

Inequality in the Post-pandemic Era

6th Summer Academy for Pluralist Economics, 29th July – 5th August 2022 (delivered online)

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Workshop facilitator:

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I am available to answer questions during working hours (10am-4.30pm CEST).

Workshop overview

The Covid-19 pandemic has laid bare the deep structural rifts in modern capitalist economies. It has exposed and exacerbated the long-lasting systemic inequalities in income, wealth, healthcare, housing, and other aspects of economic success across a variety of dimensions including class, gender, race, regions, and nations. This workshop explores the causes of economic inequality in contemporary capitalist economies and its consequences for the economy and society in the post-pandemic reality, as well as what steps can be taken to alleviate economic inequality in the future. Drawing from a variety of theoretical and interdisciplinary insights, the workshop encourages you to reflect on your personal experiences of inequality and aims to challenge the way in which the issue is typically approached in economics. The workshop is highly interactive, and participants are

invited to share their reflections during the live lectures as well as in the group project. In addition to academic knowledge, the workshop equips you with practical transferrable skills including quantitative research skills (descriptive data analysis, computer skills) as well as qualitative research skills (critical thinking, critical reading, literature review) and the ability to draw evidence-based insights for policy action.

Learning outcomes

Upon completion of the workshop, you will improve your understanding of:

- What the different dimensions of economic inequality are;
- How economic inequality is measured and what the implications of the different methods of measuring inequality are for our understanding of the problem;
- What the main debates are on the role of inequality in achieving economic success;
- What causes inequality according to different schools of thought in economics;
- How economic inequality can be alleviated through economic policy.

You will also have the opportunity to develop and improve the following transferrable skills:

- Critical thinking
- Writing skills
- Teamworking skills
- Using different types of evidence to analyse a research problem
- Data presentation
- IT skills

Workshop schedule

The workshop sessions will be running for 5 days from Saturday 30th July until Wednesday 3rd August. On each of these days, the workshop will follow the format below:

10:30 – 12 CEST	Live lecture (Workshop Session 1)
13 – 14.30 CEST	Guided reading session (Workshop Session 2)
15 – 16.30 CEST	Group work session (Workshop Session 3)

The workshop facilitator will be present during the live lecture and available for contact via email during the guided reading session and the group work session.

The live lectures outline the key concepts and debates on each of the above topics, while the guided reading sessions allow participants to explore different types of evidence (including academic articles, policy reports, and online media such as blogs, news articles, etc.) to analyse the key issues covered in each topic. During the independent study sessions, participants work in groups to produce a short written research report analysing the taught aspects of inequality in a country chosen by each group.

Group work task

Groups will be assigned by the workshop facilitator in advance of the workshop. Each group will submit a short written report analysing the landscape of inequality in a selected country. Participants are asked to submit their group report to hanna.szymborska@bcu.ac.uk **by the end of the day on 5th August 2022**. The workshop facilitator will provide feedback on the report to each group within 20 working days.

Only one submission per group is required, so each group should select a representative who will submit the report to the workshop facilitator on behalf of the group members.

To begin with, the group should select a country that will be the subject of the report, ideally one that is different to the participants' countries of origin. Participants then work together to produce a report on the state of inequality in a selected country. It is up to the group members to divide workload. You may want to assign one member to write a specific part of the report (see below) or work together across the report tasks (especially for the data collection element).

The suggested word limit for this report is **3,000 words**. Please follow the Harvard Referencing Format.

The suggested structure of the report is as follows:

- A. Report title, followed by the names of all authors in alphabetical order
- B. An introductory paragraph: Introduce the topic of the report by briefly summarising the research problem (including a brief description of the economic overview of the chosen

country), clearly stating the research questions and what methods will be used in the report, and describing the structure of the report.

- C. Section 1 Empirical patterns of inequality: Present and discuss data on key indicators of inequality across a variety of dimensions, including how it compares to other countries in the region or globally.
- D. Section 2 Determinants of inequality: Conduct a literature review to identify the potential causes of a selected dimension of inequality. Include insights from the general theories of inequality covered in the lecture, as well as evidence specific to your country (literature, if it is available, and descriptive analysis of available data).
- E. Section 3 Lessons for policy: Summarise the main findings of Section 1 and 2 and draw insights for how inequality could be alleviated in the country using economic policy. You are not required to present specific policy recommendations, rather, you are encouraged to reflect on the availability and effectiveness of different policy tools in the specific context of your country. Include recommendations for areas of future research in order to better understand the causes of inequality in your country and potential for policy action.
- F. Reference list

Guided reading activity

During the guided reading sessions (Workshop Session 2), you will be assigned a range of reading materials to develop your understanding of a given topic (see “Reading list by topic” below). To complete the activity, participants should read the articles provided during the time of the guided reading session and answer a set of questions for each article (see below).

The idea is to encourage participants not to rush through the article, but to think carefully about each section. For this reason, it is recommended that participants read through each section of the article and write down their answers to the questions before moving on to the next question.

It is recommended that the reading activity is conducted individually within the first 1hr 15mins of the guided reading session time. The remaining 15 minutes would be then utilised for an informal discussion on the main lessons drawn from the assigned set of readings conducted by the entire group of participants.

Access to the reading resources selected for the guided reading sessions will be provided by the workshop facilitator. The reading list in the following section also includes “Additional resources”, which are not part of the guided reading session (and may not always be provided by the workshop facilitator) but are nevertheless useful in deepening participants’ knowledge of a given topic.

Question 1. What is the objective of the article?

Question 2. How does the article aim to address its objective (i.e. what kind of evidence and/or method does the author use)?

Question 3. What are the key points of the argument put forward by the article?

Question 4. Do you find the argument convincing, and why?

Reading list by topic

Topic 1: Inequality of what?

Live lecture 1: Overview of the workshop content and the assignment. Dimensions of inequality (income, wealth, health, gender, race/ethnicity, intergenerational inequality, intersectional inequality, global inequality, regional inequality, environmental inequality). Inequality and economic success.

Guided reading session 1:

- 1) Atkinson, A.B. (2015) “Setting the scene”. In: Atkinson, A.B. *Inequality. What Can Be Done?* London: Harvard University Press, pp. 9-44.
- 2) Ferreira, F.H.G. (2022) “Not all inequalities are alike”, *Nature*, 606, pp.646-649.
- 3) Eychenne, A. and Kowol, M. (2022) “To combat pollution and its inequalities, European citizens are calling for the “right to clean air” for all”. *Equal Times*. 3rd June.
<https://www.equaltimes.org/to-combat-pollution-and-its#.YrdFnC8w2Cc>

Additional resources:

Bhambra, G.K. (2020) “Covid-19 is deepening postcolonial global inequalities”, 26th May, <https://blog.degruyter.com/covid-19-is-deepening-postcolonial-global-inequalities/> (Accessed 28th June 2022).

Inequality.Org (2022) “Facts”. Available at: <https://inequality.org/facts/> (Accessed 28th June 2022).

Roennlund, A.R. (2022) “Dollar Street”. Available at: <https://www.gapminder.org/dollar-street> (Accessed 28th June 2022).

Sidik, S.M. (2022) “How COVID has deepened inequality — in six stark graphics”, 22nd June. *Nature.com*. Available at: <https://www.nature.com/immersive/d41586-022-01647-6/index.html> (Accessed 28th June 2022).

Wilkinson, R., and Pickett, K. (2010) *The Spirit Level*, New York: Bloomsbury Press.

Wolff, E.N., and Zacharias, A. (2007) “Class Structure and Economic Inequality”, Levy Economics Institute of Bard College Working Paper No. 487.

Group work session 1 tasks:

- 1) Select countries and distribute workload across group members
- 2) Discuss: (1) what dimensions of inequality you think are key to address in the post-Covid world, and why; (2) whether economic inequality is inevitable or should be actively reduced through policy.

Topic 2: How is economic inequality measured?

Live lecture 2: Sourcing data on inequality (tax returns, household surveys, national accounts).

Derivation and comparison of key measures of inequality (Lorenz curve, Gini index, top shares, percentile ratios, wage share). Measuring between-country inequality (GDP divergence; global distribution). Analysis of inequality patterns based on different measures and data sources.

Guided reading session 2:

- 1) Behringer, J., Theobald, T., and Van Treeck, T. (2014) “Income and Wealth Distribution in Germany: A Macro-Economic Perspective”. *IMK Report 99e*, October.
- 2) Chancel, L., Piketty, T., Saez, E., and Zucman, G. (2021) “Global economic inequality: insights”, Chapter 1, *World Inequality Report 2022*. World Inequality Lab. Available at: <https://wir2022.wid.world>

- 3) Hickel, J. (2017) “Is global inequality getting better or worse? A critique of the World Bank’s convergence narrative”, *Third World Quarterly*,
<http://dx.doi.org/10.1080/01436597.2017.1333414>

Additional resources:

Ayala, L., Perez, A., Prieto-Alaiz, M. (2021) “The impact of different data sources on the level and structure of income inequality”, *SERIEs*, <https://doi.org/10.1007/s13209-021-00258-0>

Brunori, P. (2016) “How to Measure Inequality of Opportunity: A Hands-On Guide”, Life Course Centre Working Paper 2016-04.

Greenstein, J. (2017) “Unequal Inequalities Revisited”, *Developing Economics.org*, 3rd Feb.

ILO (2019) “The global labour income share and distribution”, Data Production and Analysis Unit, ILO Department of Statics, ILO, Geneva.

Neef, T., and Robilliard, A. (2021) “Half the Sky? The Female Labor Income Share in a Global Perspective”, World Inequality Lab – Working Paper N° 2021/22.

Nino-Zarazua, M., Roope, L., Tarp, F. (2016) “Global inequality: relatively lower, absolutely higher”, *Review of Income and Wealth* 63(4): 661-684.

Roope, L., Nino-Zarazue, M., Tarp, F. (2018) “How polarized is the global income distribution?”, UNU-WIDER Working Paper 2018/3.

Datasets:

World Inequality Database: <https://wid.world>

Standardized World Inequality Database: <https://fsolt.org/swiid/>

University of Texas Inequality Project: <https://utip.gov.utexas.edu>

ILOStat: <https://ilostat.ilo.org/topics/labour-income/>

OECDStat: <https://www.oecd.org/social/income-distribution-database.htm>

Group work session 2 task:

- 1) Search for data on the indicators of inequality across a variety of dimensions in a given country (suggested data sources: World Inequality Database, OECD, Standardized World

Income Inequality Database, ILO, country statistical offices, etc.). Draw some international comparisons.

- 2) Visualise data in figures/tables using Excel.

Topic 3: What causes economic inequality?

Live lecture 3: Theories on the causes of within-country inequality in income and wealth (neoclassical, Kaleckian/Post Keynesian, International Political Economy, stratification economics, feminist economics). Theories on the causes of between-country income inequality (endogenous growth, Post Keynesian, International Political Economy, structuralism).

Guided reading session 3:

- 1) Duenhaupt, P. (2013) "Determinants of functional income distribution: Theory and empirical evidence", Global Labour University Working Paper, No. 18, International Labour Organization (ILO), Geneva.
- 2) Szymborska, H.K. (2017) "Inequality in the Twenty-First Century – in Need of a New Theory?". In: Opolski, K. and Gemzik-Salwach, A. (eds) *Financialisation and the Economy*, Routledge, pp. 137-149.
- 3) Alami, I., Alves, C., Bonizzi, B., Kaltenbrunner, A., Koddenbrock, K., Kvangraven, I., and Powell, J. (2022) "International financial subordination: a critical research agenda", *Review of International Political Economy*, <https://doi.org/10.1080/09692290.2022.2098359>

Additional resources:

Arestis, P., Charles, A. and Fontana, G. (2013) "Financialization, the Great Recession, and the Stratification of the US Labor Market", *Feminist Economics*, 19(3), pp.152-180.

Darity WA Jr, Hamilton D, and Stewart JB (2015) "A Tour de Force in Understanding Intergroup Inequality: An Introduction to Stratification Economics", *Review of Black Political Economy*, 42(1-2):1-6.

Galbraith, J.K. (2019) "The Unsustainability of Inequality", *Project Syndicate*, 23rd Aug.

Kvangraven, I.H. and Kesar, S. (2020) "Why Do Economists Have Trouble Understanding Racialized Inequalities?", Institute for New Economic Thinking. 3rd August.

<https://www.ineteconomics.org/perspectives/blog/why-do-economists-have-trouble-understanding-racialized-inequalities> (Accessed 28th June 2022).

MacDonald, M., Phipps, S., and Lethbridge, L. (2005) “Taking Its Toll: The Influence of Paid and Unpaid Work on Women's Well-Being”, *Feminist Economics*, 11(1):63-94.

Nakajima, M. (2013) “The Diverse Impacts of the Great Recession”, *Philadelphia Fed Business Review* Q2, pp. 17-29.

Obeng-Odoom F (2020) “Why inequality persists in Africa”, *Review of African Political Economy* 47(163):135-143.

Phillips, Sandra. 2012. “The Subprime Mortgage Calamity and the African American Woman.” *Review of Black Political Economy* 39(2): 227–37.

Pressman, S. (2016) *Understanding Piketty's Capital in the Twenty First Century*, Abingdon: Routledge.

Seguino, S (2020) “Inequality and Economic Stratification: Reflections on Bromley, Piketty, and Obeng-Odoom”, *Forum for Social Economics*. Online. 1-9.

Szymborska, H.K. (2022) “The evolution of gender wealth inequality in the United States in a changing institutional context”, *Feminist Economics*, 28(2), pp.32-63.

Warren, Tracey. 2006. “Moving Beyond the Gender Wealth Gap: On Gender, Class, Ethnicity, and Wealth Inequalities in the United Kingdom.” *Feminist Economics* 12(1–2): 195–219.

Group work session 3 tasks:

1. Select a dimension of economic inequality (income or wealth). Discuss the main causal mechanisms of the relevant theories covered in the live lecture and the guided reading session. Which ones do you find the most convincing for the country selected for your report and why?
2. Perform a literature search on the determinants of the selected dimension of inequality for the country selected for your report.

Topic 4: How can economic policy alleviate inequality?

Live lecture: Macroeconomic policy tools (fiscal transfers, taxation). Impact of monetary policy on inequality. Market regulation and inequality. Localised interventions. Universal vs targeted measures. Randomised control trials.

Guided reading session 4:

- 1) Szymborska, H.K. (2019) “How can policy tackle inequality in the 21st century?”. In: Monvoisin, V. and Rochon L. (eds). *Finance, Growth and Inequality: Post Keynesian Perspectives*. Cheltenham: Edward Elgar, pp. 111-133.
- 2) Chancel, L., Piketty, T., Saez, E., and Zucman, G. (2021) “The road to redistributing wealth”, Chapter 7, *World Inequality Report 2022*. World Inequality Lab. Available at: <https://wir2022.wid.world>
- 3) Chancel, L., Piketty, T., Saez, E., and Zucman, G. (2021) “Taxing Multinationals or Taxing Wealthy Individuals?”, Chapter 8, *World Inequality Report 2022*. World Inequality Lab. Available at: <https://wir2022.wid.world>

Additional sources:

Bhambra, G.K., and Holmwood, J. (2018) “Colonialism, Postcolonialism and the Liberal Welfare State”, *New Political Economy*, 23, pp. 574-587.

Galbraith, J.K. (2016) *Inequality. What Everyone Needs to Know*, Oxford: Oxford University Press.

Kabeer, N. (2018) “Randomized control trials and qualitative evaluations of a multifaceted program for women in extreme poverty: empirical findings and methodological reflections”, *Journal of Human Development and Capabilities*. ISSN 1945-2829

Mazzucato, M. (2018) *The Entrepreneurial State*, Penguin.

Mullen, K., and Darity Jr, W.A. *From Here to Equality*, The University of North Carolina Press.

Myers, Jr. S.L. and Ha, I. (2018) *Race Neutrality*, New York: Lexington Books.

Nembhard, Jessica Gordon and Kris Marsh. 2012. “Wealth Affirming Policies for Women of Color.” *Review of Black Political Economy* 39(3): 353–60.

Powell JA and Ake W (2020) Creating Structural Changes – The Role of Targeted Universalism. In: A Flynn, SR Holmberg, D Warren and FJ Wong (eds). *The Hidden Rules of Race – Barriers to an Inclusive Economy*. 2nd edn. Cambridge: Cambridge University Press.

Group work session 4 task:

- 1) Discuss which policy tools covered in the live lecture and the guided reading session you think can be the most effective in reducing inequality in the country selected for your report.
- 2) Perform a literature search to identify any existing policy interventions in the country selected for your report. If the literature is limited, find literature on other countries in the region or those structurally similar to the country selected for your report (in this instance, please comment on how the available evidence is relevant to your selected country).

Topic 5: What's next for inequality research?

Live lecture: Summary of the workshop content. Promising research areas on inequality (carbon inequality, intersectional inequality, multi-level determinants of inequality, postcolonial analyses of inequality). Q&A for the final project.

Guided reading session 5:

- 1) Gore, T. (2021) *Carbon Inequality in 2030*. 5th November, Oxfam.
- 2) Kim, M. (2020) "Intersectionality and Gendered Racism in the United States: A New Theoretical Framework". *Review of Radical Political Economics*, 52(4), pp. 616-625.
- 3) Kvangraven, I.H. (2020) "If we want to tackle global inequality, we need better economic theories", 11th June, *OpenDemocracy.Net*. Available at: <https://www.opendemocracy.net/en/oureconomy/if-we-want-tackle-global-inequality-we-need-better-economic-theories/> (Accessed 28th June 2022).

Additional resources:

Alvaredo, F., Chancel, L., Piketty, T., Saez, E. & Zucman, G. (2020) "Towards a System of Distributional National Accounts: Methods and Global Inequality Estimates from WID.world", *Economie et Statistique / Economics and Statistics*, 517-518-519, pp. 41–59, <https://doi.org/10.24187/ecostat.2020.517t.2018>

Curry, F., Dymski, G., Lewis, T.J., Szymborska, H.K. (2021) "Seeing Covid-19 Through a Subprime Crisis lens: How Structural and Institutional Racism Have Shaped 21st-Century Crises in the U.K. and the U.S.", *Review of Black Political Economy*, 49(1), pp. 77-92.

Gevin, V. (2022) “The acceleration of inequality research”, *Nature*, 606, pp. 827-829.

Islam, S.N., and Winkel, J. (2017) “Climate Change and Social Inequality”, DESA Working Paper No. 152.

Seguino, S., and Heintz, J. (2012) “Monetary Tightening and the Dynamics of US Race and Gender Stratification”, *American Journal of Economics and Sociology*, 71(3):603-638.

Group work session 5 task:

- 1) Continue writing the report.
- 2) Prepare a power point presentation on your findings so far.