

University of Colorado at Boulder
Department of Economics

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<http://www.colorado.edu/Economics/Zax>

Economics 4626
Syllabus and Schedule
11 August 2008

Welcome. I am Prof. Jeffrey S. Zax. This is Economics 4626, The Economics of Inequality and Discrimination.

Course description:

The purpose of this course is to investigate the extent of inequality, its causes and its consequences. This investigation occurs at both the macroeconomic and microeconomic level. At the macroeconomic level, we discuss the relationship between inequality and growth, and the effects of different national institutions on this relationship. At the microeconomic level, we discuss inequality in multiple dimensions. We analyze the individual choices from which and economic contexts in which it arises. We complete this discussion with an examination of discrimination: inequality which arises when disadvantages are imposed through coercive denial of market opportunities.

This course requires previous completion of Economics 3070, Intermediate Microeconomic Theory, or its equivalent. This prerequisite will be enforced. In addition, previous completion of Economics 3080, Intermediate Macroeconomic Theory, or its equivalent, is helpful. Anyone uncertain with regard to their preparation should consult with me immediately.

This course will meet on Mondays, Wednesdays and Fridays from 11:00 a.m. until 11:50 a.m. throughout the semester in Education 231. I will hold regular office hours between 2:00 p.m. and 3:30 p.m. on Mondays and Wednesdays in my office, Economics 111. Appointments may be made for meetings at other times, if these are inconvenient.

Performance in this course will be judged on the basis of five instruments. The final examination will take place on Tuesday, 16 December, from 10:30a.m. until 1:00p.m. It will require the full 2.5 hours and be worth 150 points. Any student who has three or more final examinations scheduled on 16 December has the right to reschedule all exams following the first two. Any student wishing to invoke this right should do so prior to the Fall Break. However, given the

early hour of the final examination in this course, it is unlikely that anyone is eligible to reschedule this examination.¹

Two midterm examinations will each take 40 minutes, and be worth 40 points. They will take place on 26 September and 5 November unless class progress deviates significantly from expectations. Examinations will ordinarily consist of short essay questions addressing the

¹ University policies regarding multiple final examinations on the same day are available at http://www.colorado.edu/policies/final_exam.html.

6. Locate the desired article.

This source contains all articles in this journal through the spring edition of 2008, despite the indication at step 5 that its holdings end at July 24, 2006. The remaining article, that assigned for lecture 5, may be obtained from the webpage for this lecture on the course website: <http://www.colorado.edu/Economics/Zax/Econ4626/fall08/webpages/econ4626.html>. Additional readings may be assigned at my discretion.

Tentative schedule:

<u>Date</u>	<u>Lecture number</u>	<u>Lecture title, readings and assignments</u>
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I. The Measurement of Inequality

25 August	1.	Introduction
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27 August	2.	Simple inequality measures
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Banerjee, Abhijit and Esther Duflo (2008) “What is middle class about the middle classes around the world?”, Journal of Economic Perspectives, Vol. 22, No. 2, Spring, 3-28.

29 August	3.	Lorenz curves
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3 September	4.	Gini coefficients
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II. The Macroeconomics of Distribution

5, 8 September	5.	The effects of growth on inequality
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Lindert, Peter H. and Jeffrey G. Williamson (1985) “Growth, equality, and history”, Explorations in Economic History, Vol. 22, No. 4,

- 27 October 25. Consumption inequality
- Jorgenson, Dale W. (1998) "Did we lose the war on poverty?", Journal of Economic Perspectives, Vol. 12, No. 1, Winter, 79-96.
- 29 October 26. Poverty
- Hoynes, Hilary W., Page, Marianne E. and Ann Huff, (2006) "Poverty in America: Trends and explanations", The Journal of Economic Perspectives, Vol. 20, No. 1, Winter, 47-68.
- Smeeding, Timothy (2006) "Poor people in rich nations: The United States in comparative perspective", The Journal of Economic Perspectives, Vol. 20, No. 1, Winter, 69-90.
- 31 October 27. Children's welfare
- Currie, Janet (2001) "Early childhood education programs", Journal of Economic Perspectives, Vol. 15, No. 2, Spring, 213-238.
- 3 November 28. Satisfaction
- Kahneman, Daniel and Alan B. Krueger (2006) "Developments in the measurement of subjective well-being", The Journal of Economic Perspectives, Vol. 20, No. 1, Winter, 3-24.
- Di Tella, Rafael and Robert MacCulloch (2006) "Some uses of happiness data in economics", The Journal of Economic Perspectives, Vol. 20, No. 1, Winter, 25-46.
- 5 November Midterm examination

IV. Evaluating inequality

- 7 November 29. Preferences for redistribution
- 10 November 30. Feasible redistribution
- 12 November 31. Social welfare functions and societal choice

V. Discrimination and anti-discrimination policies

- 14 November 32. The economics of identity

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| 17 November | 33. Race and ethnicity |
| 19 November | 34. The discriminatory instinct |
| 21 November | 35. Models of discrimination in labor markets |

Yinger, John (1998) "Evidence on discrimination in consumer markets", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 23-40.

16 December

Final examination 10:30a.m.-1:00p.m.

University policies:

The University adheres to the standards for student privacy rights and requirements as stipulated in the Federal Rights and Privacy Act (FERPA) of 1974.² Campus policy regarding disabilities requires that faculty adhere to the recommendations of Disability Services. In addition, campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance. Any student eligible for and needing academic adjustments or accommodations because of disability or religious practice should arrange to meet with me immediately. Those with disabilities should immediately submit a letter from Disability Services describing appropriate adjustments or accommodations.³

Students and faculty share responsibility for maintaining an appropriate learning environment. All are subject to the University's policies on Sexual Harassment and Amorous Relationships.⁴ Students who fail to adhere to appropriate behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions.⁵ I am happy to discuss any issues of individual or group treatment in office hours or by appointment.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to this institution's policy regarding academic integrity. Cheating, plagiarism, assistance to acts

² A summary is available at http://registrar.colorado.edu/regulations/ferpa_guide.html.

³ University policies regarding religious practice are available at http://www.colorado.edu/policies/fac_relig.html. University policies regarding disabilities are available at <http://www.colorado.edu/disabilityservices>. Disability Services can be contacted by telephone at 303-492-8671, or in person at Willard 322.

⁴ University policies regarding Sexual Harassment and Amorous Relationships are available at <http://www.colorado.edu/odh/>. The Office of Discrimination and Harassment can be reached by telephone at 303-492-2127. The Office of Judicial Affairs can be reached at 303-492-5550.

⁵ University policies regarding classroom behavior are available at <http://www.colorado.edu/policies/classbehavior.html> and at http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

of academic dishonesty, fabrication, lying, bribery, and threatening behavior are examples of behaviors that violate this policy. All incidents of academic misconduct shall be reported to the Honor Code Council. Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions, including but not limited to university probation, suspension, or expulsion.⁶

⁶ The Honor Code Council can be contacted by email at honor@colorado.edu or by telephone at 303-725-2273. Additional information regarding the University Honor Code is available at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>.