find that institutional determinants captured by EBRD transition, GDP per capita, productivity gap (labor productivity in services relative to average labor productivity in manufacturing) and FDI inflow are significant determinants of service sector employment growth. Bhavet (2011) examines the role of service sector in India's growth. The growth of India's service sector output in the 1990s was far greater than that of agriculture and industry. In 2006 services contributed around 60% to the GDP. This shows the contribution of services in the growth path of a developing economy like India. Gani and Clemes (2010) find a similar trend between service growth and economic growth in Pacific Island countries (Fiji, Papu New Guinea, Tonga, Vanuatu). Their main findings consist of positive and significant relationship between service sector expansion and economic growth. Singh (2010) shows that for developed countries, service sector accounts for around three-fourths of the GDP. He estimates the long run and short run effects of service sector expansion on aggregate

output expansion. He uses time series data on India from 1950-51 to 2001-2002 and executes cointegration estimation of real GDP as dependent variable and service sector output as explanatory variable. The results suggest of a unidirectional Granger causality from services to GDP. All the above mentioned studies strengthen the fact that in the past two decades it's the service sector that contributes to economic growth.

Eichengreen and Gupta (2013) use lowess plots to explore the relationship between per capita income and share of services in GDP and find the estimated relationship to be quartic, which is robust to changes in the sample and specification. Their main finding is that the service sector's share of GDP grows in two waves. Initially there is growth at moderate income levels but at a decreasing rate before smoothening out around roughly \$1800 per capita income (in 2000 US \$ PPP). In the second phase, the share of service sector starts to rise again from roughly around US \$ 4000 until leveling off finally at a long run level. The first phase is relevant for countries with relatively low levels of per capita GDP and those in transition from low to middle levels. The subsequent phase is linked to countries with higher income levels and those transitioning from middle to high income levels. They empirically establish that openness to trade in services, democracy and proximity to major financial centers drive the pattern of these two waves.

Basu and Das (2015) look at the micro level service sector growth in India through the demand side. They use data on household consumption expenditure data from four rounds of NSS data (1993-94, 2004-05, 2009-10, and 2011-12). They

control for demographic factors, age and other household characteristics, dummy variables for female headed households, and try to find how monthly household expenditure is related to the amount of expenditure on services as a share of total expenditure. The results reveal that there has been a hike in expenditure on services irrespective of the income level of the household. This is seen as a demand pull effect. Since, both poor and rich people demand more of services, the service sector expands. A different approach to explain service growth is taken in this paper which has not been done in other studies.

Globalization has brought countries closer and information technology has brought them even closer. Services can easily cross borders with technological advancements and provide support. It is evident from the existing literature that service sector contributes to overall economic growth significantly. So, this paper study the relationship between income inequality and service sector growth for a set of 45 countries from 1971 to 2010. Our main aim is to test whether the relationship between income inequality and service sector expansion differs across different groups of countries and for different periods.

In what follows, section 2 describe the source of the data and how it has been constructed. In section 3, we explain the methodology that have been used to estimate the relationship between income inequality and service sector expansion. Section 4 explains the main results of the paper and finally section 5 concludes this study.

## CHAPTER 2

### DATA

Here 45 countries are considered similar to those taken in Forbes (2000). We measure service sector growth by the share of service sector value added as percentage of GDP. The data on service sector value added is obtained from World Bank. Data on real GDP per capita based on purchasing power parity at 2005 US\$ and capital stock based on PPP at 2005 US\$ are obtained from Penn World table, and income inequality data measured by GINI coefficient is generated from World Income Inequality Database (WIID).

From WIID database, inequality measure based on household income or consumption and cover the whole population have been included in our sample for Income Inequality. Due to which there are numerous missing observations on GINI for each country at different years. We try to overcome this weakness by using linear interpolation method to fill missing observations between existing data for two years. This is justified by the intuition that within two consecutive years the GINI coefficient does not change much. Data on all the variables have been collected from for a period of forty years from 1970 to 2010.

Based on real GDP per capita we have three groups of countries; low income countries, middle income countries and high income countries. To make the three groups we first averaged the GDP per capita data for each country in two distinct periods, 1971-1990 and 1991-2010. Then we listed the countries in two separate

columns in decreasing sequence based on their averaged GDP per capita for the two different periods. It is imperative that we found some countries with relatively low per capita GDP in the period 1970-1991 have significant increase in their per capita GDP in the second period. But, more than 95 percent of ordering in both time periods are found to be similar. So, we form the groups based on the ordering we observe in second period, 1991-2010. Table 1 describes the income groups.

Table 1: Classification of Income Groups

<b>GDP per capita, PPP (2005 US\$)</b>	<b>Income Group</b>
<i>Less than and equal to \$5,000</i>	Low
<i>Greater than \$5,000 but less than and equal to \$15,000</i>	Middle
<i>Greater than \$15,000</i>	High

Note: The complete list of countries are provided in the Appendix A

The following chapter describes the methodology to be used in the paper for estimation.



### CHAPTER 3

#### METHODOLOGY

To study the relationship between income inequality and service sector value added we estimate the following equation,

$$service_{it} = \beta_{it}Gini_{it-1} + \beta_{it}GDPpc_{it-1} + \beta_{it}capital_{it-1} + \gamma_i + u_{it} \quad (1)$$

Following Stare and Jaklič (2011) we include  $GDPpc_{it}$  that is GDP per capita as an explanatory variable and also we include  $capital_{it}$ , that is capital formation as a proxy for investment decisions (Fiala, 1983). The dependent variable is share of service sector value added to GDP. In equation (1),  $Gini_{it}$  measures the GINI coefficient for country  $i$  at time  $t - 1$ . We take one period lagged value of the explanatory variables in view of the fact that the effect of income inequality, GDP per capita and capital formation are likely to affect service sector value added in the next period rather than on the same period.  $\gamma_i$ 's are country specific dummy variables which capture time invariant factors that may affect service sector value added. Our aim is to test how the Gini variable affects service value added.

We see in appendix A that the service sector value added vary across countries substantially and also between different periods. Therefore, we estimate the relationship between income inequality and service sector value added for three groups of countries (low income, middle income and high income) in two different time period 1971-1990 and 1991-2010. Before proceeding into the main model for the paper we first present a chow test to confirm that indeed there is a structural break

in the data between the two periods. The following chapter describes the results of the estimation.

## CHAPTER 4

### RESULTS

We estimate equation (1) by first pooling the data from 1971 to 2010 and then estimating two separate equations each for period 1971-1990 and 1991-2010 and perform the chow test. The null hypothesis for the chow test says that there is no structural break in the given data. The F statistic we compute is greater than  $F^*(3, 1254)$  critical value which is 3.80.

Table 2: Chow Test to test for Structural Break

<b>Model</b>	<b>SSE</b>	<b>Observations</b>	<b>Parameters</b>
Pooled 1971-2010	6.63288721	1260	3
1971 - 1990	2.13690869	455	3
1991 - 2010	3.88825492	805	3

$$F(3,1254) = \frac{(6.63288721 - 6.02516361)/3}{6.02516361/1254} = 42.1612556285$$

Therefore, our claim that service value added have had a structural break post 1990 is valid. Now we present the results of our estimated models in two separate tables for the two periods of study.

In table 3 we look at the results for period I from 1971 to 1990. Column (1) represents the estimation results for low income countries, column (2) for middle income countries and column (3) for high income countries. The dependent variable is same as equation (1) which is service sector value added. We find that for the three

groups the relationship between income inequality and service sector value added is negative that is higher income inequality retards service sector expansion. For low income countries and middle income countries the coefficient on the Gini variable is significant at 5% level, whereas for high income group it is insignificant. For the low income

Table 3: Estimation results for period 1 (1971 – 1990)

VARIABLES	(1) low income 1971-1990	(2) middle income 1971-1990	(3) high income 1971-1990
Gini	-0.00289** (0.00111)	-0.00146** (0.000715)	-0.00132 (0.000912)
GDPpc	-0.04023 (0.0279)	0.0514** (0.0257)	0.00736 (0.0258)
capital	0.0745*** (0.0125)	-0.0130 (0.0143)	0.0347* (0.0183)
Country Dummy	Yes	Yes	Yes
Observations	111	180	164
R-squared	0.766	0.830	0.833

Country dummies are reported in Appendix C.

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

countries an increase in Gini coefficient by 1 point leads to a decrease in service sector value added by approximately 0.29 percent, whereas for middle income countries, an increase in coefficient by 1 point decreases the service value added by 0.15 percent. Therefore, the effect of income inequality on service sector growth is stronger in low income countries than middle income countries. During 1971 to 1990, low and middle income countries lacked resources to set up schools and other institutions at subsidized rate especially in rural areas. Due to which the persisting income inequality restricted the low income individuals from obtaining human capital

in the form of education and other vocational training. This lack of human capital disabled the growth of service sector which heavily depends on the pool of human capital available for growth. Hence, the above argument explains the negative relationship obtained in our estimation.

GDP per capita is insignificant for low and high income countries, whereas it is significant at 5% level and positive for middle income countries. This indicates that GDP per capita promotes service sector growth. This may be due to the fact that a higher GDP enables the economy to channelize its resources to the different sectors which leads their expansion.

In table 4 we look at the results for period II from 1991 to 2010. Column (1) represents the estimation results for low income countries, column (2) for middle income countries and column (3) for high income countries. The coefficient on Gini variable is significant for the three income groups. For middle income countries it is highly significant and for low and high income countries it is significant at 5 percent level. One common attribute that binds the coefficient of the three groups is that all of them are positive. In period 2, higher income inequality is not detrimental, rather promotes service sector expansion. This is in contradiction to the period 1 results we obtained before. During 1970 to 2010 the low and middle income countries were burdened with low levels of GDP along with low growth rates. Therefore we can explain the difference in results in the two periods by considering the fact that a country needs a certain level of economic growth before service sector becomes effective. In low income countries 1 point increase in the Gini coefficient leads to an

increase in service sector value added by approximately 0.14 percent, for middle income it is 0.38 percent and for high income the expansion is approximately 0.12 percent. Similar to period 1, in period 2 also the effect of income inequality on service sector growth is strongest for the middle income countries.

Table 4: Estimation results for period 2 (1991 – 2010)

VARIABLES	(1) low income 1991-2010	(2) middle income 1991-2010	(3) high income 1991-2010
Gini	0.00138** (0.000541)	0.00375*** (0.000874)	0.00115** (0.000453)
GDPpc capital	0.0390** (0.0159)	-0.0121 (0.0234)	-0.00365 (0.0140)
	0.0309*** (0.00921)	0.0638*** (0.0138)	0.0659*** (0.00835)
Country Dummy	Yes	Yes	Yes
Observations	140	298	367
R-squared	0.909	0.752	0.908

Country dummies are reported in Appendix C.

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Coefficient on GDP per capita is significant and positive for low income countries, whereas for the other two groups it is insignificant. It follows our previous conclusion that GDP per capita promotes service sector expansion by creating and providing resources to the service sector. The coefficient on capital is positive and significant across all groups. This follows the general consensus that any sector of the economy produces higher output with greater capital at disposal.

In the last two decades, beginning in early 90s most countries integrated their economy to globalization. Opening up markets for free trade and encouraging foreign

capital to flow in have led to rapid growth of many less developed (low income) and developing nations (middle income). The low and middle income countries are burdened with income inequality for decades. This income inequality sustains the wage gap between low skilled and high skilled workers. Due to which the bargaining power of the high skilled workers in low income countries are low. Free trade regime enabled large corporations to outsource their work (mainly service) into the low income and middle income countries. This cycle of events promoted the rapid growth of the service sector and manufacturing sector.

The outsourcing jobs enable the medium and high skilled workers of the low income economies to earn more than the high skilled workers working at the same level but in a national corporation. This increases the income inequality further and in which in turn sustains a wage gap by reducing the bargaining power of the high skilled workers in outsourcing jobs. This may be a plausible reason for the positive relationship obtained between income inequality and service sector growth in period 2.

If we compare the results of the different groups across the two periods we see a similar pattern. For low and middle income countries there is an inverse relationship between income inequality and service sector growth in period 1, whereas the effect is positive and significant in period 2. For high income countries the coefficient on Gini variable is insignificant in period 1 but significant and positive in period 2.

## **CHAPTER 5**

### **CONCLUSION**

In this paper we deviate from the usual trend of finding the effect of income inequality and economic growth to a more specific sector, services. The data enables us to identify a structural break between two distinct periods 1971-1990 and 1991-2010. Our result suggests that the impact of income inequality on service sector value added differs for different groups of countries. For middle income countries the impact is found to be the strongest in both the periods.

An interesting result that contradicts the existing literature is that the relationship of income inequality and service sector value added is different in period 1 and period 2. Before globalization, the relationship is found to be negative for the different country groups, whereas after globalization the relationship turns to be positive. Since, service sector plays a major role in the economic growth of developing economies, this paper's findings can explain the contradicting views obtained by previous studies on income inequality and economic growth. Income inequality may have different effects on agricultural, manufacturing and service sectors. In an aggregate study these effects are hard to disentangle and conclude which sector drives the effect of income inequality at the aggregate level. For example, the negative effect of income inequality on economic growth found by many researchers in 1990s and subsequently a positive effect found by others, may be due to the effect income inequality have on the service sector at the disaggregated



level. Therefore, a sectoral study on the effect of income inequality on growth demands more attention to explain the results found in previous aggregate level studies. This paper contributes to the existing literature and establishes a ground for future research by including more countries into the sample and also by considering the other sectors of the economy.

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## **APPENDICES**

## APPENDIX A

Table 5: Average service sector value added as a percentage of GDP. (Figures are reported in % of service share to GDP)

Country Group \ Period	1971 – 2010	1971 – 1990	1991 – 2010
All Countries	59.14	51.20	61.72
Low Income	43.73	39.08	48.38
Middle Income	52.61	47.89	56.16
High Income	66.07	59.27	69.30

## APPENDIX B

Table 6: List of countries and their corresponding income group.

<b>Low Income</b>	<b>Middle Income</b>	<b>High Income</b>	<b>High Income</b>
Bangladesh	Brazil	Australia	Portugal
China	Bulgaria	Belgium	Singapore
India	Chile	Canada	Spain
Indonesia	Colombia	Denmark	Sweden
Pakistan	Costa Rica	Finland	United Kingdom
Philippines	Dominican Rep.	France	United States
Sri Lanka	Hungary	Germany	
	Malaysia	Greece	
	Mexico	Hong Kong	
	Peru	Ireland	
	Poland	Italy	
	Thailand	Japan	
	Trinidad \$ Tobago	Korea (South)	
	Tunisia	Netherlands	
	Turkey	New Zealand	
	Venezuela	Norway	

## APPENDIX C

Table 7: Complete estimation results with country dummies for period 1971-1990.

VARIABLES	(1) low income 1971-1990	(2) middle income 1971-1990	(3) high income 1971-1990
Gini	-0.00289** (0.00111)	-0.00146** (0.000715)	-0.00132 (0.000912)
GDPpc	-0.04023 (0.0279)	0.0514** (0.0257)	0.00736 (0.0258)
Capital	0.0745*** (0.0125)	-0.0130 (0.0143)	0.0347* (0.0183)
(Country Dummy)			
China	-0.383*** (0.0396)		
India	-0.188*** (0.0347)		
Indonesia	-0.118*** (0.0256)		
Pakistan	0.0285 (0.0198)		
Philippines	-0.0316 (0.0333)		
Sri Lanka	0.0969*** (0.0300)		
Bulgaria		-0.287*** (0.0485)	
Chile		-0.00116 (0.0408)	
Colombia		-0.0444* (0.0252)	
Costa Rica		-0.0132 (0.0641)	
Dominican Rep.		0.0195 (0.0475)	
Malaysia		-0.110*** (0.0313)	
Mexico		0.0569*** (0.0206)	
Thailand		0.00193 (0.0216)	

Trinidad Tobago			-0.0527 (0.0811)
Tunisia			-0.0276 (0.0483)
Turkey			-0.0795*** (0.0235)
Venezuela			-0.0660** (0.0298)
Denmark			0.123*** (0.0368)
Finland			-0.0103 (0.0214)
France			0.0230 (0.0248)
Italy			0.0156 (0.0343)
Japan			-0.0735** (0.0354)
Korea (South)			-0.0480* (0.0246)
Netherlands			0.0493*** (0.0127)
New Zealand			0.0478 (0.0321)
Norway			0.0577** (0.0260)
Singapore			0.157*** (0.0376)
Sweden			0.0458* (0.0236)
UK			0.0398 (0.0310)
Base	Bangladesh	Brazil	Australia
Observations	111	180	164
R-squared	0.766	0.830	0.833

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Table 8: Complete estimation results with country dummies for period 1991-2010.

VARIABLES	(1) low income 1991-2010	(2) middle income 1991-2010	(3) high income 1991-2010
Gini	0.00138** (0.000541)	0.00375*** (0.000874)	0.00115** (0.000453)
GDPpc	0.0390** (0.0159)	-0.0121 (0.0234)	-0.00365 (0.0140)
Capital	0.0309*** (0.00921)	0.0638*** (0.0138)	0.0659*** (0.00835)
(Country Dummy)			
China	-0.297*** (0.0194)		
India	-0.111*** (0.0188)		
Indonesia	-0.210*** (0.0119)		
Pakistan	-0.0462*** (0.00620)		
Philippines	-0.101*** (0.0137)		
Sri Lanka	-0.0136 (0.0252)		
Bulgaria		0.236*** (0.0546)	
Chile		0.0858** (0.0413)	
Colombia		0.0283 (0.0243)	
Costa Rica		0.279*** (0.0658)	
Dominican Rep.		0.199*** (0.0469)	
Hungary		0.248*** (0.0557)	
Malaysia		-0.0545 (0.0352)	
Mexico		0.0298 (0.0190)	
Peru		0.0923*** (0.0275)	
Poland		0.143***	

	(0.0360)	
Thailand	-0.0648***	
	(0.0211)	
Trinidad Tobago	0.263***	
	(0.0825)	
Tunisia	0.181***	
	(0.0479)	
Turkey	0.0520*	
	(0.0286)	
Venezuela	-0.0475	
	(0.0300)	
Belgium		0.0890***
		(0.00695)
Canada		-0.0250***
		(0.00904)
Denmark		0.128***
		(0.0110)
Finland		0.0381***
		(0.00993)
France		0.00317
		(0.0117)
Germany		-0.0898***
		(0.0145)
Greece		0.117***
		(0.00759)
Hong Kong		0.261***
		(0.0125)
Ireland		0.0879***
		(0.0172)
Italy		-0.0590***
		(0.0119)
Japan		-0.139***
		(0.0185)
Korea (South)		-0.118***
		(0.0102)
Netherlands		0.0624***
		(0.00586)
New Zealand		0.128***
		(0.0161)
Norway		0.0165
		(0.0172)
Portugal		0.0826***
		(0.00770)
Singapore		0.0788***
		(0.0176)

Spain			-0.0576*** (0.00840)
Sweden			0.0793*** (0.00960)
UK			0.04137 (0.00894)
United States			-0.112*** (0.0209)
Base	Bangladesh	Brazil	Australia
Observations	140	298	367
R-squared	0.909	0.752	0.908

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