A new Stone Centre and CORE

The UK’s first Stone Centre will advance research and education on wealth inequality, and link with CORE

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CORE

A new centre in the Department of Economics at University College London will develop novel research and education initiatives, focusing on the causes and consequences of wealth concentration. The James M. and Cathleen D. Stone Centre on Wealth Concentration, Inequality and the Economy will be the first centre of its type in the UK when it opens in early spring 2022. The £5 million of funding from a donation by the two American philanthropists will provide equal support for research and education. One aim of the Centre is to support the CORE Project, which promotes economics teaching motivated by addressing pressing real-world problems using the best economic research. While conventional textbooks may mention inequality, in CORE’s *The Economy* it is a theme running right through the book, exemplified by the attention given to the inequality in power among participants in labour and credit markets.

The other key aim of the Centre is to foster research into the causes and consequences of wealth concentration, economic inequality, and their impacts on representation and voice in the economy. Co-director Imran Rasul, Professor of Economics at UCL, says that UCL can be a hub for new thinking about the deep underlying features of the economic system that drive inequalities of different types, and for analysing what might be done about them. The Centre will have resources to fund PhD students and post-doc positions, provide grants for data and research projects, and finance visits to the other five Stone Centres in the US and France.

Jim Stone’s vision is to expand the global capacity of researchers and educators investigating problems of wealth inequality. Stone is a former student of the US economist Professor Samuel Bowles of the Santa Fe Institute. Bowles was one of the dozen researchers at a meeting convened by Professor Wendy Carlin of UCL in early 2013 at the NBER in Cambridge, Mass. On the agenda was whether economics education needed to change in the wake of the global financial crisis.

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Wendy Carlin (left)

Image: Milan David
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Imran Rasul (left)

Wendy Carlin, Professor of Economics at UCL and Director of CORE, says the new Centre – of which she is a co-director – will make wealth concentration and its impacts on innovation and sustainability central to economics education. “We will have a very active visitor programme on the education and the research side, and every research activity is going to have an education component” she says. In addition to CORE Insights, “we will expand our set of learning tools. An early activity of the Centre is to update the database used to build CORE’s new interactive tool for visualizing global income inequality”.

One of the workshops that is planned to go live once the centre is open will look at wealth concentration and innovation. This raises important issues such as identifying the component of inequality that is actually good for incentivising innovation. “These are very important policy problems in both high-income economies, as well as in countries such as China,” Professor Carlin says. “So, this is an example of a project where we will be trying to pull in researchers from China.” She expects the findings will be woven into economics courses at all levels, including in graduate public policy programmes.

Engagement with policymaking in the UK will make use of close links to the five-year Deaton Review into inequality, hosted at the Institute for Fiscal Studies where Professor Rasul is co-director of the ESRC Centre for the Microeconomic Analysis of Public Policy. The Review will start releasing chapters of evidence which Professor Rasul says will provide a platform and tools for a community of researchers, young academics, and students to study all aspects of inequality.

The co-directors have a vision of the Stone Centre as inspiring future generations of researchers to create new understanding, generate debate, and influence both policy and teaching. For Professor Rasul, “I would judge success by the number of people we get engaged on this agenda, the sort of new conversations we start, and the size of the cohort of young people who are dedicating a large part of their careers to thinking about these issues.”