Course ID   PhD Course: Topics in Inequality

1.   Course details

Semester:	1
Credit rating:	2 ECTS
Teaching units	30
Pre-requisite(s):	No background is required.
Lecturers:	Conchita D'Ambrosio and invited speakers including Charles Horioka (Kobe University), Michael Wolfson (University of Ottawa), Eliana La Ferrara (Bocconi University tbc), Barbara Petrongolo (Queen Mary University of London tbc).
Administrator:	Roswitha Glorieux
Tutors:	None
Seminar times and rooms:	please see Point 3
Tutorial times and rooms:	None
Communications	It is important that students should regularly read their University e-mails, as important information will normally be communicated this way and on Moodle.
Mode of assessment:	Attendance/Term paper
Examination Periods:	TBA
Course WebPage:	Moodle.uni.lu

2.   Aims and objectives

The course will focus on the measurement and interpretation of inequality, its effects on individual well-being, behaviour and socio-economic outcomes.

The course will alternate lectures given by me (approximately 20 per year) and lectures given by invited scholars (approximately 10 per year) within the lecture series ``Inequality and...?'' I organize at the European Investment Bank. The lectures will be a source of inspiration for the analysis of inequality and its different aspects.

In the lectures I will give, the students will be trained with the basic knowledge necessary to the analysis of inequality. We will focus on the distribution of income, and study phenomena such as poverty, inequality, and polarization. We will tackle multidimensionality in welfare, and consider issues such as multidimensional inequality, poverty, and social exclusion.

The main questions we will answer are the following: What does it mean to be well-off (or deprived), how can societies make judgements and decisions about welfare, how can we compare well-being across people, and across time, what is meant by poverty, inequality, polarization, and income mobility, why poverty and inequality matter, and what is social exclusion and deprivation?

Other aspects of the analysis of inequality will be determined by the topic of the "Inequality and...?" lecture. After each lecture, students will be asked to read some of the fundamental papers mentioned during the lecture. We will then meet to discuss the lecture and the papers.

This course will tackle both the theoretical as well as the empirical issues surrounding these concepts.

3.   Plan of semester

The lectures at the EIB will be given by invited speakers.

Dates 2019	Room	Time	Lecture	Topic
18 September	European Investment Bank	12:30 – 13:00	Inequality and Household Savings	Please see point 4
24 September	MSA - Belval	11:00 – 13:00	Measuring inequality 1	
25 September	MSA - Belval	11:00 – 13:00	Measuring inequality 2	
26 September	MSA - Belval	11:00 – 13:00	Measuring poverty	
21 October	MSA - Belval	11:00 – 13:00	Measuring polarization	
22 October	MSA - Belval	11:00 – 13:00	Measuring relative deprivation	
23 October	MSA - Belval	11:00 – 13:00	Measuring mobility	
5 November	European Investment Bank	12:30 – 13:00	Inequality and Pain	
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Course details

- Inequality: Basic principles
    Examples of inequality indices
    Orderings of distributions by inequality indices

- Inequality and welfare: Relative case
    Interpretations of relative case
    Absolute case
    Interpretations of absolute case
    Relate indices to social welfare functions
    Dasgupta-Sen-Starrett theorems

- Generalized Lorenz curve

- Decomposition of inequality

- Poverty: Basic principles
    Sen and extensions of Sen
    Alternative indices (Censored income distributions)
    Poverty orderings: Foster-Shorrocks
    Poverty and time

- Polarization: Basic principles
    Orderings of distributions by polarization indices

- Deprivation: Problem
    Indices
    Deprivation and income satisfaction (Interdependent preferences)

- Multidimensional Issues
    Formulation of the problem: why multidimensionality
    Social exclusion and deprivation

- Mobility: Problem
    Indices

Atkinson, A.B. (1970): "On the Measurement of Inequality," Journal of Economic Theory, 2, 244-263.

Atkinson, A.B. (2003): "Multidimensional deprivation: contrasting social welfare and counting approaches" Journal of Economic Inequality, 1, 51-65.

Atkinson, A.B. and A. Brandolini:
http://siteresources.worldbank.org/INTDECINEQ/Resources/1149208-1169141694589/Global_World_Inequality.pdf

Chakravarty, S.R. (1997): "Relative Deprivation and Satisfaction Orderings", Keio Economic Studies, 34, 17-31.

Chakravarty, S.R. (2009): Inequality, Polarization and Poverty, Springer.

D'Ambrosio, C. (2001) "Household Characteristics and the Distribution of Income in Italy: an Application of Social Distance Measures," Review of Income and Wealth, 47, 1, 43-64.

Dasgupta, P., A. Sen e D. Starrett (1973): "Notes on the Measurement of Inequality," Journal of Economic Theory, 6, 180-187.

Duclos, J-Y., J.M. Esteban and D. Ray (2004), "Polarization: Concepts, Measurement, Estimation," Econometrica, 72, 1737-1772.

Easterlin, R.A. (2001): Income and Happiness: Towards a Unified Theory," Economic Journal, 111, 465-484.

Esteban, J.M., e D. Ray (1994): "On the Measurement of Polarization," Econometrica, 62, 4, 819-851.

Hey, J.D. and P. Lambert (1980): "Relative Deprivation and the Gini Coefficient: Comment", Quarterly Journal of Economics, 95, 567-573.

Sen, A. (1997): On Economic Inequality, enlarged edition with a substantial annexe on Economic Inequality after a Quarter Century, J. Foster e A. Sen, Clarendon Press, Oxford.

Shorrocks, A.F, (1983): "Ranking Income Distributions," Economica, 50, 3-17.

Wolfson, M.C. (1994): "When Inequality Diverge," American Economic Review Papers and Proceedings, 84, 353-358.

Yitzhaki, S. (1979): "Relative Deprivation and the Gini Coefficient", Quarterly Journal of Economics, 93, 321-324, 1979.

4.   Further information about assessment

Examination(s)

Weighting: 100%

Date: TBA

Length: Presentation

Structure: Presentation of a topic of choice tdb