

Economics of Inequality

(Master PPD & APE, Paris School of Economics)

Thomas Piketty

Academic year 2014-2015

Syllabus & Course Material

(check [on line](#) for updated versions)

- Email : piketty@psemail.eu
- Office hours: Tuesdays 9h-12h, Jourdan B101

- Course web page :
<http://piketty.pse.ens.fr/teaching/10/17>
(check on-line for updated versions)

- The objective of this course is to present recent research in the area of income and wealth distribution. Issues will include the following.
- How did income and wealth distributions evolve since the 19th century, how can we account for these changes? What was the interaction with the growth and capital accumulation process?
- Did the recent rise of inequality contribute to the 2008 financial crisis? What will be the impact on income and wealth distributions?
- **Can we properly understand macro issues with representative-agent models?**

- This course will take for the most part a positive perspective on distributional issues. For references on normative models of optimal redistribution and taxation, see my [Public Economics course](#)
- The course is organized in 8 lectures of 3 hours (7 lectures + 1 exam)
- To validate the course, students are required :
 - (1) to attend and actively participate to all lectures;
 - (2) to take the exam(past exams are available [here](#))

General references

To a large extent the course will follow this book:

- T. Piketty, [Le capital au 21^e siècle](#), Seuil 2013
[Capital in the 21st century](#), Harvard University Press 2014

This book is based upon a collective data collection project:

- F. Alvaredo, T. Atkinson, T. Piketty, E. Saez, “[The Top 1% in International and Historical Perspective](#)“, Journal of Economic Perspectives 2013

(updated series on the World Top Incomes Database (WTID):

<http://topincomes.parisschoolofeconomics.eu>)

(soon to become the W2ID: World Wealth & Income Database)

- T. Piketty, G. Zucman, “[Capital is Back: Wealth-Income Ratios in Rich Countries 1700-2010](#)”, QJE 2014, [slides](#), [data appendix](#)
- T. Piketty, G. Zucman, “[Wealth and Inheritance in the Long-Run](#)”, Handbook of Income Distribution, 2014
- T. Piketty, E. Saez, “[Inequality in the long run](#)”, Science 2014
- G. Bertola, R. Foellmi, J. Zweimuller, [Income distribution in macroeconomic models](#), Princeton University Press, 2006
- F. Guvenen, “[Macroeconomics with Heterogeneity: A Practical Guide](#)”, NBER WP 2012

A quick roadmap of the lectures

- **Lecture 1: Income, capital and growth**
(Tuesday September 23rd 2014, 13h45-16h45)
(Capital in the 21st century, **chapters 1-2**)
- **Lecture 2: The dynamics of capital/income ratios: private vs public capital**
(Tuesday September 30th 2014, 13h45-16h45) (**chap.3-4**)
- **Lecture 3: The dynamics of capital/income ratios: $\beta=s/g$**
(Tuesday October 7th 2014, 13h45-16h45) (**chap.5**)

- **Lecture 4: From capital/income ratios to capital shares**
(Tuesday October 14th 2014, 13h45-16h45) (**chap. 6**)
- **Lecture 5: The structure of inequality: labor income**
(Tuesday November 4th 2014, 13h45-16h45) (**chap. 7-9**)
- **Lecture 6: The structure of inequality: capital ownership**
(Tuesday November 18th 2014, 13h45-16h45) (**chap.10-12**)
- **Lecture 7: The regulation of capital and inequality**
(Tuesday November 25th 2014, 13h45-16h45) (**chap.13-16**)
- **Lecture 8: Exam**
(Tuesday December 2nd 2014, 13h45-16h45)