Empirical Welfare Analysis.

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Course Outline
This course examines the economic theoretic, statistical and practical issues surrounding the empirical analysis of societal economic well-being. The course contains 3 segments of roughly equal length.
1) Theoretical Background.
Can Societal happiness/well-being/welfare be measured?
    The cardinal versus ordinal, ethical judgement and Social Welfare Function existence debates.
What should be measured?
    Types of welfare function: Utilitarian, Daltonian, Rawlsian Forms
    Specific welfare concepts Inequality, Poverty, Deprivation, Polarization and Alienation.
What should be the Instrument of measurement?
    Problems with representing the welfare of agents. Consumption versus Income. Individuals versus households. Equivalence Scales and other weighting issues. Multi-variate Issues.
2) Types of Comparison.
Complete Orderings versus Partial Orderings the debate.
The statistical description of the income distribution and its characteristics.
    Estimating and fitting the Size Distribution of Income
    Mobility Analysis.
Complete Orderings via Index Comparisons:
    Quantile Measures, Poverty Measures, Inequality Measures. Multi-variate comparison problems
Partial Orderings via Dominance Relations
    Lorenz Dominance, Stochastic Dominance, Normalized Stochastic Dominance, Multi-variate comparison problems
Empirical Implementation
    Distribution and inference theory for indices and Partial Orderings.
3) Examples.
Incorporating Life Expectancy Considerations into Empirical Welfare Analysis in Africa
Convergence or divergence of the Urban Income Distribution in China
Measuring Alienation, Single Parent and Pensioner households in the U.K.

Evaluation:

Two Assignments (one due 7th week of term, the other the last week of term) each worth 25% and a final examination 50%.