

JULIO 13 – JULIO 23

Fechas: Julio 13 a Julio 23 (excluye martes 20 de julio)

Horario: 9:00am – 1:00pm

Prerrequisitos: Macroeconomía III, Microeconomía III, Econometría I, Sexto semestre

Description

This course examines the determinants of persistent group inequality, with particular emphasis on social segregation, racial profiling, and intergenerational transfers of human capital. We shall also discuss racial disparities in crime rates, racial identity, and the salience of racial markers. The methods used are those of applied microeconomic theory. Although the models apply to a variety of settings in which clearly identifiable groups exist, the main motivation comes from the historical experience of racial inequality in the United States.

Course Requirements

There will be a single research paper required of all students who take the course for credit. Class attendance and participation are essential.

Readings

Required readings are marked with **, the rest are optional.

1. Justice

Loury, Glenn C. (1987). "Why Should We Care About Group Inequality?" *Social Philosophy and Policy*, 249-271.

Durlauf, Steven (1996). "Associational Redistribution: A Defense." *Politics and Society* 24: 391-410.

**Roemer, John (1998). *Theories of Distributive Justice*, Harvard University Press.

**Loury, Glenn C. (2002). *The Anatomy of Racial Inequality*, Harvard University Press.

2. Separation

Schelling, Thomas C. (1971). "Dynamic Models of Segregation." *Journal of Mathematical Sociology* 1: 143-186.

**Schelling, Thomas C. (1978). *Micromotives and Macrobehavior*, Chapter 4.

**Benabou, Roland (1993). "Workings of a City: Location, Education, and Production." *Quarterly Journal of Economics* 108: 619-652.

Benabou, Roland (1996). "Equity and Efficiency in Human Capital Investment: The Local Connection." *Review of Economic Studies* 63: 237-264 .

Fernandez, Raquel and Richard Rogerson (1996). "Income Distribution, Communities and the Quality of Public Education." *Quarterly Journal of Economics* 111: 135-164.

**Sethi, Rajiv and Rohini Somanathan (2004) "Inequality and Segregation." *Journal of Political Economy* 112: 1296-1321.

**Currarini, Sergio, Matthew Jackson and Paolo Pin (2007). "An Economic Model of Friendship: Homophily, Minorities and Segregation." Unpublished Manuscript, Stanford University.

3. Reputation

Arrow, Kenneth J. (1973). "The Theory of Discrimination." In Ashenfelter and Rees, editors, *Discrimination in Labor Markets*.

**Coate, Stephen and Glenn C. Loury (1993). "Will Affirmative Action Policies Eliminate Negative Stereotypes?" *American Economic Review* 83: 1220-1240.

**Tirole, Jean (1996) "A Theory of Collective Reputation," *Review of Economic Studies* 63(1):1-22 (1996)

Loury, Glenn C. (2000). "Conceptual Problems in the Enforcement of Anti-Discrimination Laws." in Arrow, Bowles and Durlauf (eds.) *Meritocracy and Economic Inequality*, Princeton: Princeton University Press.

Fang, Hanming (2001). "Social Culture and Economic Performance," *American Economic Review* 93:4-47.

Antonovics, Kate (2002). "Persistent Racial Wage Inequality" Unpublished Manuscript, UCSD.

Moro, Andrea and Peter Norman (2004). "A General Equilibrium Model of Statistical Discrimination." *Journal of Economic Theory* 114: 1-30.

**Chaudhuri, Shubham and Rajiv Sethi (2008), "Statistical Discrimination with Peer Effects: Can Integration Eliminate Negative Stereotypes?" *Review of Economic Studies*, 75: 579-596.

**Albanesi, Stefania and Claudia Olivetti "Home Production, Market Production, and the Gender Wage Gap: Incentives and Expectations." *Review of Economic Dynamics*, forthcoming.

4. Emergence and Persistence

**Loury, Glenn C. (1977). "A Dynamic Theory of Racial Income Differences." In *Women, Minorities and Employment Discrimination*, edited by Phyllis Wallace and Annette LaMond.

**Becker, Gary and Nigel Tomes (1979). "An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility." *Journal of Political Economy* 87: 1153-89.

Loury, Glenn C. (1981), "Intergenerational Transfers and the Distribution of Earnings." *Econometrica* 49: 843-67.

**Montgomery, James (1991). "Social Networks and Labor Market Outcomes: Toward an Economic Analysis." *American Economic Review* 81: 1408-18.

Banerjee, Abhijit and Andrew Newman (1993). "Occupational Choice and the Process of Development." *Journal of Political Economy* 101: 274-98.

**Galor, Oded and Joseph Ziera (1993). "Income Distribution and Macroeconomics." *Review of Economic Studies* 60: 35-52.

Estaban, Joan and Debraj Ray (1994). "On the Measurement of Polarization," *Econometrica* 62: 819-51.

Durlauf, Steven (1996). "A Theory of Persistent Income Inequality." *Journal of Economic Growth* 1: 75-94.

**Dilip Mookherjee and Debraj Ray (2003). "Persistent Inequality." *Review of Economic Studies* 70: 369-393.

**Lang, Kevin, Michael Manove and William Dickens (2005). "Racial Discrimination in Labor Markets with Announced Wages." *American Economic Review* 95: 1327-40.

**Bowles, Samuel, Glenn C. Loury and Rajiv Sethi (2008) "Group Inequality" Unpublished Manuscript, Barnard College, Columbia University.

**Dilip Mookherjee and Debraj Ray (2008). "Inequality and Markets", Unpublished Manuscript, NYU.

5. Redistribution

Chan, Jimmy, and Erik Eyster (2003). "Does Banning Affirmative Action Lower College Student Quality?" *American Economic Review* 93: 858-872.

Fryer, Roland G. and Glenn C. Loury (2005). "Affirmative Action in Winner-Take-All Markets." *Journal of Economic Inequality* 3: 263-280.

**Fryer, Roland G. and Glenn C. Loury (2005). "Affirmative Action and its Mythology." *Journal of Economic Perspectives*.

**Fryer, Roland G. and Glenn C. Loury (2007). "Valuing Identity: The Simple Economics of Affirmative Action." Unpublished manuscript, Brown University.

**Fryer, Roland G., Glenn C. Loury, and Tolga Yuret (2008). "An Economic Analysis of Color-Blind Affirmative Action." *Journal of Law, Economics, and Organization* 24: 319-355.

**Epple, Dennis, Richard Romano and Holger Sieg (2008). "Diversity and Affirmative Action in Higher Education." *Journal of Public Economic Theory* 10: 475-501.

6. Crime

Loury, Glenn C. (2007). "Racial Stigma, Mass Incarceration and American Values." Tanner Lectures in Human Values (I and II), Stanford University.

**Loury, Glenn C. et al. (2009). "A Nation of Jailers." Lead essay, along with commentaries, at www.cato-unbound.org.

**O'Flaherty, Brendan and Rajiv Sethi (2007). "Crime and Segregation." *Journal of Economic Behavior and Organization* 64: 391-405.

**O'Flaherty, Brendan and Rajiv Sethi (2008). "Racial Stereotypes and Robbery" *Journal of Economic Behavior and Organization*, 68: 511-524.

**O'Flaherty, Brendan and Rajiv Sethi (2008). "The Geography of Vice" Unpublished Manuscript, Columbia University.

**O'Flaherty, Brendan and Rajiv Sethi (2008). "Homicide in Black and White" Unpublished Manuscript, Columbia University.

7. Identity

**Bernheim, Douglas (1994). "A Theory of Conformity." *Journal of Political Economy* 102: 841-77.

McAdams, Richard H. (1995). "Cooperation and Conflict: The Economics of Group Status Production and Race Discrimination." *Harvard Law Review* 108: 1005-84.

Akerlof, George and Rachel Kranton (2000). "Economics and Identity." *Quarterly Journal of Economics* 115: 715-53.

**Austen-Smith, David and Roland Fryer (2005). "An Economic Analysis of "Acting White." *Quarterly Journal of Economics* 120: 551-583.

Fang, Hanming and Glenn C. Loury (2005). "Toward an Economic Theory of Dysfunctional Identity," in Chris Barrett (ed.), *The Social Economics of Poverty: On Identity, Communities, Groups and Network*.

**Fang, Hanming and Glenn C. Loury (2005). "Dysfunctional Identities Can Be Rational." *American Economic Review Papers and Proceedings* 95: 104-111.

Fryer, Roland G. and Matthew Jackson (2008). "Categorical Cognition: A Psychological Model of Categories and Identification in Decision-Making." *Contributions to Theoretical Economics* 8.

8. Discourse

Crawford, Vince and Joel Sobel (1982). "Strategic Information Transmission." *Econometrica* 31-51.

**Glenn C. Loury (1994). "Self-Censorship in Public Discourse: A Theory of Political Correctness." *Rationality and Society* 6: 428-61.

**Morris, Stephen (2001). "Political Correctness." *Journal of Political Economy* 109: 231-65.

**Banerjee, Abhijit and Rohini Somanathan (2001). "A Simple Model of Voice." *Quarterly Journal Economics*. 116.

Coate, Stephen and Stephen Morris (1995). "On the Form of Transfers to Special Interests." *Journal of Political Economy* 103: 1210-35.

**Sethi, Rajiv and Muhamet Yildiz (2008). "Public Disagreement." Unpublished Manuscript, IAS Princeton.

**Elster, Jon (ed.) (1998). *Deliberative Democracy*. Cambridge University Press.

**Allen, Danielle (2004). *Talking to Strangers: Anxieties of Citizenship since Brown v. Board of Education*. University of Chicago Press.

NOTA:

La nota definitiva se aproximará al múltiplo de 0.5 más cercano de acuerdo a la siguiente regla: 2.75 a 3.24 = 3.0; 3.25 a 3.74 = 3.5, etc.

Fecha de retiro: El estudiante podrá retirar el curso, sin devolución, hasta un día hábil antes de la fecha de entrega del documento Research paper.