

The Politics of Inequality

Fall 2024

Instructor: Mads Andreas Elkjær (mael@ifs.ku.dk)

Class time and location: Monday: 10-12 @ CSS 35-0-12 (in weeks 2 and 7 @ CSS 15-3-01)

Office hours: By appointment (just shoot me an email)

Course Description

Since the 1980s economic inequality has risen dramatically in most advanced democracies. In Denmark, for example, the richest 1% of adults received almost twice as much of total national income in 2020 compared to 1980 (12.9% vs. 6.8%). In the United States, the pattern is even more pronounced: here the top 1% today receives more of total income than the bottom 50%. What is driving these dramatic changes in economic inequality? And how does rising economic inequality affect democracy, politics, and political preferences?

In this course, we will investigate the economic and political causes and consequences of rising economic inequality. In doing so, we will read and discuss both classic and recent work that seeks to provide answers to the questions raised above. Specifically, we will discuss i) how the post-1980 era is different from the one that came before, ii) how economic inequality affects the redistribution of income from the rich to the poor, iii) how it transforms preferences for redistribution and taxation, iv) whether rising inequality is a democratic problem, iv) and whether it increases political inequality and the distribution of political power.

Course Format

The course will be taught seminar style, meaning that it presupposes active participation of all students. Each class will start with a student presentation (max 7 min) covering what we discussed in the previous week and how it connects to the current week's readings. For the presentations, the presenting student(s) must upload a **one-to-two-page summary** on Absalon ahead of class; after the class the student(s) will upload a new, revised version of the summary reflecting the comments received during the initial class discussion. At the end of the semester, we will thus collectively have produced a set of notes covering all sessions. The students who are not presenting in a given week should prepare comments to the summaries and one to three reactions (comments or questions) to the week's reading. These reactions will be incorporated into the class discussion.

Summaries

The aim of the summaries is to condense the main takeaways from the class. The goal is **NOT** to summarize the readings; you already have summaries in the form of abstracts. Therefore, do **NOT** write yet another abstract for a paper or book. Instead, describe (briefly) the key arguments of the different readings, how they relate to each other, and summarize the key takeaways from the class discussion. The summaries should be a collective set of notes, meaning that all students are responsible for the final product, and that each student will have to take a full set of notes only once during the semester.

Exam

The exam consists of a term paper submitted toward the end of the semester. In the paper, you must formulate an independent research question, develop a research design that allows you to answer the question,

and present an empirical analysis. The paper can make use of qualitative or quantitative data. It is also possible to submit a ‘critical discussion paper’ of a specific topic/question relevant to the politics of inequality. Such papers must be motivated by and engage heavily with the existing literature, and seek to formulate and advance some theoretical argument.

During the semester **you have two opportunities to receive feedback on the idea for your term paper**. First, you will have the opportunity of submitting an extended abstract (max 500 words) in which you motivate your research question and describe a plan for how you can feasibly answer it. Abstracts are submitted to me directly via email (mael@ifs.ku.dk) and the deadline is November 7 (feel free to send it at any time before this date). In the last session (December 2), you will then have a chance to present your research design and preliminary analysis and receive feedback from your peers. Students will read and provide comments on each other’s term papers. Note that these opportunities to receive feedback are meant as a help to you, and you can choose to make use of them or not (in other words it’s not mandatory to submit an abstract or to present at our presentation seminar).

If you’re a master’s student and write alone, the term paper can be up to 12 standard pages (28,800 key strokes); if written together with one colleague, it can be up to 15 standard pages (36,000 key strokes); if written together with two colleagues, it can be up to 20 standard pages (48,000 key strokes).

If you’re a bachelor’s student and write alone, the term paper can be up to 8 standard pages (19,200 key strokes); if written together with one colleague, it can be up to 10 standard pages (24,000 key strokes); if written together with two colleagues, it can be up to 12 standard pages (28,800 key strokes).

Helpful references for how to structure and write academic papers include:

- Weingast, Barry. 2010 [1995]. “Caltech Rules for Writing Papers: How To Structure Your Paper And Write An Introduction” [Link]
- Stimson, James. N.d. “Professional Writing in Political Science: A Highly opinionated Essay” [Link]

Useful Online Resources

Statistics on inequality, redistribution, and benefit generosity

- <https://stats.oecd.org>
- <https://data-explorer.oecd.org>
- <https://www.lisdatacenter.org>
- <https://ec.europa.eu/eurostat>
- <https://fsolt.org/swiid> (Gini)
- <https://wid.world>
- <https://www.cwep.us>

Survey data

- <https://issp.org>
- <https://www.europeansocialsurvey.org>
- <https://cses.org>
- <https://www.worldvaluessurvey.org/wvs.jsp>
- <https://www.valgprojektet.dk/default.asp> (Danish election study)

Class Schedule and Readings

The readings provide the basis for the discussion in class, and **it is therefore critically important that you read the assigned readings ahead of class**. You are expected to arrive thoroughly prepared to class and to contribute actively to all discussions.

Some of the readings include formal theoretical models, please don't spend too much time trying to understand the technical aspects of the models. Instead, focus on the logic of the theoretical argument, the key intuitions, and the empirical evidence in the papers. After reading the papers, you should be able to answer the following questions:

- What is motivating the study and what is the research question?
- What is the argument and how does it differ from previous accounts?
- What is the research design and what evidence is provided?
- What conclusions are reached?
- Do you find the argument and/or the empirical analysis convincing? why or why not?
- How might the research be improved?
- How does the study contribute to our understanding of political economy?
- Which new questions does the study raise?

All readings will be available online either through the library (kb.dk), Absalon, or the links in the syllabus.

1. Introduction (September 2)

- Chancel, Lucas. "Ten Facts About Inequality in Advanced Economies" WID Working Paper No. 2019/15 [Link]
- Atkinson, Anthony. 2015. *Inequality: What Can Be Done?* Cambridge, MA: Harvard University Press. Chapter 1 "Setting the Scene", pp. 9-45. Available online via det Kgl. Bibliotek [link to book here].

Recommended Readings:

- Chancel, Lucas, et al., eds. World inequality report 2022. 2022. Harvard University Press.

2. Drivers of Inequality (September 9 in CSS 15-3-01)

- Nolan, Brian, Matteo G. Richiardi, and Luis Valenzuela. 2019. "The Drivers of Income Inequality in Rich Countries." *Journal of Economic Surveys* 33: 1285-1324.
- Hope, David, and Martelli, Angelo. 2019. "The Transition to the Knowledge Economy, Labor Market Institutions, and Income Inequality in Advanced Democracies" *World Politics* 71 (2): 236-288.
- 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." *Politics & Society* 38 (2): 152-204

Recommended Readings:

- Atkinson, Anthony. 2015. *Inequality: What Can Be Done?* Cambridge, MA: Harvard University Press. Chapter 3 "The Economics of Inequality", pp. 82-109. Available online via det Kgl. Bibliotek [link to book here].
- Huber, Evelyne, Jingjing Huo, and John D. Stephens. 2019. "Power, policy, and top income shares" *Socio-Economic Review* 17 (2): 231-253.

3. Redistribution I (September 16)

- Meltzer, Allan H., and Scott F. Richard. 1981. "A Rational Theory of the Size of Government" *Journal of Political Economy* 89 (5): 914-927.
- Korpi, Walter, and Joakim Palme. 1998. "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries" *American Sociological Review* 63(5): 661-687.
- Iversen, Torben, and David Soskice. 2006. "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others" *American Political Science Review* 100 (2): 165-181.

4. Redistribution II (September 23)

- Kenworthy, Lane, and Jonas Pontusson. 2005. “Rising Inequality and The Politics of Redistribution in Affluent Countries.” *Perspectives on Politics* 3(3): 449-471.
- Elkjær, Mads Andreas, and Torben Iversen. 2023. “The democratic state and redistribution: Whose interests are served?.” *American Political Science Review* 117(2): 391-406.
- Pontusson, Jonas, and David Rueda. 2010. “The politics of inequality: Voter mobilization and left parties in advanced industrial states.” *Comparative Political Studies* 43(6): 675-705.

Recommended Readings:

- Barth, Erling, Henning Finseraas, and Karl O. Moene. 2015. “Political Reinforcement: How Rising Inequality Curbs Manifested Welfare Generosity” *American Journal of Political Science* 59(3): 565-577.
- Pontusson, Jonas, and David Weisstanner. 2018. “Macroeconomic conditions, inequality shocks and the politics of redistribution, 1990–2013” *Journal of European Public Policy* 25(1): 31-58.
- Wiedemann, Andreas. 2023. “A Social Policy Theory of Everyday Borrowing. On the Role of Welfare States and Credit Regimes.” *American Journal of Political Science* 67(2): 324-341.
- Lupu, Noam, and Pontusson, Jonas. 2011. “The Structure of Inequality and the Politics of Redistribution”. *American Political Science Review*, 105(2), 316-336.
- Gingrich, Jane. 2014. “Visibility, values, and voters: The informational role of the welfare state” *Journal of Politics* 76(2): 565-580
- Iversen, T., and Soskice, D. (2015). “Democratic Limits to Redistribution: Inclusionary versus Exclusionary Coalitions in the Knowledge Economy”. *World Politics* 67(02), 185- 225.
- Iversen, Torben, & Rehm, Phillip. 2022. *Big Data and the Welfare State: How the Information Revolution Threatens Social Solidarity*. Cambridge: Cambridge University Press. [link to book here]

5. New Cleavages and Electoral Coalitions (September 30)

- Rueda, David. 2005. “Insider-Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties”. *American Political Science Review* 99(1): 61-74.
- Gingrich, Jane, and Silja Häusermann. 2015. “The decline of the working-class vote, the reconfiguration of the welfare support coalition and consequences for the welfare state” *Journal of European Social Policy* 25(1): 50-75.
- Kitschelt, Herbert P., and Philipp Rehm. 2023. “Polarity reversal: The socioeconomic reconfiguration of partisan support in knowledge societies.” *Politics & Society* 51(4): 520-566.

Recommended Readings:

- Häusermann, Silja, Michael Pinggera, Macarena Ares, and Matthias Enggist. 2022 “Class and social policy in the knowledge economy” *European Journal of Political Research* 61(2): 462-484.
- Gethin, A., Martínez-Toledano, C., and Piketty, T. 2022. “Brahmin Left Versus Merchant Right: Changing Political Cleavages in 21 Western Democracies, 1948–2020”. *Quarterly Journal of Economics* 137: 1–48.
- Häusermann, Silja. “Dualization and electoral realignment.” *Political Science Research and Methods* 8.2 (2020): 380-385.
- Ford, Robert, and William Jennings. “The changing cleavage politics of Western Europe.” *Annual review of political science* 23 (2020): 295-314.
- Kitschelt, Herbert. 1994. *The transformation of European social democracy*. Cambridge University Press.

6. Preferences for Redistribution I: Self-Interest and Insurance + Exam Preparation (October 7 from 10-13)

- Iversen, Torben, and David Soskice. 2001. "An Asset Theory of Social Policy Preferences" *American Political Science Review* 95 (4): 875-893.
- Rehm, Philipp. 2011. "Social Policy by Popular Demand" *World Politics* 63 (2):271-299.
- Rehm, Phillip., Hacker, Jacob, & Schlesinger, Mark. 2012. "Insecure Alliances: Risk, Inequality, and Support for the Welfare State". *American Political Science Review* 106(2), 386-406.
- Weingast, Barry. 2010 [1995]. "Caltech Rules for Writing Papers: How To Structure Your Paper And Write An Introduction" (for exam preparation) [Link]

7. Preferences for Redistribution II: Non-Material Concerns (October 21 in CSS 15-3-01)

- Cavallé, Charlotte, and Kris-Stella Trump. 2015. "The Two Facets of Social Policy Preferences" *Journal of Politics* 77 (1): 146-160.
- Rueda, David, and Daniel Stegmueller. 2016. "The Externalities of Inequality: Fear of Crime and Preferences for Redistribution in Western Europe" *American Journal of Political Science* 60 (2): 472-489.
- Hansen, Kristina Jessen. 2023. "Greed, envy, and admiration: The distinct nature of public opinion about redistribution from the rich." *American Political Science Review* 117(1): 217-234.

8. Taxing the Rich (October 28)

- Scheve, Kenneth, and David Stasavage. 2012. "Democracy, war, and wealth: Lessons from two centuries of inheritance taxation" *American Political Science Review* 106 (1): 81-102.
- Hope, David, and Julian Limberg. 2022 "The economic consequences of major tax cuts for the rich." *Socio-Economic Review* 20(2): 539-559.
- Fastenrath, Florian, Paul Marx, Achim Truger, and Helena Vitt. 2022. "Why is it so difficult to tax the rich? Evidence from German policy-makers" *Journal of European Public Policy* 29 (5): 767-786.

Recommended Readings:

- Piketty, Thomas, Emmanuel Saez, and Stefanie Stantcheva. 2014. "Optimal taxation of top labor incomes: A tale of three elasticities." *American economic journal: economic policy* 6(1): 230-271.
- Scheve, Kenneth, and David Stasavage. Forthcoming. "Equal Treatment and the Inelasticity of Tax Policy to Rising Inequality" *Comparative Political Studies* 1-30.
- Scheve Kenneth, and Stasavage David. 2016. *Taxing the Rich: A History of Fiscal Fairness in the United States and Europe*. Princeton, NJ: Princeton Univ. Press/Russell Sage Found.
- Fastenrath, Florian, and Paul Marx. 2024. "The Role of Preference Formation and Perception in Unequal Representation. Combined Evidence From Elite Interviews and Focus Groups in Germany." *Comparative Political Studies*
- Ballard-Rosa, Cameron, Lucy Martin, and Kenneth Scheve. 2017. "The structure of American income tax policy preferences." *Journal of Politics* 79 (1): 1-16.

9. Housing and Wealth (November 4)

- Pfeffer, Fabian T., and Nora Waitkus. 2021. "The Wealth Inequality of Nations." *American Sociological Review* 86(4): 567-602.
- Ansell, Ben W. 2014. "The Political Economy of Ownership: Housing Markets and the Welfare State" *American Political Science Review* 108(2): 383-402.

- Elkjær, Mads Andreas, Ben Ansell, Laure Bokobza, Asli Cansunar, Matthias Haslberger, and Jacob Nyrup. Forthcoming. “Why Is It So Hard to Counteract Wealth Inequality? Evidence from The United Kingdom. *World Politics*. (will be uploaded to Absalon).

Recommended Readings:

- Ansell, Ben W. “The Politics of Housing” *Annual Review of Political Science* 22 (1): 165-185.
- Barone, Guglielmo & Sauro Mocetti. 2021. “Intergenerational Mobility in the Very Long Run: Florence 1427–2011” *The Review of Economic Studies* 88(4): 1863–1891.
- Chwieroth, Jeffrey M., and Walter, Andrew. 2019. *The Wealth Effect: How the Great Expectations of the Middle Class Have Changed the Politics of Banking Crises*. Cambridge: Cambridge University Press. Chapters 1-2, pp 3-68. [Link to book]
- Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Cambridge, MA: Belknap Press of Harvard University Press.
- Scheve, Kenneth, and Stasavage David. 2017. “Wealth Inequality and Democracy” *Annual Review of Political Science* 20 (1): 451-468.
- Wiedemann, Andreas and Jensen, Amalie Sofie. 2023. “Cross-National Support for the Welfare State Under Wealth Inequality” *Comparative Political Studies* 56(13): 1959-1995.

10. Inequality in Place (November 11)

- Cramer, Katherine. 2012. “Putting inequality in its place: Rural consciousness and the power of perspective.” *American Political Science Review* 106(3): 517-532.
- Bolet, Diane. 2021. “Drinking alone: local socio-cultural degradation and radical right support—the case of British pub closures.” *Comparative Political Studies* 54(9): 1653-1692.
- Ansell, Ben, Frederik Hjorth, Jacob Nyrup, and Martin Vinæs Larsen. 2022. “Sheltering Populists? House Prices and the Support for Populist Parties” *Journal of Politics* 84(3): 1420-1436.

Recommended Readings:

- Ansell, Ben, Asli Cansunar, and Mads Andreas Elkjær. 2021. “Social distancing, politics and wealth.” *West european politics* 44(5-6): 1283-1313.
- Auerbach, Kiran Rose, Marta R. Eidheim, and Anne Lise Fimreite. 2024. “Place-based resentment in an egalitarian welfare state.” *Political Geography*.
- Autor, David H., David Dorn, and Gordon H. Hanson. 2026. “The China shock: Learning from labor-market adjustment to large changes in trade.” *Annual review of economics* 8(1): 205-240.
- Broz, J. Lawrence, Jeffry Frieden, and Stephen Weymouth. 2021. “Populism in place: the economic geography of the globalization backlash.” *International Organization* 75(2): 464-494.
- Cramer, Katherine J. *The politics of resentment: Rural consciousness in Wisconsin and the rise of Scott Walker*. 2016. University of Chicago Press.
- Ziblatt, Daniel, Hanno Hilbig, and Daniel Bischof. 2023. “Wealth of tongues: Why peripheral regions vote for the radical right in germany.” *American Political Science Review*: 1-17.

11. Affluence and Influence (November 18)

- Gilens, Martin, and Benjamin I. Page. 2014. “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens.” *Perspectives on Politics* 12 (3): 564–81.
- Elkjær, Mads. A. 2020. “What Drives Unequal Policy Responsiveness? Assessing the Role of Informational Asymmetries in Economic Policy-Making”. *Comparative Political Studies*, 53(14), 2213–2245.

- Berge Mathisen, Ruben, Wouter Schakel, Svenja Hense, Lea Elsasser, Mikael Persson, and Jonas Pontusson. 2023. "Unequal Responsiveness and Government Partisanship in Northwest Europe." In *Unequal Democracies: Public Policy, Responsiveness, and Redistribution in an Era of Rising Economic Inequality*, ed. N Lupu, J Pontusson. New York: Cambridge Univ. Press. In press. [link to book here].

Recommended Readings:

- Elkjær, Mads A., and Iversen, Torben. 2020. "The Political Representation of Economic Interests: Subversion of Democracy or Middle-Class Supremacy?" *World Politics* 72 (2): 254-90.
- Lupu, Noam, and Zach Warner. 2022. "Affluence and Congruence: Unequal Representation around the World." *The Journal of Politics* 84 (1): 276-290.
- Elkjær, Mads A., and Michael Baggesen Klitgaard. Forthcoming. "Economic Inequality and Political Responsiveness: A Systematic Review." *Perspectives on Politics*. [and all references herein]
- Bartels, Larry M. 2016. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton: Princeton University [link to book].
- Gilens, Martin. 2012. *Affluence and Influence: Economic Inequality and Political Power in America*. Russell Sage Foundation; Princeton University Press.
- Enns, Peter K. 2015. "Relative Policy Support and Coincidental Representation." *Perspectives on Politics* 13 (4): 1053-64.
- Branham, Alexander, Stuart N. Soroka, and Christopher Wlezien. 2017. "When Do the Rich Win?" *Political Science Quarterly* 132 (1): 43-62.
- Soroka, Stuart N., and Christopher Wlezien. 2008. "On the Limits to Inequality in Representation." *PS: Political Science & Politics* 41 (2): 319-27.
- Elsässer, Lea, and Armin Schäfer. "Political Inequality in Rich Democracies." *Annual Review of Political Science* 26 (2023): 469-487.

12. Gender Inequality in Politics (November 25)

- Teele, Dawn Langan, Joshua Kalla, and Frances Rosenbluth. 2018. "The ties that double bind: Social roles and women's underrepresentation in politics" *American Political Science Review* 112(3): 525-541.
- Fox, Richard L., and Jennifer L. Lawless. 2011. "Gendered Perceptions and Political Candidacies: A Central Barrier to Women's Equality in Electoral Politics" *American Journal of Political Science* 55(1): 59-73.
- O'Brien, Diana Z., and Johanna Rickne. 2016. "Gender quotas and women's political leadership" *American Political Science Review* 110(1): 112-126.

Recommended Readings:

- Orloff, Ann Shola. 1993. "Gender and The Social Rights of Citizenship: The Comparative Analysis of Gender Relations and Welfare States." *American Sociological Review* 58(3): 303-328.
- Estevez-Abe, Margarita. 2011. "Gendering the Varieties of Capitalism. A Study of Occupational Segregation by Sex in Advanced Industrial Societies" *World Politics* 59(1): 142-175.
- Iversen, Torben, and Frances Rosenbluth. 2006. "The political economy of gender: Explaining cross-national variation in the gender division of labor and the gender voting gap." *American Journal of Political Science* 50(1): 1-19.
- Iversen, Torben, and Frances Rosenbluth. *Women, work, and politics: The political economy of gender inequality*. Yale University Press, 2010.
- Alesina, Alberto, Paola Giuliano, and Nathan Nunn. 2013. "On the origins of gender roles: Women and the plough." *The quarterly journal of economics* 128(2): 469-530.

- Korpi, Walter, Tommy Ferrarini, and Stefan Englund. 2013. “Women’s opportunities under different family policy constellations: Gender, class, and inequality tradeoffs in western countries re-examined.” *Social Politics* 20(1): 1-40.
- Clayton, Amanda, and Pär Zetterberg. 2018. “Quota shocks: Electoral gender quotas and government spending priorities worldwide.” *The Journal of Politics* 80(3): 916-932.
- Latura, Audrey, and Ana Catalano Weeks. 2023. “Corporate board quotas and gender equality policies in the workplace.” *American Journal of Political Science* 67(3): 606-622.

13. Presentation and Discussion of Research Papers (December 2 from 10-13)

No readings