Trends in economic inequality and poverty are crucial dimensions of the fairness of the world we live in. Measuring these trends and assessing their implications raise some of the most important, and complex, problems of social science. This course will begin by examining measurement issues before turning to description of trends, analysis of the causes and implications and discussion of the appropriate public policy response. Because international data enables us to see how different both the facts of poverty and inequality and the public policy responses have been, we will often be making comparisons between countries – i.e. between Canada, the U.S. and other affluent nations and for the world as a whole.

The range and depth of the issues involved is huge. Every week brings new books and articles which document changes in poverty and inequality and changes in our understandings of these issues. It is certain that both types of changes will continue in the future. In thirteen weeks of classes, this course can only make a start to building your own personal understanding of poverty and inequality. It therefore requires your active engagement.

At the graduate level the course is organized around one general question (1) and three big issues (2-4):

1. How should we construct social indices? What are the implications of alternative indices of poverty, inequality and well-being?
2. What do we mean by the terms ‘poverty’ and ‘inequality’? How have they been measured and how should they be measured?
3. What are the big trends in poverty and inequality – within countries and globally? What explains these trends?
4. What, if anything, can or should be done to change current trends in poverty and inequality? Why?

Each of these topics will be the subject of lectures, but it is strongly suggested that students also keep up with the attached readings.

Graduate students in this course are expected to write an essay of approximately 2,500 words on (1) above. Although there are many indices of poverty, inequality or economic well-being now in widespread use in policy debates and the economics literature, it is clear that their users often have no clue about the underlying properties of those indices and the availability of alternative indices. Each graduate student should analyze the construction, usage and implications of three of the indices now widely used in discussions of poverty, inequality or economic well-being. See below for grading weight and Essay Grading Framework.

The class will also be divided into two teams and all students in the class will be part of a team presentation. Since a useful first step in analyzing big questions is often to divide them into manageable components, and learning how to do this is a very useful skill, each team will take a big topic and assign aspects of it to individual students. Specifically, for the fall term, 2019, the two big topics are: (3) “What are the big trends in poverty and inequality – within countries and globally? What explains these trends?” and (4) “What, if anything, can or should be done to change current trends in poverty and inequality? Why?”

In this section of the course, the team as a whole will be responsible for dividing up the big question which it will address into specific issues, which individual team members will write up as their personal term papers and will present in class, as part of the team presentation. Each individual team member is therefore responsible for:

1. verbally presenting his or her component of the larger issue as part of the team presentation;
2. assisting other members of the team on the topic which they have been assigned;
3. revising their own presentation, in the light of comments received, writing it up as an essay of approximately 3000 words and submitting it to me by December 6th.

Marks for graduate students will be apportioned as follows:

<table>
<thead>
<tr>
<th>Group Presentation</th>
<th>12%</th>
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<tbody>
<tr>
<td>Team work plan: to be submitted to me by September 30th</td>
<td>2%</td>
</tr>
<tr>
<td>written and oral presentation</td>
<td></td>
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</tbody>
</table>

| Essay 1 - Analysis of the methodology of social indices – Due November 16th | 25%  |
| Essay 2 - Outline of own individual essay on issue (3) or (4) : due September 30th | 3%  |
| - Final Revised Version of Essay: due December 6th                         | 30%  |

| Final Exam [date to be scheduled by Registrar] | 30%  |
Marks for undergraduate students will be apportioned as follows:

<table>
<thead>
<tr>
<th>Group Presentation</th>
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</thead>
<tbody>
<tr>
<td>- Team work plan: to be submitted to me by September 30(^{th}) [2%]</td>
<td>12%</td>
</tr>
<tr>
<td>- written and oral presentation [10%]</td>
<td></td>
</tr>
<tr>
<td>Essay - Outline of own individual essay on issue (3) or 4) : due September 30(^{th})</td>
<td>3 %</td>
</tr>
<tr>
<td>- Final Revised Version of Essay: due December 6(^{th})</td>
<td>30%</td>
</tr>
<tr>
<td>Mid-Term exam October 16(^{th})</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam [date to be scheduled by Registrar]</td>
<td>30%</td>
</tr>
</tbody>
</table>

You are strongly advised to meet early with your group to prepare your presentation and to use the services of the Reference Librarians in Killam Library in researching your topic.

I expect each team to do a dry run, in my office, of their presentation as indicated in the schedule below, or to arrange some other time that is mutually more convenient.

<table>
<thead>
<tr>
<th>Dates</th>
<th>Topic</th>
</tr>
</thead>
</table>
| November 27\(^{th}\)  
Dry Run Nov. 25\(^{th}\) 6PM | What are the big trends in poverty and inequality – within countries and globally?  
What explains these trends? |
| December 2\(^{nd}\)  
Dry Run Nov. 30\(^{th}\) 2PM | “What, if anything, can or should be done to change current trends in poverty and inequality? Why?” |

The reading list attached is preliminary and will be supplemented during the term. Readings and copies of the PowerPoints will be posted on Brightspace.

The objectives of this course are:

1. To increase your useful knowledge – both empirical and analytical – about some of the most important issues of political economy.

2. To develop general skills that are useful in a wide variety of contexts later in life - specifically: breaking a large problem into manageable issues, teamwork, library research, critical thinking, written and oral presentation, and the ability to give and receive constructive criticism.

3. To provide some sense of the fun and importance of rigorous thinking about issues that really matter.
**Reading List**

Some useful general sources are:

3. *Income Inequality: The Canadian Story*, edited by David A. Green, W. Craig Riddell and France St-Hilaire. 2016 The Institute for Research on Public Policy, Montreal

**Topics**

[1] **What is “Inequality”***?


2] **What has happened to Economic Inequality in Canada recently?**

Lars Osberg, (2018) *The Age of Increasing Inequality* – Chapters 1 to 4


Andrew Heisz and Brian Murphy (2016) *The role of taxes and transfers in reducing income inequality* Pages 435-478 in *Income Inequality: The Canadian Story*, edited by David A. Green, W. Craig Riddell and France St-Hilaire. The Institute for Research on Public Policy, Montreal

Thomas Lemieux and Craig Riddell (2016), *Who are Canada’s Top 1 Percent?* Pages 103-156 in *Income Inequality: The Canadian Story*, edited by David A. Green, W. Craig Riddell and France St-Hilaire. The Institute for Research on Public Policy, Montreal


[3] What is Poverty? What has happened to Poverty in Canada in recent years?

Lars Osberg, (2018) *The Age of Increasing Inequality* – Chapter 4


Facundo Alvaredo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez (2013) *The Top 1 Percent in International and Historical Perspective* Journal of Economic Perspectives—Volume 27, Number 3—Summer 2013—Pages 3–20 [http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.3.3](http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.3.3)

Max Roser and Esteban Ortiz-Ospina (2018) - "Income Inequality". Published online at *OurWorldInData.org*. Retrieved from: 'https://ourworldindata.org/income-inequality' [Online Resource, with links to many excellent data bases]


Country Highlights – Canada:


Lars Osberg, (2018) The Age of Increasing Inequality – Chapter 6


http://www.statcan.gc.ca/pub/75-001-x/75-001-x2006112-eng.pdf

James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2017


[6] Earnings Inequality

Lars Osberg, (2018) The Age of Increasing Inequality – Chapter 7


Kelly Foley and David Green (2016) *Why More Education Will Not Solve Rising Inequality (and May Make It Worse)* Pages 347-398 in *Income Inequality: The Canadian Story*, edited by David A. Green, W. Craig Riddell and France St-Hilaire. The Institute for Research on Public Policy, Montreal


[7] Do Inequality and Poverty Matter? What should be done? What can be done?

Lars Osberg, (2018) *The Age of Increasing Inequality* – Chapters 8, 9

Values


Attitudes


Green, W. Craig Riddell and France St-Hilaire. The Institute for Research on Public Policy, Montreal

**Policies**


The Essay

1. **The essay outline is due October 1st.** It should be 2 pages or less but it should say:

   (1) **What question your essay will try to answer.**
   - Note: If you are clear about what question you are asking, your answer is far more likely to be intelligible. Do **not** just provide a vague promise to “discuss” or “analyze” some general issue. Tell me **specifically** what question you will try to answer.

   (2) **How you will try to answer that question.**
   - Note: A general statement of methodology is all that is required -- what do you need to know in order to answer question (1) above? How will you attempt to find this information?

   (3) **Which references and data sources you will consult.**
   - Note: Since at this point you will have not yet written the final version of the essay, I do **not** expect a full list - just some evidence that you have started thinking about the topic and some indication of the type of sources you will use.

2. **Writing the essay**

   **Useful References on Writing Economics Essays**

      http://www.economics.harvard.edu/files/WritingEconomics.pdf

   Some students may be familiar with the ‘debate’ format in which authors argue one side of an issue and use data selectively to try to convince their audience of something they somehow ‘knew’ to be ‘true’, even before they started writing the essay. This is **not** that sort of essay – i.e. your essay should **not** be just an advocacy document. Instead, your essay should use evidence to provide as true an answer as is possible to an interesting and important question. To do that in a reasonable way, you have to know what evidence is relevant to the issue, find it and evaluate its credibility and then assess its implications and the quality of alternative arguments. Key to this process is being clear in your own mind, from the first, as to what question you wish to answer. Write out the central organizing question which you are trying to answer. Revise it when necessary but always keep a clear focus on the main question. You will find that referring back to the central question that you want to answer is an enormous help in deciding which issues, facts and interesting items are in fact relevant.

   Your essay should have:
   (a) **A short introduction** which says explicitly:
      - What question does this essay try to answer?
      - Why is this question interesting and important?
      - How will the essay try to answer it?
   (b) **Main body of argument** which:
      - develops a clear, logical arguments to answer the question identified in (a)
      - uses evidence to support assertions made
   (c) **Conclusion:**
      - summarizes points made
      States clearly: What is the answer to the question posed?
      - suggests significance and implications of results
The main body of your paper should have a clear logical structure and provide careful evidence for any claims made. All sources should be cited and properly footnoted. This means that each specific assertion should be documented by reference to both the page number within each source and the publication details of the source. (It is, for example, no help at all to the reader to be told the data source is “Statistics Canada”. BE SPECIFIC AND BE PRECISE).

Please remember that economics is a quantitative discipline, and that numbers can be a wonderful discipline for the mind. Support your arguments with appropriate statistics wherever possible. Avoid vague terms like “many”, “most” or “some” whenever a numerical estimate is possible. Define important terms explicitly and be exact wherever you possibly can be. Use data from reputable statistical sources and footnote those sources exactly.

Some useful web sites are:

- Dimensions of Poverty Hub [https://www.statcan.gc.ca/eng/topics-start/poverty](https://www.statcan.gc.ca/eng/topics-start/poverty)
- [www.inequalityvin.eu](http://www.inequalityvin.eu)
- [https://www.wider.unu.edu/project/wiid-world-income-inequality-database](https://www.wider.unu.edu/project/wiid-world-income-inequality-database)
- [https://ourworldindata.org/incomes-across-the-distribution](https://ourworldindata.org/incomes-across-the-distribution)
- [http://www.oecd.org/social/inequality.htm](http://www.oecd.org/social/inequality.htm)
- [http://www.lisdatacenter.org/](http://www.lisdatacenter.org/)
- [http://www.rich-bastards.com/default.htm](http://www.rich-bastards.com/default.htm)
- [http://www.oecd.org/social/inequality.htm#income](http://www.oecd.org/social/inequality.htm#income)

Remember that although the Internet is a great research tool, there is a good deal of garbage out there as well as much useful information. In providing footnotes to reference material downloaded from the Internet, you must provide the exact URL where you found the information, when it was downloaded and enough detail on whose web site it is to enable the reader to judge the credibility of the source. **Special Note**: Due to its vulnerability to partisan editing by interested parties, Wikipedia is NOT acceptable as a data source.

All papers should follow a consistent style for footnotes and bibliography. Refer to a guide such as Kate L. Turabian, *A Manual for Writers of Term Papers, Theses, and Dissertations*. Because the purpose of footnotes is to guide the reader to the original source, it is not good enough to provide a vague reference like Smith (2001). If you are quoting a source you must provide the exact page number – e.g. Smith (2001; page 99).

Your essay must be typewritten - and since all word processing packages now include a SPELL CHECK option, you should use it.

**BE SURE TO FOOTNOTE PROPERLY ALL SOURCES – PLAGIARISM IS A SERIOUS ACADEMIC OFFENCE**

You must submit both an electronic copy and a print version of your essay.
If you are, at any point, tempted to take the ‘easy road’ and copy text from an already published source without attribution, please remember that Internet technology now makes it very easy for your professor to find exactly where any suspicious bits of text really came from. Plagiarists will be caught and will be reported to the Academic Integrity Officer of the Faculty of Science.

Evaluation of your essay will consider:
1. Presentation/style (e.g. spelling, grammar, proper use of footnotes and bibliography, figures and tables with clearly labelled titles and references)
2. Originality and economic content – in both theory and empirical data.
3. Use of reference material (i.e., non-textbook, non-lecture material such as books, papers, statistical evidence)
4. Logical development of ideas (Think carefully about how you organize the ideas you assemble.)