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***Economic inequality, political inequality and economic outcomes: an attempt to look from the perspective of the regional Poland during system transformation period***

Project objectives/Research hypothesis

The main goal of the project is to investigate interactions between economic inequality, political inequality and economic outcomes. Drawing inspiration from the recent theories in political economy, we focus firstly on the potential impact that economic inequalities may have on distribution of political influences and secondly, on the effects that political inequalities may have on economic outcomes.

The first hypothesis that is proposed to be verified in the analysis assumes that an unequal distribution of wealth is positively correlated with an unequal distribution of political influences.

The second hypothesis in turn, states that political inequality is negatively associated with economic performance.

We illustrate this by referring to processes that could have been observed at the local level in Poland during the transition from a centrally planned economy to a market economy. The analysis uses the data at both the village and the municipality level and covers the period 1988-2005. Thus, it aims at capturing important dynamics that characterized the formation of equilibriums related to the distribution of both the economic resources and the political influence over this period.