

Chapter 1 : Max-Planck-Innovation - Therapeutics

Interest in economic mobility stems largely from its perceived role as an equalizer of opportunities, though not necessarily of outcomes. In this paper we show that this view leads very naturally.

Quah , American Economic Review, forthcoming. Nishimura , Journal of Economic Theory, , Riella , American Economic Review, , Masatlioglu , Review of Economic Studies, 81 , Indecisiveness in Beliefs vs. Riella , Econometrica, 80 , Evren , Journal of Mathematical Economics, 47 , Benoit , Games and Economic Behavior, 64 , Masatlioglu , Journal of Economic Theory, , Benoit , Theoretical Economics, 2 , Sanver , Games and Economic Behavior, 60 , Carbonell , Journal of Economic Theory, , Eliaz , Games and Economic Behavior, 56 , Benoit , Games and Economic Behavior, 55 , Maccheroni , Journal of Economic Theory, , Ortuno-Ortin , Economic Theory, 22 , Dubra , International Economic Review, 43 , Vega-Redondo , Journal of Economic Theory, 97 Zhou , Games and Economic Behavior, 33 , Sethi , Journal of Economic Theory, 92 , Sethi , Games and Economic Behavior, 31 , Foster , Econometrica, 67 , Zhou , Economic Theory, 13 , Fields , Economica, 66 , Mitra , Journal of Economic Theory, 73 , Fields , Journal of Economic Theory, 71 , Mitra , International Economic Review, 37 , Riella , Mathematics of Operations Research, 39 , Li , Journal of Mathematical Analysis and Applications, , Nishimura , Mathematics of Operations Research, , Books Real Analysis with Economic Applications. Princeton University Press, Order Theory and its Applications. Mathematics for Economic Analysis: Linear Algebra, Convex Analysis and Optimization. Chair of the organization committee for SED Chair of the placement committee, New York University, and present.

Chapter 2 : Mobility as a Service

Abstract. Interest in economic mobility stems largely from its perceived role as an equalizer of opportunities, though not necessarily of outcomes.

Early examples[edit] In the early days of the Roman Republic , public taxes consisted of assessments on owned wealth and property. These taxes were levied against land, homes and other real estate, slaves, animals, personal items and monetary wealth. By BC, Rome no longer needed to levy a tax against its citizens in the Italian peninsula, due to the riches acquired from conquered provinces. The first modern income tax was introduced in Britain by Prime Minister William Pitt the Younger in his budget of December , to pay for weapons and equipment for the French Revolutionary War. The income tax was reintroduced by Addington in when hostilities recommenced, but it was again abolished in , one year after the Battle of Waterloo. Peel, as a Conservative , had opposed income tax in the general election , but a growing budget deficit required a new source of funds. Although this measure was initially intended to be temporary, it soon became a fixture of the British taxation system. A committee was formed in under Joseph Hume to investigate the matter, but failed to reach a clear recommendation. Despite the vociferous objection, William Gladstone , Chancellor of the Exchequer from , kept the progressive income tax, and extended it to cover the costs of the Crimean War. By the s, the progressive tax had become a grudgingly accepted element of the English fiscal system. The Sixteenth Amendment to the United States Constitution , adopted in , permitted Congress to levy all income taxes without any apportionment requirement. By the midth century, most countries had implemented some form of progressive income tax. Marginal tax rate and Effective tax rate The rate of tax can be expressed in two different ways; the marginal rate expressed as the rate on each additional unit of income or expenditure or last dollar spent and the effective average rate expressed as the total tax paid divided by total income or expenditure. In most progressive tax systems, both rates will rise as the amount subject to taxation rises, though there may be ranges where the marginal rate will be constant. Usually, the average tax rate of a tax payer will be lower than the marginal tax rate. In a system with refundable tax credits , or income-tested welfare benefits , it is possible for marginal rates to fall as income rises, at lower levels of income. For example, some tax laws may ignore inflation completely. In a progressive tax system, failure to index the brackets to inflation will eventually result in effective tax increases if inflation is sustained , as inflation in wages will increase individual income and move individuals into higher tax brackets with higher percentage rates. This phenomenon is known as bracket creep and can cause fiscal drag. Economic inequality Progressive taxation has a direct effect on reducing income inequality. Frank , tax cuts for the wealthy are largely spent on positional goods such as larger houses and more expensive cars. Frank argues that these funds could instead pay for things like improving public education and conducting medical research, [30] and suggests progressive taxation as an instrument for attacking positional externalities. Fund also states that the average top income tax rate for OECD member countries fell from 62 percent in to 35 percent in , and that in addition, tax systems are less progressive than indicated by the statutory rates, because wealthy individuals have more access to tax relief. Educational attainment is often conditional on cost and family income , which for the poor, reduces their opportunity for educational attainment. A study psychologists Shigehiro Oishi, Ulrich Schimmack, and Ed Diener , using data from 54 countries, found that progressive taxation was positively associated with the subjective well-being, while overall tax rates and government spending were not. Griffith , summarizing research on human happiness, has argued that because inequality in a society significantly reduces happiness, a progressive tax structure which redistributes income would increase welfare and happiness in a society. In every piece tax bracket , it must be computed cumulatively, considering the taxes which had already been computed to the previous tax brackets. Pictured is the effective income tax for Portugal in and There are two common ways of computing a progressive tax, corresponding to pointâ€™s slope form and slopeâ€™s intercept form of the equation for the applicable bracket. These compute the tax either as the tax on the bottom amount of the bracket plus the tax on the marginal amount within the bracket; or the tax on the entire amount at the marginal rate , minus the amount that this overstates tax on the bottom end of the bracket. Using pointâ€™s slope

form tax on bottom amount plus tax on marginal amount yields:

Chapter 3 : Mobility as Progressivity: Ranking Income Processes According to Equality of Opportunity

Interest in economic mobility stems largely from its perceived role as an equalizer of opportunities, though not necessarily of outcomes. In this paper we show that this view leads very naturally to a methodology for the measurement of social mobility which has strong parallels with the theory of.

Advanced Search Abstract We provide an analytical framework within which changes in income inequality over time are related to the pattern of income growth across the income range and the reshuffling of individuals in the income pecking order. We use the framework first to explain how it was possible both for the poor to have fared badly relatively to the rich in the USA during the s when income inequality grew substantially , and also for income growth to have been pro-poor. Second, we contrast the US experience with that of Western Germany, where there was a much smaller rise in inequality. This is accounted for by income growth that was more pro-poor than in the USA. Introduction Not only is the inequality of family income higher in the USA than in most other western developed nations, including the two largest European nations Germany and the UK Atkinson et al. Descriptions of the US experience typically emphasize that income growth was greater for the rich than for the poor. For example, Danziger and Gottschalk , Fig. See also Gottschalk and Smeeding, , Table 3; or Karoly, At the same time, there has also been a growing literature about the longitudinal mobility of incomes in the USA, and several recent studies have found that mobility is lower than in Germany: These three facets of the income distributionâ€”inequality trends, differential income growth, and income mobilityâ€”have rarely been studied jointly, however. We do so in this paper. We show that when income inequality is measured using any member of the generalized Gini class of indices, the change in inequality between two points in time can be additively decomposed into two components, one summarizing mobility in the form of reranking, and one summarizing progressivity in income growth i . This decomposition framework is used first to reassess US income inequality trends during the s and to explain a potential paradox. That is, it is possible both for the poor to have fared badly relatively to the richâ€”the conventional picture of the USA during the s derived from analysis of surveys like the Current Population Surveyâ€”and also for income growth to have been pro-poor. The key to resolving the paradox is recognition that membership of income groups such as the poor and the rich changes over time. We track income changes for individuals, rather than income changes for income groups such as the poor or in a reference income such as the bottom quintile or the mean income among the poor. It is the latter changes that have been tracked in most of the literature on poverty and inequality trends. The composition of the group who are poor changes over time because some individuals fall into poverty and some escape it. Average income growth between and , say, among those who were poor in need not equal average income growth over the decade for those who were poor in Similarly, the individuals with a income equal to the poorest quintile in would have experienced a diversity of income growth rates, and few of these individuals would be likely to have a income equal to the poorest quintile. Put another way, analysis of income distribution trends using cross-sectional data sets ignores the reshuffling of individuals in the income distribution over time, whereas this mobility is an integral part of our approach. The West German experience provides a useful contrast with the US one because inequality rose by very little during the s Gottschalk and Smeeding, In principle, this small rise could reflect a pattern of either progressive income growth being offset by significant reranking, or simply few changes at all. We show that the former was the case: Our inequality change decomposition is similar in spirit to the decompositions of poverty trends that are popular in development economics, but with a key difference in implementation mentioned shortly. For example, Datt and Ravallion have shown how a change in poverty over time may be decomposed into growth and distribution components. See also Kakwani , and Tsui More recently, Ravallion and Chen have developed a measure of pro-poor income growth that is directly related to changes in the Watts poverty index. Xu and Osberg showed that the proportionate change in the Sen-Shorrocks-Thon poverty index is related to proportionate changes in the proportion poor, growth in mean income among the poor, and changes in inequality of poverty gaps. No account is taken of changes in the composition of the poor population over time. In the concluding section we indicate how poverty change decompositions may be

extended to incorporate our approach. Our decomposition approach requires information about the joint distribution of income at two points in time. The emphasis on the joint distribution is also shared by the literature on the social welfare evaluation of multi-period income streams, in which the leading studies include Atkinson and Bourguignon , Gottschalk and Spolaore , and Bourguignon and Chakravarty . In our approach, the social welfare evaluation refers to the marginal distribution of income, and we provide an accounting framework for analysis of changes in cross-sectional evaluations as the poverty change decomposition literature also does. This paper uses methods developed in the tax progressivity measurement literature. Their focus was on the measurement of mobility between an initial income distribution and a conditional expected distribution. By contrast, we provide a decomposition of the change in the inequality of actual realized incomes into progressivity and mobility components. Mobility is associated with changes in ranking along the income scale, as in many previous studies: Note too the common practice of summarizing mobility using quantile transition matrices. Section 3 contains a substantive application of the methods, using them to analyse the experience of the USA during the 1980s, and to compare this with that of Western Germany. Section 4 provides a summary and conclusions. The decomposition of inequality change In this section, we show that the change in income inequality over time can be additively decomposed into terms representing the progressivity of income growth and the extent of reranking. The S-Gini coefficient is expressed as a weighted average of the difference between the Lorenz curve of the income distribution L and the line of perfect equality: Other members incorporate different ethical judgements. These two types of changes may not be independent since a large increase in relative income will often be associated with an increase in rank and hence a reduction in social weight. Income changes and rank changes are not perfectly correlated, however. For example, a mean-preserving spread of incomes reduces the incomes of those with relative incomes less than one and increases the incomes of those with relative incomes greater than one, but ranks are preserved. Ranks are also preserved if all incomes change uniformly, whether in proportionate or absolute terms. Concentration curves are discussed by, inter alia , Schechtman and Yitzhaki, Manipulation of 3 by adding and subtracting to the Lorenz curves leads to our key expressions:

Chapter 4 : Professor Efe A. OKC.V.

progressivity in a mobility process correspond (in the simplest case) to the property that an agent's expected rate of income growth declines with her initial level of income. The paper is organized as follows.

Evolution of Preferences Publications: Sethi , Games and Economic Behavior, 31 , "An Incomplete Information Scenario," with F. Vega-Redondo , forthcoming in Journal of Economic Theory. Bargaining and Strategic Delegation Publications: Sethi , Journal of Economic Theory, 92 , "Redistributive Justice and Income Taxation Publications: Mitra , Journal of Economic Theory, 73 , Mitra , International Economic Review, 37 , Political Economy of Redistribution Publications: Measurement of Income Inequality and Mobility Publications: Fields , Economica, 66 , Foster , Econometrica, 67 , "An Introduction to the Literature," with G. Fields , forthcoming in J. A Cardinality-Based Approach," with L. Kranich , Social Choice and Welfare, 15 , "A Partial Ordering Approach," with T. Mitra , Economic Theory, 12 , Fields , Journal of Economic Theory, 71 , Theory of Collective Choice Publications: Starr Center working paper , forthcoming in Games and Economic Behavior. Zhou , Economic Theory, 13 , Pure and Applied Mathematics Unpublished Papers: A Course in Welfare Economics, four of eleven chapters mimeographed. Real Analysis and Probability with Economic Applications, lecture notes in print.

Chapter 5 : Curriculum Vitae - Efe A. Ok

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Chapter 6 : Mobility and Inequality | Economic Policy Institute

Abstract: Interest in economic mobility stems largely from its perceived role as an equalizer of opportunities, though not necessarily of outcomes. In this paper we show that this view leads very naturally to a methodology for the measurement of social mobility which has strong parallels with the.

Chapter 7 : Progressive tax - Wikipedia

â€” Joseph C. Sternberg, WSJ, "Europe's Taxes Aren't as Progressive as Its Leaders Like to Think," 3 Aug. To the extent that our society values progressivity in its tax code â€” and mobility on its socioeconomic ladder â€” this policy makes no sense.

Chapter 8 : Progressivity | Definition of Progressivity by Merriam-Webster

1 Do Tax Progressivity and Transfers encourage Risk Taking? Impacts on 1Labor Mobility Ammar Farooq, Georgetown University Adriana Kugler, Georgetown University, NBER, CEPR and IZA.

Chapter 9 : CiteSeerX â€” Efe A., â€”Mobility as Progressivity: Ranking Income Processes According to E

6 As we explain shortly, $P(\tilde{I} \dots)$ can be interpreted as a measure of the progressivity of income growth and $R(\tilde{I} \dots)$ can be interpreted as an index of mobility in the form of reranking. Thus (6) states that inequality is reduced by progressive income growth unless more than offset by concomitant income mobility.