

Guest Editors Introduction

The papers included in this special issue of *Panoeconomicus* come from the 16th International Conference Developments in Economic Theory and Policy, held on 27th and 28th of June 2019 in Bilbao (Spain). This is an annual conference organized by the Department of Applied Economics V of the University of the Basque Country UPV/EHU in collaboration with the Cambridge Centre for Economic and Public Policy, University of Cambridge.

The eight papers selected to be published at this special issue focus on the determinants and consequences of poverty and changes in income distribution.

The paper by Giorgio Liotti and Rosaria Rita Canale analyses the effects of the reforms applied in the labour market institutions on workers' monetary poverty. The authors study the impact that the institutional reforms in the labour market has exerted on workers' poverty. For this purpose, they study a group of fifteen European countries over the period 2005-2016. For Liotti and Canale, the higher flexibility introduced by these reforms have increased monetary poverty among workers

The paper by Philip Arestis, Jesús Ferreiro, and Carmen Gómez focuses on the impact of reforms in the employment protection legislation on labour income share. They conclude that, although employment protection for permanent workers is not a significant determinant of changes in the labour income share, employment protection for temporary workers has a positive impact on the size of compensation of employees. This result implies that the reforms approved in European countries that have reduced the constraints to the use of temporary contracts have contributed to the decline in the size of labour income.

Kosta Josifidis, Novica Supić, and Slađana Bodor analyse the determinants of changes in personal income distribution in post-transition European Union countries. They focus on the impact of institutional changes on income distribution. For the authors, the institutional reforms approved during the transitional period have not been neutral from the point of view of personal income distribution. Below-average and top incomes groups have been the losers of transition. On the contrary, above-average income group has been the winner in this process due to its higher level of education and greater flexibility to technological and organizational changes.

The paper by Marta C. N. Simões, M. Adelaide P. S. Duarte, and João A. S. Andrade analyses the trend in employees' earnings inequality in Portugal since mid-eighties. The paper concludes that income inequality has increased in this period. This rising income inequality has come with a rising polarization in income distribution. This polarization has been generated by a higher concentration of earnings in

the richest and the poorest at the expense of a lower earnings concentration in the middle class earners. Finally, the paper analyses the relationship between the business cycle and the earnings inequality. The authors argue that earnings inequality increases when a recession deepens.

The following four papers deals with the causes and consequences of income inequality and poverty focusing on the situation of developing economies, namely Latin American countries.

Carolina Tronsoco Baltar analyses the changes recorded in income distribution in Brazil during a period characterized by a solid economic growth. Baltar shows that the economic growth has come with a more egalitarian income distribution. This improved income distribution has been achieved thanks to an active incomes policy promoted by the government that mainly favoured the situation of the low income classes. The decline in income inequality would have, in turn, to fuel the economic growth. Hence, the author's recommendation of a necessary interaction between incomes policy and productive development policy in order to guarantee a sustained period of economic growth.

Oscar Martínez, Itzel Dueñas, and Monika Meireles analyze in their paper the impact that austerity policies implemented in Brazil and Mexico on gender inequality. This is a key point, because poverty has a clear gender dimension, with women being most affected by poverty than men. For the authors, public expenditure intended at fighting against poverty (female-male) had considerable success in the case of Brazil, but not in the case of Mexico. However, in both countries, the recent deepening of austerity policies could limit the efforts of public expenditure on the feminization of poverty in particular, and on gender inequalities in general.

The paper by María Cristina Vallejo and Maribel Caicedo adopts a different perspective, focusing on the environmental consequences of poverty. They analyse the environmental impact of the consumption of firewood in poor rural populations, a key source of energy in these communities. The authors highlight the great impact of consumption of firewood in terms of deforestation, emission of CO₂, and health problems. Vallejo and Caicedo argue that the dependence of firewood creates in these populations a poverty trap, hence the need of an energy policy based on solidarity that facilitates the transition to the consumption based on alternative sources of energy.

Finally, the paper by Eugenia Tronsoco Leone analyses the women's participation in the Brazilian labour market during a period, 2004-2013, characterized by a high economic growth and a decline in income inequality. Leone shows that this better economic environment did not come with a higher participation of women in the labour market. Indeed, the participation rate of adult women only increased in households with higher income levels, whilst it declined in households with low socioeconomic status.

The guest editors are very grateful to the editorial board of *Panoeconomicus* for the opportunity to publish this set of papers from the conference, and to the Basque Government for their continuous support of the annual conferences held in Bilbao since 2004. We also want to show our gratitude to The Cambridge Trust for New Thinking in Economics for the financial support to the Conference.

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