POLICY IMPLICATIONS OF RISING INEQUALITY

Over the past decades, many developed countries have experienced considerable increases in income and wealth inequality. The recent book by Piketty (2014) has sparked new interest in studying the origins and consequences of these dynamics. Various political and economic arguments for and against offsetting this rise in inequality have been put forward. In this seminar, we will discuss recent research that has (i) documented various aspects of the rise of economic inequality; (ii) illuminated the underlying economic mechanisms that have produced these trends, and (iii) explored potential institutional responses to growing inequality, such as—in particular—changes to tax policy.

This seminar is intended for Master-level students in economics. Our first meeting will take place on 2/1/2018 at 10am for an introduction and an allocation of topics among participating students. We will then meet on 2/14, 2/15 and 2/16/2018 for presentations and discussion (the precise times will be announced immediately after the introductory meeting). All meetings will take place in room KO2-F-155.

Each student will give a 40 minute presentation about his/her main topic, as well as a 10 minute discussion of another student's topic. Moreover, students will write a seminar paper about their topic (10-12 pages), which will be due on 3/30/2018. The final grade will be based on a weighted average of students' performance in their presentation (30%), their discussion as well as their overall participation in the seminar (20%), and their seminar essay (50%).

LIST OF TOPICS

Part A: Measuring Changes in Economic Inequality

1. Top Income Inequality


2. Top Wealth Inequality


3. Top Wealth Inequality: Controversy


Kopczuk, W., What Do We Know About the Evolution of Top Wealth Shares in the United States?, Journal of Economic Perspectives 29(1), 2015, 47-66

4. Distributional National Accounts


5. Wealth and Income Inequality Below the Top

Kuhn, M., Schularick, M. and Steins, U., Wealth and Income Inequality in America 1949-2013, Mimeo, University of Bonn, 2017

6. The Role of Firms and Businesses

Bloom, N., Guvenen, F., Price, D., Song, J. and von Wachter, T., Firming Up Inequality, Mimeo, Stanford University, 2016


7. The Role of the Lifecycle

Guvenen, F., Kaplan, G., Song, J. and Weidner, J., Lifetime Incomes in the United States over Six Decades, Mimeo, University of Minnesota, 2017

8. The Case of Switzerland


9. Intergenerational Persistence of Inequality


Chetty, R., Friedman, J., Saez, E., Turner, N., Yagan, D., Mobility Report Cards: The Role of Colleges in Intergenerational Mobility, NBER Working Paper No. 23618, July 2017

Part B: Driving Forces of Rising Inequality

10. Skill-Biased Technological Change


11. Labor Market Polarization


12. Automation


Hemous, D. and Olsen, M., The Rise of the Machines: Automation, Horizontal Innovation and Income Inequality, Mimeo, University of Zurich, 2016

13. Robots and Labor Markets: US vs. Germany


14. Artificial Intelligence

Aghion, P., Jones, B. and Jones, C., Artificial Intelligence and Economic Growth, Mimeo, Stanford University, 2017

Acemoglu, D. and Restrepo, P., Artificial Intelligence, Automation, and Work, Mimeo, MIT, 2018
15. Entrepreneurship and Top Income Inequality


**Part C: Policy Responses**

16. Taxing Wealth


17. Taxing Robots


18. Taxing Superstars


19. Technological Change and Tax Policy


20. Rent-Seeking and Tax Policy


21. Fighting Tax Evasion
