**ECON / PHIL 246**

**INEQUALITY**

Wellesley College

Fall 2013

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Office hours: Tues., 4:15-5:15 Office Hours: Tues., 3:30-5:00

Fri., 11:30-12:30 Friday, 12-1

***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?

**READING**

You will need to purchase:

* Timothy Noah, *The Great Divergence* (2012)
* G.A. Cohen, *Why Not Socialism?* (2009)

All other readings will be accessible from on-line sources, either via URLs or in the course’s Google Drive.

**ACCOMODATIONS**

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 9/3: 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, “Introduction”, *The Fundamentals of Ethics* (2009)*,* pp. 4-13 [G-Drive]

**F 9/6: An “economic” reason for caring about inequality** (de Bres)

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

**T 9/10: Two Trends** (Lindauer)

* Richard Freeman, *America Works* (2007), pp. 1-6; 32-40 [G-Drive]
* Timothy Noah, *The Great Divergence* (2012), Introduction and Chapter 1

**F 9/13: The Picket Fence and the Staircase** (Lindauer)

* Jacob Hacker and Paul Pierson, “The Winner Take All Economy,” *Winner-Take-All Politics* (2010), pp. 11-40 [G-Drive]
* Chad Stone, Danilo Trisi and Arloc Sherman, “A Guide to Statistics on Historical Trends in Income Inequality,” Center on Budget and Policy Priorities (October 23, 2012); <http://www.cbpp.org/files/11-28-11pov.pdf>
* Emmanuel Saez, “Striking it Richer: The Evolution of Top Incomes in the United States (Updated with 2011 estimates)” (January 23, 2013); <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2011.pdf>

**T 9/17: The Distributions of Income and Wealth** (Lindauer)

* 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>
* Elizabeth Warren, “The Middle Class on the Precipice,” *Harvard Magazine* (Jan.-Feb. 2006); <http://harvardmagazine.com/2006/01/the-middle-class-on-the-html>
* Graeme Wood, “Secret Fears of the Super-Rich,” *The Atlantic* (April 2011); <http://www.theatlantic.com/magazine/archive/2011/04/secret-fears-of-the-super-rich/308419/>

**F 9/20: 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-Drive]
* 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-Drive]

**T 9/24: Social Mobility: Movin’ on up…or not?**  (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapter 2
* Miles Corak, “Inequality from generation to generation: The United States in Comparison”; <http://milescorak.files.wordpress.com/2012/01/inequality-from-generation-to-generation-the-united-states-in-comparison-v3.pdf>
* Scott Winship, “Mobility Impaired,” *National Review Online* (November 7, 2011); <http://www.nationalreview.com/blogs/print/282292>
* David Leonhardt, “In Climbing Income Ladder, Location Matters,” *New York Times* (July 22, 2013); <http://www.nytimes.com/2013/07/22/business/in-climbing-income-ladder-location-matters.html?pagewanted=all>

**F 9/27: Rawls’ “Original Position”** (de Bres)

* Michael Sandel, *Justice: What’s the right thing to do?* (2009), pp. 140-150 [G-Drive]
* John Rawls, *A Theory of Justice* (extract) in John Arthur and William H. Shaw (eds.), *Social and Political Philosophy* (1992)*,* pp. 542-550. [G-Drive]
* Ben Rogers, “John Rawls” (obituary), *The Guardian* (November 27, 2002); <http://www.guardian.co.uk/news/2002/nov/27/guardianobituaries.obituaries>

**T 10/1: Rawls’ Difference Principle** (de Bres)

* Michael Sandel, *Justice: What’s the right thing to do?* (2009), pp. 151-166 [G-Drive]
* John Rawls, *A Theory of Justice* (extract) in Louis P. Pojman and Robert Westmoreland (eds.), *Equality: Selected Readings* (1997)*,* pp. 185-189 [G-Drive]
* 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 10/4: Why is inequality increasing?** (Lindauer)

* Alan Krueger, “Land of Hope and Dreams: Rock and Roll, Economics and Rebuilding the Middle Class” (June 12, 2013); <http://www.whitehouse.gov/sites/default/files/docs/hope_and_dreams_-_final.pdf>
* Timothy Noah, *The Great Divergence* (2012), Chapter 3

**T 10/8: Is globalization to blame?** (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. 105-127 (available as an e-book from Clapp on-line catalogue)
* S. Cohen and J. Bradford DeLong, “Shaken and Stirred,” *The Atlantic* (Jan/Feb 2005) [G-Drive]

**F 10/11: The race between education and technology (and 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>

**T 10/15 – FALL BREAK**

**F 10/18: Equality *vs.* Liberty? (A)**  (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-Drive]
* John Hospers, “What Libertarianism Is”, in Thomas Mappes and Jane Zembaty, *Social Ethics: Morality and Social Policy* (2006)*,* pp. 319-326 [G-Drive]

**T 10/22: Equality *vs.* Liberty? (B)** (de Bres)

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

**F 10/25:** **The 1% (A)** (Lindauer)

* Timothy Noah, *The Great Divergence* (2012), Chapter 9
* George Packer, “The Broken Contract: Inequality and American Decline,” *Foreign Affairs* (November/December 2011) [G-Drive]
* Robert Frank, “Why Has Inequality Been Growing?,” *Slate* (Dec. 6, 2011); <http://www.slate.com/authors.robert_h_frank.html>

**T 10/30 – TANNER CONFERENCE**

**W 10/31: Guest lecture on CEO compensation:** Carola Frydman (attendance required)

**F 11/1**: **The 1% (B)** (Lindauer)

* N. Gregory Mankiw, “Defending the one percent” *Journal of Economic Perspectives*, (June 2013); <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.3.21>

**T 11/5: Equality of Outcome (A)** (de Bres)

* Kurt Vonnegut, “Harrison Bergeron”, *The Magazine of Fantasy and Science Fiction,* (October 1961); <http://www.tnellen.com/cybereng/harrison.html>
* Raymond Plant, “Equality, Markets and the State”, Fabian Society tract (1984) [G-Drive]

**F 11/8:** **Equality of Outcome (B)** (de Bres)

* G.A. Cohen, *Why Not Socialism?* (Princeton University Press, 2009)

**T 11/12: Attitudes toward inequality** (Lindauer)

* 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>
* 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>
* Timothy Noah, *The Great Divergence* (2012), Chapter 10

**F 11/15: Poverty in America** (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>
* Rebecca Blank, “The Supplemental Poverty Measure: A New Tool for Understanding U.S. Poverty” (Fall 2011); <http://www.stanford.edu/group/scspi/_media/pdf/pathways/fall_2011/PathwaysFall11_Blank.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>

**T 11/19: 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-Drive]

**F 11/22: Against Sufficientarianism** (de Bres)

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

**T 11/26: Inequality and Health: In-class Film** (Joint)

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

**F 11/29 – THANKSGIVING**

**T 12/3: Inequality and Democracy** (de Bres)

* Justice Kennedy, Opinion, *Citizens United v. Federal Election Commission* (2010). Sections III A.1 and C, and V (pp. 20-28, 47-50, 56-57) [G-Drive]
* 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>

**F 12/6: The consequences of inequality** (Lindauer)

* 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>
* Scott Winship, “Overstating the Costs of Inequality,” *National Affairs*15 (Spring 2013); <http://www.brookings.edu/~/media/Research/Files/Articles/2013/03/overstating%20inequality%20costs%20winship/overstating%20inequality%20costs%20winship.pdf>

**T 12/10: Final Thoughts** (Joint)