

Impact of Sustainable Public Infrastructure on Economic Growth and Inequality in Developed and Developing Countries

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Abstract: This study investigates the relationship between sustainable infrastructure, economic growth, and inequality using a simultaneous equation model estimated with the generalized method of moments across a sample of 80 countries. Results indicate that transportation infrastructure promotes economic growth, but its impact on inequality depends on the level of development. Additionally, the quality of governance and efficiency of public expenditure positively affect economic growth, though their effects on inequality vary. Developing nations benefit more from infrastructure investments; however, without effective redistribution mechanisms, inequality may increase. These findings underscore the necessity for strategic infrastructure planning that considers the unique institutional and economic contexts of different countries to facilitate inclusive and sustainable development.

Keywords: Economic Growth, Efficiency of Public Spending, Inequalities, Public Infrastructure, Sustainability

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