

## PRELIMINARY SYLLABUS

PLSC 275 / 825: Inequality and American Politics

Spring 2011

Monday 9:25-11:15, 77 Prospect Street, A002

Professor Jacob S. Hacker

[jacob.hacker@yale.edu](mailto:jacob.hacker@yale.edu)

77 Prospect Street, A105

Office Hours: 3:30-5:30, or by appointment

Brief Description: This course will explore the role of American politics and public policy in abetting the hyper-concentration of income at the top of the economic ladder in the United States, and the ways in which this hyper-concentration has in turn transformed American politics. Topics will include changes in corporate governance and executive compensation, tax policy, campaign finance, the revolving door between government and the private sector, and the role of unions. Readings will range widely from recent political science contributions to sociological and economic analyses, and include some cross-national and historical works as well contemporary popular discussions.

Expanded Description: The purpose of this course is to encourage students to think critically and analytically about the ways in which growing economic inequality—particularly the hyper-concentration of income and wealth at the very top of the economic ladder—have intersected with the transformation of American politics over the past generation. A substantial number of scholarly and popular analyses of rising inequality have appeared in recent years, and the subject has occasioned increasing political debate. Yet we still know surprisingly little about the role of politics in shaping the transformation of the American economic distribution; what effects the shifting contours of American inequality have on political organization, participation, and influence; and what political and economic reforms might be desirable or possible in the face of these linked transformations of the polity and economy. These are the topics taken up in this course.

The course will begin with an historical and cross-national exploration of the changes in the division of the American economic "pie" since the 1970s. Following this, we will turn to sources in these developments. Then we will consider a number of recent works on the role of politics in propelling and reflecting these trends, as well take up the debate over whether economic inequality is a "problem" in need of addressing at all.

Besides an overview of recent economic and sociological work on the causes and consequences of rising economic inequality, the core readings of the course will be recent political science and popular books on inequality and American politics. The policy readings will range widely and include writings on the welfare state, tax policy, corporate governance, financial deregulation, and policies governing unions.

Requirements and Contribution to Grade: The course will be a traditional seminar. Students will be asked to write three discussion papers in the first six weeks. *The papers are due in my email inbox by 5PM on Sunday, the day before the seminar.* In the last seven weeks, three students will lead off the course discussion each session. Assessments of the

discussion papers (20%), session leadership (10%) and general participation (20%) will comprise half the grade. The other half will come from a final paper of 20-25 pages. For undergraduates, the final paper can take one of three forms: a senior essay related to the course, a long research paper, or a policy proposal that is highly analytic and grounded in the course readings. For graduate students, The final paper will be longer (30-35 pages) and can be a dissertation prospectus or advanced literature review for a dissertation.

Office Hours: Held in my office at 77 Prospect Street (A105), my office hours are Monday, 3:30-5:30. Appointments can be obtained by signing up on the sheet on my door (drop-ins are welcome, but appointments have first priority).

Overview:

Week	Subject
<b>Introduction. America Unequal</b>	
1	Introduction
2	U.S. Inequality in Historical Perspective
3	U.S. Inequality in Comparative Perspective
<b>Part I. The Debate over Causes</b>	
4	Round Up the Usual Suspect: "Skill-Biased Technological Change"
5	The Decline of Unions: Economic or Political?
6	Policies Governing Executive Compensation and Financial Markets
7	Tax Policy and the Welfare State
<b>Part II. Bringing Politics In</b>	
8	Political Equality in Peril?
9	Polarization and Inequality
10	The Mass Politics of Inequality
<b>Part III. The Debate</b>	
11	Inequality Matters
12	No, It Doesn't
<b>Conclusion. Pulling the Strands Together</b>	
13	Organizations, Policy, and the Transformation of the American Political Economy

Readings: The following *books* are required for the course. They are available at the Yale bookstore and on reserve at the Bass Library. Additional readings are available online.

1. Pontusson, *Inequality and Prosperity*
2. Freeman, *America Works*
3. Jacobs and Skocpol, eds., *Inequality and American Democracy*
4. McCarty, Poole, and Rosenthal, *Polarized America*
5. Bartels, *Unequal Democracy*
6. Krugman, *Conscience of a Liberal*
7. Hacker and Pierson, *Winner-Take-All Politics*

## Schedule of Readings:

### Week 1 (1/10) Introduction

- [Timothy Noah, "Introducing the Great Divergence," \*Slate\*, 3 September 3 2010](#)
- [Noah, Post 2.](#)
- [Catherine Mulbrandon and Noah, "The Great Divergence in Pictures."](#)

### Week 2 (1/14) U.S. Inequality in Historical Perspective

#### **(This class meets on Friday instead of on Martin Luther King Day)**

- [Emmanuel Saez, "Striking It Richer," July 2010](#) (for additional background, see [Thomas Piketty and Emmanuel Saez, "The Evolution of Top Incomes: A Historical and International Perspective" \*American Economic Review\* \(2006\)](#))
- [Alan Reynolds, "The Top 1% of What?" \*Wall Street Journal\*, 17 December 2006.](#) (if interested, see also ["Taxes and the Top Percentile Myth, \*WSJ\*, 23 December 2010\).](#)
- [Piketty and Saez response to Reynolds.](#)

### Week 3 (1/24) U.S. Inequality in Comparative Perspective

- Pontusson, *Inequality and Prosperity*, Chapter 1, 3.
- [Andrea Brandolini and Timothy M. Smeeding, "Income Inequality in Richer and OECD Countries," \*The Oxford Handbook of Economic Inequality\*, 2009.](#)

### Week 4 (1/31) Round Up the Usual Suspect: "Skill-Biased Technological Change"

- [Robert J. Gordon and Ian Dew-Becker, "Controversies about the Rise of American Inequality," NBER, 2008](#) (if interested, see also [Ian Dew-Becker and Robert Gordon, "Where Did the Productivity Growth Go," \*Brookings Papers on Economic Activity\*, 2005:2.\)](#)
- [Lawrence Mishel and Richard Rothstein, "Schools as Scapegoats," \*American Prospect\*, October 2007.](#)
- Hacker and Pierson, *Winner-Take-All Politics*, Chapter 1.
- Noah, posts [3](#), [4](#), [7](#), [9](#).

### Week 5 (2/7) The Decline of Unions: Economic or Political?

- Freeman, *America Works*.
- Hacker and Pierson, *Winner-Take-All Politics*, pp. 56-61.
- Noah, [Post 6](#)

### Week 6 (2/14) Policies Governing Executive Compensation and Financial Markets

- [Lucian Bebchuck and Jesse Fried, "Pay Without Performance," \*Journal of Corporation Law\*, Summer 2005.](#)
- [Thomas Philippon and Ariell Reshef, "Wages and Human Capital in the U.S. Financial Industry, 1909-2006," NBER, January 2009](#) (if interested, also read [Steven N. Kaplan and Joshua Rauh, "Wall Street and Main Street: What Contributes to the Rise in the Highest Incomes?" University of Chicago/NBER, September 2006.](#))

- ❑ Hacker and Pierson, *Winner-Take-All Politics*, pp. 61-70.
- ❑ Noah, [Post 6](#).

Week 7 (2/21) Tax Policy and the Welfare State

- ❑ Pontusson, *Inequality and Prosperity*, Chapters 4-9.
- ❑ Hacker and Pierson, *Winner-Take-All Politics*, pp. 41-54.
- ❑ [Piketty and Saez, "How Progressive is the U.S. Federal Tax System? A Historical and International Perspective, \*Journal of Economic Perspectives\*, Winter 2007.](#)

Week 8 (2/28) Political Equality in Peril?

- ❑ Jacobs and Skocpol, *Inequality and American Democracy*, all but Chapter 5.
- ❑ [Symposium on Report of APSA Task Force on Inequality and American Democracy](#). Read Weissberg, Bartels, Piven, Hacker, Bennett, and Scholzman.

**SPRING BREAK**

Week 9 (3/21) Polarization, Partisanship, and Inequality

- ❑ McCarty, Poole, and Rosenthal, *Polarized America*, Chapters 1-2.
- ❑ Bartels, *Unequal Democracy*, Chapter 2.
- ❑ Noah, [Post 5](#).

Week 10 (3/28) The Mass Politics of Inequality

- ❑ Bartels, *Unequal Democracy*, Chapters 4, 5, 9.
- ❑ [Martin Gilens, "Inequality and Democratic Responsiveness," \*Public Opinion Quarterly\*, 2005.](#)
- ❑ McCarty, Poole, and Rosenthal, *Polarized America*, Chapters 3-4.

Week 11 (4/4) Inequality Matters

- ❑ Krugman, *Conscience of a Liberal*
- ❑ Noah, [Post 10](#)

Week 12 (4/11) No, It Doesn't

- ❑ [Will Wilkinson, "Thinking Clearly about Economic Inequality," \*Policy Analysis\*, July 2009.](#)
- ❑ [American Interest special issue on Inequality and Democracy](#). Read essays by Cowen and Fukuyama.

Week 13 (4/18) Organizations, Policy, and the Transformation of the American Political Economy

- ❑ Hacker and Pierson, *Winner-Take-All Politics*, remainder.
- ❑ [Responses in \*Politics and Society\* \(June 2010\) by Fligstein, Campbell, and Kenworthy.](#)

**Reading period begins Monday, April 25. Papers are due in my inbox or mailbox (77 Prospect) at the end of reading period (May 2) by 4:30 PM.**