

**Teacher's version P.71-73(2.3: The Gini Coefficient - Activity 2)*

Teaching Material 1 (TM1)

Study the information in Table 1 and discuss the questions.Table 1

Information on per capita GDP and Gini Coefficient of selected countries

	Per capita GDP (PPP) (2007)	Gini Coefficient*	Survey Year
United States	US\$45,800		2007
Hong Kong, China	US\$42,000		2007
Australia	US\$37,300		2006
Finland	US\$36,000		2005
United Kingdom	US\$35,000		2005
Japan	US\$33,500		2002
Korea, South	US\$25,000		2006
South Africa	US\$9,700		2005
China	US\$5,400		2007
Philippines	US\$3,200		2006
Vietnam	US\$2,600		2004

* The data shown in the CIA's web is Gini Index which is 100 times of Gini Coefficient and represented by percentage. To avoid students' confusion, Gini Coefficient is presented here.

Source: Central Intelligence Agency (CIA)

(<https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html>)

(<https://www.cia.gov/library/publications/the-world-factbook/fields/2172.html>)

Questions:

1. Based on the information given in Table 1 (i.e. per capita GDP (PPP) in 2007), guess the level of income inequality of those selected countries and rank them accordingly (from the lowest level of income inequality to the highest level of income inequality). Explain your answers.

2. Rank these countries in descending order of inequality according to the Gini Coefficients given.

3. Based on your ranking in Q.2, please explain whether there is a relationship between the income inequalities and the per capita income of the countries.
