<div align="center">**Research Proposal**</div>

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<u>Correlation between Ethnic Fractionalization and Social Welfare</u>

1. Motivation

    I chose this topic because I am interested in doing a statistical analysis on how a country's political, social, economic characteristic/culture can shape its democracy. Specifically, I am much interested in finding a correlation between ethic fractionalization and social and economic inequality

2. Hypothesis

    Ethnically diverse -> too many conflicts among different ethnic groups -> harder to achieve democracy -> more conservative and aristocratic -> less welfare expenditure -> greater economic & social inequality -> less contribution to the humanity -> low ranking in good country index

3. Method

    I am going to find an index of ethnic fractionalization and an index of social welfare from about a hundred countries in a clustered set and set up a relationship. Many confounding variables will be counted.

- Measure of ethnic fractionalization
  - ✓ http://en.wikipedia.org/wiki/List_of_countries_ranked_by_ethnic_and_cultural_diversity_level
- Measure of inequality
  - ➢ Inequality – GINI Index
    - ● Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
  - ✓ Gender
    - ➢ https://data.undp.org/dataset/Table-4-Gender-Inequality-Index/pq34-nwq7
  - ✓ Income
    - ➢ http://en.wikipedia.org/wiki/List_of_countries_by_income_equality
    - ➢ https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html

- ➢ "Multicultural GINI"
- ✓ Ethic
  - ➢ http://www.voxeu.org/article/ethnic-inequality
  - ➢ http://www.econ.northwestern.edu/seminars/Nemmers11/Alesina.pdf

- ✓ Nolan Chart: http://en.wikipedia.org/wiki/Nolan_Chart
  - ➢ "Cultural focus on individual" vs "Cultural focus on community"
- ✓ Net National Welfare Index (NNW)
- Measure of good country
- ✓ http://www.huffingtonpost.kr/2014/06/25/story_n_5529255.html?utm_hp_ref=tw
- Confounding variables
  - ✓ Voting behavior, patriotism, political dichotomy, violence, political culture
  - ✓ How should I relate these variables to the data?

[TO DO]

- Read through Davidov's presentation

-> Get data of many countries

- Read through 'measures of inequality' presentation

- Topic unique?

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- Inequality country list analysis