Contents

	List of figures	page viii
	List of tables	X
	Preface	xiii
1	Introduction	1
	1.1 A look at inequality analysis	1
	1.2 A second look	3
	1.3 A guide to the book	6
2	What is inequality? The economists' view	8
	2.1 The axiomatic approach	8
	2.2 Inequality rankings and orderings	9
	2.3 The transfer principle	11
	2.4 Income and population	12
	2.5 Decomposability	15
	2.6 Summary	17
3	An investigative strategy	18
	3.1 What are we investigating?	18
	3.2 Experiments	21
	3.3 Questions	23
	3.4 A new approach	24
	3.5 Implementing the approach	27
	3.6 Summary	30
4	What is inequality? The students' view	31
	4.1 Drawing an inequality map	31
	4.2 An introduction to the questionnaires	32

vi	Contents	
	4.3 Inequality and changes in income and population	35
	4.4 Transfers and the structure of inequality comparisons	38
	4.5 Do the answers make sense?	42
	4.6 More on the transfer principle	45
5	Income and welfare	49
	5.1 What is welfare?	49
	5.2 Social welfare	50
	5.3 Empirical results	57
	5.4 Summary: welfare judgments and inequality comparisons	66
6	Income change	69
	6.1 Introduction: comparing cakes	69
	6.2 Uniform enrichment	71
	6.3 The dependence hypothesis	75
	6.4 Unbalanced enrichment	78
	6.5 Policy appraisal	86
7	Poverty	89
	7.1 Introduction	89
	7.2 What does 'poverty' mean?	89
	7.3 The poverty questionnaires	94
	7.4 Income distributions and poverty	96
	7.5 Conclusions: the approach to poverty comparisons	111
8	A cross-cultural perspective	114
	8.1 Introduction	114
	8.2 A statistical approach	116
	8.3 Principles of distributional judgments	117
	8.4 Direct and indirect approaches to inequality	122
	8.5 Does economics matter?	123
	8.6 An appraisal	126
9	Thinking again about inequality	127
	9.1 Second thoughts about second thoughts	127
	9.2 Applying inequality judgments	128
	9.3 Where next?	130
	9.4 A final word	133
App	endix A Inequality analysis: a summary of concepts	
	and results	136
	A.1 The axiomatic approach	136

	Contents	vii
A.2 Inequality and welfare rankings		139
A.3 Poverty comparisons		140
Appendix B The questionnaires		143
References		173
Index		178