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doi:10.1017/S1537592711002349

Jacob Hacker and Paul Pierson provide a comprehensive view of increasing income and wealth inequality in the United States. Their work joins and propels a crescendo of scholars and pundits who call attention to concerns about American income inequality—in the highest of all advanced industrial countries. They respond to and dismiss alternative explanations for this pattern, such as globalization, skill shifts, technological transformations, and economic changes. They examine Thomas Piketty and Emmanuel Saez's data to show the astounding gains of the richest one percent of Americans' share of national income.[1] These data are particularly valuable because of the length of the series (which starts in 1913), and because they differentiate out top income levels via Internal Revenue Service pretax information. While the nonrich have seen real household income increase modestly, those gains are due to a large increase in the number of family work hours (p. 26). Importantly, and quite distinctive from the voluminous literature in economics, the present work puts political explanations front and center.[2]

Hacker and Pierson argue that four main political mechanisms have driven the increase in income inequality. The most visible factor is changes in the tax structure, specifically decreased rates for the superrich. The second factor is the decline of American unions, which the authors attribute to government inaction. Unions advanced the economic concerns of the otherwise unorganized middle class, serving as the only countervailing force to business. In 2011, we see government on the offensive against unions in some states. Third, extraordinary executive pay was made possible by public policy changes and a failure to update government regulations. Finally, the authors argue that the deregulation of financial markets also contributed to the current economic situation.

I agree with the authors that government construction of markets is the most significant, and least recognized, aspect of public policy on this issue (p. 81). In addition, I agree that the problem of income inequality is important because Americans need to consider the kind of society in which they want to live. As the rich grow richer, the gaps increase between the rich and the lower classes, changing the fabric and structure of society.[3]

Hacker and Pierson point to interest group politics as the underlying cause of American inequality. If interest group politics has gone awry, the question is why? A classic work in interest group politics continues to answer that question. Based on Mancur Olson's (1971) theory of collective action and interest groups, we should not be surprised at the lack of a political entrepreneur to organize the masses, while the smaller and heavily incentivized rich are organized. Larry Bartels adds to the story in his book *Unequal Democracy: The Political Economy of the New Gilded Age* (2008), in which he points out that unorganized voters do not even know what to ask for from Washington. One may wonder why the Democratic Party has gone along with the politics of the last 30 years. Hacker and Pierson's primary answer is its need for campaign funds from the organized interests of the wealthy (p. 252).

If neither labor nor the Democratic Party serves as a counter to the rich, the question is what to do about the unorganized masses. First, we need to understand why Americans tolerate the current levels of inequality. The most convincing answer seems to be that Americans are buying into the "American Dream" despite evidence that intergenerational mobility is unlikely. That is, Americans believe that anyone can rise to the top, even though the evidence shows that Americans are more likely stuck at the bottom. There was a recent *New York Times* debate on why there is not more demand for redistribution. The most interesting suggestions came from Michael Norton, who argued that educating Americans about the real versus misperceived level of wealth inequality may increase their support of policies to reduce the inequality. Understanding why Americans tolerate the current levels of inequality is important to know if one wishes for a counterpresence to be organized.

If a route toward organization exists, it may be driven by a galvanizing issue such as the growing debt crisis. This issue is more intuitively understandable for voters than the economic issues that were the main contributors to the current state of inequality. That is, the debt crisis issue is one that citizens can personally relate to: We cannot spend more than we have, which contrasts with understanding which policies were deregulated and the consequences of deregulation.

Another avenue for organization may be the opposite of "bowling alone"—connections via social network media.[4] For example, there is a significant increase in people organizing for causes and donating time and expertise online. This involves friends posting about their favorite causes on Facebook, but also involves larger organizations, such as Onlinevolunteering.org, which reports that 10,000 volunteers engaged in development projects through their online volunteering service in 2010 and carried out 15,000 assignments.[5] National Public Radio's report on a recent survey by the Pew Research Center's Internet & American Life Project supports the optimism of social engagement for those who are the most connected online.[6] Nonetheless, the problem of sustained attention and collective goods for the masses remains as vivid a problem as originally described by Olson.

Reflecting on the implications of Hacker and Pierson's work for political science highlights the need for further testing of their argument. They weave a plausible and

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https://doi.org/10.1017/S1537592711002349 Published online by Cambridge University Press

attractive story. However, it is largely circumstantial. This can be attributed to the gap between theory and empirics. A rigorous time series analysis would provide the knockout punch to convince cautious readers. Given the endogenous nature of policy and economic outcomes, a vector autoregression (VAR) model has the advantage of treating all series in the analysis as endogenous. Series that measure policy mood, public opinion, divided government, and economic factors should all be in such a model. More generally, longitudinal methods to study dynamics over time (such as time series and event history models) and complexity (such as network methods) could fruitfully be brought to bear on the questions posed by the authors.

The work of Hacker and Pierson also suggests that more focus needs to be placed on the study of political economy. While political economy is a topic of considerable attention in political science, there is a dearth of work that looks at the American political economy. Neglecting this topic has no doubt contributed to the skew seen in American public life. A new look at this area should include a study of "illware," which would include the study of income inequality and would be tied into reflections about the type of society in which we live.[7]

Given Hacker and Pierson's arguments about the politics of organized combat, there is a need to look at interest groups more closely. We need to know more about how they function and interact with the judicial, executive, and legislative branches. As a discipline, we need to move beyond surveys of interest groups to capture the richness and complexity of their interactions, behavior, and influence. One way to tackle this complexity is to leverage new developments in network methodology.[8] In addition, a broader study of comparative interest groups across countries is needed. That is, how do interest groups function in other countries? Since Hacker and Pierson make a plausible case that interest groups provide the "smoking gun," the discipline needs to respond by examining them in more depth and broader scope.

In short, Hacker and Pierson's call for a more rigorous study of the American political economy, a more comparative approach to American politics, and a focus on interest groups due to "politics as organized combat" are all important and accurate. Their arguments have resonated with a variety of audiences as shown by many measures, including the proliferation of blogs discussing their work. My hope is that these arguments resonate deeply with political scientists as well.

Notes

1 Piketty and Saez 2003.
2 Though see also the financialization literature, e.g., Davis 2009 and Krippner 2011.
3 Walzer 1984.
4 Putnam 2001.
5 UN Volunteers 2011.
6 Rydberg 2011.
7 Olson 1971, 173.
8 Box-Steffensmeier and Christenson 2011; Cranmer and Desmarais 2011; Newman 2010.

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https://doi.org/10.1017/S1537592711002349 Published online by Cambridge University Press