The Politics of Economic Inequality in America
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Overview

Recent events such as the Occupy Wall Street movement or the rise of the Tea Party have brought redistributive issues at center of political debates in the United States. The healthcare reform represents a vast effort to pool resources and risk to the benefit of the least well-off. The extension of the Bush era tax cuts has been presented by President Obama as pitting the welfare of the middle class against that of the “one percent.”

This course offers an overview of the ways in which social sciences can help us understand the politics of income distribution and redistribution in America. More specifically, we will examine the nature, causes and consequences of the continuous growth in income inequality in the United States since the late 1970’s, with an eye to international comparison when helpful. The first part of the course will focus more specifically on the determinants of market and disposable income inequality. In the second part of the course, we will turn to the social, political and economic manifestations and consequences of income differences.

This course is suitable to advanced undergraduates. An introductory course in micro-economics is not a pre-requisite but highly recommended. We will meet twice a week for an hour each time.

Top 1% income share. English-speak countries & Norway

Data: Atkinson, Piketty and Saez (2012)
Top 1% income share. English-speak countries & Norway

Top 1% income share. Continental Europe & Japan

Data: Atkinson, Piketty and Saez (2012)

Requirements

Standard two-essay requirement: The essays must highlight a problem, theory, or theme in the readings for one week (but with references to previous weeks where appropriate), and each essay should cover a different part of the course. Papers should be emailed to me in Word or PDF format by noon the day before class. See online syllabus for further instructions on how to write these papers.

Optional 5-6000 word research paper (can be substituted for the two-essays): Students who have developed a clear research idea that they would like to test empirically can substitute a research paper for the two-essay requirement. This is only advisable for students who intend to subsequently expand the paper into a senior thesis. The paper should address an important question or puzzle in the literature we read, setting out a theoretical argument to answer it, and test it using (in most cases) existing data and secondary literature. All research papers should be discussed with me in advance. The paper is due on the last day of classes.

Take-home final. This paper will be 9-10 pages and cover the materials for the entire class. There will be a choice of two essay questions. See online syllabus for additional information.

Participation: Since this course is a seminar, it is essential that students come prepared for class and participate. Note that I am much more interested in how you reason about ideas in the readings than in getting the right answers to factual questions. I may occasionally ask someone to introduce a reading for the following week.
Honor rule/penalties: Feel free to discuss any of the materials for class with each other, but all written work should be single-authored and written without help from others (see collaboration statement on website for details). Turning in late papers is unfair to others and will result in a grade penalty.

Reading List

NOTE: Selected book chapters will be announced by email two weeks in advanced.

- Week 1. Empirical Trends
  - Session one:
  - Session two:

- Week 2. Human Capital and the Economic Model
  - Session one:
  - Session two:

- Week 3. Explaining Income Differences Between the Middle and the Top: the Role of Finance.
  - Session one:

- Session two:
  


- Week 4. Explaining Income Differences Between the Middle and the Bottom: the Role of Labor Market Regulation and Wage Subsidies.

  - Session one
    


  - Session two
    


- Week 5. Immigration and Race

  - Session one:
    


  - Session two:
    


• Week 6.
  – Session one: **Let’s Stop and Think: Should We Care about Inequality in the First Place?**
  – Session two: Americans, Inequality and Taxes

Recommended:

• Week 7. Varieties of Capitalism, Varieties of Inequality
  – Session one
  – Session two

• Week 8 . The Role of Political Institutions
  – Session one:
Course Syllabus

- Session two:
  


- Week 9. Business Interests Groups

  - Session one:
    


  - Session two:
    


- Week 10. The Political Effects of Income Inequality

  - Session one:
    


  - Session two:
    


- Week 11. Let’s Stop and Think: the Economic Consequences of Redistribution.
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– Session one:
  


– Session two:


• Week 12. Inequality and Education

  – Session one:


  – Session two:

    Suzanne Mettler. Graduating inequality: polarization, plutocracy and the demise of the american dream. Book manuscript.


• Week 13. Inequality and Well-being

  – Session one: Health


  – Session two: Quality of Life


• Week 14. Experiences of Inequality

  – Session one: Life at the Top and life at the Bottom

  – Session two: Beyond income inequality: labor market dualization in Europe

• Week 15. Conclusion and Brainstorm session

No reading this week, come with suggestions about potential research ideas on the study of the causes and consequences of a change in the distribution of income. One way to go about this is to select three readings from this syllabus that you have found the most thought provoking, helpful and/or well-researched. Then thinks of ways of expanding them further.