

Global Income Inequality Teacher Scholar Course

Autumn+spring terms 2017-18

Welcome to the Study Direct site for the Global Income Inequality teacher scholar course, 2017.

This site gives you access to all the resources you need to be able to develop your own knowledge about historical inequality, and will support your creation of teaching resources on the subject. We also provide practical information about what is expected of you on the course.

Each week, the Essential Reading/activities are what we expect you to undertake in order to participate fully in the course. The Further Reading is entirely optional for you to dip into as much as you wish - you may well find yourself beginning to take a particular interest in certain time periods, regions or types of data, and we want to provide you with plenty of material to support this. If at any point you would like recommendations for additional reading, data or study materials on a particular subject do please ask us.

Please note the discussion forum below. We hope to use this throughout the course to share ideas, resources, questions and theories.

We look forward to meeting you in person at our study weekend at the National Archives and, in the meantime, at our introductory virtual classroom meeting using Blackboard Collaborate on **Tuesday 26 September 4.30-5.30 pm.**

Ian Gazeley (Professor of Economic History - The University of Sussex -)

Rose Holmes (Postdoctoral Research Fellow - The University of Sussex -)

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Week 1- Worlds Apart

Week Beginning 25 September

The audio recorded lecture below, by Professor Ian Gazeley, provides a comprehensive summary of the empirical evidence on the extent of global inequality between nations and individuals since the industrial revolution. International comparisons of inequality tell a story of America catching-up with the incomes of European countries before overtaking them. The divergence *between* Europe and America, on the one hand, and Asia and Africa on the other, continued to widen until the second half of the 20th century when some Asian countries start to catch-up. In terms of inequality among world citizens, a somewhat different historical pattern emerges because of the huge disparity of income *within* some rich countries.

In March 2014, Harvard University Press published the French Economist Thomas Piketty 's *Capital in the Twenty-First Century*. By April 2014 it was No.1 in the bestseller lists, including fiction. His book has also generated huge academic interest. Piketty argues that income and wealth tends to concentrate in the top few percentiles of the population. This long-term trend was checked during the middle of the 20th century, but since the 1970s inequality has been increasing globally and is set to

continue to increase in the 21st century. Currently, according to Piketty, the best predictor of socio-economic success is the success of one's parents, as income distribution is shaped by the distribution of inherited wealth. Piketty makes the case for a global wealth tax to counter the return to "patrimonial capitalism" of the nineteenth century. His argument is based upon the careful empirical analysis of historic inequality data and the construction of two fundamental laws of capitalism in the tradition of the grand narratives of Adam Smith, Max Weber and Karl Marx. The divergent patterns of economic development observed by Milanovic, Bourguignon, and Piketty, have led to marked differences in health and longevity between (and within) countries. The extent to which inequality matters for health and well-being is the subject of intense debate.

Week 2 - The National Archives Seminar Weekend

Week Beginning 2 October

This week there are no planned self-directed activities as we'll be meeting all weekend on 6-7 October to work together on developing your knowledge and skills on working with historical datasets at

The National Archives

Kew, Richmond, Surrey,

TW9 4DU

We have booked you all accommodation. The hotel is a 10-15 minute walk from the archives where all the daytime workshops and activities will be held. We'll also be having dinner together at the hotel on the Friday evening.

If there are any questions or requirements involving arrangements for this weekend (for example dietary requirements the hotel may need to know about, or access needs we should take into consideration). We'll meet in the entrance lobby of The National Archives at 9:30 am. We've got a day of workshops and activities planned. We will provide lunch, coffees etc.

Saturday 7 October

You'll need to checkout of the hotel first thing in the morning. Again, we'll assemble at 9:30 am at *The National Archives* for a second day of workshops, and some initial ideas about resources we might want to take into the classroom. We will provide lunch, coffees etc.

4:00 pm. Close of activities.

Week 3 - Mapping the US data set

Week Beginning 9 October

Researchers often use data from recent years on consumption and inequality to make political and social arguments about what the American public sphere should look like. There is much concern among academics, researchers and commentators about the apparent recent decline in living standards among segments of the population. Using historical data can allow us to make informed assessments about the economic realities of the past, and how these might have impacted social and political events and decisions.

This week, we would like you to use your new skills on data mapping from the National Archives study weekend to work with some historical American data. For those interested in U.S. history, consumption data offers much rich source material.

On rural and urban poverty, racial inequality, the New Deal and much else, American cost of living surveys provide statistical information that can supplement cultural history sources.

The U.S influence on household budget research was initially centred on the calculation of nutritional information. The W.O. Atwater research on diet and nutrition, published from 1895, was of profound influence globally. Using the Atwater tables, researchers began to adapt household budget surveys to study diet and nutrition, particularly of the working classes. A separate strand of household consumption surveys focused solely on nutrition emerged, while household budget surveys were also sometimes adapted to provide supplemental nutritional information by asking householders about quantities of food consumed, from which information researchers could subsequently extrapolate nutritional data.

In addition to the methodological innovation around nutrition, the U.S. government was also quick to realise the possibility large-scale statistical data on consumption offered to those concerned with international trade. Comparison of information on the living conditions, nutrition, wages and household composition of working class households offered the opportunity to improve industrial efficiency.

To those social reformers concerned with the living conditions of the poor, information on how workers were living in rapidly growing cities offered data that could form the basis of campaigns for housing and employment reform. Later, especially in the rural South, data on the standard and cost of living on farms helped inform national agricultural policy.

Essential Reading:

Faith M. Williams, 'History of Studies of Family Living in the United States and Canada' in Williams and Zimmerman, *Studies of Family Living* (1935) pp. 6-13. The best concise summary of the development of household budget surveys in the U.S. Please also see the bibliography if you would like to take your reading on American data further. British Board of Trade *Cost of Living in 28 American Towns* (1911). [Please also see the three Excel spreadsheets below with data we have extracted from this survey].

Further Reading:

Nick Cullather, 'American Pie: The Imperialism of the Calorie' in *History Today* Vol. 57, Issue 2 (February 2007).

Joseph Stiglitz, 'Income Inequality and American Democracy' Lecture given at Seattle Town Hall, 13 May 2015.

Jeffrey G. Williamson and Peter H. Lindert, *American Inequality: A Macroeconomic History* (New York: Academic Press, 1980)

Further Data Sources:

United States Commissioner of Labor Survey of 25, 440 working class households in 33 states of the US (USCL Survey 1901, see pdf and Excel tables below)

Thomas Jackson Woofter, 'The Negroes of Athens, Georgia' *Bulletin of the University of Georgia* Vol. 14, No. 4. Phelps-Stokes Fellowship Studies No. 1. (December, 1913) pp. 1-88.

Workingmen's standard of living in Philadelphia: A Report by the Bureau of Municipal Research of Philadelphia, 1919.

E.L. Kirkpatrick, *The Farmer's Standard of Living: A Socio-Economic Study of 2,886 White Farm Families of Selected Locations in 11 States* (Washington, D.C.: U.S. Department of Agriculture, 1926). This is a particularly useful study for looking at rural poverty.

United States Department of Labor, 'Family Income in Chicago, 1935-36' *Bulletin* No, 642, Vol. 1 (April 1938).

Week 4 - Dublin Study Trip

Week Beginning 16 October

As we'll be spending the weekend in Dublin on a research and resource trip, we'll not ask you to do any extra work in your own time in the week.

We'll be having a virtual meeting on **Tuesday 17 October 4.30-5.30 pm** to discuss arrangements for the weekend.

Friday 20 October

As previously, we would like you to please arrange your own transport to Dublin.

2.00 pm

Visit to the Guinness Archive in central Dublin to review two surveys -

J. Lumsden 'An Investigation into the Income and Expenditure of Seventeen Brewery Families and a Study of their Diets' (1905) (also see pdf below).

'Report on the Inspection of Dwellings occupied by the Employees and Pensioners of A. Guinness, Son & Co., Ltd. 17 November 1900 to 17 January 1901'

Saturday 21 October

Resource planning and workshops in the meeting room at the hotel

Further Data Sources:

British Board of Trade, *British and Foreign Trade and Industry (second series) Memoranda, Statistical tables and charts with reference to various matters bearing on British and foreign trade and industrial conditions* [cd. 2337]. NB. This report covers data from Britain and also Germany and France. We have extracted the Irish data of the report and presented it in the Excel file.

Ministry of Economic Affairs, *Report on the Cost of Living in Ireland* (June, 1922)

Week 5 - Change over time in India

Week Beginning 23 October

The 2017 Oxfam report on global inequality, an economy for the 99%, states that India, along with China and Brazil, performs poorly on measures of public spending and legislation on wages, meaning that inequality in many sectors (including wages, health, housing and access to services) is growing. According to the Oxfam findings, in India in 2017, the richest 1% own 58% of wealth. This makes understanding the geographically specific historical development of inequality particularly important. The story of measuring poverty and inequality in India is a story that cannot and should not be separated from the colonial narrative. Much has been written by historians about the effect of British rule on the lives of Indian workers and the structures of the Indian state. Parthasarathi (2011) provides a useful summary of the effect of colonialism on Indian knowledge structures, particularly science and technology, and is the essential reading for this week. You should also find that the J.C. Jack research from 1916 (below) gives an insight into the colonial attitudes and approaches to data gathering, and may be useful as a primary source.

Three questions you may find useful to consider as you look at the Indian data this week, especially if you think about India 1914-1948 as the road to independence: To what extent should household budget surveys be considered as documents of empire?

How have the living conditions of Indian people changed over time?

In the light of the two questions above, do we consider the British Empire as a force for good or bad in India?

Essential Reading:

Parthasarathi, Prasannan, *Why Europe Grew Rich and Asia Did Not: Global Economic Divergence, 1600-1850* (Cambridge, 2011), Chapter 7: 'Science and Technology in India, 1600-1800', pp. 185-222.

Nick Stern, 'A Village, a Country and the Discipline: economic development in Palanpur over seven decades' *Eva Colomi Memorial Lecture*, London School of Economics, 7 June 2017. A notable example of a study of change over time in an Indian village from a leading economist. This may help you consider what could be done with the data from this week.

Further Reading:

J.C. Jack, *The Economic Life of a Bengal District* (Oxford: The Clarendon Press, 1916).

The Labour Office, *Report on an Enquiry into Working Class Family Budgets in Bombay City* (Bombay, 1935).

Amartya Sen, 'Poverty, Inequality and Humiliation' in Sen (ed.) *Peace and Democratic Society* (Open Book Publishers, 2007) pp. 69-76.

Data Source:

Please see the original reports and the data we have extracted from a series of studies of rural families in the Punjab between 1932 and 1971

Week 6 - Nutrition, reliability of data and the German surveys

Week Beginning 30 October

In recent months and years, much has been written about how, despite growing economic prosperity, real and perceived poverty and inequality has been rising in Germany (see articles in the Financial Times, the Guardian, al Jazeera, Reuters) Germany has very rich historical household budget survey data, including a tradition of focusing on individual households, meaning we as researchers can get a real sense of how the pattern of poverty and inequality has evolved through time. Economists and historians have been able to use some of this data alongside other statistical information to carry out research that encompasses anthropometrics to draw wider political conclusions. The Cox article that is the main reading for this week is a notable example of this kind of research practice.

All the reading this week reflects in part on nutrition and physiological capital, and demonstrates how we can use information on household food consumption to extrapolate meaning about people's lived reality in the past. We advise that if you choose to work with the German data in developing your own teaching resources, you consider the possibilities around using the data to work with nutrition and food consumption.

Essential Reading:

Mary Elisabeth Cox, 'War, Blockades and Hunger: Nutritional Deprivation of German Children, 1914-1924'. Draft working manuscript published by the Economic History of Poverty Conference, November 2012.

Further Reading:

If you are interested in developing the Cox discussion of the nutritional deprivation of German children into a teaching resource, you will likely want to include the British response to the blockade. A good starting point is to look at Eglantyne Jebb and the controversial establishment of the Save the Children International Union 1919.

Ian Gazeley *et. al.* 'Escaping from Hunger' IZA Discussion Paper No. 11037, September 2017 [This is a paper we have written on this project, using some of the data we have shared with you].

Timothy J. Hatton, 'How have Europeans grown so tall?' Paper given at the Asia-Pacific Economic and Business History conference, 2012.

Further Data Sources:

This week, we are aware that language may be an issue in reading the survey reports in the original German, although some of you may be able to do this. We have therefore provided brief English summaries of each of the surveys listed, and given English-language reports and data sources where possible. Note that some of the surveys are too big to upload on this site, so we have added downloadable Google Drive links.

1. 1889/90 USCL Survey of 200 households

This (international) survey is from the US Commissioner of Labor and reports 200 German individual households of workers in iron, steel, coal, coke, iron ore, cotton textile and wool textile industries. Income from all members of the household is recorded separately, household composition is comprehensive, and good detail is provided for all living costs including 21 subcategories of food.

2. 1927/1928 Survey of 1940 households

This official (state-run) survey covers three main types of occupational class: officials, salaried employees and waged workers. It is comprehensive, covering the following for each individual household: location, occupational class and occupation, household composition with all ages specified; 8 items of income ('head of household', 'wife', etc.), 37 food & drink items, and 20 other items of expenditure such as rent, heating, clothing, etc. This survey is officially referred to as a budget of 2,000 households but the slightly lesser figure above is exactly correct.

3. 1936 Survey of 1509 households

This is a comprehensive state-run survey. For each household, the location and its population density class is itemised, as is the age and gender of every member. Nine items of income, 59 items of food & drink and 25 other items of expenditure are recorded.

4. 1956/57 survey of 452 households

This report is highly detailed in its listing of income and expenditures but, rather than providing a number of income/expenditure groups defined by monetary values, it divides the figures between various kinds of workers in various locations (Coal above-ground & underground workers, the same two divisions for iron workers, and steel workers as a single group – five groups in all).

Week 7 - Poverty and the British data

Week Beginning 6 November

Tony Atkinson (1944-2017), one of the leading economists on inequality and poverty in Britain, argued that the inequality experienced in Britain was largely a structural result of conscious political and fiscal decisions, and could be greatly reduced entirely politically. He advocated several policies that would contribute to this, including windfall taxation of the wealthy, limiting the political influence of certain elites, and the introduction of a basic income.

There is a long tradition in Britain of social reformers and researchers concerned with the effect of industrialisation and poverty on the diet, health and welfare of workers, particularly urban workers. This means we have historical data on household incomes of ordinary households going back to the 1790s. It is possible to use this data to draw conclusions about change over time and the effects of social change on the working classes.

Researchers now tend to use the measurement that poverty is an income level below 60% of median income. This means we accept that poverty will always be with us, and that what matters to those to seek to ameliorate the effects of poverty is the day-to-day experience of those living under the poverty line. We can trace poverty line measurement back into the past, as Ian and Andy have done in the paper that is the essential reading for this week. We ask you to consider as you read the dramatic impact that reworking the data has on our understanding of historical poverty, and to bear in mind the political implications of reviewing our established narrative about the progressive reduction of poverty over the twentieth century.

If, as poverty line measurements imply, we have accepted as a society that poverty will always be with us, measuring inequality becomes the obvious next step. But what, we ask you to consider, is the relationship between poverty and inequality? What matters more? What is absolute and what is relative? And how can historical data inform this?

Essential Reading:

Ian Gazeley and Andrew Newell, 'The End of Destitution' *IZA Discussion Paper 4295* (July, 2009).

Aditya Chakraborty (pres.) 'The Business Podcast: Does Income Inequality Matter?' *The Guardian* 27 April 2011. [This podcast is old, but has some of the useful commentators on poverty in Britain speaking, and is still interesting].

OR: Michael Robinson, 'The Wealth Gap: The View from London' Episodes 1 and 2. BBC World Service, 17 January 2012. [This podcast is more about the experience of poverty and inequality].

Further Reading:

Danny Dorling, *Inequality and the 1%* (London: Verso Books, 2014).

Ian Gazeley, *Poverty in Britain, 1900-1965* (Basingstoke: Palgrave Macmillan, 2003).

David Vincent, *Poor Citizens: The State and the Poor in Twentieth Century Britain* (London: Longman, 1991).

R. Wilkinson & K. Pickett, *The Spirit Level: Why More Equal Societies Almost Always Do Better* (London: Allen Lane, 2009).

Data Sources:

Ministry of Labour and National Service Household Budget Survey, 1937-38. As outlined in the codebook [see below] this is a national survey of predominantly skilled working class-headed households. Just over 10, 000 households provided useable returns, meaning this survey allows us to say some useful things about national living standards (potentially using ArcGis).

Eleanor Rathbone, *How the Casual Labour Lives* (1909). Please see extracted data B. Seebohm Rowntree, *Poverty: A Study of Town Life* (London: MacMillan and Co., 1908 [1903]). See extracted data from 16 working households below.

Two databases created by Tony Atkinson and colleagues give data and graphics on historical inequality by region. *The Chartbook of Economic Inequality* and the *World Wealth and Income Database* Note that while some of the data presented on these sites are very useful, they use as source material national-level data on the declared

taxable incomes on the wealthiest 1-10% of society, meaning they should be used in conjunction with other source material.

Week 8 - Scoping out the enquiry for the classroom
Week Beginning 13 November

Weeks 9 -13 - Development of resources
20 November - 18 December