



SCHOOL OF POLITICS AND INTERNATIONAL RELATIONS

POL41780

The Politics of Wealth and Income Inequality

Module Coordinator

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Description

This module will trace the political and economic history of wealth and income inequality from the 19th to the 21st century. Each seminar is based around a chapter in Thomas Piketty's book, *Capital in the 21st Century*. In the first part of the course (chapters 1-2 with additional journal article material) we will discuss core political economy theories, concepts, indicators and measures as they apply to wealth and income inequality. In the second part of the course we will trace the structural transformation of capital (wealth) in Europe and the USA from the 19th century to the present (chapters 3-6, with additional journal articles). In the third part of the course we will discuss the dynamics and structure of wage and income inequality, paying particular attention to the 99 versus 1 percent (chapters 7-12, with additional journal articles). In the final part of the course we discuss the politics of regulating global financial capital in the 21st century, paying particular attention to the politics of public debt (chapters 13-16).

Intended learning outcomes

At the end of this course you will have enhanced theoretical and empirical knowledge about how to measure, assess, quantify, discuss and critically evaluate the politics and economics of global wealth and income inequality.

Assessment

100% end of term research paper

Book

Required

Piketty, Thomas (2014), *Capital in the 21st Century*, Harvard University Press.

Recommended Books

Turner, Adair (2015), *between Debt and the Devil: Money, Credit and Fixing Global Finance*, Princeton University Press.

Milanovic, B., 2016. *Global Inequality*. Harvard University Press.

Atkinson, Anthony B (2015). *Inequality*. Harvard University Press.

Gordon, Robert J (2016). *The rise and fall of American growth: The US standard of living since the civil war*. Princeton University Press, 2016.

Bartels, Larry M (2016). "Unequal democracy: The political economy of the New Gilded Age." (2016).

Hall, P.A. and Soskice, D. eds., 2001. *Varieties of capitalism: The institutional foundations of comparative advantage*. OUP Oxford.

Beramendi, Pablo, Silja Häusermann, Herbert Kitschelt, and Hanspeter Kriesi, eds (2015). "The politics of advanced capitalism." CUP.

Thelen, K., 2012. Varieties of capitalism: Trajectories of liberalization and the new politics of social solidarity. *Annual Review of Political Science*, 15, pp.137-159.

Armingeon, K. and Bonoli, G. eds., 2007. *The politics of post-industrial welfare states: adapting post-war social policies to new social risks*. Routledge.

Journal Articles

Kenworthy, L. and Pontusson, J., 2005. Rising inequality and the politics of redistribution in affluent countries. *Perspectives on Politics*, 3(03), pp.449-471.

Lupu, N. and Pontusson, J., 2011. The structure of inequality and the politics of redistribution. *American Political Science Review*, 105(02), pp.316-336.

Jacobs, L.R. and Soss, J., 2010. The politics of inequality in America: a political economy framework. *Annual Review of Political Science*, 13, pp.341-364.

Scheve, K. and Stasavage, D., 2009. Institutions, partisanship, and inequality in the long run. *World Politics*, 61(02), pp.215-253.

Pontusson, J. and Rueda, D., 2010. The politics of inequality: Voter mobilization and left parties in advanced industrial states. *Comparative Political Studies*, 43(6), pp.675-705.

Kenworthy, L. and McCall, L., 2008. Inequality, public opinion and redistribution. *Socio-Economic Review*, 6(1), pp.35-68.

Franko, W.W., Kelly, N.J. and Witko, C., 2016. Class Bias in Voter Turnout, Representation, and Income Inequality. *Perspectives on Politics*, 14(02), pp.351-368.

Pontusson, J., 2013. Unionization, inequality and redistribution. *British Journal of Industrial Relations*, 51(4), pp.797-825.

Page, B.I., Bartels, L.M. and Seawright, J., 2013. Democracy and the policy preferences of wealthy Americans. *Perspectives on Politics*, 11(01), pp.51-73.

Thewissen, S., 2013. Is it the income distribution or redistribution that affects growth?. *Socio-Economic Review*, p.mwt019.

Huber, E. and Stephens, J.D., 2014. Income inequality and redistribution in post-industrial democracies: demographic, economic and political determinants. *Socio-Economic Review*, 12(2), pp.245-267.

Hacker, J.S. and Pierson, P., 2010. Winner-take-all politics: Public policy, political organization, and the precipitous rise of top incomes in the United States. *Politics & Society*, 38(2), pp.152-204.

Allan, J.P. and Scruggs, L., 2004. Political partisanship and welfare state reform in advanced industrial societies. *American Journal of Political Science*, 48(3), pp.496-512.

Iversen, T. and Stephens, J.D., 2008. Partisan politics, the welfare state, and three worlds of human capital formation. *Comparative political studies*, 41(4-5), pp.600-637.

Swank, D., 2005. Globalisation, domestic politics, and welfare state retrenchment in capitalist democracies. *Social Policy and Society*, 4(02), pp.183-195.

Hope, D. and Soskice, D., 2016. Growth Models, Varieties of Capitalism, and Macroeconomics. *Politics & Society*, 44(2), pp.209-226.

Baccaro, L. and Pontusson, J., 2016. Rethinking comparative political economy: the growth model perspective. *Politics & Society*, 44(2), pp.175-207.

Stockhammer, E., 2016. Neoliberal growth models, monetary union and the Euro crisis. A post-Keynesian perspective. *New Political Economy*, 21(4), pp.365-379.

Johnston, A. and Regan, A., 2016. European monetary integration and the incompatibility of national varieties of capitalism. *JCMS: Journal of Common Market Studies*, 54(2), pp.318-336.

Hopkin, J. and Lynch, J., 2016. Winner-take-all politics in Europe? European inequality in comparative perspective. *Politics & Society*, 44(3), pp.335-343.

Seminar Plan:

Week 1: Introduction.

What is the $R > G$ inequality? Why should we care? Is it normatively justified?
C21. PP 1-39

Week 2: Measuring Income and Wealth.

What is capital/wealth? What is growth? How has it changed since the industrial revolution? Why is the compound interest rate so important?
C21. PP 39-113

Week 3: The Transformation of Capital.

What is the capital/income ratio? How has the structure of capital/wealth changed in Britain, France, Germany and the USA since the 19th century?
C21. PP 113-164

Week 4: The Return of Private Capital.

What explains rising capital/income ratios since 1970? To what extent is this determined by housing capital? How is national income divided?
C21. PP164-237

Week 5: Measuring Income Inequality.

What is the difference between income and wealth inequality? How has inequality of labour income, capital ownership and total income changed over time? Are we observing a new class struggle or centile struggle?
C21. PP237-271

Week 6: Reducing Inequality in the 20th Century

Did the chaos of two world wars reduce inequality? How important is the composition of top incomes? Do institutions matter? What is the social state?
C21. PP 271-304

Week 7: Rising Inequality in the 21st Century

Why are some countries more unequal than others? What explains the explosion in US inequality after 1980? Is it an Anglo-Saxon phenomenon?
C21. PP 304-336

Week 8: The Inequality of Capital Ownership

What are the consequences of the $R > G$ inequality for wealth distribution? Why does Piketty suggest we are returning to 19th century patrimonial capitalism?
C21. PP 336-377.

- Week 9: Merit and Inheritance in the Long Run**
What is Vautrins lesson? Why does Piketty consider rent and inheritance inevitable in a market economy? Is this a problem for democracy?
C21. PP 377-430.
- Week 10: The Global Inequality of Wealth in the 21st Century**
What is the distribution of world capital? Are rich countries really poor? Will the gulf Petro monarchies and China control the future?
C21. P430-471
- Week 11: Debt, Development and Capital Flows**
What is financialisation? What is capital liberalization? What is the implication of global finance for the politics of public debt?
BDD. P 88-149. C21. P540-571
- Week 12: Regulating Capital in the 21st Century**
Do we need a new social state for the 21st century? Do we need a global tax on capital? Why might this be normatively justified?
BDD. PP 161-195, C21, PP 471-540