

EC 131 - Lecture 21

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Textbook readings: Chapter 20

1 Inequality

- Sources of inequality
 - Wage differences
 - Human Capital
 - Racism/gender/culture
 - Concentration of wealth
 - Taxes
 - Corruption
 - Transfers
- Lorenz Curve
- Gini coefficient
- Problems measuring inequality
 - Choice of index
 - Income mobility
- Philosophical arguments for and against intervention
 - Utilitarianism
 - Liberalism
 - Libertarianism

- Methods of income redistribution
 - Minimum wage laws
 - Welfare payments and in-kind transfers
 - Negative income tax
 - Public employment for the poor