

Content

The aim of this course is to introduce students to topics that surround the theme of income and wealth inequality across households. In particular, we will address the following set of questions:

- Motivation: A first look at the question why we should care about economic inequality and what we know about the development of economic inequality in different countries.
- Methodological issues: Inequality in economic outcomes versus inequality in economic opportunities. Welfare considerations related to economic inequality. Measurement of economic inequality.
- What drives income and wealth inequality? What roles play factors like technological progress, migration, marriage and fertility behavior etc.
- What can the government do to reduce inequality? How effective are taxation and redistributive policies?
- What can the government do to improve the equality of opportunity? The role of the educational system and other subsidies/regulations.
- What are the consequences of (excessive) inequality for growth and other market outcomes.
- The political economics of inequality. How does inequality affect social capital and political decisions?

Methodological approach, teaching material, practice classes, exam

- In terms of its methodological focus the course will draw both on the theoretical and on the empirical literature on inequality.
- Since there is no single book that covers all of the above topics, we will mostly rely on a mixture of class notes, research papers and selected chapters from books.
- The lectures will be accompanied by practice classes. Some of these practice classes will be dedicated to the discussion of the solutions of problem sets that will be distributed. Other practice classes will serve to review some methodological tools on which will be exploited in the lectures.
- There will be a written exam at the end of the course.