

Mobility, polarization and meritocracy

Syllabus 2022-23

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Course's objective

The course seeks to explore three important developments in late 20th century and early 21st century Western economies. The first is the decline in income mobility, as captured by an increase in the extent to which the position in the income distribution is transmitted between parents and children. The second is the change in the structure of employment and the emergence of employment polarization, understood as the disappearance of jobs in the middle of the income scale. Lastly, the last few decades have been characterized by an increase in the importance of education to determine life-time income and an emphasis on the meritocratic nature of a system that rewards education investments. We will define these three concepts, analyse recent trends, and ask to what extent they are related and can explain broader economic and political trends.

Outline

Lecture 1: Measuring mobility

Concepts of mobility – inter and intra generational mobility.
Measuring mobility.
Mobility versus inequality.

Lecture 2: The geography of intergenerational mobility

Recent evidence on intergenerational mobility.
Mobility as a local rather than national phenomenon.

Lecture 3: Job polarization

The emergence of job polarization in the late XXth century.
The causes of job polarization.

Lecture 4: Meritocracy and its implications for redistribution

What is meritocracy and why is it desirable. To what extent does meritocracy justify or repudiate redistributions? Hayek versus Rawls.

Lecture 5: The costs of meritocracy

Meritocracy and inequality, meritocracy and working hours, meritocracy and parenting.

Lecture 6: Bringing it all together

Has the erosion of middle-income jobs been one of the causes of reduced income mobility? Does reduced mobility challenge the concept of meritocracy? Are meritocracy and the lack of mobility behind the rise of populism?

Course materials

Lectures' notes are available on AMeTICE.

Grading

Students will be graded on the basis of an oral exam, taking the form of a brief **critical** presentation of a paper not discussed in class but closely related to the topics presented.

Reference handbook

Arrow, K., Bowles, S., & Durlauf, S. N. (Eds.). (2000). *Meritocracy and economic inequality*. Princeton University Press.

Complementary books

Doepke, M., & Zilibotti, F. (2019). *Love, money, and parenting: How economics explains the way we raise our kids*. Princeton University Press.

Markovits, D. (2019). *The meritocracy trap*. Penguin UK.

Sandel, M. J. (2020). *The Tyranny of Merit: What's Become of the Common Good?*. London: Allen Lane.

Key articles

Autor, D. H., Levy, F., and Murnane, R. J. (2003). The skill content of recent technological change: An empirical exploration. *Quarterly Journal of Economics*, 118(4):1279–1333.

Bukodi, Erzsebet and Goldthorpe, John H. (2021). Meritocracy and populism: Is there a connection? Mimeo.

Cas, Anne and Deaton, Angus (2021). Life expectancy in adulthood is falling for those without a BA degree, but as educational gaps have widened, racial gaps have narrowed. *Proceedings of the National Academy of Sciences*, 2021, vol. 118, no 11.

Chetty, R., Hendren, N., Kline, P., & Saez, E. (2014). Where is the land of opportunity? The geography of intergenerational mobility in the United States. *The Quarterly Journal of Economics*, 129(4), 1553-1623.

Goos, M., Manning, A., and Salomons, A. (2014). Explaining job polarization: Routine-biased technological change and offshoring. *The American Economic Review*, 104(8):2509–2526.

Guvenen, F., Kaplan, G., Song, J., & Weidner, J. (2021). Lifetime incomes in the United States over six decades. Mimeo.

Kopczuk, W., Saez, E., & Song, J. (2010). Earnings inequality and mobility in the United States: evidence from social security data since 1937. *The Quarterly Journal of Economics*, 125(1), 91-128.

McCoy, Jennifer and Somer, Murat (2021). Overcoming Polarization. *Journal of Democracy*, 2021, vol. 32, no 1, p. 6-21.