

**Department of Economics  
University of Toronto  
ECO 340H1S 20119  
Economics of Income Distribution**

**GENERAL INFORMATION Version 1**

**INSTRUCTOR CONTACTS:**

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**COURSE WEBSITE:**

Course handouts, past tests, and other course information can be found on the course website on the University of Toronto portal at: <http://www.portal.utoronto.ca>. The Blackboard Learning Management System is used. *Partial* Powerpoint slides are usually posted on the course website by 10 pm the day before the lecture. Slides with red and/or upper case titles are intentionally incomplete to facilitate class discussion of important topics.

**CALENDAR COURSE DESCRIPTION:**

The personal distribution of income and wealth; measurement of inequality and poverty. The distributional effects of the tax system, government spending and economic regulation (including policies such as minimum wages, pay equity and employment equity).

Prerequisite: [ECO200Y1/ECO204Y1/ECO206Y1](#);

[ECO220Y1/ECO227Y1/\(STA247H1,STA248H1\)/\(STA250H1,STA255H1\)/\(STA257H1,STA261H1\)](#)

DR=SOC SCI; BR=TBA

*The Department of Economics checks for prerequisites in all Economics courses and students who do not meet them WILL be removed from the course.*

**METHOD OF EVALUATION:**

<i>Item</i>	<i>Week</i>	<i>Date</i>	<i>Location</i>	<i>Weight</i>
Midterm Test (1.5 hours)	6	R Oct 20, 2011	Classroom	40%
Makeup Test (1.5 hours)	7	F Oct 28, 2011	Time & loc TBA	
Final Exam (2 hours)	Exam period	Dec 9-20, 2011	TBA	60%

Note: The drop date is R Nov 3, 2011 (Week 8). Midterm Tests will be returned by this date.

**Midterm Test:**

Covers Weeks 1 to 5. Location is the regular classroom.

**Makeup Test “No Note” Policy:**

A student who misses the Midterm Test for whatever reason (*no medical note is required*) must write a Makeup Test (covering Weeks 1-5) on Friday Oct 28, 2011 time and location to be announced. A student is *not* permitted to write the Makeup unless he/she has missed the Midterm.

- A student who misses the Makeup Test will receive a mark of zero for that test (*no medical note accepted*) and is advised to drop the course. A student who misses the Makeup may, however, be permitted to write a *Penalty Makeup* (which will count with the weight of the Makeup *only if it lowers your grade*); otherwise the weight of the Makeup will be transferred to the Final Exam. Requests to write a penalty makeup must be received in writing by R Nov3, 2011 (the course drop date). The date of the Penalty Makeup, if one is required, will be Friday Nov 4, 2011, from 3:10-5:00pm at a location TBA. Coverage weeks 1-8.
- **Re-reading Tests:**  
In this course there is a two stage grievance procedure for grading issues.

*Stage 1:* Students who have concerns about the grading of their test or assignment should attend TA office hours. Have the TA sign and date your test paper to indicate which questions were re-read, even if no change is made. Students should bring a short written statement indicating which questions they would like reviewed and why they feel the marks given do not reflect their answer. Any re-read may result in the grade being, raised, lowered, or unchanged.

Students who miss the TA office hours should arrange a new time with the TA. Students have one month from the time test or assignment is made available for pickup to make any enquiries about the mark.

*Stage 2:* If you not satisfied with the decision of the TA, submit your request for a second re-reading to Prof Reid within two weeks of the re-read test being returned by the TA.

**Final Exam:**

The Final Exam covers the whole course, with emphasis on material after the Midterm. Any student who misses the Final Exam for reasons entirely beyond their control may petition the Faculty of Arts and Science for permission to write a deferred examination.

Instructors are not authorized to re-schedule or excuse students from final faculty examinations. Students who are unable to write their examinations due to illness, domestic affliction, etc., must petition for a deferred examination. Check the calendar for procedural information. Students who make personal commitments during the examination period do so at their own risk. No special consideration is given and no special arrangements are made in the event of conflicts.

***Academic integrity:***

You must cite the work and ideas of others in your assignments. To represent the work of others as your own work is considered plagiarism and is unacceptable. Please see the university's Code of Behaviour on Academic Matters for clarification on what constitutes an academic offence:

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>

**TEXTBOOK:**

There is no required textbook for the course. Readings are assigned on various topics.

*All readings are available online.*

**READING LIST**

- **Public Domain.** Some readings are linked to resources in the public domain that require no special login (e.g., some Statistics Canada publications)
- **UTLibraries e-resources**
  - UTLibraries links take you to UofT Libraries e-resources. If you are using the links on an off-campus computer, you'll be asked to log in the first time during each web session. You may choose either your UTORid and password (offering single-sign on to UTOReMail, Blackboard, and other UofT web services), or your library card/TCard barcode and pin to log in. For more information, please go to my.access at <http://content.library.utoronto.ca/services/myaccess>.
  - You can also retrieve articles with the UTLibraries **Article Finder** at <http://sfx.scholarsportal.info/toronto/cgi/core/citation-linker.cgi?rft.genre=article>. The Article Finder can also be found on the library main page (<http://main.library.utoronto.ca/>) under "Article Finder". Enter all the information given in the citation in the reading list to retrieve the article.

**WEEK 1. THE DISTRIBUTION OF EMPLOYMENT: WORKSHARING**

No reading on this topic – lecture only.

**WEEK 2. THE DISTRIBUTION OF EMPLOYMENT: MANDATORY RETIREMENT**

Kesselman, Jonathan (2004) *Mandatory Retirement and Older Workers* (Toronto: C.D. Howe Institute) pages 1-20.

[http://www.cdhowe.org/pdf/commentary\\_200.pdf](http://www.cdhowe.org/pdf/commentary_200.pdf)

### **WEEK 3. THE DISTRIBUTION OF INCOME**

Heisz, Andrew (2007) "Income Inequality and Redistribution in Canada: 1976-2004" Statistics Canada Analytical Studies Branch, Research Paper Series, Catalogue no 1/F0019MIE-No. 298. Executive Summary, pages 5-9.

<http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2007298.pdf>

### **WEEK 4. THE DISTRIBUTION OF WEALTH**

Morissette, Rene and X. Zhang (2006) "Revisiting Wealth Inequality," *Perspectives on Labour Income*, December 2006, (Ottawa: Statistics Canada) Catalogue 75-001-XIE.

<http://www.statcan.ca/english/freepub/75-001-XIE/11206/art-1.pdf>

Kerstetter, Steve (2002) *Rags and Riches: Wealth Inequality in Canada*, Ottawa: Canadian Centre for Policy Alternatives, Chapter 1, pages 9-15.

[http://policyalternatives.ca/documents/National\\_Office\\_Pubs/rags\\_riches.pdf](http://policyalternatives.ca/documents/National_Office_Pubs/rags_riches.pdf)

### **WEEK 5. POVERTY**

Statistics Canada (2006) *Low Wage and Low Income*, Ottawa: Income Research Paper Series, Catalogue no. 75F0002MIE – No. 006, pages 6-12

<http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2006006.pdf>

Campaign 2000 (2011) *2010 Report Card on Child and Family Poverty in Ontario*, (Toronto: Family Services Association of Toronto), pages 1-7.

<http://www.campaign2000.ca/reportCards/provincial/Ontario/2010OntarioReportCardEnglish.pdf>

### **WEEK 6. MIDTERM TEST**

### **WEEK 7. CONSEQUENCES OF INEQUALITY**

Wilkinson, Richard and Kate Pickett (2010) *The Spirit Level: Why Equality is Better for Everyone* (Penguin) 90 minute lecture posted on

<http://www.youtube.com/watch?v=zYDzA9hKCNQ>

### **WEEK 8. INCIDENCE OF THE OVERALL TAX SYSTEM AND TAX EXPENDITURES**

Lee, Marc (2007) "Eroding Tax Fairness: Tax Incidence in Canada, 1990 to 2005," (Ottawa: Canadian Centre for Policy Alternatives), pages 1-23.

[http://www.policyalternatives.ca/documents/National\\_Office\\_Pubs/2007/Eroding\\_Tax\\_Fairness\\_web.pdf](http://www.policyalternatives.ca/documents/National_Office_Pubs/2007/Eroding_Tax_Fairness_web.pdf)

Phillip, Lisa, Neil Brooks and Jinyan Li (2011) eds. *Tax Expenditures: State of the Art*, Toronto: Canadian Tax Foundation, web link and pages TBA.

### **WEEK 9. UNIVERSITY ACCESSIBILITY AND FINANCE**

Newman, Shirley (2003) *Provost's Study on Accessibility and Career Choice in the Faculty of Law*, Governing Council of the University of Toronto, pages 1-24.”

[http://www.gsu.utoronto.ca/fees/accessibility\\_study2003.pdf](http://www.gsu.utoronto.ca/fees/accessibility_study2003.pdf)

Rae, Bob (2004) *Higher Expectations for Higher Education*, Government of Ontario, Postsecondary Review Discussion Paper, “Research” pages 8-30. Document is posted on the course website under course handouts.

### **WEEK 10. REDISTRIBUTIONAL IMPACTS OF THE MINIMUM WAGE**

Murray, Stuart and Hugh Mackenzie (2007) *Bringing Minimum wages Above the Poverty Line* (Ottawa: Canadian Centre for Policy Alternatives) pages TBA.

<http://www.policyalternatives.ca/publications/reports/bringing-minimum-wages-above-poverty-line>

Gunderson, Morley (2007) *Minimum Wages: Issues and Options for Ontario* (Toronto: Ontario Ministry of Finance). Document is posted on the course website under course handouts.

### **WEEK 11. GENDER DISCRIMINATION: THEORIES & POLICES**

Drolet, Marie (2011) “Why has the gender wage gap narrowed?” *Perspectives on Labour and Income*, (Ottawa: Statistics Canada) Spring 2011, pages 3-13.

<http://www.statcan.gc.ca/pub/75-001-x/2011001/pdf/11394-eng.pdf>

### **WEEK 12. RACE DISCRIMINATION AND IMMIGRATION**

Swidinsky, Robert and Michael Swidinsky (2002) “The Relative Earnings of Visible Minorities in Canada,” *Industrial Relations / Relations Industrielles*, vol. 57, no. 4, pages 630-659.

<http://simplelink.library.utoronto.ca/url.cfm/25169> [UTLibraries e-resource]

Picot, Garnett and Arthur Sweetman (2005) *The Deteriorating Economic Welfare of Immigrants and Possible Causes: Update 2005* (Ottawa: Statistics Canada) Catalogue 11F0019MIE – no. 262, pages 1-26.

<http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2005262.pdf>