“The produce of the earth—all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community; namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivate. But in different stages of society, the proportions of the whole produce of the earth which will be allotted to each of these classes, under the names of rent, profit, and wages, will be essentially different; depending mainly on the actual fertility of the soil, on the accumulation of capital and population, and on the skill, ingenuity, and instruments employed in agriculture. To determine the laws which regulate this distribution, is the principal problem in Political Economy.”

D. Ricardo (1817) On The Principles of Political Economy and Taxation (Preface)

Distributional issues are at the core of the study of politics. From Ricardo’s statement to Laswell’s famous claim that politics is about who gets what, how, and when, 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 research of the subject witnessed over the last two decades. New data sources and analytical tools explain a revival that is shedding new light on some of the key mechanisms driving politics.

This seminar is designed to provide you with a critical overview of the field, both theoretically and empirically, and to advance your methodological and analytical skills. After briefly reviewing the normative foundations and conceptual complexities involved in the study of inequality, we will spend two weeks covering methodological issues. As much as with any other field, data production and manipulation matter enormously for our understanding of cross-national and over time variations. In addition, measures of inequality vary in their analytical properties, and it is important to choose the right one. We will review the main issues when measuring inequality and learn how to produce inequality indicators from micro-data using the Luxembourg Income Study database. Thereafter, we will turn to the more analytical part of the seminar. First, we will concentrate on the political and institutional foundations of income inequality. Thereafter, we will focus on the political effects of inequality, paying particular attention to issues such as preference formation, political involvement, and the selection of political and fiscal institutions. Finally, we end the seminar with an analysis of the long-term relationship between inequality and development. We will pay particular attention to some of the key mechanisms governing such relationship and will take stock about where we are and what the new frontiers in the field are.
Course Requirements

• Participation (10 percent). You will be expected to have done all the required readings in advance of each class. Though sessions will begin with a short lecture, class sessions will be conducted in a highly participatory seminar format. To ensure we’re all keeping up, please send a half page or so of discussion points/ questions bearing on the week’s reading to everyone by noon the day of class. You can raise questions about theory, method, point out conflicts between readings, develop links with previous weeks’ readings, whatever. These comments/ questions should be 1 page long max. Participation grade will be awarded on the basis of attendance (unjustified absences imply an automatic loss of participation credit), the quality of these short responses, and the contributions to discussion in class. In doing the readings it may be useful to keep the following questions in mind:
  - What are the central issues at stake in this literature?
  - What are the principal arguments of the works under study?
  - How does each relate to the debates in the field?
  - What are the main theoretical or empirical strengths or weaknesses of these studies?
  - How valuable and viable is the theory that each proposes?
  - How effectively does it marshal empirical evidence in support of the argument?
  - How well have the scholarly disputes been resolved?
  - What further work might still be done to resolve remaining scholarly disputes?

• One Group Exercise (15 percent total): Depending on the final size of the class, I will organize you in groups of 2-3 students. Each team will be responsible for one group exercises, which can involve either: a) large-n replications and extensions; or b) a research design for a field or lab experiment. Each team must do one of each exercise. Replications/extensions should replicate results from a paper on the syllabus, check for robustness (by, for instance, analyzing subsamples, estimating models using different assumptions, etc), and engage in at least one extension. Experimental research designs should include a discussion of the relevant theory, a justification for the location of the experiment, the principles governing sample size, stratification and randomization, a strategy for data collection and analysis, and preliminary ideas on who your local partners might be and how you might fund the research. You will provide 15-minute presentations of these exercises at the end of each class.

• One data exercises (20%). The goal of this assignment is to get you to work directly on analyzing income distributions. After teaching the relevant materials, I will circulate a list of questions/problems choose from. You are required to deliver your answer by end of the semester. Your answer should include both the substantive answer to the questions in the assignment and the code you produced to generate the answer. You are welcome to team up in groups of two to complete these data assignments as well (it is not compulsory though). You will need to be familiar with and use the LIS Data Center to complete most of these assignments (http://www.lisdatacenter.org/). I will provide specific instructions during class as to how to approach this. No data assignments will be accepted after November 29th.
• Research Paper (55 percent). You will write an original research paper of 20-25 pages that bears on the themes of the class. I would encourage you to talk with me soon about topics, methods, etc. in advance of starting. We will provide a separate handout that lays out clear expectations. Papers are due by 5 pm on Wednesday December 5th 2012. Late papers will be penalized by a letter grade per day. Contrary to common practice in the department, I am profoundly averse to issuing “Incompletes”. Final papers will be discussed on a workshop like session that will take place on December 10th 2012 (place and time to be announced). During this session you will have the task of presenting and discussing someone else’s paper (nobody will present their paper) in a manner similar to what you would do in a professional conference. The session will be entirely devoted to offering feedback on the papers. It is important that everyone receives the papers on time and reads them before hand.

Some general instructions on how to write the paper follow. The paper is an analytical piece. The topic should be arranged with the instructor by the fourth week of the semester. Students are expected to give me a preliminary paper proposal (1 page max) no later than September 17th and a detailed outline (4 pages max) by October 1st. Good papers are the product of original thought and set forth a distinct hypothesis or interpretation of the relevant issues. Research papers add to this kind of theoretical discussion a preliminary empirical test of the hypotheses under discussion. The papers will be evaluated according to the (1) effectiveness and insight with which they illuminate the question under scrutiny in an independent and critically-minded way and (2) the links between the theoretical arguments, the methodology adopted to approach the question, and the evidence marshaled to support the claims.

Style matters. Papers should be of journal article length (double-spaced, 1 inch margins, Times Roman font, 12 pt., excluding references). Prose style matters. Be focused, and selective. Use active voice. Spell-check. Proofread. Please, before planning your papers read these three pieces (all available online):

- Barry Weingast (1995) Structuring Your Papers
- James A. Stimson (n.d.) : Professional Writing for Political Science: A Highly Opinionated Essay
- Paul Krugman (n.d.) : How I Work

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NOTE

Students are assumed to be aware of Duke’s regulations concerning intellectual honesty and plagiarism. Any manifestation of academic dishonesty will result in failing the class and will be formally reported to the relevant academic authorities.
Schedule and Themes

August 30th: Organizational Meeting.

Part I: Fundamentals


Lane Kenworthy 2007. Jobs with Equality (selections)

September 13th: Linking Concepts, Measurements, and Analytical Questions. Decomposing Inequality across space and time. Puzzles (L)


B. Milanovic 2011 The Haves and the Have Nots. Basic Books


Irwin Garfinkel, Lee Rainwater, Timothy Smeeding 2010 Wealth and Welfare States, Oxford University Press (chapters 3 & 4)

OECD Reports (for rich countries, available on line with their associated datasets):

- Divided We Stand: Why Inequality Keeps Rising (2011)


Also, very useful: The World Top Income Datasets (http://g-mond.parisschoolofeconomics.eu/topincomes/#Introduction:)


Peter Lindert: 2000 “Three Centuries of Inequality in Britain and America” in Atkinson and Bourguinon Handbook

September 20th: From concepts to data: Measuring Inequality II. How to use the LIS database (lecture and hands on practice)

Relevant LIS links:

http://www.lisdatacenter.org/

Resources: http://www.lisdatacenter.org/resources/

Self-teaching: http://www.lisdatacenter.org/resources/self-teaching/

Registration (do it asap!!): http://www.lisdatacenter.org/lis-luli-frontend-webapp/app/request-account-identification

Part II: The Political Foundations of Inequality

September 27th: The Long Durée: Trade, Growth, and Inequality


Recommended:


A. Greif 2005 Institutions and the Path to the Modern Economy. Cambridge, CUP.


Schumpeter, Joseph. 1962. *Capitalism, Socialism, and Democracy*.


*October 4th: Distributive Politics and Political Competition*


**Erik Wibbels 2010 “Economic Openness, Social Insurance, and Development in the other 85% or the World” Duke University (review/re-read)**


**Recommended:**


Jonathan Rodden 2010 *The Long Shadow of the Industrial Revolution* (Selections)


**October 11th: Trade, Capture, and the Representation of Interests**


Peter Hall and David Soskice 2001: “Introduction” in Peter Hall and David Soskice (eds.) Varieties of Capitalism, Oxford University Press.


Recommended:


October 18th: Limits to Equality? Fiscal Capacity and the Revenue Side


Deborah A. Bräutigam, Odd-Helge Fjeldstad and Mick Moore: Taxation and state-building in developing countries: capacity and consent, Cambridge University Press (selections)


Recommended:


**October 25th: Limits to Equality? The Politics of Social and Economic Mobility**

B. Ansell 2010. Ballot to the Blackboard. Cambridge, CUP (selections)


Esping Andersen G. “Equality of Opportunity in an increasingly hostile world” (available here, along with many other relevant pieces, [http://dcpis.upf.edu/~gosta-esping-andersen/articles.htm](http://dcpis.upf.edu/~gosta-esping-andersen/articles.htm))


**PART III: POLITICAL IMPLICATIONS OF INEQUALITY**

**November 1st: The Micro-Level: Inequality and Preference Formation**


Recommended:


Knight. 1921. *Risk, Uncertainty and Profit.*


**November 8th: The Meso Level: Mobilization and Polarization**

F. Amat and P. Beramendi 2012. *Inequality and Political Participation: Explaining the Differences between Developed and Developed Countries.* Mimeo


M. Altamirano 2012 Economic Informality, Risk-Hedging and Community Safety Nets in Latin America

**Recommended:**

C. Anderson and P. Beramendi 2012: “Left Parties, Poor Voters, and Electoral Participation in Advanced Industrial Societies” *Comparative Political Studies.*

Jonas Pontusson and David Rueda 2006: “Inequality, Polarization and Left-party Politics” Mimeo, Department of Politics, Princeton University (most recent version to be distributed).
November 19th (Monday Thanksgiving Week): The Macro-Level: Institutions and Institutional Stability


B. Ansell and D. Samuels 2012. Inequality and Democracy. A Contractarian Approach, Book Manuscript (selections)

P. Beramendi 2012. Political Geography of Inequality: Regions and Redistribution. Cambridge, CUP (selections)


Recommended:


Endogenous Constitutions (Tichi/Vindingni)


** November 22nd: Thanksgiving Break. No class! **
November 29th A Dynamic Perspective: Feedback Loops, Development Traps and the Self-Reinforcing Nature of Inequality

Collective Discussion (format to be adjusted): What have we learned? Can we tell a story about inequality, its structure, and its evolution over time?

Some Recommended Readings:

D. Acemoglu and J. Robinson 2012. Why Nations Fail?


Anirudh Krishna 2011 One Illness Away, Oxford University Press.
