DSS Statistics Seminar

April 16, 2021, 12:00

https://uniroma1.zoom.us/j/86881977368?pwd=SWRFcVFjMDZTa0lXZk05TE1zNm5adz09
Passcode: 432940

Decomposing inequality measures

***A. Guandalini*[1], *G.M. Giorgi*[2]**

[1]Istat, [2]La Sapienza University of Rome

Income inequality is an important measure for forecasting the wealth of a country. It is common practice to summarize income or wealth inequality in a population by computing statistical inequality measures. In this context, decomposition of inequality measures can help in studying further the wealth of a country identifying possible causes of inequality itself. Furthermore, it may be a valid tool, if used with due care, for policy-makers to evaluate between different economic policy to achieve, for example, a more equal income distribution. Most of the works on this topic have been devoted to the Gini concentration ratio, the most famous and widely used inequality measure. However, recent studies demonstrate that the use of more than one inequality index simultaneously helps in better catching inequality in different parts of the income distribution, and thereby to better understand the socio-economic reality and political significance of inequality. From this perspective, in the present work, several results proposed for the decomposition of the Gini index have been extended to the Bonferroni index disclosing even more similarities and differences between the two indices.

SAPIENZA
UNIVERSITÀ DI ROMA