

**LECTURE SCHEME, MEASUREMENT OF INEQUALITY AND SOCIAL WELFARE 2016,**  
Department of Economics, University of Oslo, ROLF AABERGE

| Lecture. | Date | Topic  |                     | Basic References (compulsary reading)   |
|----------|------|--|---------------------|---|
|          |      | Ranking income distributions and Lorenz curves: Partial and complete orderings | The primal approach | Atkinson (1970)   |
|          |      |  | The dual approach   | Yaari (1987), Aaberge (2000, 2001, 2009 (Sections 1 and 2)), Aaberge, Havnes and Mogstad (2013) |

4. Measurement of inequality and social welfare

4.1. Partial orderings of income distributions and Lorenz curves (dominance analysis))

- a. Primal approach
- b. Dual approach

4.2. Complete orderings (quantifying inequality and social welfare)

- a. Primal approach
- b. Dual approach

**Reading list: Measurement of Inequality and Social Welfare**

Aaberge, R. (2000): "Characterization of Lorenz Curves and Income Distributions", *Social Choice and Welfare*, 17, 639-653.

Aaberge, R. (2001): "Axiomatic Characterization of the Gini Coefficient and Lorenz Curve Orderings", *Journal of Economic Theory*, **101**, 115-132.

Aaberge, R. (2009): "Ranking Intersecting Lorenz Curves", *Social Choice and Welfare*, **33**, 235 – 259.

Aaberge, R., T. Havnes and M. Mogstad (2013): "A Theory for Ranking Distribution Functions", Discussion Paper No. 763, Statistics Norway, 2013.

Atkinson A.B. (1970), On the Measurement of Inequality, *Journal of Economic Theory*, 2, 244-263.

Yaari, M.E. (1987): Yaari, M.E. (1987): The dual theory of choice under risk, *Econometrica* **55**, 95-115.

Yaari, M. E. (1988): "A controversial proposal concerning inequality measurement," *Journal of Economic Theory*, 44(2), 381 – 397.

**General Books on Welfare, Inequality and Poverty (not required for the lecture)**

Atkinson A. B. and Bourguignon F. (eds) (2015), *Handbook of Income Distribution*, Amsterdam, Elsevier, Handbooks in Economics.

Foster and Sen A. (1997), *On Economic Inequality*, Expanded edition of Sen (1973) with a substantial annex by Foster and Sen, Oxford, Clarendon Press.

Lambert P. (2001), *The Distribution and Redistribution of Income*, Manchester University Press, 3rd ed.