The Politics of Inequality  
(PO4730)

Lecturer  
Dr Tim Hicks  
Department of Political Science,  
Trinity College, Dublin  
tim.hicks@tcd.ie  
http://tim.hicks.me.uk/teaching/  
Office hours: Tuesdays 3-5pm (or by appointment)

Meetings  
Wednesdays, 10–11am,  
Room 3, College Green

Document produced: September 27, 2011

Course Description
In 2008, the top 10% of the US population received 46% of all income while in Sweden the figure was 28%. The current economic climate sees governments needing to rebalance their budgets — often dramatically. This can be achieved both by cutting spending that is often aimed more at the poor or increasing taxes that are often paid more by the rich. Unsurprisingly, then, inequality is currently very politically salient, but politics as a subject more generally has been described as the study of ‘who gets what, when, and how’. During this course, we will investigate the politics of inequality both across ‘developed democracies’ and within them. The aim is to develop an understanding of inequality in terms of its contemporary and historical patterns, its causes (both political and otherwise), and its consequences for political participation and policy outcomes.

Learning Outcomes
On successful completion of this module students should be able to:

- identify and describe empirical trends in inequality in the advanced industrial countries;
- identify and describe the economic and political causes of differences in inequality;
- identify and describe the economic and political consequences of inequality;
- critically read and evaluate social scientific arguments and evidence;
- formulate a social scientific argument and employ empirical evidence to test/support it.
Assessment

Class participation

Note, well. The readings are very important: students are reminded that this course will only work if everyone completes the assigned reading before class and participates in class discussions.

20% — Michaelmas Term Writing Assignments

There will be two, equally-weighted writing assignments during Michaelmas term.

‘Op-Ed’ Article (1,000 words)
Due 5pm Monday December 5th

For this assignment you will take an existing ‘op-ed’ article/column from a newspaper (or possibly a news-based magazine) that relates to the issue of inequality. You will then write your own op-ed in response using the theories, evidence, and further data that you have been introduced to during the course.

N.B. This is not an opportunity to simply write down a series of prejudices or unsubstantiated claims!

The idea behind this assignment is that you will attempt to write as a social scientist, in an evidence-based and theoretically-motivated way. This much is similar to other essays you may have written during your undergraduate career. However, for this assignment, you should also write in a style that is accessible to a general readership, untrained to the level that you are. The goal is that you will learn to bridge the gap between the academic study of social science and the popular understandings of such issues. One way in which you may wish to approach this is by taking an explicitly comparative stance — discussing how claims made for one country stand-up to evidence in others.

You may select your own op-ed to respond to, but you must confirm this with me before you write your piece. If you are having trouble selecting an article, I will be happy to make suggestions. You should find good fodder in all variety of large-circulation newspapers on either side of the Atlantic.

Critical Literature Review (1,500 words)
Due midday Tuesday before the relevant class

You will each be assigned one topic from the term on which to write a critical response to the required readings (and further readings if you wish). Beyond a summary of the readings, this should also include analysis of contradictions both within and between papers, methodological shortcomings, and conceptual discrepancies. In developing such critiques, you will may conclude that some arguments or pieces of evidence are more persuasive than others. Outlining your reasoning for such conclusions will is likely raise your grade.

The assignments will be spread across the different topics so that each week we have (hopefully) at least one person in the class who has written a paper. When it is ‘your’ week, you will be expected to participate in the seminar discussion to an even greater extent than usual.

I will also assign ‘discussants’ for each paper-writer whose task will be to discuss the issues raised in the critical literature review. The aim is to encourage you all to engage with each others work and ideas in a collaborative way. Discussion of the work of others should be sensitive, respectful, and constructive. You will all have your own work analysed by others, so everyone has an incentive to maintain such an atmosphere in the group! For the avoidance of doubt, the grade for this piece of work will be determined by myself, not by your discussant.
20% — Hilary Term Essay (up to 2,500 words)
Due 5pm Thursday April 5th

You are very largely free to choose the topic of your essay. However, you are required to develop an argument of your own relating to the politics of inequality — either generally or with respect to specific cases. You should then provide comparative (and possibly historical) evidence in support of your argument. During the course, you will be directed towards various data sets that you may find useful for the empirical component of the essay.

I strongly suggest that you see me no later than the end of week 8 of Hilary term to discuss this assignment. You are very welcome to talk to me about it at any time during the course, though.

60% — Summer Exam
A comprehensive exam on the content of the module.

Additional Details

Plagiarism
You are reminded of your obligations as a student at Trinity College to avoid plagiarism and respect the highest standards of academic honesty. This is particularly important in terms of reviewing academic literature where it is important that the review is based on your own reading and assessment of any literature discussed.

Turnitin
All written work must be submitted via http://www.turnitin.com/. This makes it easier to manage submissions, as well as taking advantage of a plagiarism detector. In order to submit your essay on http://www.turnitin.com/, you need to register yourself with http://www.turnitin.com/ using the following information:

Class Name: The Politics of Inequality
Course ID: 4397651
Enrollment Password: morethanme

Finding Readings

- The reading list (below) includes full bibliographic references to each article, chapter, book, or other reading. As such, you should be able to use the library services to find them yourself.

- Where available, I have also included the URL based on the DOI (standing for Digital Object Identifier) of the reading. This will link you to one place where the reading is published online.

- The DOI links will only provide you with access when you are connected to the TCD network. If you are off-campus, you should use the Library’s off-campus facility by visiting http://www.tcd.ie/Library/ and clicking on the link for “E-Journals only”.

- Note, however, that the DOI link may not be the place through which the TCD subscription provides access. (This is not in my control.) If this occurs, you will often find that http://www.jstor.org/ will work for you, subject to you being on-campus or having explicitly signed-in to the Library’s off-campus service.
• Again, where available, I have also tried to provide URLs for readings that are not constrained by off-campus and/or login restrictions. This is often via the web sites of the authors of the readings and will tend to be the easiest way of retrieving items.

• Some readings may only be available in hard copy. In these cases, I will endeavour to make them available as scanned PDFs via the module’s WebCT site found via http://webct.tcd.ie/. These are marked with the ➤ symbol in the reading list.

• Some of the readings listed below are a little more challenging. I have marked these with the * symbol.

Interesting Texts


Interesting Websites

• Cross-national data on income and wealth inequality is available from the Luxembourg Income (and Wealth) Study web site:
  http://www.lisdatacenter.org/

• Cross-national and through-time data on ‘top incomes’ (going back quite a long way) is available at:
  http://g-mond.parisschoolofeconomics.eu/topincomes

• Large-scale UN data from the World Income Inequality Database
  http://www.wider.unu.edu/research/Database/en_GB/database/

• Lane Kenworthy’s blog, entitled ‘Consider the Evidence’, covering all sorts of issues relating to inequality, poverty, politics, and social science more generally:
  http://lanekenworthy.net/

Visiting Students

Visiting students are admitted to the course at my discretion. Please do contact me if you are interested. Full-year visiting students are expected to fulfill the same course requirements, in terms of coursework and exams, as Trinity students. Note that the examination season does not finish until late May. This module is worth 10 ECTS credit modules for students taking this all year. For those visiting students not here the whole year, you can receive 5 ECTS credits for taking one term of the course. You will be expected to write two essays, assigned by me.

Acknowledgements

I am extremely grateful to the following for their help in preparing this course: Lucy Barnes, Elaine Byrne, Jac Hayden, Tom Pegram, and Will Phelan.
1 Introductions

1.1 Inequality, Poverty, Income, and Wealth

This first week is introductory. The readings cover a few short and interesting tasters of a more ‘popular’ nature. The ‘Summary Readings’ for this week — uniquely this week not denoted as ‘required’ as I will not expect you to be able to discuss them in class — provide overviews of some of the topics that we well go on and cover in more detail during the course. For those of you contemplating whether to take this course, Neckerman and Torche (2007) point to many of the issues that we will cover later. The further readings point to some technical literature on the measurement of inequality and poverty that you may find useful to refer back to at some points.

Shorter/Popular Readings


Summary Readings


Further Readings


  http://dx.doi.org/10.2307/3439966

  10.1016/S1574-0056(00)80005-6
1.2 Mapping Inequality

Before analysing how inequality relates to politics, it is necessary to get an empirical understanding of the concept, itself. This week, we will look at a variety of readings that map out the cross-national and through-time development of inequality. Wilkinson and Pickett (2010) point to some of the broader implications of these developments, and so show some reasons why these patterns may be important. The further readings cover a few topics, but many of the readings are concerned with generating estimates of inequality across countries. Of particular interest are Atkinson et al. (2011) on measures of ‘top incomes’ (i.e. the very rich in each country) and the papers by Milanovic (2002) Pinkovskiy and Sala-i Martin on estimating world-wide inequality.

Shorter/Popular Readings (Required)


Required Readings


Further Readings


1.3 Social Mobility and Inequality

Related to inequality is the concept of social mobility. Should we be concerned about inequality if individuals and/or families through generations rise and fall through the income or class rankings over time? How might we measure social mobility?

Shorter/Popular Readings (Required)

  http://www.guardian.co.uk/commentisfree/2011/aug/31/polly-toynbee-class-q-and-a

- Kenworthy, Lane (2008d). Is the U.S. a High-Inequality Country if Mobility Is Taken into Account? Consider the Evidence.
  http://lanekenworthy.net/2008/07/20/is-the-us-a-high-inequality-country-if-mobility-is-taken-into-account/

  http://lanekenworthy.net/2008/07/06/can-mobility-offset-an-increase-in-inequality/

Required Readings


  http://dx.doi.org/10.1257/089533002760278712

  http://dx.doi.org/10.1257/089533002760278695

  http://dx.doi.org/10.1093/esr/jcp046

Further Readings

  http://dx.doi.org/10.1257/089533002760278686

2 Causes of Inequality

Inequality can stem from a variety of causes. In this section of the module, we will analyse several of these.

2.1 Explaining ‘Market’ Inequality

Perhaps the most obvious source of inequality revolves around the differences in wages and income more generally received by different individuals. What determines these ‘market’ (or before tax-and-transfer inequalities)? There are economic reasons that we must be aware of, but it has also been argued that there are political reasons.

Shorter/Popular Readings (Required)

- OR...

Required Readings

  http://dx.doi.org/10.1257/jep.11.2.41
  http://dx.doi.org/10.1177/0002764206295009
  http://dx.doi.org/10.2307/25054117
  http://dx.doi.org/10.1017/S000712340200011X
  http://users.ox.ac.uk/~polf0050/Rueda%20BJPS.pdf

Further Readings

  http://dx.doi.org/10.1257/jep.9.3.33
  http://dx.doi.org/10.1257/jep.11.2.75
  http://dx.doi.org/10.1257/0022051026976

  http://dx.doi.org/10.2307/2991830

  http://dx.doi.org/10.1017/S0003055409990384
2.2 Explaining Post-Redistribution Inequality

While governments may have the ability to influence pre-tax-and-transfer inequality, it’s even more natural to consider that they have the ability to influence post-tax-and-transfer inequality. How influential are the redistributive actions of the state and why do they arise?

Shorter/Popular Readings (Required)


Required Readings


Further Readings


2.3 ‘Winner-Take-All Politics’?

The week is a little different from the others. Rather than read a selection of articles from various sources, we will read the contents of a special issue of *Politics & Society*. The editors introduce it with the following:

This special issue of *Politics & Society* addresses the politics of income inequality in the United States over the past thirty years. The Great Recession of 2007-9 has made this an extremely important topic since growing income inequality appears to be a critical factor in the severity of the recent economic and financial downturn. The centerpiece of the issue is an extended article by Jacob Hacker and Paul Pierson, *Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States*. This article develops an argument that Hacker and Pierson plan to elaborate at greater length in a forthcoming book. Their article is followed by six commentaries [...]. The issue concludes with a rejoinder by Hacker and Pierson.

Required Readings


3 Consequences of Inequality for Political Participation

It has been argued that economic inequality has implications for a variety of political activities. Whereas the previous section treated inequality as the ‘dependent variable’ — the concept to be explained — this section treats it as an ‘explanatory variable for several types of political participation.

3.1 Turnout

Perhaps the most symbolically important democratic act is to vote. Not all eligible voters take advantage of this right. Can inequality be an explanation for low turnout amongst some (groups of) people?

Required Readings


Further Readings

3.2 Political Engagement and Information

The campaign manager of a major political party once explained to a group of campaigners that ‘you can never underestimate the ignorance of the electorate’. Whether people turnout to vote or not, there is the question of how engaged they are with the political process. Do voters possess even a baseline of information from which they may be able to form a view over who to vote for? Are there informational differences across the electorate that are related to, or explained by, economic inequality?

Required Readings

  http://dx.doi.org/10.1017/S1537592705000036

  http://dx.doi.org/10.1017/S1537592707072210

  http://dx.doi.org/10.1017/S1537592707072222

  http://dx.doi.org/10.1111/j.1540-5907.2007.00298.x

Further Readings

  http://dx.doi.org/10.2307/1827369
  http://tinyurl.com/5t624rz

  http://dx.doi.org/10.1146/annurev.polisci.4.1.217

  http://dx.doi.org/10.2307/318127f

  http://dx.doi.org/10.1017/S0003055411000165
  http://bullock.research.yale.edu/papers/elite/elite.pdf
3.3 Group Power

Inequality may impact the political process not by turnout or intellectual disengagement, but by privileging certain groups. Do governments respond equally to all types of citizen? If not, can economic inequality explain this? How important is organisation for the projection of political power?

Shorter/Popular Readings (Required)

  
  http://www.guardian.co.uk/commentisfree/2007/jul/13/comment.politics1

Required Readings

  
  http://dx.doi.org/10.1017/S1537592705050048
  
  http://www.apsanet.org/imgtest/hackerpierson.pdf

  
  http://dx.doi.org/10.1093/poq/nfi058

  
  http://dx.doi.org/10.1017/S1049096506060057

  
  http://dx.doi.org/10.1017/S1049096506060100

  
  http://dx.doi.org/10.1017/S104909650808102X

  
  http://dx.doi.org/10.1017/S1049096508080505

Further Readings


3.4 Trust

It has been suggested the ‘trust’ is an important component of a successful society and even for a successful democracy. What types of trust are important? Trust in other citizens? Trust in government? Does inequality influence either or both of these types of trust and so help explain the relative success of different states in political and broader societal terms?

Shorter/Popular Readings (Required)


Required Readings


Further Readings

4 Inequality and Public Policy

In this final, and longest, section of the module, we will analyse when, how, and why economic inequality is related to public policy choices and outcomes.

4.1 The Median Voter Theory of Redistribution

We might expect that the poorer sections of society would be more in favour of redistribution than the richer. A famous theory, attributed to Meltzer and Richard (1981), formalises this insight into predictions about when and why state redistribution will occur/increase/decrease. This week, we discuss this theory, and then examine some of the empirical evidence that has been brought forth to test it.

Required Readings


- Barnes, Lucy (2012). Does Median Voter Income Matter? The Effects of Inequality and Turnout on Government Spending. Political Studies

Further Readings


4.2 Does Income (Inequality) Structure the Electorate?

For the Meltzer and Richard (1981) model to work, income inequality needs to be the dimension on which politics is structured. Do we see evidence of this? As such, does economic inequality — in the form of the relative position of individuals on the income distribution — explain party/political preferences? Does this vary?

Required Readings


  http://dx.doi.org/10.561/100.0000001
  http://www.bsos.umd.edu/socy/vanneman/socy789b/Bartels06.pdf

  http://dx.doi.org/10.1561/100.00006026
  http://home.uchicago.edu/~bshor/research/red.blue.rich.poor.final.pdf

  http://dx.doi.org/10.1111/j.1540-6237.2010.00728.x
  http://www.u.arizona.edu/~lkenwor/ssq2010.pdf

Further Readings


  http://dx.doi.org/10.1017/S0022381608090014
  http://www.temple.edu/ipa/events/documents/Shapiropaper-S0022381608090014.pdf

  http://dx.doi.org/10.1017/S0007123400006633

  http://dx.doi.org/10.1146/annurev.polisci.3.1.401

  http://dx.doi.org/10.1146/annurev.polisci.11.053106.153836
4.3 Patterns of Redistributive Preferences

As noted above, redistributive policies are an obvious implication of economic inequality and so it seems natural to assume that the poorer will be more in favour of redistribution than the richer. Does this assumption stand up to cross-national empirical evidence? Can we explain these patterns of preferences?

**Required Readings**


**Further Readings**


4.4 Redistributive Preferences and Group Identities

So far, we have largely considered redistributive preferences as being derived from the relative position of individuals on a single dimension — the income distribution. What if people identify with particular groups and so feel a greater or lesser affinity for subsets of society? Examples might be based on, say, religion, race, or nationality. How might this impact on redistributive preferences?

Required Readings


Further Readings


4.5 Welfare State Policies and Outcomes

Taking a more macro-level view, what are the patterns of welfare states across countries? What features do they emphasise in terms of cash transfers and services? What sorts of explanation can we employ for these patterns?

Shorter/Popular Readings (Required)


Required Readings

  http://dx.doi.org/10.1111/j.1475-5890.2001.tb00052.x

  http://dx.doi.org/10.1353/wp.2003.0022

  http://dx.doi.org/10.2307/2657333

  http://dx.doi.org/10.2307/25054218

Further Readings

  http://dev.wcfia.harvard.edu/sites/default/files/667__wallerstein1.pdf

  http://dx.doi.org/10.2307/3088901

  http://dx.doi.org/10.1353/wp.2000.0009

  http://dx.doi.org/10.1006/juec.1999.2164
4.6 Does Public Opinion Influence (Welfare State) Policy?

We have looked at patterns and determinants of public opinion regarding redistribution and welfare state policy. We have also looked at cross-national patterns of welfare state provision. Are these policies influenced in any meaningful way by the preferences of the electorate? In a sense: does democracy ‘work’ in this sphere of policy-making?

Required Readings

  http://dx.doi.org/10.2307/2082973

  http://dx.doi.org/10.2307/3006009

  http://dx.doi.org/10.2307/30039000

  http://dx.doi.org/10.1093/ser/mwp014

Further Readings

  http://dx.doi.org/10.2307/2111666

  http://dx.doi.org/10.2307/30039001

  http://dx.doi.org/10.2307/30039002

  http://dx.doi.org/10.1017/S000712341000013X

  http://dx.doi.org/10.1177/001041406297169

  http://dx.doi.org/10.1146/annurev.polisci.7.012003.104815
4.7 Partisanship

By this stage, we have looked at the Meltzer and Richard (1981) model that explains variation on redistribution with reference to the preferences of ‘the median voter’. We have also looked at the degree to which policy seems to track the preferences of the electorate (in the form of public opinion). Another influential school of thought holds that it is not the median voter that is important, but rather which party gets elected. If ‘the Left’ represent the poorer sections of society and the ‘the Right’ represent the richer, does it make a difference to a range of policies and other outcomes which party (or parties) hold power?

Short/Popular Readings (Required)


Required Readings


Further Readings


4.8 Globalization and the Welfare State

The rise of globalization has often been thought to pose a threat to welfare states in ‘developed democracies’. This week, we discuss whether and why this is the case. Schwartz (1994) discusses how ‘small’ states appeared to respond to such external pressures. Garrett (1998) reverses argues for a reversal of the causal effect from globalization to welfare states. Walter (2010) provides a closer analysis of the intermediary steps in the causal chain(s) linking these two concepts. (In an attempt to limit the required reading, I omitted Rodrik (1998), but it is a nice, accessible, and highly-cited paper that you may enjoy.)

Required Readings

  [http://people.virginia.edu/~hms2f/small.pdf](http://people.virginia.edu/~hms2f/small.pdf)

  [http://dx.doi.org/10.1162/002081898550752](http://dx.doi.org/10.1162/002081898550752)

  [http://dx.doi.org/10.1162/002081800551352](http://dx.doi.org/10.1162/002081800551352)

  [http://dx.doi.org/10.1111/j.1468-2478.2010.00593.x](http://dx.doi.org/10.1111/j.1468-2478.2010.00593.x)

Further Readings

  [http://dx.doi.org/10.1086/250038](http://dx.doi.org/10.1086/250038)

  [http://dx.doi.org/10.1177/003239202030002003](http://dx.doi.org/10.1177/003239202030002003)


  [http://dx.doi.org/10.1080/1350176042000248052](http://dx.doi.org/10.1080/1350176042000248052)

4.9 Inequality and the Financial Crisis

For this final topic, we will look at the relationships between economic inequality and the financial crisis that has unfolded since around 2007/2008. The sovereign debt crises that have emerged from the original private sector financial problems have had large impacts on public expenditure — and so redistributive programmes. However, it has also been argued that inequality itself was an important cause of the original financial crisis in the USA. We will examine these issues. N.B. Readings may be updated at a later date for this topic as scholarly work in this field is still emerging.

Shorter/Popular Readings (Required)


Required Readings


Further Readings


27
• “” This American Life (2009c). Episode 390: Return to the Giant Pool of Money. WBEZ Radio.

• “” This American Life (2010). Episode 418: Toxie. WBEZ Radio.
  http://www.thisamericanlife.org/radio-archives/episode/418/toxie