

8.2 Equity and redistribution of income and wealth

Name: _____ Class: _____ Date: _____

Total: 26 marks

KEY WORDS gini coefficient 基尼系数 • equality 平等 • equity 公平 • lorenz curve 洛伦兹曲线
• wealth 财富

Objective

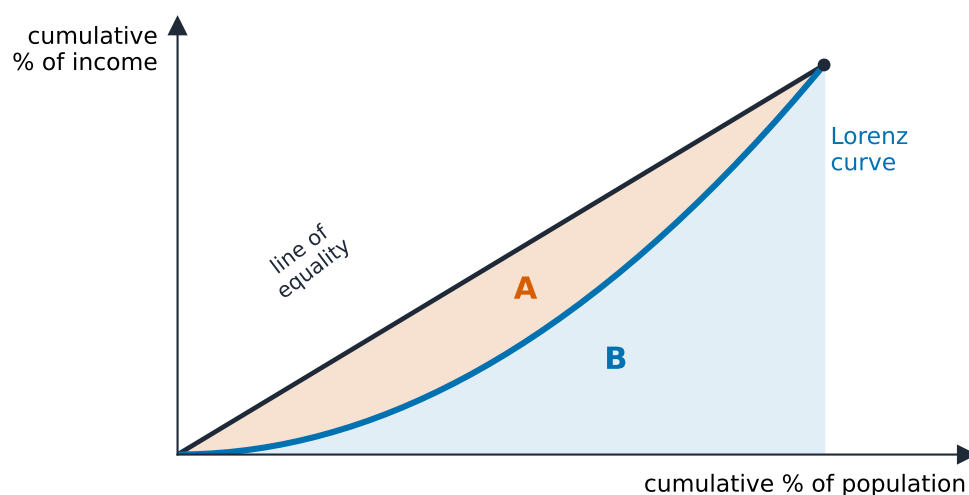
Build the skills to answer exam questions on **equity and the redistribution of income and wealth** 公平与收入财富再分配 — **equity versus equality** 公平与平等, the **Lorenz curve** 洛伦兹曲线 and **Gini coefficient** 基尼系数, and redistribution policies.

You must be able to:

- distinguish equity from equality
- interpret the Lorenz curve and Gini coefficient
- analyse policies to redistribute income and wealth

1 Worked examples

■ Measuring inequality

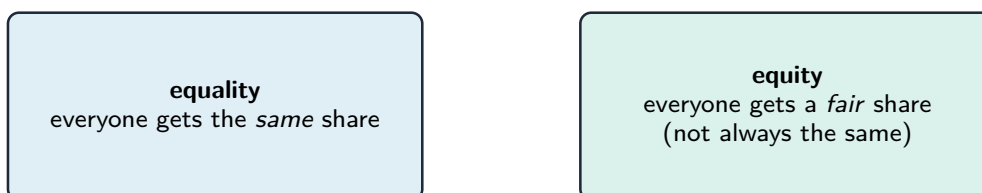


$$\text{Gini} = A/(A + B) \cdot 0 = \text{equal}, 1 = \text{most unequal}$$

Cumulative income share against cumulative population share

- **Equity** 公平 = fairness (not always equal); **equality** 平等 = the same for all.
- **Lorenz curve** 洛伦兹曲线: a sagging curve shows inequality; the diagonal = perfect equality.
- **Gini coefficient** 基尼系数: 0 (perfect equality) to 1 (one person has all) — higher = more unequal.
- **Policies: progressive tax** 累进税, **benefits/transfer payments** 转移支付, free state services.

a fair outcome is not always an equal one



Equity versus equality — the distinction a redistribution answer must draw

Answer shapes: an **Explain** [up to 8] answer may use a Lorenz diagram (AO3); **Discuss** [12] adds a judgement (AO4).

2 Practice

2.1 State the difference between *equity* and *equality*. [2]

2.2 State what a Gini coefficient of 0 means. [1]

2.3 State two policies that redistribute income. [2]

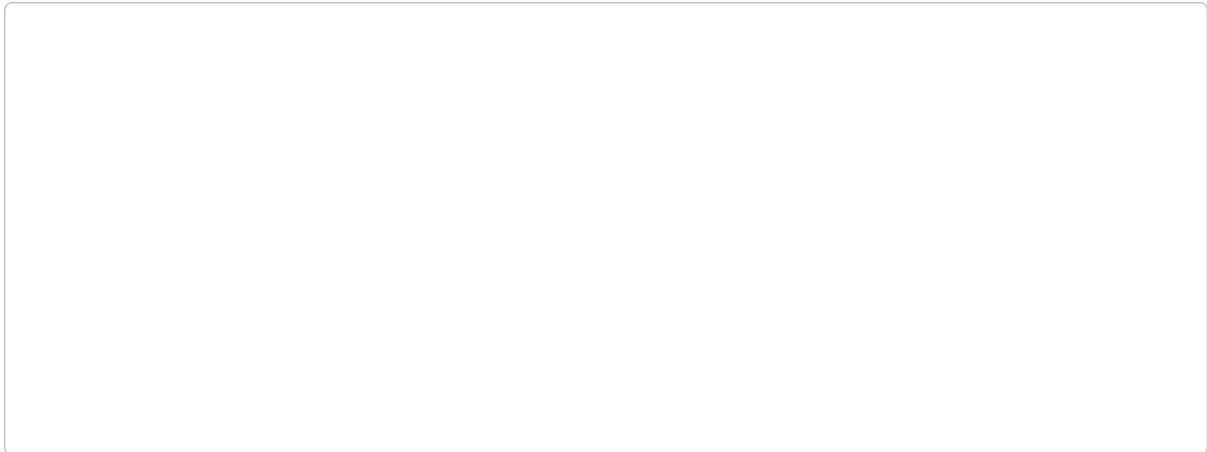
3 Exam-style questions

3.1 A Lorenz curve that lies **further** from the line of equality shows: [1]

A	B
C	D

- A** lower inequality and a lower Gini coefficient
- B** higher inequality and a higher Gini coefficient
- C** perfect equality
- D** a fall in total income

3.2 Using a Lorenz-curve diagram, explain how the Gini coefficient measures income inequality. [8]



[12]