

University of Colorado at Boulder
Department of Economics

Prof. Jeffrey S. Zax
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Economics 4626
Syllabus and schedule
23 May 2022

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 levels. 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 inequality arises. We complete this discussion with an examination of discrimination: inequality that arises when disadvantages are imposed through coercive denial of market opportunities.

Course presentation:

All lectures in this course will be presented as PowerPoint decks. These decks are narrated with synchronized animations. They should execute automatically, in their entirety, once initiated as slide shows. They can also be stopped and replayed at any point. Students must be able to access all aspects of each PowerPoint deck, the animations and the narrations, in order to participate in this course. Be aware that many applications that have some capacity to display PowerPoint decks are not able to correctly present the decks for this course and are not acceptable for course participation.

All assigned articles are from the Journal of Economic Perspectives. They are available as .pdf files on our Canvas website. These articles are distributed unevenly across lectures, because the Journal of Economic Perspectives has not published articles that are relevant to some lectures and multiple articles that are relevant to others. Students are expected to understand the main themes of each article, but not to recall extensive details.

Course prerequis

The first term paper is a three-page discussion of American Outsourcing, Harvard Business School Case No. 705037-PDF-ENG. It will be due on Wednesday, 15 June at 11:59p.m. MDT. It will be worth 20 points, or 4% of the final numerical grade.

The second paper is a three-page discussion of Universal Basic Income: Is There a Case for India, Harvard Business School Case No. W20557-PDF-ENG. It will be due on Wednesday, 6 July at 11:59p.m. MDT. It will be worth 30 points, or 6% of the final numerical grade.

Papers that are submitted after the associated deadline will be assessed a penalty of one point for each day or partial day beyond the deadline. The maximum penalty will be five points.

Students are encouraged to receive help with exposition from the Online Composition Hub (<https://www.colorado.edu/composition/>). Students may cooperate with each other in analyzing the cases. However, each student must submit their own paper, in their own words. If a paper shares any substantial common text with any other source, the student will receive the grade of "F" for the course and will be reported to the Honor Code Council for plagiarism.

Both cases may be purchased at <https://hbsp.harvard.edu/import/928783>. This website requires registration in order to obtain access. It provides .pdf copies of the cases that can be saved and printed. The cases each cost \$4.25.

Both papers must be type-written, double-spaced, with conventional margins. Papers that exceed the maximum lengths, either in physical length or because of compressed format, will be penalized. These papers must be submitted electronically via Canvas in the Adobe .pdf format. Be certain to convert your papers to .pdf format before the deadline for submission. Speak with me in advance if you anticipate difficulty with this requirement. Only .pdf files will be accepted.

Final grades

The course as a whole is valued at 500 points. Slightly more than half of these points are assigned to the post-lecture questions. The two papers together contribute one-tenth of the total grade. The final examination constitutes slightly more than one-third of the final grade. The score attained by each student, evaluated relative to those of other students and to the score that would be attained by an intelligent student of economics at this level, will determine final letter grades.

Course conduct:

This course will meet asynchronously online from 29 May through 22 July. The Canvas site requires students to proceed through all items in the order in which they are presented, with the exception of the items associated with the two term papers. Students can access each item

in advance of the associated due date, but only if they have already accessed all previous items.

I will hold regular office hours via Zoom on Tuesdays and Thursdays. They will take place between 3:00p.m. and 4:00p.m. MDT (Zoom meeting ID 929 7516 1314, <https://cuboulder.zoom.us/j/92975161314>). Appointments may be made for meetings at other times if these are inconvenient.

Course information will be posted on Canvas as needed. Notifications will be posted there as well, or sent via Canvas or campus email. Students must monitor both.

All enrolled students must demonstrate that they can properly view the course PowerPoint decks during the first week of the course, on or before Friday, June 3. In order to do so, students must successfully execute the 13-second "Test.pptx" file, with continuous synchronized animation and narration. This file can be found in the "Course Information" module on in our Canvas course.

In order to confirm that this file executes properly, students must make a video of its execution with audio and send my email address above. Any student who anticipates difficulty in fulfilling this requirement should contact me immediately.

Under the Registrar's rules, any student who is not in "regular attendance" during the first two weeks can be dropped. For the purposes of this course, "regular attendance" will mean successful submission of a video demonstrating the correct execution of "Test.pptx" and completion of the assignments for lectures 2 and 3 by their respective deadlines with grades of five or more out of ten points for each. Any student who does not fulfill these requirements is subject to being dropped.

Excuses for the course assignments will be granted only under extraordinary circumstances. If granted, the excused points will be reallocated to subsequent assignments.

Students in this course must adhere strictly to all standards of academic integrity. Any act of academic dishonesty will result in a failing grade for the course and referral to the Honor Code Office for possible non-academic sanctions. Information regarding the Honor Code academic integrity policy can be found at the [Honor Code Office website](#).

I am happy to discuss any issues of individual or group trespass where the boundary is defined by the W27-æ6†&ðÐ

Tentative course schedule and assigned readings:

Lecture schedule

<u>Date</u>	<u>Lecture number</u>	<u>Lecture title, readings and assignments</u>
I. The Measurement of Inequality		
Tuesday, May 31	1.	Introduction
Friday, June 3	2.	Simple inequality measures Banerjee, Abhijit and Esther Duflo (2008) "What is middle class about the middle classes around the world?", <u>Journal of Economic Perspectives</u> , Vol. 22, No. 2, Spring, 3-28.
Sunday, June 5	3.	Lorenz curves and Gini coefficients
II. The Macroeconomics of Distribution		
Sunday, June 5	4.	The effects of growth on inequality Autor, David (2015) "Why are there still so many jobs? The history and future of workplace automation", <u>Journal of Economic Perspectives</u> , Vol. 29, No. 3, Summer, 3-30.
Wednesday, June 8	5.	The effects of inequality on growth
Wednesday, June 8	6.	Institutions and inequality Levine, Ross (2005) "Law, endowments and property rights", <u>Journal of Economic Perspectives</u> , Vol. 19, No. 3, Summer, 61-88. Svensson, Jakob (2005) "Eight questions about corruption", <u>Journal of Economic Perspectives</u> , Vol. 19, No. 3, Summer, 19-42.
Friday, June 10	7.	Intertemporal inequality Easterlin, Richard A. (2000) "The worldwide standard of living since 1800", <u>Journal of Economic Perspectives</u> , Vol. 14, No. 1, Winter, 7-26.

Lee, Ronald (2003) "The demographic transition: Three centuries of fundamental change", Journal of Economic Perspectives, Vol. 17, No. 4, Fall, 167-190.

Friday, June 10

8. Inter-country inequality

Pritchett, Lant (1997) "Divergence, big time", Journal of Economic Perspectives, Vol. 11, No. 3, Summer, 3-17.

Wednesday, June 15

Essay on American Outsourcing due at 11:59p.m. MDT.

III. The Microeconomics of Distribution

Friday, June 17

9. Investments in human capital: Schooling, training, experience and the value of life

Cullen, Julie Berry, Steven D. Levitt, Erin Robertson and Sally Sadoff (2013) "What can be done to improve struggling high schools?", Journal of Economic Perspectives, Vol. 27, No. 2, Spring, 133-152.

Monday, June 20

10. Health inequality

Currie, Janet and Hannes Schwandt (2016) "Mortality inequality: The good news from a county-level approach", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 29-52.

Cutler, David M., Edward L. Glaeser and Jesse M. Shapiro (2003) "Why have Americans become more obese?", Journal of Economic Perspectives, Vol. 17, No. 3, Summer, 93-118.

Monday, June 20

11. Inequality as an incentive

Wednesday, June 22

12. The inheritance of economic status and children's welfare

Corak, Miles (2013) "Income inequality, equality of opportunity, and intergenerational mobility", Journal of Economic Perspectives, Vol. 27, No. 3, Summer, 79-102.

Duncan, Greg J. and Katherine Magnuson (2013) "Investing in preschool programs", Journal of Economic Perspectives, Vol. 27, No. 2, Spring, 109-132.

- Edmonds, Eric V. and Nina Pavcnik (2005) "Child labor in the global economy", Journal of Economic Perspectives, Vol. 19, No. 1, Winter, 199-220.
- Friday, June 24 13. Local externalities, peer effects and inequality
- Kremer, Michael and Dan Levy (2008) "Peer effects and alcohol use among college students", Journal of Economic Perspectives, Vol. 22, No. 3, Summer, 189-206.
- Friday, June 24 14. Intragenerational mobility
- Sunday, June 26 15. Income, earnings and wage inequality
- Acemoglu, Daron and James A. Robinson (2015) "The rise and decline of the general laws of capitalism", Journal of Economic Perspectives, Vol. 29, No. 1, Winter, 3-28.
- Hoffmann, Florian, David S. Lee and Thomas Lemieux (2020) "Growing income inequality in the United States and other advanced economies", Journal of Economic Perspectives, Vol. 34, No. 4, Fall, 52-78.
- Wednesday, June 29 16. Wealth inequality
- Kopczuk, Wojciech (2015) "What do we know about the evolution of top wealth shares in the United States", Journal of Economic Perspectives, Vol. 29, No. 1, Winter, 47-66.
- Wednesday, June 29 17. Equivalence scales
- Lundberg, Shelly, Robert A. Pollak and Jenna Stearns (2016) "Family inequality: Diverging patterns in marriage, cohabitation, and childbearing", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 79-102.
- Friday, July 1 18. Consumption inequality
- Attanasio, Orazio P. And Luigi Pistaferri (2016) "Consumption inequality", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 3-28.
- Friday, July 1 19. Poverty

Hoynes, Hilary W., Marianne E. Page and Ann Huff, (2006) "Poverty in America: Trends and explanations", Journal of Economic Perspectives, Vol. 20, No. 1, Winter, 47-68.

Page, Lucy and Rohini Pande (2018) "Ending global poverty: Why money isn't enough", Journal of Economic Perspectives, Vol. 32, No. 4, Fall, 173-200.

Wednesday, July 6

Essay on Universal Basic Income: Is There a Case for India due at 1;õvVCS—Ü 4ÔE@Á! Pñq#) on Unds6

- Friday, July 15 25. Theories of discrimination
- Lang, Kevin and Ariella Kahn-Lang Spitzer (2020) "Race discrimination: An economic perspective", Journal of Economic Perspectives, Vol. 34, No. 2, Spring, 68-89.
- Small, Mario L. and Devah Pager (2020) "Sociological perspectives on racial discrimination", Journal of Economic Perspectives, Vol. 34, No. 2, Spring, 49-67.
- Sunday, July 17 26. Discrimination in labor markets
- Heckman, James (1998) " Detecting discrimination", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 101-116.
- Fryer, Roland G. Jr. and Glenn C. Loury (2005) "Affirmative action and its mythology", Journal of Economic Perspectives, Vol. 19, No. 3, Summer, 147-162.
- Wednesday, July 20 27. Housing segregation and its progeny: School busing, Fair Housing and environmental racism
- Ladd, Helen F. (1998) "Evidence on discrimination in mortgage lending", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 41-62.
- Wednesday, July 20 28. Profiling and incarceration
- Friday, July 22 Final examination.

SYLLABUS STATEMENTS REQUIRED BY THE UNIVERSITY

CLASSROOM BEHAVIOR

Both students and faculty are responsible for maintaining an appropriate learning environment in all instructional settings, whether in person, remote or online. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the policies on [classroom behavior](#) and the [Student Conduct & Conflict Resolution](#) policies.

REQUIREMENTS FOR COVID-19

As a matter of public health and safety, all members of the CU Boulder community and all visitors to campus must follow university, department and building COVID-19 policies (TJ ET 1 scn 90 357.3 297.24 13.44 re

ACCOMMODATION FOR

Individuals who believe they have been subject to misconduct or retaliatory actions for reporting a concern should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127 or email cureport@colorado.edu. Information about university policies, reporting options, and the support resources can be found on [OIEC website](#)

Please know that faculty and graduate instructors have a responsibility to inform OIEC when they are made aware of incidents of sexual misconduct, dating and domestic violence, stalking, discrimination, harassment and/or related retaliation, to ensure that individuals impacted receive information about their rights, support resources, and reporting options. To learn more about reporting and support options for a variety of concerns, [Don't Ignore It](#).

RELIGIOUS HOLIDAYS

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance.

See the [campus policy regarding religious observances](#) for full details.