**ECON / PHIL 246**

**INEQUALITY**

Wellesley College

Fall 2012

Helena de Bres (Philosophy) David L. Lindauer (Economics)

Office: FND 320, x 2624 Office: PNE 422, x2159

Office hours: Tuesday 4:15-5:15, Office Hours: Tuesday 12-1

Friday 11:30-12:30 Wednesday 3:45-5:15

***Time:*** Tuesday and Friday, 9:50-11

***Venue****:* PNE 239

***Prerequisite:*** ECON 101, Principles of Microeconomics

***Distribution:*** Religion, Ethics, and Moral Philosophy or Social and Behavioral Analysis

**DESCRIPTION**

This course aims to provide you with the knowledge and analytic skills necessary to understand and critically assess current levels of income and wealth inequality in the United States. The course will be organized around the following core questions concerning inequality:

1. How much is there?

2. What are its causes?

3. What are its consequences?

4. Should we attempt to reduce inequality and, if so, why?

**REQUIREMENTS**

**Reading**

You will need to purchase: Timothy Noah, *The Great Divergence* (2012)

All other readings will be accessible from on-line sources.

**Assessment**

1. *Opinion Poll* (Required but not graded)

2. *Analysis of Trends* (20%)

3. *Argument Analysis* (20%)

4. *Analysis of Causes* (30%)

5. *Final Paper* (30%)

**ADDITIONAL POLICIES**

**Assignments:**

* Extensions will be permitted only in truly exceptional circumstances.
* Late assignments without an extension will be graded down **1/3 of a grade** per day. After the 3rd day of unjustified lateness, we really need to talk.
* No rewrites allowed.
* We are very happy to meet with you in person to discuss your assignments before or after they are due, or to answer short questions about papers over email.

*Plagiarism* is an academic offense that the College takes very seriously. In order to avoid being accused of plagiarism, be sure to reference any materials that you quote or paraphrase. The particular format that you use for references is unimportant, provided that it is clear and consistent throughout. Let us know if you have any questions about this.

If you have a *disability* and need disability-related accommodations, you are encouraged to work with Jim Wice, the Director of Disability Services (if you either have a physical disability or are uncertain whether you do) to arrange those accommodations. Jim’s office is located in the Pforzheimer Learning & Teaching Center in Clapp Library. See

<http://www.wellesley.edu/DisabilityServices/DShome.html> for information.

**ECON/PHIL 246: CLASS SCHEDULE**

**T 9/4: Introduction: Why are we teaching this course?**  (Joint)

* Paul Krugman, “For Richer,” *New York Times* (October 20, 2002); <http://www.nytimes.com/2002/10/20/magazine/for-richer.html?pagewanted=all&src=pm>
* Russ Schafer-Landau, *The Fundamentals of Ethics* (2009)*,* pp. 4-13 [G-Doc]

**F 9/7: Two trends** (Lindauer)

* Richard Freeman, *America Works* (2007), pp. 1-6; 32-40 [G-Doc]
* Timothy Noah, *The Great Divergence* (2012), Introduction and Chapter 1
* Jacob Hacker and Paul Pierson, “The Winner Take All Economy,” *Winner-Take-All Politics* (2010), pp. 11-40 [G-Doc]

**T 9/11: An “economic” reason for caring about inequality** (de Bres)

* Russ Shafer-Landau, *The Fundamentals of Ethics,* (2009)*,* pp. 112-124 [G-Doc]
* Lionel Robbins, “Interpersonal Comparisons of Utility: a Comment”, *The Economic Journal* 48:192 (1938), pp. 635-641 [G-Doc]
* David Schmidtz, “Diminishing Marginal Utility and Egalitarian Redistribution”, *The Journal of Value Inquiry* 34:2/3 (2000), pp. 263-272 [G-Doc]

**F 9/14: Measurement, measurement, measurement: Part I** (Lindauer)

* Congressional Budget Office, “Trends in the Distribution of Household Income Between 1979 and 2007” (October 2011), pp. 1-18; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/10-25-HouseholdIncome.pdf>
* Emmanuel Saez, “Striking it Richer” (update, March 2, 2012); <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2010.pdf> (pp. 2-5; N.B. really pp. 3-6)

**T 9/18: Measurement, measurement, measurement: Part II** (Lindauer)

* Thomas Edsall, “The Fight Over Inequality,” *New York Times* (April 22, 2012); <http://campaignstops.blogs.nytimes.com/2012/04/22/the-fight-over-inequality/>
* Richard Burkhauser at al., “Getting the Question Right in Debates about Changes in Income and Income Inequality, ” *RSF Review* (September 2011); <http://www.russellsage.org/blog/r-mascarenhas/getting-question-right-debates-about-changes-income-and-income-inequality-0>
* Linda Levine, “An Analysis of the Distribution of Wealth Across Households, 1989-2010,” (July 17, 2012); <http://www.fas.org/sgp/crs/misc/RL33433.pdf>
* Graeme Wood, “The Fortunate Ones,” *The Atlantic* (April 2011)

**F 9/21: Is inequality unfair? (1) Equality of opportunity** (de Bres)

* John Schaar, “Equality of Opportunity and Beyond” in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings* (1997)*,* pp. 137-147 [G-Doc]
* William Galston, “A Liberal Defense of Equality of Opportunity” in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings* (1997)*,* pp. 170-179 [G-Doc]

**T 9/25: Social mobility** (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapter 2
* John E. Morton and Isabel V. Sawhill, *Is the American Dream Alive and Well?* (2007); <http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/EMP_American_Dream_Report.pdf>
* Scott Winship, “Mobility Impaired,” *National Review Online* (November 7, 2011); <http://www.nationalreview.com/blogs/print/282292>
* Elizabeth Warren, “The Middle Class on the Precipice,” *Harvard Magazine* (Jan.-Feb. 2006); <http://harvardmagazine.com/2006/01/the-middle-class-on-the-html>

**F 9/28: Is inequality unfair? (2) Rawls’ “Original Position”** (de Bres)

* Ben Rogers, “John Rawls” (obituary), *The Guardian* (November 27, 2002); <http://www.guardian.co.uk/news/2002/nov/27/guardianobituaries.obituaries>
* John Rawls, *A Theory of Justice* (extract) in John Arthur and William H. Shaw (eds.), *Social and Political Philosophy* (1992)*,* pp. 542-550. [G-Doc]
* Samuel Freeman, “Rawls’ Original Position”,*Stanford Encyclopedia of Philosophy* (2008) (extract) [G-Doc]
* Michael Norton and Dan Ariely, “Building a Better America—One Wealth Quintile at a Time,” *Perspectives on Psychological Science* (2011); <http://www.people.hbs.edu/mnorton/norton%20ariely%20in%20press.pdf>

**T 10/2: Is inequality unfair? (3) Rawls’ Difference Principle** (de Bres)

* Michael Sandel, *Justice: What’s the right thing to do?* (2009), pp. 151-166 [G-Doc]
* John Rawls, *A Theory of Justice* (extract) in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings* (1997)*,* pp. 185-189 [G-Doc]
* Thomas Pogge, *John Rawls: His Life and Theory of Justice* (2007)*,* pp. 106-120 [G-Doc]
* Steven Mazie, “Rawls on Wall Street”, *New York Times* (October 21, 2011): <http://opinionator.blogs.nytimes.com/2011/10/21/rawls-on-wall-street/>

**F 10/5: Social Mobility** ctd. (Lindauer)

**T 10/9 – FALL BREAK**

**F 10/12: Equality *vs.* Liberty? (1)**  (de Bres)

* Robert Nozick, *Anarchy, State and Utopia* (extract) in David Boonin and Graham Oddie (eds.) *What’s Wrong? Applied Ethicists and their Critics* (2009), pp. 580-592 [G-Doc]
* John Hospers, “What Libertarianism Is”, in Thomas Mappes and Jane Zembaty, *Social Ethics: Morality and Social Policy* (2006)*,* pp. 319-326 [G-Doc]
* Information on Oceania, a proposed libertarian “floating sea-city”: <http://oceania.org/info.html>

**T 10/16: Why is inequality increasing?: What determines earnings?** (Lindauer)

* N. Gregory Mankiw, “The Markets for the Factors of Production,” *Principles of Microeconomics* (any edition or a comparable chapter in another principles text)
* Economic Policy Institute, *The State of Working America* , pp. TBA [G-Doc]
* Timothy Noah, *The Great Divergence* (2012), Chapter 3

**F 10/19: Equality *vs.* Liberty?** (2) (de Bres)

* Michael Sandel, *Justice: What’s the right thing to do?* (2009), pp. 58-74 [G-Doc]
* Joshua Cohen, “Notes on self-ownership” (unpublished) [G-Doc]

**T 10/23: Why is inequality increasing?: Globalization** (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapters 4 and 6
* Douglas A. Irwin, “Trade, Jobs and Income Distribution,” *Free Trade Under Fire* 3e (2009), pp. 105-136 (available as an *e*-book from Clapp on-line catalogue)
* S. Cohen and J. Bradford DeLong, “Shaken and Stirred,” *The Atlantic* (Jan/Feb 2005)

**F 10/26**: **Equality of outcome** (de Bres)

* Kai Nielsen, “Radical Welfare Egalitarianism” in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings* (1997)*,* pp. 204-217 [G-Doc]
* Kurt Vonnegut, “Harrison Bergeron”, *The Magazine of Fantasy and Science Fiction,* (October 1961); <http://www.tnellen.com/cybereng/harrison.html>

**T 10/30 – TANNER CONFERENCE**

**F 11/2: Why is inequality increasing?: Technology, Education, Institutions** (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapters 5, 7 and 8
* Claudia Goldin and Lawrence Katz, “The Future of Inequality,” *The Milken Institute Review* (3rd Quarter, 2009); <http://www.milkeninstitute.org/publications/review/2009_7/26-33mr43.pdf>
* Frank Levy, “Institutions and Income Inequality in 20th Century America,” The Bernie Saffran Lecture, Swarthmore College (November 15, 2007); <http://web.mit.edu/flevy/www/Bernie%20Saffran%20Swarthmnore%20Lecture.pdf>
* Jacob Hacker and Paul Pierson, “How the Winner Take All Economy was Made,” *Winner-Take-All Politics* (2010), pp. 41-72 [G-Doc]

**T 11/6: Why is inequality increasing?: The 1%** (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapter 9
* Robert Frank, “Why Has Inequality Been Growing?,” *Slate* (Dec. 6, 2011); <http://www.slate.com/authors.robert_h_frank.html>
* Frontline, “Money, Power and Wall Street,” Episode One (2012), video; <http://www.pbs.org/wgbh/pages/frontline/money-power-wall-street/>

**F 11/9: Equality and Democracy** (de Bres)

* Elizabeth Anderson, “What Is the Point of Equality?”, *Ethics* 109:2 (1999), pp. 287-337[G-Doc]

**T 11/13: How people feel about inequality** & **The consequences of inequality** (Lindauer)

* World Bank, “Equity and Well-being,” *Equity and Development: World Development Report 2006*, pp. 80-84; <http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005/09/20/000112742_20050920110826/additional/841401968_200508263001513.pdf>
* William Voegeli, “Americans Don’t Hate the Rich,” *Commentary* (December 2010)
* Timothy Noah, *The Great Divergence* (2012), Chapter 10
* Alan Krueger, “Inequality, Too Much of a Good Thing,” pp. 1 and 5-10; <http://dataspace.princeton.edu/jspui/bitstream/88435/dsp01cj82k729k/1/466.pdf>
* Robert Frank, “Does Inequality Matter?,” *Slate* (Dec. 5, 2011); <http://www.slate.com/authors.robert_h_frank.html>
* Joseph Stiglitz, “The 1 Percent’s Problem,” *Vanity Fair* (May 2012); <http://www.vanityfair.com/politics/2012/05/joseph-stiglitz-the-price-on-inequality>

**F 11/16: Money and Politics** (de Bres)

* U.S. Supreme Court, *Buckley v. Valeo,* 424 U.S. 1 (1976) [G-Doc]
* “Buckley v. Valeo”, *Democracy21* website (December 1, 2008); <http://www.ilsr.org/rule/campaign/2187-2/> (brief summary of the ruling)
* Ronald Dworkin, “The Decision that Threatens Democracy”, *The New York Review of Books* (May 13, 2010);<http://www.nybooks.com/articles/archives/2010/may/13/decision-threatens-democracy/?pagination=false>

**T 11/20: Inequality and Health: In-class Film** (Joint)

* California Newsreel, “In Sickness and In Wealth,” *Unnatural Causes …is inequality making us sick?* (video, 2008)

**F 11/23 -- THANKSGIVING**

**T 11/27: What is poverty and how much is there?** (Lindauer)

* John Cassidy, “Relatively Deprived: How poor is poor?” *The New Yorker* (April 3, 2006); <http://www.newyorker.com/archive/2006/04/03/060403fa_fact>
* DeNavas-Walt, Carmen et al., U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2010*, (2011), pp. 1-4, 14-22; <http://www.census.gov/prod/2011pubs/p60-239.pdf>
* Kathleen Short, “The Research Supplemental Poverty Measure: 2010,” U.S. Census Bureau (November 2011); <http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2010.pdf>
* Robert Rector and Rachel Sheffield, “Understanding Poverty in the United States: Surprising Facts About America’s Poor” Heritage Foundation (September 2011); <http://thf_media.s3.amazonaws.com/2011/pdf/bg2607.pdf>

**F 11/30: Inequality and Taxes** (Guest Speaker: Roberton Williams, Tax Policy Center)

* Congressional Budget Office, “Trends in the Distribution of Household Income Between 1979 and 2007” (October 2011), pp. 18-31; <http://www.cbo.gov/sites/default/files/cbofiles/attachments/10-25-HouseholdIncome.pdf>
* Roberton Williams, *Tax Facts*, Tax Policy Center (2010); “Why Nearly Half of Americans Pay No Federal Income Tax” <http://www.urban.org//UploadedPDF/412106_federal_income_tax.pdf>; “Who Pays No Tax” <http://www.urban.org//UploadedPDF/1001289_who_pays.pdf> and “Who Benefits from Tax Expenditures” <http://www.urban.org//UploadedPDF/1001537-Who-Benefits-From-Expenditures.pdf>

**T 12/4: Equality vs. Sufficiency** (de Bres)

* Martin Feldstein, “Reducing poverty, not inequality,” *The Public Interest* (Fall 1999); <http://www.nber.org/feldstein/pi99.html>
* Harry Frankfurt, “Equality as a Moral Ideal,” *Ethics* 98:1 (1987), pp. 21-43 [G-Doc]

**F 12/7: Against Sufficientarianism** (de Bres)

* Paula Casal, “Why sufficiency is not enough”, *Ethics* 117 (2007), pp. 296-326 [G-Doc]

**T 12/11: Final Thoughts** (Joint)

* Alan Krueger, “The Rise and Consequences of Inequality in the United States” (January 12, 2012); <http://www.whitehouse.gov/sites/default/files/krueger_cap_speech_final_remarks.pdf>
* George Packer, “The Broken Contract: Inequality and American Decline,” *Foreign Affairs* (November/December 2011)
* Rob Reich and Debra Satz, “Ethics and Inequality”, *Boston Review* (November 28, 2011);

<http://www.bostonreview.net/BR36.6/rob_reich_debra_satz_occupy_movement_future.php>