

ECN201 - assignment #2 Fall 2005

Every society must choose “What” goods and services to produce, “How” to produce them, and to “Whom” they will be distributed. How goods are distributed is manifest in a Nation’s income distribution. These data usually breakdown households into “quintiles” - top 20%, bottom 20% and so on. In the 201-590 bulletin board on my website there is an article that pertains to income distribution in China and the potential political problems it might create. There are also three files that contain US Census data on income distribution, the average income per quintile, and the ratio of the average quintile income to the “poverty level of income.”

You are to write (at least) a two page paper analyzing (comparing) the inequality and income level data from both countries. Then I ask you to speculate as to why the “inequality” in China seems to pose more of a problem than in the US. (Read page 6 of the text to spark your thinking).