1. Readings

During the past year the popular press has given space to quite a debate about income and wealth inequality, partly following the publication of Piketty’s book with the provocative title of “Capital” (2014). Below are links to a paper published in a scientific journal and two reports from reputable organizations on the topic of income and/or wealth distribution in the US or around the world. Finally, there is a link to a piece in the New Yorker that, reviewing some recent books, discusses the topic on income inequality in the US. They are all interesting, but make sure you read carefully at least one.

  This report makes substantial use of the Gini index and also provides its definition.

  This report also uses Gini index and makes the attempt to evaluate distribution across nations.

- **Inequality in the long run**, Science (2014) [http://www.sciencemag.org/content/344/6186/838](http://www.sciencemag.org/content/344/6186/838)
  This article is by Piketty and Saez, two economists whose work on inequality has recently received a lot of recognition. It does not use the Gini index, so it is somewhat of a lesser fit to our class, but it gives you the opportunity to look directly at a concise summary of their work.


Finally, you might be interested in knowing about the following local resource: Stanford center on poverty and inequality ([http://www.stanford.edu/group/scspi/](http://www.stanford.edu/group/scspi/))

2. Essay (due in class on Wednesday, Oct 22)

Defining the Gini index and explain how it might be used, in light of what you learned from your reading above. Illustrate this by calculating the Gini index on the income data you identified for the last post. Then, download the data at [https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html](https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html) Produce a graph that summarizes it and interpret it.