Economics 85600

Spring 2020

INEQUALITY, ECONOMIC OPPORTUNITY, AND PUBLIC POLICY

Thursdays from 2:00 to 4:00pm in GC 5212

The class meets in Room 5212 on Thursday afternoons from 2:00 to 4:00 pm according to the following schedule (which is subject to adjustments according to the professor’s perception of student needs and other opportunities).

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<td>January 30</td>
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Teaching Methods

The successful student will take full advantage of the opportunities provided in class. Attending classes, handing in assignments on time, and consistently contributing to the class in all activities—whether group, pair, or individual—will all be considered as measures of success in effectively using your class time. The classroom is intended to be a safe place where students can question and practice, receive feedback from both the instructor and their peers, and rely on their classmates as partners and resources in the learning process.

The instructor’s role is to provide resources, guidance, and support, but students are responsible for engaging actively in the process. Students are responsible for completing readings before the class, being prepared for discussions, submitting assignments on time, volunteering material for consideration by the class, offering feedback to their classmates, and constructively incorporating the feedback they receive from both classmates and the instructor into their own work. Working in groups, students will also make in-class presentations of early drafts of their term papers.

Learning Goals and Outcomes

1. To develop a knowledge of microeconomic theory used in modeling the development of human capital, socio-economic differences in economic opportunity, and labor market outcomes
2. To use theory to construct empirical models of inequality and intergenerational dynamics, and to understand the most common econometric approaches in the study of socio-economic inequalities
3. To review and assess the public policy response to socio-economic inequalities in different countries

Assessment Methods

The final mark will be determined as follows

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<th>Informed engagement:</th>
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<td>Student led class discussion:</td>
<td>10 %</td>
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<td>Paper, first draft:</td>
<td>10 %</td>
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<td>Referee report:</td>
<td>10 %</td>
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<td>Paper, second draft:</td>
<td>30 %</td>
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<tr>
<td>Test:</td>
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A mark below 65% corresponds to a C, 65 to 69% to a B-, 70 to 74% to a B, 75 to 79% to a B+, and in a similar way 80 to 84%, 85 to 89%, and 90 or above to respectively A-, A, and A+. The passing grade for the course is a 65 %.
Informed engagement and student led class discussion (20% + 10%)

Emphasis is given to your engagement in the course and the activities of the class. This is best demonstrated by motivated and informed involvement. This requires attending all scheduled classes, but also involves having completed the readings before the class and being prepared to engage in discussion. It involves your contributions to group work, completion of assignments by the required date, and attention to feedback from your peers and instructor.

But obviously if you are not present you cannot participate, and regular attendance is therefore expected as is punctually arriving for the beginning of class. Appropriate documentation justifying an extended absence is required. The policy on absences and late submissions is detailed in the following box.

A portion of each class will be devoted to a student led discussion of a particular reading or a set of readings. Generally these readings will complement the professor’s lecture during the same class, supplement the lecture, or offer the opportunity to examine and discussion competing interpretations or policy options. Students will work individually, in pairs, or in small groups, taking turns to lead the class in a discussion motivated by a set of questions the professor will provide in advance. Each student is required to participate in a lead role once during the course.

Paper first draft, referee report, paper second draft (10% + 10% + 30%)

Students are required to complete a term paper, submit a first draft of the paper, and also offer a referee report of another student’s first draft.

The first draft of the paper is due before the beginning of the class on April 2\textsuperscript{nd}, to be submitted electronically to the professor at \texttt{mcorak@gc.cuny.edu} . Papers dated as arriving past 2:00pm on April 2\textsuperscript{nd} will not be graded, and students will receive a zero for this portion of the grade.

Each student will receive a copy of another student’s first draft and is required to write a referee report of the draft, clearly stating the main themes and message of the paper, and offering substantive suggestions for improvement. These referee reports are due by 9:00am on April 17\textsuperscript{th}, to be submitted electronically to the professor at \texttt{mcorak@gc.cuny.edu} . At the professor’s discretion they will be forwarded to the original author anonymously. This requires that the referee reports be submitted to the professor with no identifying information, in particular they are not to include the student’s name.

The final (second) draft of the paper is due before the beginning of the class on May 14\textsuperscript{th}, to be submitted electronically to the professor at \texttt{mcorak@gc.cuny.edu} as a pdf properly formatted and edited following accepted academic standards. Papers dated as arriving past 2:00pm on May 14\textsuperscript{th} will not be read, and students will receive a zero.
Students have a choice of three types of topics to address for their term paper topic: they may choose to write a thematic literature review of one of the themes discussed in the course; they may choose to write a review of a book chosen from a list in consultation with the professor or they may choose to write a research paper on the theme of social mobility and economic growth.

The first choice involves becoming a “mini-expert” on one of the themes in the course. This would entail a more in-depth review of one of the topics covered in the course outline, a review that is based on a fuller reading of the required and optional readings listed in one of the course themes. This would involve exploring one of the course themes in detail, and examining the substantive measurement, theoretical, and/or policy issues that motivate the associated literature. Students will be required to choose the theme in conjunction with the professor, and will be invited to incorporate additional readings that they view as important. Choosing this option will require the student to submit a reading list—one that would take the readings in this course outline as a starting point—to the professor before the topic is approved.

The second possible topic is to undertake a critical book review. The book review must be written in a way that clearly uses the materials and themes discussed in the course to assess the major messages, methods, and implications of one of the following books:

Students must choose from this list in consultation with the professor, who retains the final right to assign a book to the student. Books not on this list may be proposed by students, but again only subject to the final approval of the professor.

The third choice is to undertake a research project on the theme of social mobility and economic growth. This would involve using the World Bank publication *Fair Progress?* as a starting point, including the associated Global Database on Intergenerational Mobility (GDIM). The research project will explore the relationship between social mobility and economic growth, drawing from the relevant theoretical literature to development an econometric model that can be examined with the cross-country data in the GDIM. Another starting point for this project would be the recently released IMF Working Paper: Shekar Aiyar and Christian H. Ebeke (2019), “Inequality of Opportunity, Inequality of Income and Economic Growth,” IMF Working Paper 19/34. A detailed country study of inequality and social mobility, or series of country studies, may also be incorporated into the project. Students may wish to work in groups or pairs, and in consultation with the professor to develop the project, but each student would remain responsible for writing and submitting their own paper.

**Test (20%)**

A test will be conducted toward the end of the course to assess students’ knowledge of the core course materials. The structure and date of this test will be negotiated with the students at some point during the second half of the course.
Required readings, and readings for student led discussion

The readings are generally listed in order of priority, though these priorities may change as the semester progresses in response to student interests and the professor’s perception of learning opportunities. The first readings are generally the required and principle readings. The remaining readings are optional, and students may pursue them according to their interests. But all the readings form the basis for the lecture conducted in class.

The readings highlighted in **bold** are the readings for the basis of the student led discussion during the second half of the class. At the beginning of each class the professor will seek volunteers to lead the discussion of these readings for the next class. Students may be required to work individually, in pairs, or in small groups.

Some classes do not have student led discussions associated with them, and at the professor’s discretion these classes may be used to offer special lectures from students or other experts.

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2. Top end inequality: facts, interpretations, policies, February 13\textsuperscript{th}


3. The intergenerational transmission of wealth, February 20th


4. Measuring intergenerational income mobility, February 27th


Güell, Maia, José V. Rodríguez Mora, and Christopher I. Telmer (2015). “The Informational Content of Surnames, the Evolution of Intergenerational Mobility, and Assortative Mating.” Review of Economic Studies. 82, 693-735.

5. Intergenerational mobility in theory, March 5th


6. Trends in intergenerational mobility, March 12th


7. The geography of intergenerational mobility, March 19th


8. Intergenerational mobility in theory (again), March 26th


9. The causal impact of neighbourhoods, April 2nd


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11. Early years and families, April 30th


Chapter 5

12. Labour Markets and intergenerational mobility, May 7th


Chapter 6

13. Social welfare and equality of opportunity, May 14th

