

**CSS 320-02, Junior Economics
Tutorial: Wealth in a Global
Context**

Course Description

The past 50 years of global income statistics reveal a dramatically altered landscape of economic winners and losers in both rich and poor nations. Incomes soared for factory workers in China. Yet the urban-rural divide in that country widened. At the same time, working-class incomes in post-industrial economies stagnated, and rich nations reported a hollowing-out of the middle class. While within-country inequality rose for wealthier nations, global inequality, by some reports, has declined.

This tutorial will explore competing economic views on why these changes occurred, whether they will persist, and what they portend for democratic institutions and economic prosperity. We ask whether mechanical economic forces are driving these trends in a manner that defies policy intervention or whether policy can make a difference.

Throughout the course, we consider a variety of proposals for addressing dislocation linked to high and rising inequality within and between nations. Our exploration will require us to address economic issues of refugees, migration and citizenship along with economic factors behind trends toward plutocracy and nativism.

Instructor Information

Instructor: Prof. W. Rayack
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Office Hours: TBA

Course Website

A course website will be maintained at <http://moodle.wesleyan.edu>. Important information will be posted and grades will be recorded here. All written assignments should be passed in through Moodle. Course announcements with a critical time component will be posted, but also e-mailed to class members.

Required Texts

We will be reading substantial portions of the following required texts which are available at Wesleyan R. J. Julia Bookstore. The texts are also available as used copies or in Kindle editions. I have listed some of the lower prices that I have found.

Capital in the Twenty-First Century by Thomas Piketty, Belknap Press, 2017. (\$11.99 on Kindle)

The Globalization of Inequality, by François Bourguignon, Princeton University Press, 2015. (\$9.99 on Kindle; \$4.38 used)

Global Inequality: A New Approach for the Age of Globalization by Branko Milanovic, Harvard University Press, 2016. (\$14.11 on Kindle; \$9.41 used)

After Piketty: The Agenda for Economics and Inequality ed. Heather Boushey & J. Bradford DeLong, Harvard University Press, 2017. (\$19.25 on Kindle)

The Panama Papers: Breaking the Story of How the Rich and Powerful Hide Their Money, by Obermayer & Obermaier, Oneworld Publications, revised edition, 2017. (\$6.00 on Kindle)

Tutorial Sessions

Each student will be responsible for leading the discussion of one reading at some time during the course; see below for details. **Student participation in the tutorial session will account for 20% of the final course grade.**

Response Papers

Before each tutorial session (including the first one) students are required to submit a response paper (two to three pages; 1 inch margins; 12 point font; double-spaced; in doc or pdf format) based on the reading for that session. The response paper is **due at noon on Thursdays, the day before the tutorial** so that the instructor has time to read them before class.

The response papers must engage with specific points made in the readings for each week. Here are focus questions for the first few weeks.

- For week one:
 1. Does globalization increase or decrease inequality? Back up your view.
 2. Is there value to knowing the patterns & causes of inequality? Explain.
 3. Are you more troubled by policies that try to limit inequalities or by those that seek to preserve inequalities? Give examples of your concerns.
 4. **As you read, jot down questions for possible paper topics. List 3 to 4 of those questions at the end of your response paper for this week.**

- For week two:
 1. How does Piketty view Kuznets curves & “balanced-growth” theories?
 2. What theory of Kuznets curves is advanced by Branko Milanovic?
 3. Does Bourguignon’s chapter offer any surprises?
 4. **Again, while reading, jot down questions for possible paper topics. List 3 to 4 of those questions at the end of your response paper.**

- For weeks three through seven: In these weeks you have more leeway to design your own focus. Feel free to **choose among** questions 1-5.

Everyone must complete question 6.

 1. Do the readings suggest major areas of agreement? On what issues?
 2. Are there major points of contention? What are they?
 3. Do the readings cast any new light on our prior discussions? How so?
 4. Which arguments do you find most compelling and why?
 5. What struck you as particularly interesting and worthy of further thought, discussion or investigation?
 6. **List a few possible ways to narrow your chosen papertopic.**

The response papers will be graded on a scale of one (worst) to five (best) and will account for 25% of the final course grade. Your lowest response paper score will be dropped in computing your final grade.

Student Led Discussion

During the tutorial, each student will be required to lead the discussion of one reading. The student leading a discussion should come to class prepared to give a 10 to 15-minute presentation summarizing the paper. Many students find using slides for their presentation to be helpful, but they are not required.

At the first tutorial session, a list of readings and presentation dates will be provided to the class. Students will be ordered at random and sign up for which paper/date they will present. The readings are of varying length and degree of difficulty. The instructor’s expectations regarding the content of the student presentation will vary accordingly.

Students will be graded on their presentation and preparedness to lead the class discussion. This grade will account for 25% of the final course grade.

Research Paper

On the last day of class, students are required to hand in a 15 to 20-page research paper (pdf or doc; format; 1 inch margins; 12 point font; double-spaced; excluding reference list, tables, and figures). The paper should address a single topic related to our inequality. From day one, you should be jotting down possible research topics. Although **this is only a very partial list of possibilities**, here are some broad areas to consider:

- Inheritance
- Wealth taxes
- Immigration policies
- Tax evasion
- Banking policies
- Kleptocracies
- Wealth reporting

By week three, you should have selected a broad topic area. At that point, you should begin to narrow your focus. Will you explore a specific country or will you use a cross-country approach. Will you address a single problem or does your question require you to consider a range of related problems? Will you investigate a specific policy or evaluate competing policy options?

All papers should start by addressing the following question: What is your specific question and what debates in the literature have motivated your interest in this question?

The sources used in writing your paper should be clearly documented. Refer to a source in the text using the “author, year” convention, (e.g. Smith, 1776). Provide a list of references at the end of the paper alphabetized by author’s last name.

All papers should use a structure that is made clear to the reader through the use of headings and subheadings.

There will be two intermediate assignments due related to the research paper:

- Before class in Week 3, students should submit a one-page description of their paper topic. You should describe the area that you will write about and report the country(ies), problem(s) or policy(ies) of interest if applicable. Provide at least five sources, including at least two from economics journals, that you have consulted. This item will not be graded, but failing to pass it in on time will result in a reduction of one grade on the final paper (e.g. an A- becomes a B+).
- Before class in Week 5, students should submit a two to four-page progress report. At the end of that report, append an outline showing the major headings and subheadings that you might use to structure your paper. Provide at least ten sources, including at least five from economics journals, that you have consulted. This item will not be graded, but failing to pass it in on time will result in a reduction of one grade on the final paper (e.g. an A- becomes a B+).

The research paper will account for 30% of the final course grade.

Grading

The course grade will be based upon the following:

- Class participation 20%
- Response papers 25%
- Student Presentation 25%
- Final Research Paper 30%

Academic Integrity

Wesleyan University has an honor code that can be read at:

<http://www.wesleyan.edu/studentaffairs/honorboard/honorcode.html>

Students must abide by the honor code during this course.

I recommend that all students read the section of the Student Handbook that describes plagiarism:

<http://www.wesleyan.edu/studentaffairs/studenthandbook/standardsregulations/plagiarism.html>

All research papers will be subjected to analysis by plagiarism detection software (i.e. turnitin.com). Any suspected violations of the Honor Code will be referred to the Wesleyan University Honor Board.

Students with Disabilities

It is the policy of Wesleyan University to provide reasonable accommodations to students with documented disabilities. Students, however, are responsible for registering with Disabilities Services, in addition to making requests known to me in a timely manner. If you require accommodations in this class, please make an appointment with me as soon as possible (by the third week of the semester), so that appropriate arrangements can be made. The procedures for registering with Disabilities Services can be found at

<http://www.wesleyan.edu/studentaffairs/disabilities/studentguide.html>.

Course Timeline

Week 1: Introduction to the Global Inequality Debates

- Reading:
 - Obermayer, The Panama Papers, Foreword, Prologue & Ch. 1-4
 - Milanovic, Introduction p. 1-9; Ch. 1 “The Rise of the Global Middle Class and Global Plutocrats.
 - Bourguignon, vii-xv; Introduction, p. 1-8; Ch. 1 “Global Inequality”
- Written Assignment:
 - Response paper

Week 2: Inequality within Countries: Demise and Rebirth of Kuznets Curves

- Reading:
 - Piketty, Introduction & Ch. 1-5
 - Piketty, Ch. 6-8 (**Two students will report on these chapters.**)
 - Milanovic, Ch. 2 “Inequality Within Countries”
 - Bourguignon, Ch. 2 “Are Countries Becoming More Unequal?”
- Written Assignment:
 - Response paper

Week 3: Globalization and the Forces behind the Rise in Inequality

- Reading:
 - Bourguignon, Ch. 3 “Globalization & Forces behind Rise in Inequality.”
 - Milanovic, Ch. 3 “Inequality among Countries”
 - Piketty, Ch. 9-12 (**Two students will report on these chapters.**)
 - Obermayer, The Panama Papers, Ch. 5-12
- Written Assignment:
 - Response paper
 - Research paper topic

Week 4: Policy Questions

- Reading:
 - Piketty, Part Four “Regulating Capital in the 21st Century” Ch. 13-16 (**Two students will report on these chapters from Piketty**)
 - Bourguignon, Ch. 4-6.
 - Milanovic, Ch. 4
 - Obermayer, The Panama Papers, Ch. 13-16
- Written Assignment:
 - Response paper

Week 5: After Piketty, Part I

- Reading:
 - After Piketty, Ch. 20 & 21
- Written Assignment:
 - Response paper
 - Research paper progress report

Week 6: After Piketty, Part II

- Reading:
 - After Piketty, Ch. 8 & 9
 - Obermayer, The Panama Papers, Ch. 17-20
- Written Assignment:
 - Response paper

Week 7: Immigration in the Global Inequality Debates & Concluding Thoughts

- Reading:
 - After Piketty, Ch. 6, 7 & 15
 - Ravallion, Martin. "Inequality and Globalization: A Review Essay". <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jel.20171419>
 - Obermayer, The Panama Papers, 21-30 and Epilogue.
- Written Assignment:
 - Response paper
 - Final Research Paper