

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

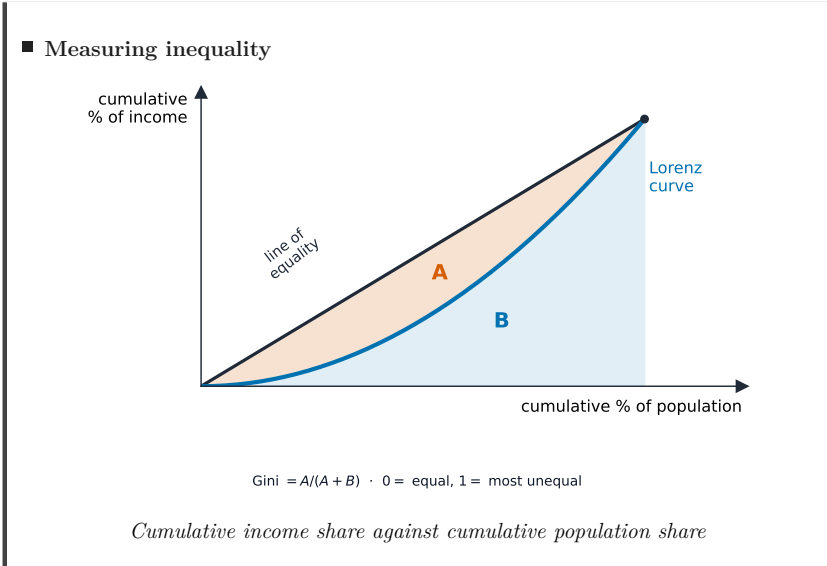
Objective

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



- **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

equality
everyone gets the *same* share

equity
everyone gets a *fair* share
(not always the same)

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]

3.3 Discuss whether redistributing income from rich to poor always benefits an economy. [12]