**Is rising income inequality far from inevitable during structural transformation? An augmented inequality dynamics**

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**Abstract**

This paper examines whether rising income inequality is the stylised facts for the process of structural transformation by revisiting classical accounts on the transformation–inequality nexus, with a particular focus on Kuznets's and Rostow's theories of development and Rawls’s difference principle. In addition, a complex interaction between structural transformation and income inequality is analysed by exploring the multi-dimensions of inequality dynamics to link Kuznets-Rostow-Rawls. This critical review allows us to conclude that rising income inequality is far from inevitable by introducing the augmented inequality dynamics, by circulating societal processes through social, economic, political and moral dimensions. This explains how income inequality is used to incentivise or restrain the process of various societal interactions by itself going up and down repeatedly in the context of structural transformation.

**Keywords**: Economic inequality, Structural transformation, Kuznets curve, Rostow's stages of economic growth, Rawls's difference principle.

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