

Inequality, poverty and welfare

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This is a short advanced course intended to provide an overview of the main topics regarding the measurement of inequality and poverty, and its connection with social welfare. The lectures will focus on the theoretical aspects while students will be asked to consider particular fields of application.

1. Introduction

- . 1.1. Measurement problems
- . 2.2. Properties of the indices
- . 2.3. Ranking distributions

2. Inequality (I)

- . 2.1. Positive inequality measures: the variance, the coefficient of variation, the Lorenz curve and the Gini index.
- . 2.2. The Theil indices.
- . 2.3. Normative inequality measures: Social welfare functions and income distributions. The Atkinson family of measures.

3. Inequality (II)

- . 3.1. Ranking distributions and dominance criteria.
- . 4.2. Variable population and distributions with different means.
- . 4.3. Decomposability: Additive decomposability by population subgroups; the entropy family.

4. Poverty and polarization

- . 6.1 Poverty lines and poverty indices. Multidimensional poverty.
- . 6.3 Poverty and welfare.
- . 6.4 Polarization.

5. Inequality and welfare

- . 7.1. Normative indices and social welfare.
- . 7.2 Income distribution and equality of opportunity.
- . 7.3. Measuring Human Development.

References:

There is a huge literature on those topics. I shall only mention here three books that cover most of the themes in the course. Specific references will be provided for each individual lecture.

1. S. R. Chakravarty (2009), **Inequality, polarization and poverty. Advances in distributional analysis**. Economic Studies in Inequality, Social Exclusion and Well-being, New York, Springer
2. Cowell, F. (2003), **The economics of poverty and inequality**. Cheltenham, Edward Elgar.
3. F. Goerlich & A. Villar (2009), **Desigualdad y bienestar social. De la teoría a la práctica**. Madrid, Fundación BBVA.