

INEQUALITY QUESTIONNAIRE

This questionnaire concerns people's attitude to inequality. We would be interested in your view, based on hypothetical situations. Because it is about attitudes there are no "right" answers. Some of the possible answers correspond to assumptions consciously made by economists: but these assumptions may not be good ones. Your responses will help to shed some light on this, and we would like to thank you for your participation. The questionnaire is anonymous.

Alfaland consists of five regions that are identical in every respect other than the incomes of their inhabitants. Everyone within a given region receives the same income, but personal incomes differ from region to region.

Two economic policy proposals A and B are being considered for implementation in Alfaland next year. It is known that - apart from their impact on personal incomes - the two policies would have the same effect on the population. The impact upon the regions' incomes would depend upon the particular state of the Alfaland economy at the time the policy (A or B) is to be introduced.

In each of questions (1) to (6) two alternative lists of incomes A and B (in Alfaland local currency) are given. Each of these pairs represents the outcomes of the A-policy and the B-policy on the five regions in each of six different situations in which Alfaland might find itself next year. In each case please state which policy you consider would result in **higher inequality** in Alfaland by circling A or B. If you consider that the two policies will result in the **same inequality** then circle both A and B.

1) A = (2, 5, 9, 20, 30)

B = (2, 6, 8, 20, 30)

2) A = (2, 5, 9, 20, 30)

B = (3, 5, 9, 20, 29)

3) A = (2, 5, 9, 20, 30)

B = (2, 6, 9, 20, 29)

4) A = (2, 5, 9, 20, 30)

B = (2, 10, 9, 15, 30)

5) A = (10, 10, 10, 10, 30)

B = (10, 10, 10, 20, 20)

6) A = (2, 5, 9, 20, 30)

B = (2, 6, 9, 19, 30)

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In question 7 you are presented with a hypothetical income change and some possible views about the effects on inequality of that change. The views are labelled a),..., e). Please circle the letter alongside the view that corresponds most closely to your own. You can check more than one answer, provided that you consider they do not contradict each other. Feel free to add any comment that explains the reason for your choice.

7) Suppose we transfer income from the inhabitants of a relatively high-income region to those of a relatively low-income region, without changing the income of any other region. The transfer is not so large as to make the “rich” region “poor” and the “poor” region “rich”, but it may alter their income rankings relative to the other, unaffected regions.

- a) *Inequality in Alfaland must fall if the ranking by income of all the regions remains the same. If there is any change in the income ranking of the regions then it is possible that inequality increases or remains the same.*
- b) *If the transfer is from the richest to the poorest region, and after the transfer the richest region remains the richest and the poorest remains the poorest, inequality must fall. In other cases we cannot say a priori how inequality will change.*
- c) *The transfer may change the relative position of other regions. So we cannot say a priori how inequality will change.*
- d) *Inequality in Alfaland must fall, even if there is a change in the income ranking of the regions as a result of this transfer, and even if the transfer is not from the richest region to the poorest.*
- e) *None of the above*

In the light of your answer to question 7, would you want to change your answers to questions 1 to 6? If so, please state your new response here.

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|----|----|----|
| 1) | 2) | 3) |
| 4) | 5) | 6) |

Finally, we would be grateful for some information about yourself:

- Are you male or female? M/F
- What is your age? _____ years
- What is your special subject of study? _____
- Were you employed before university? Yes / No

- How would you rate your political views? Please put a √ on this scale.
- How would you rate your family’s income 10 years ago? Please put a √ on this scale.
- How would you rate your own income prospects 10 years from now? Please put a √ on this scale.

