

## **POSC 4931 Topics in Political Science: The Politics of Inequality**

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Office Hours: Tuesday/Thursday 12:30-1:30; 3:30-5:30

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**Introduction.** This course will focus on the politics of economic inequality in the contemporary rich democracies. Classic political economists as well as modern social scientists commonly identify economic inequality as the source of substantial political conflict and other maladies in societies of all types. Inequality has taken on even greater importance in recent decades: for instance, high and rising levels of income and wealth inequalities in advanced countries as well as many developing nations have led the World Economic Forum to identify economic inequality as the number one challenge facing the globe today. Recent public opinion polls in the United States and in Europe show that a majority of citizens name economic inequality as one of the most significant problems facing their nation. Thus, we will tackle an age-old problem of politics as well as an issue at the top of national policy agendas in the contemporary era.

To make our tasks manageable, the course will primarily focus on the advanced capitalist democracies; within this context, special attention will be given to the United States. In addition, we will confine our attention to economic inequality; that is, we will focus on inequalities of income and wealth. A principal consequence of this choice – and, again, one necessary to keep things manageable - is that we will not independently analyze racial, ethnic, gender, and other social inequalities outside the context of economic inequality. Finally, while historical context is important and will receive attention, we will focus primarily on the political economy of inequality over the last 30 to 35 years (that is, the postindustrial era in advanced nations).

As to our substantive topics, the course will survey trends and cross-national differences in economic inequalities in the contemporary era. We will assess the socioeconomic causes of rising inequality (for instance, technological change, globalization, changes in family structure) and the impacts of rising inequality on both economic performance and the quality of democracy. For example, how might inequality hurt economic growth and employment? Does a rise in economic inequality increase political inequality and generally threaten the practice of democracy?

The bulk of the course, however, will explore the political origins of economic inequality: we will study the political forces that contribute to greater wage inequalities in the labor force and wealth concentration at the top. We will explore how public opinion, electoral competition, organized interests and political parties, and social movements shape egalitarian public policies that seek to redistribute income, improve equality of economic opportunity, and otherwise

promote a less unequal society. Ultimately, the course seeks to answer the question of whether we must accept greater inequalities associated with technological innovation, globalization, and related trends, or whether citizens have political choices that might significantly ameliorate the negative consequences of post-industrialization. That is, how much does politics really matter for inequality?

**Readings/Books.** We will read four very good books on economic inequality; most of the course's reading assignments will come from these books. The books are available at the Book Marq or Amazon (among other sellers). A modest set of core journal articles will be available on the ARES course reserve for the class at Raynor Memorial Libraries Website – password PoliticsInequality). In addition, a few chapters or articles will be made available on D2L for POSC4931. Finally several short readings will come by way of class handout. Our book list is:

Uri Dadush, Kemal Dervis, Sarah Puritz Milsom, and Bennett Stancil, *Inequality in America: Facts, Trends, and International Perspectives*, Washington, DC: Brookings Institution Press, 2012. ISBN: 978-0-8157-2421-6.

Lane Kenworthy, *Social Democratic America*, New York: Oxford University Press, 2014. ISBN: 978-0-19-932251-0.

Jonas Pontusson, *Inequality and Prosperity: Social Europe vs. Liberal America*, Ithaca: Cornell University Press, 2005. ISBN: 978-0-8014-8970-9

Joseph E. Stiglitz, *The Price of Inequality*, New York: W.W. Norton and Co., 2012. ISBN: 978-0-393-08869-4.

**Grading.** Grades will be based on three hourly exams, a research paper, and class participation. The exams will consist of essay questions covering required readings and class material. The research paper will involve an analysis of a specific question about economics inequality. A well-developed *paper prospectus* describing the research question, and including a preliminary bibliography, is *due on March 15*. The *paper is due May 5*. (I will offer more on the paper assignment in a class handout.)

Hourly Exams I, II, III: 20 % each

Class Participation 10 %

Paper Prospectus: 5 %

Final Paper: 25 %

**Participation and Attendance.** Students are expected to actively participate in class (class participation is 10 percent of the final grade). Attendance is required, subject of course to excused absences (e.g., sickness, family and special work commitments).

**Schedule of Readings**

January 19: Course Introduction (no assigned reading)

**I. Inequality in Postindustrial Societies: America in Comparative Perspective**

January 21: The Problem of the Top 1 Percent

- Ch. 1 “America’s 1 Percent Problem,” in Stiglitz, *The Price of Inequality*
- Recommended: Robert Putnam, “Crumbling American Dreams,” *New York Times* August 4, 2013 (ARES Reserve)

January 26 & 28: Inequality in America in Comparative Perspective: A Closer Look

- Ch.1, “Introduction,” and Ch. 2, “The Increase of Inequality in the U.S.,” in Dadush *et al*, *Inequality in America*
- Pp. 25-31 in Ch. 3, “Three Other Worrying Trends,” in Dadush *et al*
- Pp. 1-3 in Ch. 1, “Rethinking...” and Pp. 32-55 in Ch. 3, “Income Distribution and Labor Markets,” in Pontusson, *Inequality and Prosperity*

**II. So What? Economic and Political Consequences of High and Rising Inequality**

February 2 & 4: Economic Impacts of Inequality

- Pp. 28-33 in Ch. 2, “Rent Seeking....” In Stiglitz
- Ch. 4, “Why it Matters,” in Stiglitz
- Pp. 31-38 in Ch. 3 in Dadush *et al*

**Supplemental Material:** for those interested in exploring the normative critique of inequality, the following philosophical and theological works offer a beginning: *Compendium of the Social Doctrine of the Catholic Church* (Vatican City: Pontifical Council for Justice and Peace, 2004); Amartya Sen, *Inequality Reconsidered* (New York: Cambridge University Press, 1992); John Rawls, *A Theory of Justice* (Cambridge, MA: Harvard University Press, 1971); Robert Antonio (ed.) *Marx and Modernity* (Oxford: Blackwell, 2003); Michael Walzer, *Spheres of Justice* (New York: Basic Books, 1983).

February 9 & 11: Diminished Democracy? Political Impacts of Inequality

- Ch. 5, “Democracy in Peril,” in Stiglitz
- Recommended: Frederick Solt, “Economic Inequality and Democratic Engagement,” *American Journal of Political Science* Vol. 52, No. 1 (January, 2008), pp. 48-60. (ARES)

- Benjamin Page, Larry Bartels, and Jason Seawright, “Democracy and the Policy Preferences of Wealthy Americans,” *Perspectives on Politics* Vol. 11, No. 1 (March, 2013), pp. 51-73. (ARES)
- Recommended: Martin Gilens, “Inequality and Democratic Responsiveness,” *Public Opinion Quarterly* Vol. 69, No. 5 (Special Issues, 2005), pp. 778-96. (ARES)

### **III. Economic and Political Causes of Inequality**

February 16 and 18: What Has Caused Increased Inequality? The Post-Industrial Economy

- Ch. 3, “Markets and Inequality,” in Stiglitz
- Ch. 4, “The Causes of Rising Inequality,” in Dadush *et al*
- Recommended: Richard Freeman *et al*, “Bargaining and the American Dream: What Unions Do for Mobility,” Center for American Progress, September 2015. (ARES)
- Recommended: Thomas Piketty and Emmanuel Saez, “Inequality in the Long Run,” *Science* Vol. 344, Issue 6186 (May 2014), pp. 838-42. (ARES)

February 23: **First Hourly Exam**

February 25: What has Caused Rising Inequality? Politics I: Democracy and the Power of the Median Voter

- Lane Kenworthy and Jonas Pontusson, “Rising Inequality and the Politics of Redistribution in Affluent Countries,” *Perspectives on Politics* Vol. 3, No 3 (September 2005), pp. 449-71. (ARES)
- Recommended: Lane Kenworthy and Leslie McCall, “Inequality, Public Opinion and Redistribution,” *Socio-Economic Review* Vol. 6, No. 1 (2008), pp. 35-68. (ARES)

March 1 and 3: Causes of Rising Inequality? Politics II: Rent-Seeking and the Mobilization of Business

- Ch. 5, “Policy, Politics and Inequality,” in Dadush *et al*
- Ch. 2, “Rent Seeking...” and Ch. 6, “1984 is Upon Us,” in Stiglitz
- Recommended: Ch. 7 in Stiglitz
- Recommended: Jacob Hacker and Paul Pierson, “Winner Take All Politics...” *Politics and Society* Vol 38, No. 2 (2010), pp. 152-204. (ARES)

March 8: Causes of Rising Inequality? Politics III: Institutions

- Ch. 2, “Varieties of Capitalism,” in Pontusson
- Recommended: Ch 5, “Macroeconomic Management and Wage Bargaining,” in Pontusson

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March 10: Causes of Rising Inequality? Public Policies I

- Ch 6, “Participation, Security, Mobility, and Skills,” in Pontusson

March 15: Research Paper Plan Presentations (and **written prospectus due**)

- Completion of any discussion from previous section
- Presentation of research paper prospectuses

March 17 to March 28: Combined Easter and Spring Break

March 29 and 31: Causes of Rising Inequality? Public Policies II: Redistribution, the Welfare State and Economic Growth in an Era of Global Capitalism

- Ch. 7, “Welfare States, Redistribution and Economic Growth,” and Ch. 8, “Welfare States in Retrenchments,” in Pontusson

April 5: **Second Hourly Exam**

IV. **What Is To Be Done?**

April 7 & 12: A Nobel Laureate’s Plan to Combat Inequality

- Ch. 8, “The Battle of the Budget,” Ch. 9, “A Macroeconomic Policy and a Central Bank of the 1 Percent,” and Ch. 10, “The Way Forward...” in Stiglitz

April 14: Research Day (Prof at Academic Conference)

April 19: Reconsidering Inequality in Postindustrial Society

- Ch. 1, “Toward the Good Society: An American Path” and Ch. 2, “What’s the Problem,” in Kenworthy

April 21: Kenworthy’s Plan

- Ch. 3, “How Can We Fix It,” in Kenworthy
- Recommended: Kenworthy is a widely respected social scientist, and his analysis of potential limits to a social democratic program in the United States tells us a great deal about the political basis of inequality. But, he explicitly leans left in his normative judgments: his policy recommendations clearly endorse and borrow from the program of European (especially Nordic) social democratic parties. A good set of readings (by conservative, market-oriented social scientists) that offer analyses of the sources of contemporary inequality and the potential problems of redistribution and other government interventions include:

- Charles Murray, *Coming Apart: The State of White America*, New York: Crown Forum, 2012. (ARES)
- Vito Tanzi, *Governments versus Markets: The Changing Economic Role of the State*, New York: Cambridge University Press, 2011. (ARES)

April 26 & 28: What's Wrong with Kenworthy's Social Democratic Program and What's Kenworthy's Rebuttal to the Critics?

- Ch. 4, "Objections and Alternative," in Kenworthy
- Begin May 3 reading

May 3: Can it Happen Here? A Political Analysis of Limits to an Egalitarian Program

- Ch. 5, "Can It Happen?" in Kenworthy

May 5: Wrapping Up/ Paper Presentations (and **Written Research Papers Due**)

May 9 (Monday 10:30-11:30): **"Final" (third hourly) Exam**