

**UNIVERSITY OF SOUTH FLORIDA
DEPARTMENT OF ECONOMICS
COURSE SYLLABUS**

**ECO 4935-003
Semester II, 2009
E. Ford**

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ECONOMICS OF INCOME INEQUALITY, POVERTY AND DISCRIMINATION

OVERVIEW:

This course examines the economic dimensions of income inequality, poverty and discrimination. The course begins with a review of some tools of economic analysis that are most useful in these areas of economics. The economic functions of government are discussed. Variations in economic analysis of markets and government across the political economic spectrum are examined. The main body of the course then focuses on economic facts, theories and public policies concerning income inequality, poverty and discrimination.

PREREQUISITES:

This course utilizes the principles of economics presented in ECO 1000 or ECO 2013/ECO 2023.

COURSE OBJECTIVES: Upon completion of ECO 4935 students should have

- 1. Increased understanding of demand and supply analysis of product and economic resource markets**
- 2. Increased understanding of the economic role of government as response to market imperfections**
- 3. Awareness of alternative political economic (conservative, liberal, left (radical)) perspectives concerning markets and government**
- 4. Knowledge of how economists and governments measure and compare income inequality (including Lorenz curves and Gini coefficients)**
- 5. A clear picture of the current personal and functional distributions of income and wealth in the U.S.**
- 6. Awareness of long term and recent trends in income and wealth inequality in the U.S.**
- 7. Awareness of international variation in income inequality**
- 8. Understanding of theories of income determination including marginal productivity theory and the theory of surplus value.**
- 9. Understanding of the determinants of labor income including human capital and labor market imperfections (especially discrimination, unemployment, segmented labor markets and monopsony power) and variations in emphasis across the political economic spectrum.**
- 10. Understanding of the tools of public policy which may be used to alter the distribution of income with particular emphasis on progressive, proportional and regressive types of taxation.**
- 11. Awareness of arguments for and against promoting greater equality in the distribution of income.**
- 12. Understanding the impacts of current macroeconomic conditions & policies on income distribution.**
- 13. Awareness of alternative views of the relationship between inequality and economic growth including those of Kuznets (stages of growth), Okun (equality vs efficiency – the “big tradeoff”) and Persson and Tabellini (conflict hinders growth)**
- 14. Understanding of relative and absolute definitions of poverty.**
- 15. Understanding of the genesis and criticisms of the prevailing Social Security Administration (SSA) absolute definition of poverty.**
- 16. A clear picture of the U.S. count of the poor using the SSA definition.**
- 17. Awareness of trends and variations in poverty rates across demographic and geographic groups.**
- 18. Understanding of theories of the causes of poverty (see 8. and 9. above) and variations in emphasis across the political economic spectrum.**

19. Awareness of long-run anti-poverty policies including those aimed at human capital building and combating discrimination
20. Awareness of short-run anti-poverty policies at the macroeconomic level (maintenance of tight labor markets)
21. Understanding of basic elements and debates concerning income support programs including the old (AFDC) and new (TANF) welfare systems, negative income taxes, Earned Income Tax Credits (EITC).
22. Understanding of debates (“old and new” views) concerning the economic impacts of minimum wages.
23. A clear picture of economic dimensions of gender, race and ethnicity based discrimination including facts and trends in wage gaps, poverty and unemployment rates and differences in occupational distributions.
24. Understanding of economic hypotheses concerning causes of discrimination including employer-preference (taste), statistical discrimination, segmented labor market, crowding and Marxian theories and variations in emphasis across the political economic spectrum.
25. Understanding of basic elements of and debates concerning anti-discrimination policies including the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, Affirmative Action and Comparable Worth (Pay Equity).
26. Understanding current debates concerning the Social Security system.
27. Awareness of student/class generated reasonable estimates of poverty line, middle income and “American Dream” expenditure and income requirements.

TEXTS - REQUIRED:

1. Randy Albelda, Robert Drago and Steven Shulman, Unlevel Playing Fields: Understanding Wage Inequality & Discrimination, 2nd ed, Dollars&Sense, 2005 (U)
2. Chuck Collins and Felice Yeskel, Economic Apartheid in America; A Primer on Economic Inequality & Insecurity, Revised Edition, The New Press, 2005 (E)
3. Readings in the Economics of Inequality, Poverty and Discrimination, Pro-Copy, 2008 (R)

- ON RESERVE:

5. Lawrence Mishel, Jared Bernstein and Sylvia Allegretto, State of Working America, 2008/2009, Cornell University Press, 2009 (M)
6. Frank Ackerman et al, The Political Economy of Inequality, Island Press, 2000 (P)
7. Edward N. Wolff, Economics of Poverty, Inequality and Discrimination, South-Western, 1997(W)
8. Bradley R. Schiller, Economics of Poverty and Discrimination, 9th ed., Prentice Hall, 2004 (S)
9. Randy Albelda et al, The War on the Poor: A Defense Manual, New Press, 1996 (A)
10. J. Teller-Ellsberg et al, Field Guide to the U.S. Economy – Revised and Updated, New Press, 2006 (T)

COURSE SCHEDULE:

WEEK	TOPIC	READINGS
1	Introduction Demand, Supply and Wage/Price Determination in Labor/Product Markets	U pp. 47-53, 64-69
2	Overview of the Market System; Anatomy of Market Failure; Economic Functions of Government; Perspectives in Political Economics	U 3, 6 R 1-3 *T pp. 11-14
3	Overview of the Economics of Income Inequality, Poverty and Discrimination	U 1; E 1; *T 1 *P xxix-xli; *S 1, 2; *W 1; *M Intro.
4-5	Introduction to the Economics of Income Inequality; Income Distribution, Poverty & Discrimination: Facts Theoretical Determinants of Personal Income;	U 2, 4, 7; E 2, 3; R 4-6, 20, 24-26 *T 1, 2, 9; *P I-IV, VII, IX; *W 2, 3, 5-11,16; *M 1-4, 6, 7
6-7	Theoretical Determinants of the Functional Distribution of (Capital and Labor) Income; Government Policies concerning Income Inequality Global Inequality	R 7-19; E 5; *T 5, 10; *P X
8-10	Introduction to the Economics of Poverty; Poverty Facts and Data; Theoretical Causes of Poverty; Government Policies concerning Poverty	R 21-23, 27-32; *T 2, 6; *P V; *S 3-9, 12-14; *W 4, 15; *M 5; *CPE
11-13	Introduction to the Economics of Discrimination; Discrimination Facts and Data; Theoretical Causes of Discrimination; Government Policies concerning Discrimination Social Security	U 5, 8; R 33-40; * T 3, 4 *P VI, VIII: *S 8, 10, 11, 15; *W 12-14
14-15	Overview	U 9; E 4, 5; *S 15; *M Intro.

*** recommended for more details but not required reading**

IMPORTANT DATES:

PROJECT SIGN-UP - 1/27/09

EXAM I – 2/5-12/09

PROJECT I DUE – 3/5/09

PROJECT II DUE – 4/2/09

EXAM II – 4/2-9/09

GRADING SYSTEM:

Course grades in ECO 4935 will be determined through a contract grading system. The workings of the system are outlined in the following paragraphs.

A set of two exams will be distributed during the course. These exams will be take-home open book essay type. Roughly one week will be allowed to work each exam. The exam questions will be graded on an S-U basis with suggestions for improvement by the instructor. Exam questions which have been graded unsatisfactory (U) may be done over and re-graded. Satisfactory performance on all exam questions entitles the student to a course grade of D. Consistent class attendance is also required for a grade of C.

Students who wish to receive a grade of B may elect (in addition to satisfying the C requirements) to undertake a project in consultation with the course instructor. A list of specific topics will be provided by the instructor. These projects will be graded on an S-U basis. Projects graded U may be done over. Participation in class discussions is also required for a B grade.

Students who desire a grade of A in the course may elect (in addition to satisfactory performance on all work necessary for a B in the course) to undertake a second research project in a course area different from that chosen for the B-project. Projects are graded on an S-U basis. Unsatisfactory projects may be re-done. Further details concerning these projects will be provided by the course instructor.

Plus or minus will be attached to grades at the instructor's discretion.

NOTE: The University of South Florida has an account with an automated plagiarism detection service which allows instructors to submit student assignments to be checked for plagiarism. I reserve the right to request that assignments be electronically submitted to Blackboard. Assignments are compared automatically with a huge database of journal articles, web articles, and previously submitted papers. The instructor receives a report showing exactly how a student's paper may have been plagiarized. For more information, go to <http://www.ugs.usf.edu/catalogs/0304/adadap.htm#plagiarism>