Political Economy of Income Inequality

The course is yet another attempt to understand a central puzzle of political economy: the persistence of income inequality in democracies.

Note that this is an advanced graduate seminar, requiring some understanding of micro-economics, game theory, and statistics. Some materials will be difficult and the pace will be rapid.

Class meetings will consist of lectures and discussions. Students will have a choice of a take-home exam or a paper on a topic related to the materials of the course.

If possible, read in the order indicated.

1. Introduction

2. Preliminaries

   Read:
   wikipedia.org/wiki/Income_inequality_metrics and the articles about particular measures this article refers to.

3. Data sources (In charge of SK Park)

   Read:

Recommended:

4. Economics: How are incomes generated?

Read if you are brave:

5. Economics: Income mobility

Read:

Recommended:
Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. 2014. "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the U.S."

6. Public policies and redistribution of consumption
Read:


Background:


7. Public policies and redistribution of earning capacities


Read:

Sections referring to policies in readings for Income Mobility.


Recommended:


Read:


Assumed:

9. Political conflicts over redistribution

Read:

10. Influence theories

Read:

Background:

11. Attitudinal theories
Income and preferences for redistribution. Why the rich may want to redistribute? Why the poor may not want to redistribute? Empirical findings.

Read:
Dion, Michelle. 2010. "When is it rational to redistribute? A cross-national examination of attitudes toward redistribution." Ms. Department of Political Science, McMaster University.

Recommended:

12. Force as a limit to redistribution

Read:

13. Why not? Economics, Policy, or Politics?
Redistribution of consumption and redistribution of incomes. How to redistribute productive capacities? Limits to redistribution: economic, technical, political, attitudinal?

Additional references for the papers: