

## **PSCI 2236: The Politics of Global Inequality**

**M 2:10-4:40pm, Commons 320**

Instructor: Mollie Cohen

Office: Commons 312

Office Hours: M 10am-12pm, and by appt.

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### **Course Description:**

“Global wealth is becoming increasingly concentrated among a small wealthy elite. Data from Credit Suisse shows that since 2010, the richest 1% of adults in the world have been increasing their share of total global wealth. Figure 1 shows that 2010 marks an inflection point in the share of global wealth going to this group.

In 2014, the richest 1% of people in the world owned 48% of global wealth, leaving just 52% to be shared between the other 99% of adults on the planet.<sup>1</sup> Almost all of that 52% is owned by those included in the richest 20%, leaving just 5.5% for the remaining 80% of people in the world. If this trend continues of an increasing wealth share to the richest, the top 1% will have more wealth than the remaining 99% of people in just two years, as shown on Figure 2, with the wealth share of the top 1% exceeding 50% by 2016.” OXFAM Issue Briefing 2015, p. 2

The gap between the world’s wealthiest and poorest is wide and, by some accounts, growing. In this course, we will tackle two of the big questions surrounding global inequality. First, what explains inequality and unequal growth around the world? Second, what are the consequences of (and potential solutions to) global inequality? Over the semester, we will explore several scholarly answers to each of these questions in turn.

### **Course Requirements:**

Course readings will be made available on the class Blackboard page. In addition to these readings, there is one required book (and two optional texts) for this course; all are available at the Vanderbilt bookstore:

#### *Required:*

Collier, Paul. 2007. *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. New York: Oxford University Press.

#### *Optional:*

Diamond, Jared. 1999. *Guns, Germs, and Steel: The Fates of Human Societies*. New York: W. W. Norton & Company.

Bartels, Larry M. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. New York: Russell Sage Foundation.

Additionally, some of the readings on Blackboard come from:

Seligson, Mitchell A. and John T. Passé-Smith. 2008. *Development and Underdevelopment: The Political Economy of Global Inequality* (4<sup>th</sup> edition). Boulder: Lynne Rienner Publishers, Inc.

If you are interested in further reading about various social scientific approaches to explaining economic development and inequality, this book is a great, non-technical place to start.

Your final grade will be calculated using the following metric:

Midterm Exam: 30%  
Final Exam: 25%  
Final Paper: 30%  
Participation: 15%

Your grade will be determined by your performance on the midterm and final exams, as well as a final paper and course participation. Exams are non-cumulative, and we will discuss the format in class. Your final paper, on a topic of your choosing, should be 15 pages long, double-spaced. You will be asked to submit a short paper proposal (5% of the final paper grade) to me by the start of class on October 12<sup>th</sup>. I strongly encourage you to come talk to me about your paper ideas before this deadline. Over the course of the semester, you will have two additional paper deadlines: an annotated bibliography (10% of the final paper grade, due November 2<sup>nd</sup>) and a first draft of the paper introduction (10% of the final paper grade, due November 16<sup>th</sup>).

***The Vanderbilt Honor Code governs all work in this class.*** If you are unfamiliar with the Vanderbilt Honor System, please consult and read closely the details as laid out in the handbook: [http://www.vanderbilt.edu/student\\_handbook/the-honor-system](http://www.vanderbilt.edu/student_handbook/the-honor-system)

Citations: The final research paper, as well as the citations of articles and books in the body of the paper, must adhere to formatting guidelines for all papers written for courses in the political science department. You can find a memo detailing these guidelines on the department's web page, at <http://www.vanderbilt.edu/political-science/undergraduate/paperformat2013.pdf>.

Further Writing Help: There are several deadlines for your final papers over the course of the semester to facilitate you writing the best paper possible. I will review these drafts closely and provide you with feedback on your ideas and writing over the course of the semester. If you feel that you need extra help with your research and writing, I suggest you take advantage of the resources available at the Vanderbilt library, and at the Vanderbilt Writing Studio (<http://vanderbilt.edu/writing/>).

Turning in Work: Please submit all assignments to me before the start of class via e-mail ([mollie.j.cohen@vanderbilt.edu](mailto:mollie.j.cohen@vanderbilt.edu)). Late homework assignments will be penalized a half letter grade per day late, with the first penalty applied immediately following the deadline.

**Expectations:**

This is a small class, and we will discuss course material at length. Please come to class on time, having completed and the assigned reading and ready to discuss it with your classmates. Your participation in class is not just an important part of your grade, but also a sign of respect to the instructor and your peers. The academic enterprise is founded on the open exchange of ideas; to that end, we will hold regular in-class discussions. You may hold strong opinions about the topics we read about and discuss in this class. I expect you to follow the golden rule during in-class discussions and treat your classmates and their ideas with the same respect you would like to receive.

I will not enforce a strict attendance policy in this class; do note, however, that in-class participation accounts for 15% of your final grade.

We will be reading several articles from academic journals over the course of the semester. You will not be expected to understand all of the technical jargon or statistics used in these papers, although we will discuss some of these terms in class. It is more important that you glean the central ideas from these journal articles, and come to class having made a good faith effort to understand what you have read and ready to ask questions about any points of confusion.

**Communication:**

All class announcements (including updates to the syllabus) will be delivered via the Blackboard listserv. If you do not regularly check your Vanderbilt e-mail, I suggest you forward your Vanderbilt messages to an account you regularly use.

I am most easy to reach by e-mail. I check my e-mail regularly on weekdays, and will do my best to respond to communications from you within 24 hours during the week, but expect a slower turn around if you contact me on Saturday or Sunday.

I especially encourage you to come to my office hours. This is time that I have set aside specifically for you—you are absolutely welcome and encouraged to take advantage of this time. If for whatever reason you are unable to come to regularly scheduled office hours, please request an appointment, and I'll be happy to meet with you at some other time.

**Laptop/ Tablet Policy:**

Laptops, tablets, and smart phones put the world at our fingertips. While technology can be incredibly useful, it is often distracting during class. Because of this tendency to distract from rather than aid learning, laptops, tablets, and other electronic devices are not allowed in this course without instructor permission. If permission is granted, you may use the equipment for the sole purpose of taking notes. All requests regarding technology must be made in person, and non-compliance with the policy will result in a failing participation grade.

**Section I: Causes of Global Development and Inequality**

August 31: An Introduction to Economic Development and Global Inequality

1. OXFAM Issue Briefing. January 2015. "Wealth: Having It All and Wanting More."

2. Sen, Amartya. 1983. "Poor, Relatively Speaking." *Oxford Economic Papers*, 35(2): 153-169.
3. Berg, Andrew and Jonathan Ostry. 2011. "Equality and Efficiency: Is there a trade-off between the two or do they go hand in hand?" *IMF Finance and Development*, September 2011, pp. 12-15.
4. Collier, Paul. *The Bottom Billion*, Chapter 1.

#### September 7: Modernization and Convergence Theory

1. Rostow, W.W. 1959. "The Five Stages of Growth." *The Economic History Review*, 12(1): 1-16. [especially 4-14]
2. Baumol, William J. 1986. "Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show." *The American Economic Review*, 76(5): 1072-1085. [especially 1072-1092]
3. Firebaugh, Glenn. 2000. "The Trend in Between-Nation Income Inequality." *Annual Review of Sociology*, 26: 323-339.

#### September 14: Historical Explanations I: Geography and Resource Endowments

1. Diamond, Jared. 1997. *Guns, Germs, and Steel: The Fate of Human Societies*. New York: Norton. **Chs. 3-5, Epilogue (especially pp.413-416) and Afterword**  
*a. Optional: Chs. 11, 18*
2. Collier, Paul. *The Bottom Billion*, **Chs. 3-4**  
*Optional, but Recommended*
3. Engerman, Stanley L. and Kenneth L. Sokoloff. 2002. "Factor Endowments, Inequality, and Paths of Development Among New World Economies." National Bureau of Economic Research, Cambridge, MA, October 2002, typescript.
4. Nunn, Nathan. 2011. "Shackled to the Past: The Causes and Consequences of Africa's Slave Trades." In Jared Diamond and James A. Robinson, eds., *Natural Experiments of History*, Cambridge: Belknap Press of Harvard University Press (Chapter 5., pp. 142-184).

#### *Further Reading*

5. Birdsall, Nancy, Thomas Pinckney, and Richard Sabot. 2000. "Natural Resources, Human Capital, and Growth." *Global Policy Program*, 9(February), Carnegie Endowment for International Peace.
6. Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. 2009. "Temperature and Income: Reconciling New Cross-Sectional and Panel Estimates." *American Economic Review Papers and Proceedings*.
7. Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review*, 91(5): 1369-1401.

## September 21: Historical Explanations II: Political Regimes and Institutions

1. Przeworski, Adam and Fernando Limongi. 1993. "Political Regimes and Economic Growth." *Journal of Economic Perspectives*, 7(3): 51-69.
2. Baum, Matthew A. and David A. Lake. 2003. "The Political Economy of Growth: Democracy and Human Capital." *American Journal of Political Science*, 47(2): 333-347.
3. Acemoglu, Daron and James A. Robinson. 2012. *Why Nations Fail*. New York: Crown Business Press. **Chs. 3, 4, 13**
  - a. *Optional: Chs. 5, 11, 12*

*Optional, but Recommended:*

4. Olson, Mancur. 1996. "Distinguished Lecture on Economics in Government: Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor." *The Journal of Economic Perspectives*, 10(2): 3-24.

## September 28: Culture

1. McClelland, David C. "The Achievement Motive in Economic Growth." In Seligson and Passé-Smith [on Blackboard]
2. Harrison, Lawrence E. *Underdevelopment is a State of Mind* (introduction). In Seligson and Pass-Smith [on Blackboard]
3. Kahn, Herman. "The Confucian Ethic and Economic Growth." In Seligson and Passé-Smith [on Blackboard]
4. Granato, Jim, Ronald Inglehart, and David LeBlang. 1996. "The Effect of Cultural Values on Economic Development: Theory, Hypotheses, and Some Empirical Tests." *American Journal of Political Science*, 40(3): 607-631.
5. Noland, Marcus. 2005. "Religion and Economic Performance." *World Development*, 33(8): 1215-1232.
6. Guiso, Luigi, Paola Sapienza, and Luigi Zingales. 2006. "Does Culture Affect Economic Outcomes?" *Journal of Economic Perspectives* 20(2): 23-48.

*Further Reading*

7. Banfield, Edward C. 1965. *The Moral Basis of a Backward Society*. Glencoe, Ill., Free Press; Chicago Research Center in Economic Development and Cultural Change, University of Chicago.
8. Harrison, Lawrence E. 1985. *Underdevelopment is a State of Mind*. Lanham, MD: Madison Books.

### October 5: Dependency Theory

1. Cardoso, Fernando Henrique. 1977. "The Consumption of Dependency Theory in the United States." *Latin American Research Review*, 12(3): 7-24.
2. Valenzuela, J. Samuel and Arturo Valenzuela. 1978. "Modernization and Dependency: Alternative Perspectives in the Study of Latin American Underdevelopment." *Comparative Politics*, 10(4): 535-557.
3. Dos Santos, Theotonio. 1970. "The Structure of Dependence." *The American Economic Review*, 60(2): 231-236.

### October 12: Quality of Governance

**Note: Paper proposal due via e-mail at start of class.**

1. Clague, Christopher, Philip Keefer, Stephen Knack, and Mancur Olson. 1999. "Contract-Intensive Money: Contract Enforcement, Property Rights, and Economic Performance." *Journal of Economic Growth*, 4(June): 185-211.
2. Campos, J. Edgardo, Donald Lien, and Sanjay Pradhan. 1999. "The Impact of Corruption on Investment: Predictability Matters." *World Development*, 27(6): 1059-1067.
3. Collier, Paul. *The Bottom Billion*, Ch. 5

### October 19: Midterm Exam

## **SECTION II: Consequences of and Responses to Inequality**

### October 26: Inequality, Citizen Attitudes, and Representation

1. Uslaner, Eric and Mitchell Brown. 2005. "Inequality, Trust, and Civic Engagement." *American Political Research*, 33(6): 868-894.
2. Bartels, Larry M. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press: Princeton, NJ. **Chs. 1, 9**
3. Solt, Frederick. "Economic Inequality and Political Engagement." *American Journal of Political Science*, 52(1): 48-60.

### November 2: Inequality and Conflict

**Note: Annotated bibliography due via e-mail at start of class.**

1. Muller, Edward. 1985. "Income Inequality, Regime Repressiveness, and Political Violence." *American Sociological Review*, 50(1): 47-61.
2. Cramer, Christopher. 2003. "Does Inequality Cause Conflict?" *Journal of International Development*, 15(4): 397-412.
3. Collier, Paul. *The Bottom Billion*, Ch. 2

4. Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. 2004. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach." *Journal of Political Economy*, 112(4): 725-753.

November 9: Inequality and Human Development

1. Subramanian, S.V. and Ichiro Kawachi. 2004. "Income Inequality and Health: What Have We Learned So Far?" *Epidemiologic Reviews*, 26: 78-91.
2. Easterly, William. 2007. "Inequality does cause underdevelopment: Insights from a new instrument." *Journal of Development Economics*, 84(2): 755-776.
3. Additional reading TBA

November 16: Globalized Responses to Inequality

**Note: Draft of paper introduction due via e-mail at start of class.**

1. "Measuring Globalization." *Foreign Policy*, Jan/Feb 2001, pp. 56-65.
2. Dollar, David. 2005. "Globalization, Poverty, and Inequality since 1980." *The World Bank Research Observer*, 20(2): 145-175.
3. Milanovic, Branko. 2007. "Globalization and Inequality." Ch. 2 in David Held and Ayse Kaya, eds., *Global Inequality: Patterns and Explanations*. Cambridge, UK: Polity Press.
4. Rodrick, Dani. 1997. "Sense and Nonsense in the Globalization Debate." *Foreign Policy*, 107(Summer): 19-37.
5. Sachs, Jeffrey D. 2000. "Globalization and Patterns of Economic Development." *Weitwirtschaftliches Archiv*, 136(4): 579-600.

November 23: Thanksgiving Break

November 30: No class

Individual meetings to discuss term papers scheduled through the week.

December 7: Closing Thoughts: Inequality and Foreign Aid

1. Finish *The Bottom Billion*.
2. William Easterly. 2009. "Can the West Save Africa?" *Journal of Economic Literature* 47(2): 373-447.

**Note: Final papers are due via e-mail by Friday, December 11 at 11:59pm.**

**The final exam is scheduled for Thursday, December 17<sup>th</sup> at 9am, with Saturday, December 12<sup>th</sup> at 12 noon as an alternative option.**