



Course and Examination Fact Sheet: Spring Semester 2023

8,258: When Distribution Matters: Inequality, Mobility, Poverty, and Welfare

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Group examination paper with presentation (all given the same grades) (60%)

Examination time: term time

Decentral - Written examination (with defined exam duration) (40%, 90 mins.)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[8,258,1.00 When Distribution Matters: Inequality, Mobility, Poverty, and Welfare](#) -- Englisch -- [Piacquadio Paolo Giovanni](#)

Course information

Course prerequisites

Microeconomics II is recommended

Learning objectives

1. Critical understanding of economic measures of inequality, mobility, poverty, and welfare
2. Familiarity with the descriptive and, in particular, normative properties of these measures
3. Ability to apply these measures to investigate real-world distributive issues

Course content

The course discusses the economic measurement of distributive issues, such as inequality, mobility, and poverty. The course addresses both the descriptive and the normative approaches and highlights the relationship between distributive issues and social welfare.

The simplest setting deals with (one-dimensional) income distributions. How to rank alternative income distributions? How to measure inequality? The literature has suggested a large spectrum of measures of inequality: the Gini coefficient, the Atkinson measures, the Theil index, the coefficient of variations, the Bonferroni index, the Palma ratio, etc. This course investigates their properties, provide tools to understand their differences, and helps choosing the most appropriate inequality measures.

In contrast to inequality, mobility involves two-dimensional income distributions, for example, the income of parents and that of children. The question is the relationship between the incomes of parents and children and, more specifically, the degree to which incomes of parents matter for their children's incomes and their place in the income distribution. The most widely used measure is the intergenerational income elasticity. This course discusses its properties, limitations, and main alternatives. The course also discusses the empirical relationship between inequality and mobility, known as the Great Gatsby curve.

A separate distributional concern pertains those individuals who have too little (poverty). The course explores the main measures of poverty and discusses their properties: the head-count ratio, the mean income gap, and the Foster-Greer-Thorbecke family. Multidimensional poverty measures account for the fact that individuals may be deprived in many dimensions.

Finally, the course summarizes the ethical nature of distributive issues by discussing the connection between these phenomena-inequality, mobility, and poverty-and the measurement of social welfare.

Course structure and indications of the learning and teaching design



The first part of the course consists of classes on inequality in an interactive lecture format (the professor will provide mainstream knowledge as well as frontier research-based perspectives on the topic and discuss with the students selected readings).

This part is followed by students' group presentations of their term papers.

The third part of the course consists of classes on mobility, poverty, and social welfare in the lecture format (the professor will provide mainstream knowledge as well as frontier research-based perspectives on the topic and discuss with the students selected readings).

For all sessions, active student participation will be required, including reading of relevant literature and discussions in small groups.

Independent study is expected as students will be required to:

- completed all required readings prior to start of class;
- reflect on the previous lectures; and
- write the group examination paper (more information will be given in class).

Course literature

Lecture notes and the extra material posted on Canvas.

Additional course information

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Group examination paper with presentation (all given the same grades) (60%)

Examination time: term time

Remark

Group Work

Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

Supplementary aids

none

Nature of examination

analog

Examination languages

Question language: English

Answer language: English



2. Examination sub part (2/2)

Examination time and form

Decentral - Written examination (with defined exam duration) (40%, 90 mins.)

Examination time: term time

Remark

Individual Exam

Examination-aid rule

Closed Book

The use of aids is prohibited as a matter of principle, with the exception of pocket calculator models of the Texas Instruments TI-30 series and, in case of non-language exams, bilingual dictionaries without any handwritten notes. Any other aids that are admissible must be explicitly listed by faculty members in the paragraph entitled "Supplementary aids" of the course and examination fact sheet; this list is exhaustive.

Procuring any aids, as well as ensuring their working order, is the exclusive responsibility of students.

Supplementary aids

none

Nature of examination

analog

Examination languages

Question language: English

Answer language: English

Examination content

1. Group paper with presentation and discussions: apply formal reasoning similar to the one we will study in class and propose a solution to a real life problem
2. Written closed-book exam: some problems and open questions similar to the one considered in class covering inequality, mobility, and poverty-and the measurement of social welfare.

Examination relevant literature

Lecture slides, extra material posted on Canvas (all uploaded before the final exam)



Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 12 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 26 January 2023);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 12 (Monday, 20 March 2023);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the de-registration period in CW 15 (Monday, 10 April 2023).