

# POL S / ECON 409C: POLITICS OF ECONOMIC INEQUALITY

Professor Asli Cansunar

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Office Hours: Monday 3-5 pm, or by appointment

Class Hours: Monday & Wednesday, 12:30-2:20 pm

Venue: 307 Smith Hall

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## Course Description

Distributional issues are at the core of the study of politics – Harrold Laswell defines politics as **who gets what, how, and when**. Naturally, the politics of inequality features prominently among the central themes in the discipline. This centrality is reflected in the significant increase in quantity and quality in the subject's research over the last two decades, particularly in the last few years.

In this class, we will focus on the two-way relationship between inequality and politics in three parts. The first one is devoted to addressing some normative and conceptual issues: under what conditions are inequalities fair? What are the most prominent dimensions of inequality, and what are the key strategies to measure and interpret them? What are the core market forces behind the recent rise in income and wealth inequalities across the world? The second part of the class explores the role of politics in determining different types of inequality. We focus specifically on the political economy of wealth inequality, income redistribution, and the distribution of economic opportunities as an engine behind different inequality regimes. Finally, the third part of the seminar explores the political consequences associated with the growing spread of income and wealth inequalities. We pay particular attention to the relationship between economic and political inequality, defined as inequalities in political engagement and political influence, between economic inequality and major political and institutional crises. In addition, we closely look at the connection between inequality and political polarization with an empirical focus on the recent political developments. The material in this course is genuinely inter-disciplinary and combines readings from economics, political science, and history.

## Prerequisites

There are no formal prerequisites for this course. Still, since we read advanced texts on comparative political economy, it helps to have some background in statistics and economics, in addition

to comparative politics. Therefore, I will go through complex concepts in economics and statistics when necessary. With hard work, you will do well in this course without any preparation in economics or statistics.

## Course Evaluation

### 1. Midterm: 20%

Students will take an in-class and closed-book midterm exam on **Wednesday, October 25**.

### 2. Reflections on Experiencing Inequality: 20%

These assignments are an opportunity to creatively assess the world around you based on the theoretical and empirical facts you learn about inequality in this class. You can submit the following assignments anytime during the term, before **December 1**.

#### a. What does inequality look like? (5%)

Please take a photo of a scene/building/neighborhood/person that reminds you of some of the themes we cover in class. Write a 750-words discussion post and post it on Canvas for class discussion.

#### b. What does inequality sound like? (5%)

Share a quote/song/chat/movie line you hear that reminds you of some of the themes we cover in class. Write a 750-words discussion post and post it on Canvas for class discussion. You can use quotes/songs/movie lines in any language as long as you provide the English translation.

#### c. Social media post on inequality (5%)

Create a powerful social media post (you can use any platform of your choice, such as Twitter/Instagram/TikTok, etc.) on economic inequality and post it on Canvas. You don't need to provide a discussion post for this part of the assignment.

#### d. Discussion (5%)

I expect you to discuss your classmates' work on Canvas. Not all discussion is created equal, however. You will be graded on the relevance and depth of your contributions.

### 3. Country Analysis - History of Inequality: 25%

Due: **Wednesday, November 10**.

You are expected to present a detailed account of the sources and levels of economic inequality utilizing some form of empirical evidence from a country/region of choice. Your paper should be around 3000 words. More details about the nature of the assignment will be presented during class. Please email me your country/region of choice by **Wednesday, October 6**.

## 5. Country Analysis - Discussion of Consequences and Policy Proposal: 30%

Due: Friday, December 10.

You are expected to identify political consequences of economic inequality and propose policies to address adverse consequences/high levels of inequality, utilizing some form of empirical evidence from your country/region of choice. Your paper should be around 3000 words. This exercise will build on your first country analysis. More details about the nature of the assignment will be presented during class.

## 4. Country Analysis - Presentation 5%

You will be expected to give a 8-minutes presentation on your country analysis on December 8th. More instructions will be given in class.

## Class Schedule

All readings are required unless indicated as recommended and provide the basis for the term paper. Please focus more on the logic, the key intuitions, and the empirical evidence in the papers, and spend less time on the more technical formulations of the arguments. The other readings are recommended and contain materials that inform the lectures in class. All readings will either be available online through the library or posted in Canvas ahead of time.

### Week 1, 09/29 The politics of inequality. Introduction and overview.

#### Required readings

Neckerman, Kathryn M. and Florencia Torche (2007). "Inequality: Causes and Consequences". In: *Annual Review of Sociology* 33.1, pp. 335–357. DOI: [10.1146/annurev.soc.33.040406.131755](https://doi.org/10.1146/annurev.soc.33.040406.131755).  
Pennisi, Elizabeth (2014). "Our Egalitarian Eden". In: *Science* 46 (6186), pp. 824–825.

### Week 2a, 10/04 Inequality of what? Concepts and measurement I

#### Required readings

Davies, James B (2009). "Wealth and Economic Inequality". In: *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.  
Leigh, Andrew et al. (2009). "Top incomes". In: *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.  
Nolan, Brian and Marx Ive (2009). "Economic Inequality, Poverty, and Social Exclusion". In: *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.

### Week 2b, 10/04 Inequality of what? Concepts and measurement II

#### Required readings

Atkinson, Anthony B (2015). *Inequality: What Can Be Done?* Cambridge, Massachusetts: Harvard University Press.  
Cowell, Frank (2011). *Measuring Inequality*. Oxford: Oxford University Press.

## **Week 3a, 10/11 Where does inequality come from? Historical Explanations**

### **Required readings**

- Piketty, Thomas and Emmanuel Saez (2014). "Inequality in the Long Run". In: *Science* 344.6186, pp. 838–843.
- Sokoloff, Kenneth L and Stanley L Engerman (2000). "Institutions, Factor Endowments, and Paths of Development in the New World". In: *Journal of Economic Perspectives* 14.3, pp. 217–232.
- Tilly, Charles (1998). *Durable Inequality*. Berkeley: University of California Press.

## **Week 3b, 10/13 Where does inequality come from? Partisanship, Wage-bargaining, Globalization**

### **Required readings**

- Golden, Miriam and Michael Wallerstein (2006). "Domestic and International Causes for the Rise of Pay Inequality: Post Industrialism, Globalization and Labor Market Institutions". Unpublished manuscript.
- Nolan, Brian, Matteo Richiardi, and Luis Valenzuela (2018). "The Drivers of Inequality in Rich Countries". Unpublished manuscript.

## **Week 4a, 10/18 Why is the United States more unequal than other countries on nearly every post-transfer inequality measure?**

### **Required readings**

- Alesina, Alberto and Edward Glaeser (2004). *Fighting Poverty in the US and Europe: A World of Difference*. Oxford: Oxford University Press.
- Alesina, Alberto F, Edward L Glaeser, and Bruce Sacerdote (2001). *Why doesn't the US Have a European-style Welfare System?* Tech. rep. National Bureau of Economic Research.
- Hacker, Jacob S and Paul Pierson (2010). "Winner-take-all Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States". In: *Politics & Society* 38.2, pp. 152–204.

## **Week 4b, 10/20 Why be concerned about (in)equality? Are inequalities ever just?**

### **Required readings**

- Frankfurt, Harry (1987). "Equality as a Moral Ideal". In: *Ethics* 98.1, pp. 21–43.
- Parfit, Derek (1995). "Equality or Priority?" In: *The Lindley Lecture*. Kansas: University of Kansas.
- Rawls, John (1999). *A Theory of Justice*. Cambridge, Massachusetts: Belknap Press of Harvard University Press.

## **Week 5a, 10/25 In-class Midterm**

## **Week 5b, 10/27 Curbing down inequality I (Welfare States)**

### **Required readings**

- Esping-Andersen, Gøsta and John Myles (2009). "Economic Inequality and the Welfare State". In: *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.
- Meltzer, Allan H and Scott F Richard (1981). "A Rational Theory of the Size of Government". In: *Journal of Political Economy* 89.5, pp. 914–927.

Winer, Stanley L (2016). "The Political Economy of Taxation: Power, Structure, Redistribution". In: *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.

## **Week 6a, 11/01 Preferences over redistributive policies I (Self-interest, social insurance, progressivity)**

### **Required readings**

Barber IV, Benjamin, Pablo Beramendi, and Erik Wibbels (2013). "The Behavioral Foundations of Social Politics: Evidence from Surveys and a Laboratory Democracy". In: *Comparative Political Studies* 46.10, pp. 1155–1189.

Beramendi, Pablo and Philipp Rehm (2016). "Who gives, who gains? Progressivity and Preferences". In: *Comparative Political Studies* 49.4, pp. 529–563.

Moene, Karl Ove and Michael Wallerstein (2001). "Inequality, Social Insurance, and Redistribution". In: *American Political Science Review* 95.4, pp. 859–874.

## **Week 6b, 11/03 Preferences over redistributive policies II (Altruism, nationalism, religion, and inequality aversion)**

### **Required readings**

Dimick, Matthew, David Rueda, and Daniel Stegmueller (2018). "Models of other-regarding preferences, inequality, and redistribution". In: *Annual Review of Political Science* 21, pp. 441–460.

Shayo, Moses (2009). "A model of social identity with an application to political economy: Nation, class, and redistribution". In: *American Political science review* 103.2, pp. 147–174.

Stegmueller, Daniel (2013). "Religion and redistributive voting in Western Europe". In: *The Journal of Politics* 75.4, pp. 1064–1076.

## **Week 7a, 11/08 Preferences over redistributive policies III (Misperceptions of inequality)**

### **Required readings**

Cansunar, Asli (2021b). "Who Is High Income, Anyway? Social Comparison, Subjective Group Identification, and Preferences over Progressive Taxation". In: *The Journal of Politics* 83.4, pp. 000–000.

Gimpelson, Vladimir and Daniel Treisman (2018). "Misperceiving inequality". In: *Economics & Politics* 30.1, pp. 27–54.

Kuziemko, Ilyana et al. (2015). "How elastic are preferences for redistribution? Evidence from randomized survey experiments". In: *American Economic Review* 105.4, pp. 1478–1508.

## **Week 7b, 11/10 Curbing down inequality II (Philanthropy)**

### **Required readings**

Acs, Zoltan J. (2013). *Why Philanthropy Matters: How the Wealthy Give, and What It Means for Our Economic Wellbeing*. Princeton, NJ: Princeton University Press.

Cansunar, Asli (2021a). "Distributional Consequences of Philanthropic Contributions to Public Goods: Self-Serving Elite in Ottoman Istanbul". In:

## Week 8a, 11/15 Curbing down inequality III (Mobility and opportunities)

### Required readings

- Chetty, Raj et al. (2017). "The fading American dream: Trends in absolute income mobility since 1940". In: *Science* 356.6336, pp. 398–406.
- Dobbs, Richard et al. (2016). *Poorer than their parents? Flat or falling incomes in advanced economies* (McKinsey Global Institute).
- Nolan, Brian, A Gosta Esping-andersen, et al. (2011). "The role of social institutions in inter-generational mobility". Unpublished manuscript.

## Week 8b, 11/17 Housing: inequality and unaffordability

### Required readings

- Ansell, Ben and Asli Cansunar (2021). "The Political Consequences of Housing (Un) Affordability". In: *Journal of European Social Policy* Forthcoming.
- Ansell, Ben, Asli Cansunar, and Mads Andreas Elkjaer (2021). "Social Distancing, Politics and Wealth". In: *West European Politics*, pp. 1–31.
- Ansell, Ben W (2019). "The Politics of Housing". In: *Annual Review of Political Science* 22, pp. 165–185.

## Week 9a, 11/22 Inequality and democratization

### Required readings

- Acemoglu, Daron and James A. Robinson (2005). *Economic Origins of Dictatorship and Democracy*. Cambridge University Press. DOI: [10.1017/CB09780511510809](https://doi.org/10.1017/CB09780511510809).
- Ansell, Ben and David Samuels (2010). "Inequality and Democratization: A Contractarian Approach". In: *Comparative Political Studies* 43.12, pp. 1543–1574.
- Boix, Carles (2003). *Democracy and Redistribution*. Cambridge Studies in Comparative Politics. Cambridge University Press. DOI: [10.1017/CB09780511804960](https://doi.org/10.1017/CB09780511804960).

## Week 9b, 11/24 Curbing down inequality IV: Alternatives to income redistribution

### Required readings

- Albertus, Michael (2015). *Autocracy and redistribution*. Cambridge University Press.
- Holland, Alisha C (2016). "Forbearance". In: *American Political Science Review* 110.2, pp. 232–246.
- Thachil, Tariq (2011). "Embedded mobilization: nonstate service provision as electoral strategy in India". In: *World Politics* 63.3, pp. 434–469.
- Wiedemann, Andreas (2021). *Indebted Societies: Credit and Welfare in Rich Democracies*. Cambridge Studies in Comparative Politics. Cambridge University Press. DOI: [10.1017/9781108975209](https://doi.org/10.1017/9781108975209).

## Week 10a, 12/29 Local Inequality

### Required readings

- Ansell, Ben and Asli Cansunar (2020). "Local Economies, Local Wealth, and Economic Perceptions". Unpublished manuscript.
- Glaeser, Edward L, Matt Resseger, and Kristina Tobio (2009). "Inequality in cities". In: *Journal of Regional Science* 49.4, pp. 617–646.

Newman, Benjamin J, Christopher D Johnston, and Patrick L Lown (2015). "False consciousness or class awareness? Local income inequality, personal economic position, and belief in American meritocracy". In: *American Journal of Political Science* 59.2, pp. 326–340.

## **Week 10b, 12/01 Inequality, political polarization, populism**

### **Required readings**

Gest, Justin, Tyler Reny, and Jeremy Mayer (2018). "Roots of the radical right: Nostalgic deprivation in the United States and Britain". In: *Comparative Political Studies* 51.13, pp. 1694–1719.

Magni, Gabriele (2020). "Economic inequality, immigrants and selective solidarity: From perceived lack of opportunity to in-group favoritism". In: *British Journal of Political Science*, pp. 1–24.

Norris, Pippa and Ronald Inglehart (2019). *Cultural backlash: Trump, Brexit, and authoritarian populism*. Cambridge University Press.

## **Week 11a, 12/06 Political inequality**

### **Required readings**

Anderson, Christopher J and Pablo Beramendi (2012). "Left Parties, Poor Voters, and Electoral Participation in Advanced Industrial Societies". In: *Comparative Political Studies* 45.6, pp. 714–746.

Erikson, Robert S (2015). "Income inequality and policy responsiveness". In: *Annual Review of Political Science* 18, pp. 11–29.

Page, Benjamin I, Larry M Bartels, and Jason Seawright (2013). "Democracy and the policy preferences of wealthy Americans". In: *Perspectives on Politics* 11.1, pp. 51–73.

## **Week 11b, 12/08 Presentations**

### **Grade complaints**

You have the right to dispute a grade if you disagree with it. You must do so in writing, no more than 3 working days after we have returned the exam/paper to you. Upon receiving your appeal, I will re-grade the entire exam. Note that as I re-evaluate the exam, I may realize that while we were too strict with some answers, we were too generous with others. Your overall grade may go up, but it may also go down.

## **COVID-19**

We are all in this together! In this class, masks covering nose and mouth are required, and eating and drinking are prohibited. The instructor and TAs have the authority to cancel class if students do not comply. Non-compliant students may be reported to the Community Standards and Student Conduct office.

If you have symptoms, do not come to class and do get tested. For FAQs about COVID-19 and UW Policy, go [here](#).