

ECON 195S.52: ECONOMICS OF POVERTY & DISCRIMINATION

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Thursdays 2:50-5:20 PM
109 Social Sciences Building
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<http://www.econ.duke.edu/~hf14/teaching>

Course Description:

This course will lead students into critical thinking about important concepts related to poverty and discrimination.

This course will feature a blending of economic reasoning from theoretical and empirical perspectives, which I hope will become part of the students' toolkit in their further endeavors. The students will come out of the course becoming a critical and intelligent participants in public policy debates, learn to form their own policy recommendations based on their own analysis.

The syllabus below will provide details about what to cover in each topic. For each topic, the plan is as follows. First, I will provide the background for the topic; Then we will discuss the rest of the papers and relevant book chapters in class. When we finish a topic, each student will write up a summary of what he/she learned from the readings and discussions, as well as any additional thoughts and questions. I will announce the deadline for each assignment in class.

The readings for each class are assigned in detail below. It is important that you read them before the class. I will ask everyone to contribute in the class discussions. The participations and writings will count toward the course grade. If you are not active in discussions, you will not learn too much and you will receive low grades (just so you know, I will have no sympathy for slacking students).

In reading the papers or book chapters, all students are expected to ask themselves the following questions:

- What is the main issue? Why is it interesting?
- What are the existing literature prior to the study?
- What are the main weaknesses of previous studies? What is new that this paper attempts to bring to the topic? Is it a new method? Or is it a new data set? Or is it a new way to examine the question?
- What are the main results? What are the key assumptions necessary for the results? Are these assumptions testable? Do you have issues with these assumptions?
- What are the implications of the results?
- Do you have any critical comments about the paper?

Course Requirement and Grading:

A term paper will be due at the end of the course (due date: April 27, 2009). In the paper the student is required to summarize how his/her views about poverty, poverty alleviation, inequality, discrimination have been affected by this course; and also propose any new ideas and thoughts about these topics.

The grade for the course will be based on the students' class participation (30%), summaries of covered topics over the course of the semester (30%) and on their term paper (40%).

Textbook:

[LANG] *Poverty and Discrimination*, by Kevin Lang, Princeton University Press, 2007.

Class Schedule and Reading Assignments:

January 8: Introduction to Poverty

- Background/Introduction
 - Poverty: Definition, Measurement, Trends
- Readings:
- [How the Census Bureau measures poverty?](http://www.census.gov/hhes/www/poverty/povdef.html) available at: <http://www.census.gov/hhes/www/poverty/povdef.html>
 - LANG, Chapter 2, Chapter 4

January 15: Anti-poverty policies: Welfare Programs

Readings:

LANG, Chapter 3, Chapter 5
LANG, Chapter 3, Section 2; Chapter 9

January 22: Anti-Poverty Policies: EITC and Job Training Programs

Readings:

LANG, Chapter 3, Section 3
LANG, Chapter 5, Section 4

January 29: Racial Inequality

Readings:

- LANG, Chapter 5, Section 1
- **Measures of Inequality: Gini Index (Additional Material)**
 - **Black-White Wage Inequality**
- Readings:
- LANG: Chapter 11, Section 1, 2
- Derek Neal (2006). "Black-White Labour Market Inequality in the United States," forthcoming in the *New Palgrave Dictionary of Economics*, edited by Steven Durlauf and Lawrence Blume.

February 5: Gender Inequality

Readings:

- Claudia Goldin and Lawrence F. Katz (2002). "[The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions](#)", *Journal of Political Economy*, (August 2002).
- Claudia Goldin, Lawrence F. Katz and Ilyana Kuziemko (2006). "[The Homecoming of American College Women: The Reversal of the Gender Gap in College](#)" *Journal of Economic Perspectives*, 20 (Fall 2006), pp. 133-56.
- Derek Neal (2004). "The Measured Black-White Wage Gap Among Women Is Too Small" *Journal of Political Economy*, February, 2004, vol. 112, pp. S1-S28.
- Casey B. Mulligan & Yona Rubinstein (2008). "[Selection, Investment, and Women's Relative Wages](#)", *Quarterly Journal of Economics*, V123, 1061–1110. 2008.

February 12: Educational Policies to Reduce Inequality

Readings:

- LANG, Chapter 8

February 19: Discrimination: Theory

Readings:

- LANG, Chapter 10
- Coate, Stephen & Loury, Glenn C, 1993. "[Will Affirmative-Action Policies Eliminate Negative Stereotypes?](#)" [American Economic Review](#), American Economic Association, vol. 83(5), pages 1220-40.

February 26: Discrimination in Consumer Markets

Readings:

LANG, Chapter 13, Section 1 & 2

- Ian Ayres and Peter Siegelman (1995). Race and Gender Discrimination in Bargaining for a New Car. *American Economic Review*, Vol. 85, No. 3. (Jun., 1995), pp. 304-321.
- Pinelopi Koujianou Goldberg (1996). Dealer Price Discrimination in New Car Purchases: Evidence from the Consumer Expenditure Survey. *Journal of Political Economy*, Vol. 104, No. 3, pp. 622-654.
- David W. Harless; George E. Hoffer (2002). Do Women Pay More for New Vehicles? Evidence from Transaction Price Data. *The American Economic Review*, Vol. 92, No. 1, pp. 270-279.

March 5: Discrimination in Law Enforcement

Readings:

LANG, Chapter 13, Section 3

- Knowles, John; Persico, Nicola and Todd, Petra. "Racial Bias in Motor Vehicle Searches: Theory and Evidence." *Journal of Political Economy*, 2001, 109(1), pp. 203–29.
- Hanming Fang and Shamena Anwar, An Alternative Test of Racial Profiling in Motor Vehicle Searches: Theory and Evidence, *American Economic Review*, March 2006, Vol. 96, No. 1, 127-151.

March 12 (Spring Recess): ENJOY YOUR BREAK!

March 19: Sex Discrimination

Readings:

LANG, Chapter 14

March 26: Discrimination in Labor Market: I

Readings:

LANG, Chapter 11

- Marianne Bertrand and Sendhil Mullainathan (2004). [Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination](#), September, *American Economic Review*.
- Claudia Goldin and Cecilia Rouse (2000). ["Orchestrating Impartiality: The Effect of 'Blind' Auditions on Female Musicians"](#) *American Economic Review* (September 2000).

April 2: Discrimination in Labor Market: II

Readings:

- Neal, Derek and William R. Johnson. (1996). "The Role of Premarket Factors in Black-White Wage Differences." *Journal of Political Economy* 104(5): 869-895.
- Altonji, J. G. and Pierret, C. R. (2001). Employer learning and statistical discrimination, *Quarterly Journal of Economics*, 116, 313–50.
- Persico, N., A. Postlewaite, [Daniel Silverman](#) (2004). "The effect of adolescent experience on Labor market outcomes: The case of height." *Journal of Political Economy*, 112(5): 1019-1053.

April 9: Affirmative Action

Readings:

LANG, Chapter 11, Section 5 & 6

LANGE, Chapter 12, Section 3

- Richard Sander. "A Systemic Analysis of Affirmative Action in American Law Schools," *57 Stanford Law Review*.
- Jesse Rothstein and Albert Yoon. [Affirmative Action in Law School Admissions: What Do Racial Preferences Do?](#) (with Albert Yoon). Forthcoming, *University of Chicago Law Review*.
- Peter Arcidiacono, Esteban Eucejo and Hanming Fang. ["Does Affirmative Action Lead to Mismatch? A New Test and Evidence"](#) mimeo, Duke University.

April 16: Review, Summary and Concluding Thoughts.

Term Paper Due: April 27 by 5pm either by email, or in hard copy.