



Dilip Mookherjee (Boston University)

Dilip Mookherjee is the Professor of Economics at Boston University since 1995 and the Director of the Institute of Economic Development at Boston University since 1998. He graduated from the Delhi School of Economics and the London School of Economics where he received his PhD in 1982. He taught at Stanford University from 1982 to 1989, the Indian Statistical Institute in New Delhi from 1989 to 1995.

In 1998, Professor Mookherjee was awarded the Mahalanobis Memorial Award by the Indian Econometric Society for outstanding contributions to quantitative economics. He has held visiting professor positions at Centre for Studies in Social Science at Calcutta and at the People's University in Beijing. Dilip Mookherjee is currently the co-editor of the *Journal of Development Economics*; associate editor of the *Rand Journal of Economics*, the *B.E. Journal of Theoretical Economics*, and the *German Economic Review*.

Professor Mookherjee's research interests include: incentives and organisation theory, game theory, inequality, development economics and public economics. Dilip Mookherjee has had over fifty refereed papers published in the top journals and has published eleven books as editor or co-editor, as well as writing chapters in a host of other books.

"Endogenous Inequality Theory"

This paper constructs a model of intergenerational transmission of inequality via financial bequests and human capital investments in the presence of borrowing constraints. It extends existing models in various directions: investment returns are endogenously determined, there are no indivisibilities in investment, and financial and human capital co-exist. A unique steady state is shown to exist. The steady state involves wealth inequality across families (and endogenous non-convexity in returns to human capital) if and only if the range of training costs across occupations is large, relative to technology and preference parameters.

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