Welcome. I am Prof. Jeffrey S. Zax. This is Economics 4626, "The Economics of Inequality and Discrimination". This class requires previous completion of Economics 3070, our course in intermediate microeconomics. It may occasionally require the use of derivatives. Anyone uncertain with regard to their preparation should consult with me immediately.

This class will meet on Mondays, Wednesdays and Fridays from 1:00 p.m. until 1:50 p.m. throughout the semester in Economics 119. I will hold regular office hours between 11:00 a.m. and 12:00 noon on Mondays and Wednesdays in my office, Economics 111. Appointments can be made for meetings at other times, if these are inconvenient. In particular, any student eligible for and needing academic adjustments or accommodations because of a disability should arrange to meet with me immediately.

Performance in this class will be judged on the basis of several instruments. The final examination will be worth 150 points. Two midterm examinations will be valued at 50 points each. They will take place on 1 October and 7 November, unless class progress deviates substantially from my current expectations. Two exercises will be valued at 25 points each, for a total of 50 points. The course as a whole is therefore valued at 300 points. The score attained by each student, evaluated relative to those of other students and to the score which would be attained by an intelligent student of economics at this level, will determine final letter grades.

The material to be mastered in this class is contained in the lectures and assigned readings. The tentative schedule of topics below also includes a list of assigned readings. These readings are available as a CoursePak from the UMC bookstore. Additional readings may be assigned as the course progresses.

Tentative schedule of topics:

<table>
<thead>
<tr>
<th>Date</th>
<th>Lecture Number</th>
<th>Lecture Title</th>
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| 27 August  | 1              | Introduction
<pre><code>         |               | Dasgupta, Partha (1993) *An Inquiry Into Well-Being and Destitution*, Chapter 4 &quot;Well-Being: From Theory to Measurement&quot;. |
</code></pre>
<p>| 29 August  | 2              | Simple inequality measures and Lorenz curves                                  |
| 31 August  | 3              | Lorenz curves and Gini coefficients                                           |</p>
<table>
<thead>
<tr>
<th>Date</th>
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<td>17 September</td>
<td>Equivalence scales</td>
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II. Distribution and macroeconomics

26 September 13. Inequality and economic development

28 September 14. Inequality and economic development, continued

1 October Midterm examination

III. Microeconomic determinants of distribution

3 October 15. "The simple analytics of welfare maximization"

8 October 16. Asset ownership and the intergenerational transmission of wealth

10 October 17. Assignment models and superstars

12 October 18. Investments in human capital and the value of life


15 October 19. Investments in human capital and the value of life, continued

17 October 20. Investments in human capital and the value of life, continued

IV. Non-neoclassical theories of income and wealth distribution

19 October 21. Power and inequality

22 October 22. Corruption
V. Microeconomic consequences of inequality
24 October 23. Inequality as an incentive
26 October 24. Inequality and local externalities
29 October 25. Ghettos and the underclass

VI. The evaluation of inequality
31 October 26. Social welfare functions
2 November 27. Social welfare functions, continued
5 November 28. The economics of fairness

7 November Midterm examination

VII. Discrimination and anti-discrimination policies
9 November 29. Discrimination internationally
12 November 30. Sociological and anthropological perspectives on discrimination
14 November 31. Ethnicity and race
16 November 32. Measurements of labor market discrimination
19 November 33. Employment segregation and wages
21 November 34. Partial equilibrium theories of labor market discrimination
26 November 35. General equilibrium theories of labor market discrimination
28 November 36. Local market power and cooperative discrimination
30 November 37. Affirmative action
3 December  38. Slavery and child labor

5 December  39. Housing segregation

7 December  40. Affordable housing, Fair housing

10 December  41. Environmental racism

12 December  42. Discrimination in automobile and other markets

18 December  Final examination 7:30a.m.-10:00a.m.