

**Department of Economics
University of Toronto
ECO 340H1S 20111
Economics of Income Distribution**

GENERAL INFORMATION

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/upper case titles are intentionally incomplete to facilitate class discussion of important topics.

COURSE DESCRIPTION:

Equity issues in pay and employment in Canada; the personal distribution of income and wealth; the measurement of inequality and poverty; the redistributive effects of various Canadian and provincial government policies such as taxation, spending and transfers, minimum wages, employment equity, university tuition, health policy, macroeconomic policies, and globalization. *Prerequisites:* ECO200Y1/ECO206Y1, ECO220Y1/ECO227Y1/ (STA250H1, STA255H1)/ (STA257H1, STA261H1). *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 Feb 17, 2011	Classroom	40%
Makeup Test (1.5 hours)	Reading week	R Feb 24, 2011	TBA	
Final Exam (2 hours)	Exam period	Apr 12-29, 2011	TBA	60%

Midterm Test: Covers Weeks 1 to 5. Location is the regular classroom. Tests will be returned by R March 10, 2011 (Week 8).

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 Thursday February 24, 2011 (Reading Week) at 2:10 p.m. in a 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 the class prior to the course drop date. The date of the Penalty Makeup, if one is required, will be determined by the instructor.

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.

TEXTBOOK:

There is no required textbook for the course. Readings are assigned on various topics.
All readings are available online.

READING LIST – DRAFT

- **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 UTORmail, 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) "Challenging the Economic Assumptions of Mandatory Retirement" prepared for publication in *Time's Up! Mandatory Retirement in Canada*, edited by C.T. Gillin, D. MacGregor and T. R. Klassen, (Toronto: Lorimer, 2005)
http://www.sfu.ca/mpp/pdf_news/800-04%20Kesselman_Chapter.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

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 (2007) *2007 Report Card on Child and Family Poverty in Canada*, (Toronto: Family Services Association of Toronto), pages 1-7.
http://www.campaign2000.ca/rc/rc07/2007_C2000_NationalReportCard.pdf

WEEK 6. MIDTERM TEST

WEEK 7. INCOME AND PAYROLL TAXES: EQUITY & EFFICIENCY

Kesselman, Jonathan (1996) "Payroll Taxes in the Finance of Social Security" *Canadian Public Policy*, vol.22, no. 2, pages 162-179.
<http://economics.ca/cgi/jab?journal=cpp&view=v22n2/CPpv22n2p162.pdf>

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

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

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.

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)

Gunderson, Morley (2007) *Minimum Wages: Issues and Options for Ontario* (Toronto: Ontario Ministry of Finance).

WEEK 11. DISCRIMINATION: THEORIES & POLICES

Gunderson, Morley (2006) "Male-female wage differentials: how can that be?" *Canadian Journal of Economics* vol. 39, no. 1, pages 1-21.

<http://simplelink.library.utoronto.ca/url.cfm/25168> [UTLibraries e-resource]

WEEK 12. MEASURING GENDER & RACE DISCRIMINATION

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]

WEEK 13. IMMIGRATION AND DISTRIBUTION

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>