1. Software used was EViews version 5 on a PC.

2. Estimating country specific income distribution (equation 10).

   2.1 The raw data are in "data1993.xls" and "data2000.xls".

   2.2 The raw data are reorganized so that they are in the form of c_i and $\overline{y}_i$ and with starting values for the a_i for the estimation of equation (10). These are in the form needed as described in 2.4 below. This is done using Excel and we provide the files for 8 example countries and for the year 2000. The files are for example, Brazil2000.xls, China2000.xls, and Egype2000.xls. In these files, we also set up vectors of starting values c and data x to be used in EViews.

   2.3 The file "eqn_final.txt" and files with similar names are text files that contain EViews equation statement to estimate equation (10) for the case of 10 income classes. The numbers in the file names represent that number of income classes.

   2.4 Steps in EViews to estimate the beta distribution (assuming 10 income classes).

      1. In EViews we set up a vector of the starting values for $a_1, a_2, ..., a_9, b, p, q$ in this order where a_i is the upper limit for income class i, b, p, q are starting values for the parameters of the beta distribution. Set up this vector as the c vector in Eviews. Note that the upper limit of the last class is not included.

      2. Create 20 dummy variables $d_1, d_2, ..., d_{20}$ by running the program "dummies.prg" in EViews.

      3. Set up an EViews series x as

         $$x = (c_1, c_2, ..., c_{10}, \overline{y}_1, \overline{y}_2 ..... \overline{y}_{10})$$

      4. Generate a weighting series wt as follows

         genr $wt = 1/x$

      5. Run equation in Eviews by clicking New Object, selecting Equation and typing a name. Then paste the equation statement by copying from "eqn_final.txt" into the least squares window. Go to options to use weighted least squares with weight equal to wt. Then run.

      6. Check the output, it should satisfy $\hat{p} > 0$, $\hat{q} > 1$ and $\hat{b} > 1$.

      7. The output for the example countries for the year 2000 are in the files brazil2000.wk1, china2000.wk1, Egypt2000.wk1 and so on…

   2.5 The file "gini.prg" is the EViews program used to calculate country's income inequality.

3. Combining country income distributions to obtain regional or global distributions:

   - EViews program files: "global_gini.prg".
   - EViews output files: africa00.wk1, asia00.wk1, ee00.wk1, lac00.wk1, wenao00.wk1, and global00.wk1.