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# **GEOG 504 – ADVANCED ECONOMIC GEOGRAPHY: READINGS ON INEQUALITY**

McGill University, Department of Geography  
Winter 2018

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**Instructor:** Sébastien Breau (e-mail: [sebastien.breau@mcgill.ca](mailto:sebastien.breau@mcgill.ca); tel.: 514-398-3242)  
**Lectures:** Friday, 11:35 – 2:25 pm (Burnside Hall 429)  
**Office Hours:** Tuesday, 1:00 – 2:00 pm or by appointment (Burnside Hall 417)

## **DESCRIPTION AND OBJECTIVES**

Inequality is now at the forefront of public debate. Indeed, in more than three quarters of OECD countries, the last 30 years have been characterized by substantial increases in income inequality. In some countries, like the US, UK and Canada, the surge in inequality is such that it has reached levels not seen in more than a century. What are the causes and consequences of this rise in inequality? Why should we be concerned with rising inequality in the first place? What can we learn from studying the geographical dimensions of the problem?

The goal of this course is to develop your understanding of some of the main issues relevant to current debates about inequality. We will explore these issues using different theoretical perspectives from across the social sciences and empirical case studies drawn from different (though mostly developed) countries. As an advanced economic geography class, emphasis will also be placed on understanding spatial variations in patterns of inequality across different scales of analysis.

## **STRUCTURE, READINGS AND COURSE REQUIREMENTS**

The class is organized as a seminar for advanced undergraduate and graduate students. Active participation by all is expected as each week students will be responsible for leading discussions around the topics outlined below. For each topic, I have selected a number of required readings and included additional (optional) readings for those of you interested in pushing the envelope further. You will notice that some of the readings covered in class are denser than others. These may require more than one reading or at least rereading passages that are confusing. Note also that some of the readings contain mathematical equations or statistical models. Do not be fazed by this! I do not expect you to know how to derive mathematical proofs, solve differential equations or estimate spatial panel data regression models (though if some of you are interested in these, we can always add them to the discussion). What matters most is an understanding of the key theoretical principles involved.

The required readings will be made available to you on a weekly basis. PDFs of journal articles will be uploaded directly on myCourses for you to download. Book chapters will also be scanned as PDFs and posted on-line along with other relevant materials (if required).

As you prepare for the seminar each week, you should begin by writing-up a short summary of the readings. In doing so, strive to locate the main problem or research question addressed (i.e., what is the big issue at stake) and what are the key elements or logic of the author's argument (i.e., theoretical/conceptual framework). What are the author's main results or central claims? From an empirical perspective, what evidence/data does the author offer in support of his/her argument? What conclusions should we draw from his/her work?

In addition to summarizing the readings, you should also engage 'critically' with the various texts. Does the author deliver in terms of what she/he sets out to do? Are there problems with the way some of the results are interpreted? Are there problems with some of the underlying assumptions made by the author? Do you see gaps in their logic or reasoning? Do you question or disagree with certain claims made? More broadly, how do the different readings differ in their conceptualization of the problem?

Prior to meeting for the seminar on Fridays, you will have to submit short summaries along with a list of discussion questions for each reading. These should be short and concise: a maximum of 2 pages in length (in total) and handed-in no later than 9:30 am (via email, in WORD format). Following brief oral summaries of the readings, the questions generated will be used to engage with the material in class.

### **METHOD OF EVALUATION**

You will be evaluated on (i) your weekly participation in the seminar (20%) and (ii) your short reading summaries/list of discussion questions (15%), (iii) a short mid-term overview of your research topic (10%), (iv) a final presentation (10%) and (v) your final term paper (45%) (guidelines for the final research paper will be discussed in class). In accordance with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

### **ACADEMIC INTEGRITY**

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see [www.mcgill.ca/students/srr/honest/](http://www.mcgill.ca/students/srr/honest/)).

### **GENERAL REFERENCES**

Much has been written on the topic of economic inequality over the last decade or so. In addition to the readings listed in the course outline below, the following books and articles serve as good entry-points in the literature for students less familiar with the topic (both within geography and economics). These references provide surveys of the main concepts and central research questions tackled in the field, background as to how ideas and different perspectives have evolved as well as overviews of related contemporary debates. You may wish to consult these from time to time during the semester.

Atkinson, A. B. (2015) *Inequality: What Can Be Done?* Harvard University Press.

Chakravorty, S. (2006) *Fragments of inequality: Social, spatial and evolutionary analyses of income distribution*, New York, NY: Routledge.

Dorling, D. (2017) *The Equality Effect: Improving Life for Everyone*, New Internationalist Publications Ltd.

----- (2014) *Inequality and the 1%*, Verso Books.

Frank, R. (2013) *Falling behind: How rising inequality harms the middle class*, University of California Press.

Galbraith, J. (2012). *Inequality and instability: A study of the world economy just before the great crisis*. Oxford: Oxford University Press.

Noah, T. (2012) *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*, Bloomsbury Press.

Piketty, T. (2014) *Capital in the Twenty-First Century*, Belknap Press of Harvard University Press.

Smith, D. (1979) *Geographical perspectives on Inequality*, Barnes & Nobles Books.

Stiglitz, J. (2012) *The Price of Inequality: How Today's Divided Society Endangers our Future*, Norton & Company.

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#### COURSE OUTLINE & READINGS SCHEDULE

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### **Week 1 (January 12) – Course introduction and overview**

*Key topics:* Discussion of course structure, logistics and expectations. Viewing of “Inequality for all” documentary (by Robert Reich, 2013).

### **Week 2 (January 19) – Trajectories of inequality: recent and historical perspectives**

*Key topics:* Setting the scene and taking stock of the state of inequality today. How does it compare to past trends? Distinguishing between within- vs. between-country patterns of inequality.

Alvaredo, F., Chancel, L., Piketty, T., Saez, E., and G. Zucman (2017) *The World Inequality Report, 2018 (Executive Summary)*, World Inequality Lab.

Milanovic, B. (2013) Global income inequality in numbers: in history and now, *Global Policy*, 4(2): 198-208.

Scheidel, W. (2017) *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*, Princeton University Press (Introduction + Chapters 1-3: “A brief history of inequality”).

#### *Optional readings*

Bourguignon, F. (2012) *La mondialisation de l'inégalité*, Éditions du Seuil et La République des Idées.

Lindert, P. H. and J. G. Williamson (2016) *Unequal Gains: American Growth and Inequality since 1700*, Princeton University Press.

Maddison, A. (2013) *Contours of the World Economy, 1-2030 AD: Essays in Macro-Economic History*, Oxford University Press.

Sutch, R. (2017) The one percent across two centuries: A replication of Thomas Piketty's data on the concentration of wealth in the United States, *Social Science History*, 41(4): 587-613.

### **Week 3 (January 26) – Theorizing inequality and its relationship to economic growth**

*Key topics:* Problems of production vs. distribution. What explains the distribution of income? How does inequality relate to economic growth?

Kuznets, S. (1955) Economic growth and inequality, *American Economic Review*, 45(1): 1-28.

Harrison, B. and B. Bluestone (1988) *The Great U-Turn: Corporate Restructuring and the Polarization of America*, Basic Books Inc. (Chapter 1).

Piketty, T. (2014) *Capital in the Twenty-First Century*, Belknap Press of Harvard University Press (Introduction, Chapter 7).

#### *Optional readings*

Korzeniewicz, R. and T. Moran (2005), Theorizing the relationship between inequality and economic growth, *Theory and Society*, 34(3): 277-316.

Lydall, H. (1979) *A Theory of Income Distribution*, Oxford University Press.

Quah, D. T. (1996), Twin peaks: Growth and convergence in models of distribution dynamics, *The Economic Journal*, 106(437): 1045-1055.

### **Week 4 (February 2) – Why should we care about inequality? Reviewing theories of social justice. Where does a geographical perspective fit-in?**

*Key topics:* Distinguishing between economic vs. social justice. Exploring the meaning of social exclusion. On moral philosophies, ethics, egalitarianism, utilitarianism, libertarianism and Marxism. And where does geography come into play?

Smith, D. (1994) *Geography and Social Justice*, Blackwell Publishers (Chapters 1 – 5).

Harvey, D. (1972) "Social Justice and Spatial Systems", in R. Peet (Ed.), *Geographical Perspectives on American Poverty*, Antipode Monographs in Social Geography (pp. 87-106).

Storper, M. (2011) Justice, efficiency and economic geography: should places help one another to develop? *European Urban and Regional Studies*, 18(1): 3-21.

#### *Optional readings*

Coates, B., Johnston, R., and P. Knox (1977) *Geography and inequality*, Oxford University Press (Chapter 1: "The dimensions of differentiation", pp. 1-22).

Del Casino, V. and J. P. Jones III (2007), "Space for social inequality researchers", in J. Lobao, G. Hooks and A. R. Tickamyer (Eds.) *The sociology of spatial inequality*, SUNY Press (pp. 233-251).

Israel, E. and A. Frenkel (2017) Social justice and spatial inequality: Toward a conceptual framework, *Progress in Human Geography*, DOI: 10.1177/0309132517702969, 1-19.

Macleod, C. and A. Eisenberg (2006) Normative dimensions of equality, in D. A. Green and J. R. Kesselman (Eds.) *Dimensions of inequality in Canada*, UBC Press (pp. 33-64).

Sen, A. (2009) *The Idea of Justice*, Belknap Press of Harvard University Press (Chapter 2: "Rawls and Beyond", pp.52-74).

Soja, E. (2010) *Seeking spatial justice*, University of Minnesota Press (Chapter 3: "Building a spatial theory of justice", pp. 67-110).

Tickamyer, A. R. (2000), Space matters! Spatial inequality in future sociology, *Contemporary Sociology*, 29(6), 805-813.

### **Week 5 (February 9) – More on the causes of inequality**

*Key topics:* What are the main drivers (i.e., determinants) of contemporary patterns of inequality? Sociological, economic and political perspectives.

Morris, M., and B. Western (1999), Inequality in earnings at the close of the twentieth century, *Annual Review of Sociology*, 25, 623-657.

Autor, D. H., F. Levy, and R. J. Murnane (2003), The skill content of recent technological change: An empirical exploration, *Quarterly Journal of Economics*, 118(4): 1279-1333.

Hacker, J. and P. Pierson (2010) *Winner-Take-All Politics: How Washington Made the Rich Richer and Turned its Back on the Middle Class*, Simon & Schuster (Chapter 2: "How the winner-take-all economy was made", pp. 41-72)

#### *Optional readings*

Gustaffson, B. and M. Johansson (1999) In search of smoking guns: What makes income inequality vary over time in different countries? *American Sociological Review*, 64(4): 585-605.

Moller, S., A. S. Alderson, and F. Nielsen (2009), Changing Patterns of Income Inequality in US Counties, 1970-2000, *American Journal of Sociology*, 114(4): 1037-1101.

### **Week 6 (February 16) – Measuring inequality**

*Key topics:* How is inequality measured? What criteria should be used in selecting indicators of inequality (four key principles to consider)? On the issue of top-coding. Lab session on how to compute indicators of inequality using Stata.

Coulter, P. (1989) *Measuring inequality: A methodological handbook*, Westview Press (Chapters 1 – 2).

De Maio, F. (2007) Income inequality measures, *Journal of Epidemiology and Community Health*, 61: 849-852.

Fichtenbaum, R. and H. Shahidi (1988), Truncation Bias and the Measurement of Income Inequality, *Journal of Business & Economic Statistics*, 6(3): 335-337.

#### *Optional readings*

Cowell, F. (1995) *Measuring inequality*, 2<sup>nd</sup> edition, LSE Handbooks in Economics.

#### **Week 7 (February 23) – Inequality, taxes and fairness**

Instead of holding our usual seminar on Friday, students are invited to participate in the “Who pays for Canada? Taxes and fairness” conference organized by the McGill Institute for the Study of Canada. Of particular relevance to the class will be the paper session organized on the theme of *Fairness and inequality: National taxation* (to be held on the Thursday afternoon, Feb. 22<sup>nd</sup>).

To prepare for this topic, two background readings are assigned (both of which focus on taxation issues within the Canadian context):

Boadway, R. and K. Cuff (2013) “The recent evolution of tax transfer policies”, in K. Banting and J. Myles (Eds.) *Inequality and the fading of redistributive politics*, UBC Press (pp. 335-358).

Milligan, K. (2014) *Tax policy for a new era: Promoting economic growth and fairness*. C.D. Howe Institute, Benefactors Lecture, Toronto: ON.

#### **Week 8 (March 2) – On the costs of inequality**

*Key topics:* What are the consequences of inequality? How does place factor in? What about questions of mobility.

Wilkinson, R., and K. Pickett (2009) *The Spirit Level: Why Equality is Better for Everyone*, Penguin Books (Chapter 10: “Violence: Gaining Respect”, pp. 129-144).

Kawachi, I., B. Kennedy, K. Lochner, and D. Prothrowstith (1997), Social capital, income inequality, and mortality, *American Journal of Public Health*, 87(9): 1491-1498.

Dunn, J. R., P. Schaub, and N. A. Ross (2007), Unpacking income inequality and population health - The peculiar absence of geography, *Canadian Journal of Public Health*, 98: S10-S17.

Chetty, R., N. Hendren, P. Kline, and E. Saez (2014), Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States, *Quarterly Journal of Economics*, 129(4), 1553-1623.

#### *Optional readings*

Macintyre, S., A. Ellaway, and S. Cummins (2002), Place effects on health: how can we conceptualise, operationalise and measure them? *Social Science & Medicine*, 55(1): 125-139.

*Note:* the last hour of our seminar will be used to discuss progress on your term paper projects. Each student will be asked to provide an overview of the topic (related to the course material) they have chosen for their paper, taking care to outline some of the key references they intend to use to support their

argument. In addition to the short presentation, a 1- to 2-page summary of the proposed research paper is to be handed in at the end of class (more details to follow).

**Week 9 (March 9) – McGill study break (no class)**

**Week 10 (March 16) – Spatial disparities and theories of regional development: A review of the economic geography literature**

*Key topics:* Regional income disparities, convergence/divergence, an overview of models of regional economic growth.

Pike, A., Rodriguez-Pose, A. and J. Tomaney (2017) *Local and Regional Development*, 2<sup>nd</sup> edition. Routledge (Chapter 3, pages 59-150).

Smith, N. (1986), On the necessity of uneven development, *International Journal of Urban and Regional Research*, 10(1): 87-104.

*Optional readings*

Cavanaugh, A. and S. Breau (2017) Locating geographies of inequality: Publication trends across OECD countries, *Regional Studies*, DOI: 10.1080/00343404.2017.1371292.

McCann, P. (2013) *Modern Urban and Regional Economics*, 2<sup>nd</sup> edition. Oxford University Press.

Storper, M. (2013) *Keys to the City: How Economics, Institutions, Social Interaction, and Politics Shape Development*, Princeton University Press.

**Week 11 (March 23) – No class.**

**Week 12 (March 30) – From regional to urban geographies: Inequality and the new reality of metropolitan areas in North America**

*Key topics:* How is inequality evolving at the intra-metropolitan level? What are the challenges posed by rising real estate prices and growing household debt burdens? Is there a dark side to innovation?

Florida, R. (2017) *The new urban crisis: How our cities are increasing inequality, deepening segregation, and failing the middle-class – And what we can do about it*, Basic Books (Chapter 7: “Patchwork Metropolis”).

Breau, S., M. Shin and N. Burkhart (2018) Pulling apart: New perspectives on the spatial dimensions of neighbourhood income disparities in Canadian cities, *Journal of Geographical Systems*, 20(1): 1-25.

Lee, N. (2016) Growth with inequality? The local consequences of innovation and creativity, in R. Shearmur, C. Carrincazeaux and D. Doloreux (Eds.), *Handbook on the geographies of innovation*, Edward Elgar (pp. 419-431).

Walks, A. (2014), From financialization to sociospatial polarization of the city? Evidence from Canada, *Economic Geography*, 90(1): 33-66.

*Optional readings*

Baum-Snow, N. and R. Pavan (2013) Inequality and city size. *Review of Economics and Statistics*. 95(5): 1535-1548.

Breau, S., D. F. Kogler, and K. C. Bolton (2014) On the relationship between innovation and wage inequality: New evidence from Canadian cities, *Economic Geography*, 90(4): 351-373.

Hulchanski, D. (2007) The three cities within Toronto: Income polarization among Toronto's neighbourhoods, 1970-2000. *Centre for Urban and Community Studies, Research Bulletin No. 41*.

Peck, J. (2014) Pushing austerity: State failure, municipal bankruptcy and the crises of fiscal federalism in the USA. *Cambridge Journal of Regions, Economy and Society*, 7: 17-44.

Scott, A.J. and M. Storper (2015) The nature of cities: The scope and limits of urban theory. *International Journal of Urban and Regional Research*, 39(1): 1-15.

**Week 13 (April 6) – Is there an upside to inequality? The vanishing middle class and “contemporary” arguments for/against inequality**

*Key topics:* is the recent rise in inequality, its causes and consequences, a misdiagnosed problem? Is the idea that the rich are getting richer by making the poor poorer just a myth? What are the key arguments used by the ‘skeptics’ to downplay the problem? What are the perils of ignoring inequality?

Conard, E. (2016) *The Upside of Inequality: How Good Intentions Undermine the Middle Class*, Portfolio/Penguin (selected chapters).

Watson, W. (2015) *The Inequality Trap: Fighting Capitalism Instead of Poverty*, University of Toronto Press (selected chapters).

Sitaraman, G. (2017) *The Crisis of the Middle-Class Constitution*, Alfred Knopf (Introduction + Chapter 5: “How economic inequality threatens the republic”, pp. 223-273).

*Optional readings*

Banting, K., and J. Myles (2016) “Framing the new inequality: The politics of income redistribution in Canada”, in D. Green, C. W. Riddell, and F. St-Hilaire (Eds.), *Income inequality: The Canadian story*, Montreal, QC: Institute for Research on Public Policy (pp. 509-534).

Reeves, R. (2017) *Dream hoarders: How the American upper middle class is leaving everyone else in the dust, why that is a problem and what to do about it*, Brookings Institution Press.

Temin, P. (2017) *The vanishing middle class: Prejudice and power in a dual economy*. Cambridge, MA: MIT Press.

**Week 14 (April 13) – Final presentations**