FRSEMR 71N: The Causes and Consequences of Inequality

Professor David Deming  
Office: Rubenstein 404 (HKS)  
Email: david_deming@harvard.edu  
Classroom: 1414 Mass Avenue, 3rd floor – Program Seminar Room  
Bank of America building (next to Coop)  
*Harvard IDs required to access the elevator in the lobby  
Monday 3-5 pm  
Office Hours: by appointment

Overview

This is a survey course about economic and social inequality. The goals of the course are to 1) provide you with a broad and balanced perspective on what social science has to say about the causes and consequences of economic inequality; 2) introduce positive and normative frameworks for discussions about inequality; 3) understand how broad societal forces that are driving increasing inequality relate to specific policy choices at the global and U.S. Federal, state and local levels.

The course is offered weekly on Monday afternoons. Each course will cover a single topic and will begin with a short (~30 minute) overview by me to set the stage. The rest of class will be an in-depth discussion of the material for that week. The course will conclude with student presentations and a final paper.

Assignments

Newspaper Articles

There are so many important political and policy debates happening about inequality right now. We will weave current events into the course at several points throughout the semester by selecting current newspaper articles for the following week’s discussion. I will assign you to pick an article from a set of reputable journalistic sources (e.g. the New York Times, Wall Street Journal, Washington Post, The Atlantic, The New Yorker, Slate, BBC, The Economist, Foreign Affairs, etc.) that speaks to some aspect of the weeks’ readings. You will begin the discussion with a 5-10 minute introduction that summarizes the article, and then lead the discussion that follows. Each student will be responsible for picking at least one article throughout the semester.

Final Presentation and Paper

Each student will be responsible for developing a final paper throughout the semester. The final paper will be an opportunity for you explore more deeply an idea or line of research that we covered in class. I will discuss this more in class, but broadly speaking you will pick a theme within one of the topics of each week and dig more deeply into the research and policy issues surrounding it. This is a framing paper that is meant to develop your thinking around a topic that is of personal interest to you. I expect the paper to be roughly between 6 and 10 pages in length, but this will depend a bit on the format (in particular, whether you are using data or pursuing more of an essay format).
As part of this assignment, you will 1) meet with me periodically throughout the semester to discuss your ideas; 2) develop an outline of the final paper and submit it to me prior to the final class; 3) give a 15 minute presentation about your paper at a dinner during the last class of the semester; and 4) turn in a final version of your 6-10 page framing paper.

Readings and Course Schedule

All readings will be made available electronically on the course website. Please note that you may need to be logged in to Hollis+ to view some of the articles. It is absolutely critical that you complete the readings prior to each week’s class. I am happy to provide additional readings on any topic, or to help curate among the sources that you are considering for your final paper.

9/9 Overview – Inequality in the U.S. and around the World
9/16 Normative Dimensions of Inequality and Intergenerational Mobility
9/23 Education and Skills – Macro Perspective
9/30 NO CLASS (Rosh Hashanah)
10/7 Families, Children and Early Environments
10/14 NO CLASS (Columbus Day)
10/21 K-12 and Postsecondary Education
10/28 Segregation and Neighborhoods
11/4 Race, Discrimination and Criminal Justice
11/11 NO CLASS (Veteran’s Day)
11/18 The Top 1 Percent – Wealth Inequality, Taxation and Superstars
11/25 The Politics of Inequality – Elite Influence, Mass Media and Money in Politics
12/2 The Future of Inequality – A World Without Work?

Full disclosure – climate change and health care are two topics that I would love to cover, but just don’t have the time or the expertise to do them justice.

Our final class will be a dinner at my house, where you will make short presentations of your final paper. The date and time are TBD, but it will be sometime between 12/3 and 12/10 (the end of reading period).

Course Overview - Inequality in the U.S. and around the World

Please read the series of articles for Slate by Timothy Noah on “The Great Divergence” (this is a great and highly readable introduction to the issues we will be discussing throughout the semester.) This set of articles is very U.S. focused.

For a global and long-run perspective, please also read the following topic chapters from the truly fantastic website Our World in Data:

Max Roser (2019) - "Economic Growth". Published online at OurWorldInData.org.

Max Roser and Esteban Ortiz-Ospina (2019) - "Global Extreme Poverty". Published online at OurWorldInData.org.

Max Roser (2019) - "Global Economic Inequality". Published online at OurWorldInData.org.
Normative Dimensions of Inequality and Intergenerational Mobility


Okun, Arthur M. Equality and efficiency: The big tradeoff. Brookings Institution Press, 2015 (NB – this link is to a short version with only key passages. I didn’t want to assign an entire book – but you should really read the whole thing!)


Education and Skills – Macro Perspective


Max Roser and Esteban Ortiz-Ospina (2019) - "Global Rise of Education“. Published online at OurWorldInData.org.

Max Roser and Mohamed Nagdy (2019) - "Returns to Education". Published online at OurWorldInData.org.

Please watch Paul Romer’s 2018 Nobel lecture, found here. (It’s about 30 minutes long, and the really interesting bits start around minute 7). Please also read these two short, related articles for additional context:


https://voxeu.org/article/ideas-aren-t-running-out-they-are-getting-more-expensive-find

Families, Children and Early Environments


The full article can be found here if you want it for context.

Explore the interactive tool accompanying the paper [here](#).
Read the accompanying *Wall Street Journal* article

**K-12 and Postsecondary Education**


Also read a *New York Times* summary by David Leonhardt and [this interactive tool](#) (look up your favorite college!)

Deming, David. The Economics of Free College. Policy brief for *Economists for Inclusive Prosperity*.
Also read my *Economic View* column on [free college](#)

**Segregation and Neighborhoods**


Familiarize yourself with [this application](#) of the Schelling segregation model. Play around with different configurations (a tip – when the share of empty cells decreases, the model takes much longer to converge.) Plug in some of the estimated tipping points for major U.S. cities from the Card, Mas and Rothstein paper, and experiment with different white/nonwhite shares.

Also read the accompanying *New York Times* article


**Race, Discrimination and Criminal Justice**

Also read the accompanying *New York Times* article


  Interview with Devah Pager about the paper
  New York Times obituary, which summarizes her work


  Short video interview with Amanda Agan about the paper
  Economic View column by Sendhil Mullainathan about the paper

**The Top 1 Percent - Wealth Inequality, Taxation and “Superstars”**


(The blog post above is must-read. The underlying paper on Distributional National Accounts is optional background, but worth the effort.)


**The Politics of Inequality – Elite Influence, Mass Media and Money in Politics**


The Future of Inequality: A World without Work?


