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 Tuesdays and Thursdays from 2:00 p.m. until 3:15 p.m. throughout the semester in Economics 117. I will hold regular office hours between 10:00 a.m. and 11:00 a.m. on Tuesdays and Thursdays 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 14 February and 21 March, 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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<tbody>
<tr>
<td>15 January</td>
<td>1</td>
<td>Introduction</td>
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<tr>
<td></td>
<td></td>
<td>Dasgupta, Partha (1993) <em>An Inquiry Into Well-Being and Destitution</em>, Chapter 4 &quot;Well-Being: From Theory to Measurement&quot;.</td>
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<tr>
<td>17 January</td>
<td>2</td>
<td>Simple inequality measures and Lorenz curves</td>
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<td>17, 22 January</td>
<td>3</td>
<td>Lorenz curves and Gini coefficients</td>
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<td>Date</td>
<td>Topic</td>
<td>Source</td>
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<tr>
<td>5 February</td>
<td>Equivalence scales</td>
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<tr>
<td>14 February</td>
<td>Midterm examination</td>
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II. Distribution and macroeconomics
19 February 13. Inequality and economic development

21 February 14. Inequality and economic development, continued

III. Microeconomic determinants of distribution
26 February 15. Asset ownership and the intergenerational transmission of wealth

28 February 16. Investments in human capital and the value of life

5 March 17. Assignment models and superstars

7 March 18. Intergenerational mobility and redistributive policy

IV. Non-neoclassical theories of income and wealth distribution
12 March 19. Power and inequality

12 March 20. Corruption

V. Microeconomic consequences of inequality
14 March 21. Inequality as an incentive

19 March 22. Inequality and local externalities

21 March Midterm examination

VI. The evaluation of inequality
2 April 23. Social welfare functions and societal choice
VII. Discrimination and anti-discrimination policies

4 April  
24. Discrimination internationally

4 April  
25. Sociological and anthropological perspectives on discrimination

4 April  
26. Ethnicity and race

9 April  
27. Measurements of labor market discrimination


11 April  
28. Employment segregation and wages

16 April  
29. Partial equilibrium theories of labor market discrimination

16 April  
30. General equilibrium theories of labor market discrimination

16 April  
31. Local market power and cooperative discrimination

18 April  
32. Discrimination and labor market policies

23 April  
33. Slavery and child labor

25 April  
34. Housing segregation

25 April  
35. Affordable housing, Fair housing

30 April  
36. Environmental racism

2 May  
37. Discrimination in automobile and other markets

7 May  
Final examination 4:30p.m.-7:00p.m.