

Master Info Session

Economics of Distribution

Winter term 2024/25

Field Course (Tuesday 16:00 - 19:00)

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Research & Policy Seminar (Tuesday 12:00 - 15:00)

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Field Course

This course provides an introduction to the analysis of economic inequalities and the interplay between inequality and economic growth.

Comprehensive overview about past and current research in this field based on journal articles.

After completion you should be able to answer these questions:

- How does inequality vary across countries and evolve over the path of development?
- What are the theories that can explain the degree of economic inequalities and its dynamic?
- How do policies affect inequalities, and what types of policies can foster equitable growth?

1. Introduction and Theory

- Inequality of what? Among whom?
- Overview over grand debates

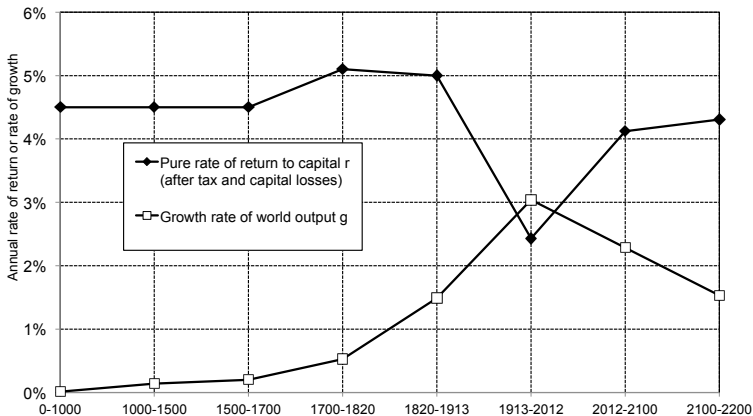
2. Grand Debates

- Observing the economy
- Does $r > g$ imply greater inequality?
- Taxation and inequality
- Household structure and equivalence scales
- Labor markets I: Gender and Migration
- Labor markets I: Digital- and Globalization
- Social Mobility

3. Windup

- Recap and nexuses
- Exam

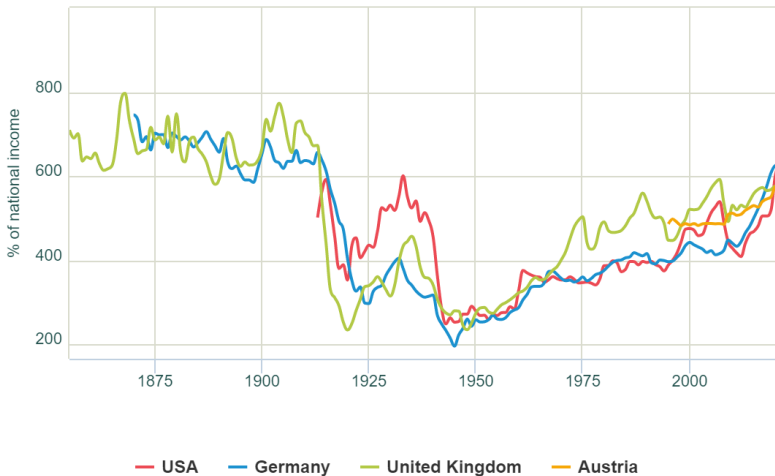
Figure 10.11. After tax rate of return vs. growth rate at the world level, from Antiquity until 2200



The rate of return to capital (after tax and capital losses) fell below the growth rate during the 20th century, and might again surpass it in the 21st century. Sources and series: see piketty.pse.ens.fr/capital21c

EXAMPLE: PIKETTY'S $r > g$

net national wealth to net national income ratio



Graph provided by www.wid.world

1. Introduction and Theory

- Read slides
- Choose topic to work on

2. Grand Debates

- Read main paper
- Write essay (5/7)
- Prepare 1 presentation
- Discuss 1 presentation

3. Windup

- Summary session
- Exam

Components

25% Essays (5 of 7)

15% Presentation

15% Discussant

50% Exam

Grades

≥ 89% Excellent

≥ 76% Good

≥ 63% Satisfactory

≥ 50% Sufficient

Research & Policy Seminar

LEARNING OUTCOMES AND GOALS

- Applied perspective on traditional and recent questions, especially regarding income/earnings and wealth inequality
- Main goal: Students replicate and/or extend a (recent) research paper using data from the Luxembourg Wealth Study (LWS) along their research interest, preferably in groups. Allowed to use other data sets!
- Thereby you will
 - Learn to situate a chosen topic and research question in relation to the broader research field and to develop fruitful and relevant ideas for replications/extensions
 - Develop on in-depth understanding of the methods you work with (Examples: Quantile and RIF Regression, Distributional Regression,...)
 - Development your technical skills to apply state-of-the art methods to complex data, preferably using R
 - Improve general skills, especially your academic writing and presentation skills
 - Develop a good understanding of current lines of research and debates in the field of inequality research

Part 1: Introduction to applied work with surveys data on household finances included in LWS (sampling, selective non-response, multiple imputations,...)

Part 2: First presentation and in-class discussion of our research project

Part 3: In-depth discussion of relevant theories and methods (depending on the specific topics/questions addressed in the research projects)

Part 4: Supervised work on research project, with regular and on-demand meetings to discuss progress

Part 4: Presentation of the outcomes of project in a workshop-setting

Part 5: Written research paper to be handed in after the presentation

Throughout the term: *The Process of Research* - the instructor will discuss important aspects of the research process, such as reading academic papers, developing a relevant research question, academic writing and presentations.

Components

20% Presentation I: Introduction of your project

30% Presentation II: Final presentation of your project

50% Written research paper

Grades

≥ 90% Excellent

≥ 80% Good

≥ 65% Satisfactory

≥ 50% Sufficient

Selected Recent Projects

RECENT THESES SUPERVISED: SOME EXAMPLES

- Inequality and Private Schooling in the United Kingdom
- How are corruption and inequality related?
- Modeling a Job Guarantee for Germany using a Job Search Model
- Rental Market in Berlin: The Effectiveness of the Rent Freeze
- Analysing the Malaysian Housing Market using Google Trends
- Do incomes keep up with house prices? A global comparison
- How did the Increase in Tuition Fees in England affect Wealth Inequality?
- Inheritances and Wealth Inequality
- Wealth Inequality and the Welfare State
- Wealth Inequality in Austria 1960 – 1990. Evidence from Tabulated Tax Data
- Private Wealth Accumulation and the Welfare State across the OECD
- Housing and Income Inequality