Introduction

Poverty and Inequality in a New World

David B. Grusky and Tamar Kricheli-Katz

The idea that inequality is a major social problem in the United States was once a small-niche belief limited to hard-core leftists, socialists, and Marxists. There was much hand-wringing within this crowd about the false consciousness (to use an old term!) of the general public: Why, it was asked, is the U.S. public so tolerant, even unaware, of the spectacular takeoff in income inequality, a takeoff that's generated levels of inequality approaching those of the First Gilded Age? When, just when, would the middle-class voter come to her or his senses, recognize the takeoff for what it is, and stop backing the political party that was causing it?

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But that was then. We now live in a new world in which the public increasingly knows about the takeoff and is questioning whether extreme inequality can be justified by simply assuming, as Americans once did, that those at the top are distinguished by their unusually hard work, talent, and marginal product. There is instead growing sentiment that poverty and inequality are major social problems that may be generated as much from corruption and other market imperfections as more narrowly competitive forces. The percentage of Americans who now agree that it's the government's responsibility to "reduce income differences between the rich and poor" stands at 52 percent (up from 39 percent in 1985), while the percentage who agree that "large differences in income are necessary for America's prosperity" has fallen to 24 percent (as compared to 34 percent in 1987).[1] We're just not buying anymore the conventional liberal story that our particular constellation of quasi-market institutions will, when left to their own devices, automatically bring about affluence, let alone increasingly diffused affluence.

What accounts for the sea change? The sources of such radicalization haven't yet been definitively teased out,[2] but it's not likely the result of some gradual diffusion and dissemination of information about the takeoff. The main cause may instead be recent highly publicized news events (e.g., the financial crisis, the Great Recession, Hurricane Katrina) that have exposed troubling inequalities and fed the presumption that we should care about them. The effect of any one of these events might have been quite minor or transitory,[3] yet the rare confluence of so many system-challenging events seems to have worn down our commitment to the conventional liberal justification of inequality. The backbreaking event in this regard may well prove to be the ongoing economic crisis. This crisis registers in a very direct way: indeed, instead of merely reading or hearing *stories* on the news about the experiences of others, a large proportion of Americans have been directly affected through unemployment, the loss of a house, and declining retirement accounts or housing values.[4] Although the recession's effects on public opinion haven't as yet been profound,[5] they may become so insofar as the labor and housing markets fail to recover in the coming years or insofar as Occupy Wall Street continues to develop and grow.

The key assumption behind this conjecture—and indeed it's just that—is that the financial crisis and subsequent recession will make some people

less willing to justify inequality as the outcome of hard work and talent. This very American justification might be undermined in two ways. First and most obviously, insofar as a great many talented and hardworking workers remain unemployed or underemployed during a prolonged recession, it becomes more difficult for them (and perhaps others) to embrace the simple premise that hard work and talent straightforwardly make for success. Second, such widespread duress at the bottom of the class structure, in itself challenging to a conventional legitimation of inequality, has developed in the context of highly public revelations that at least some top executives have reaped extraordinary riches despite their firm's poor performance. The common view that merit earns rewards may therefore come under challenge in light of concerns that neither the unemployed poor nor amply compensated rich fully deserve their fate.

We are, then, in the midst of a historic moment in which many forces have come together and have quite suddenly raised the prominence of debates about poverty and inequality. If the long view of history is taken, issues of inequality appear to have regularly cycled in and out of fashion, with the last period of high concern occurring in the 1960s and 1970s and yielding a renewed commitment to civil rights (e.g., voting rights), equal opportunity (e.g., antidiscrimination law), and even equal outcomes (e.g., affirmative action). We're suggesting here that a new period of heightened concern about poverty and inequality appears to be upon us.

The rationale behind this book, therefore, is to bring together leading scholars in such fields as philosophy, sociology, economics, and political science and ask them to develop and prosecute these increasingly prominent debates about inequality in a rigorous yet readable way. If public debate about poverty and inequality is on the rise, that's not to suggest that such debate is always carried out with full access to the relevant empirical evidence or to the sometimes complicated normative issues at stake. We thus hope to enrich the public debates at a time when it becomes increasingly important to do so.

Although the debates presented here take on weighty topics, we have sought to engage with them in a highly readable way and thereby avoid the academic's tendency to wring any bit of interest out of a topic through pedantic or obscure prose. If the typical academic book focuses on topics that only an academic can love, this is hopefully anything but such a book. But

how does one present weighty topics in an engaging way? We have settled here on the format of delivering an explicit debate between top scholars on five core questions about the sources, future, or legitimacy of inequality. We will be exploring (a) whether those who are relatively well off should feel a pressing personal obligation to share their wealth with others who are less fortunate, (b) whether economic inequality creates incentives to get ahead and therefore raises total economic output, (c) whether the U.S. takeoff in income inequality was driven by political decisions rather than nonpolitical "market forces," (d) whether the pay gap between women and men may be attributed to discrimination by employers, and (e) whether racial divides will continue to be fundamental in the future. For all five topics, two leading scholars were asked to weigh in, with each being given instructions to focus on the core empirical or normative issues of interest in that debate.

There are, alas, two sins of omission to which we must confess. The careful reader will note, firstly, that most of our selected debates are playing out *within* a given discipline, even though their implications always reach far beyond that particular discipline. Although we could have easily manufactured any number of cross-discipline debates, our objective here was to expose to the wider public such debates as are presently underway. For better or worse, the pressing debates of our time mainly take a within-discipline form, hardly a surprising state of affairs given that contemporary scholarship is, even now, largely practiced within the disciplines. However fashionable interdisciplinarity may be, it would be hard to deny the importance of the within-discipline debates upon which we've focused; and hence our first sin is, we hope, a forgivable one.

The second sin: We have commissioned debates that focus disproportionately but not exclusively on the U.S. case. The characteristic tendency is, of course, to treat poverty and inequality as problems of other countries, especially those of the Southern Hemisphere. The rising engagement with poverty issues in the United States does, in part, take the form of worrying more about poverty in other countries. Although our first debate is relevant to this type of outward-looking worry, most of our debates are more relevant to inward-looking worries about poverty or inequality within the United States and other similarly rich countries. It's precisely the rise of such inward-looking worries that makes the current period so special and hence worthy of our attention. If it's typically a matter of some embarrassment

to focus on the United States and other rich countries, in the present case it thus seems especially appropriate to suspend those usual rules.

DO WE HAVE AN OBLIGATION TO ELIMINATE OR REDUCE POVERTY?

The first debate takes on the simple question of whether and under what circumstances rich people should feel obliged to contribute money for the purpose of reducing poverty. Is it, for example, tantamount to murder when we opt to buy a luxury car rather than donate that same money to a relief organization that could then use it to save someone from starvation? Should there be a special obligation to help those in need when they are family or community members? Or is there instead a generic obligation to assist regardless of such special ties? We have asked two leading philosophers, Peter Singer and Richard Miller, to weigh in on these questions.

It bears emphasizing that Singer and Miller agree that U.S. citizens don't engage in nearly enough charitable giving. The debate between them turns not on the importance of ratcheting up giving but on whether we should feel just as obliged to help strangers in other countries as to assist our own family, community, or society members. For Singer, the dying stranger is just as deserving as the dying family member, and we can't shirk our responsibility to assist simply because those in need often live far away. Although Miller argues, by contrast, that it's distinctively human to honor those particularistic relations of family or community, he also recognizes that our responsibilities to strangers, while less profound, are still important enough to trigger substantial charitable giving, certainly far more than we currently practice.

How do students and others exposed to the Singer-Miller debate react to this conclusion? In our own experience, it is not uncommon for students to be shocked and moved, but typically not so shocked and moved as to increase substantially their own giving, a result that leads us to wonder why such a compelling argument doesn't always register at the level of behavior. There is of course much evidence suggesting that in general we don't necessarily act in line with our beliefs. In this particular case, we suspect that inaction is an especially common response because consumption is deeply embedded in our everyday behavior and is not easily shed, even when it's

appreciated that it's ethically problematic. Despite the best of intentions, it becomes difficult to honor them given that consumption is organically interwoven into our lives, rendering it more a style of life than some unit act, such as abortion, that could conceivably be surgically removed through ethical argument. The twin forces of the Great Recession and climate change may be calling our high-consumption lifestyle into question, but it remains to be seen whether such forces will bring about purely marginal changes in behavior (e.g., a preference for hybrid cars) rather than more fundamental and revolutionary ones (e.g., forgoing driving altogether).

The deep embedding of consumption in everyday life thus makes it difficult for all of us, even those persuaded by Singer, to scale back our high-consumption lifestyles. It's also problematic, of course, that a pro-charity argument does not resonate well with everyone, as it comes into direct conflict with the cherished principle that our earnings are a reflection of our marginal product and hence justly spent by ourselves (and on ourselves). We believe, in other words, that we are entitled to the money we make because it reflects how much value we create in the economy, a principle that makes us balk whenever we are told that our money should instead be handed over to others. The commitment to this principle is so strong that it allows us to ignore the brute consequences of our actions (e.g., the death of a starving child) and insist instead on our right to spend on ourselves. However persuasive the case for charitable giving may be, one accordingly has to wonder whether it can overcome at once our entrenched high-consumption lifestyle, and our equally entrenched view that our earnings are justly earned and thus properly spent on our own needs.

This is all to suggest that poverty is not likely to be greatly reduced in the near term through some sudden bottom-up recommitment to charity. There are, however, a great many examples of successful top-down antipoverty initiatives, perhaps most obviously the *Bolsa Familia* program in Brazil, the *Oportunidades* program in Mexico, and the *New Labour* program in the U.K. (which is now being dismantled). Although a sudden increase in charitable giving doesn't seem likely in the current economic downturn,[6] it's always possible to recast labor market and economic institutions from the top down in ways that lead to a profound reduction in poverty or inequality (e.g., via union law, minimum wage increases, tax policy, incarceration policy). The second debate, to which we now turn, examines our "tastes" for such top-down reforms.

IS THERE A POLITICAL SOLUTION TO RISING INEQUALITY?

It hasn't been adequately appreciated in U.S. politics that a country must *choose* its level of poverty and inequality in just the same way that it chooses its abortion policy, education policy, or gun policy. Rather, the tendency in the United States has been to view poverty and inequality as a natural and inevitable consequence of market forces, almost as if there's only one type of market that then generates some inalterable amount of poverty or inequality. The cross-national record reveals, very much to the contrary, that different types of markets can yield widely varying amounts of poverty and inequality.

We might therefore ask whether the recent run-up in U.S. inequality, which has been spectacular,[7] may be understood as the consequence of political tinkering with tax policy and labor market institutions. The second debate takes on just this question. The two contributors to this debate, John Ferejohn and Jeffrey Manza, agree that political forces are very much behind the run-up, yet they choose to emphasize different types of political forces. For Ferejohn, the run-up must be understood as a distinctively "Republican outcome," as Republicans almost invariably push tax policy that favors the rich, even if such policy is adroitly marketed as across-the-board. Although Manza agrees with Ferejohn that inequality is a Republican outcome, he also points out that it's not very satisfying to simply end the analysis there. Indeed, a complete analysis would have to further explain why Republicans have (until recently) reliably posted electoral victories, especially given that they push policies that would appear to appeal only to narrow (i.e., rich) constituencies. As Manza views it, this electoral success may be attributed not just to unusually savvy campaigns, as is conventionally argued, but also to a host of Republican-advantaging electoral institutions. These institutions include campaign finance laws that allow the rich to provide financial support to their candidates as well as the tendency for the rich to register and vote more frequently than the poor (a difference that is partly generated by high incarceration rates and the disenfranchisement of felons). The complete story behind the run-up therefore requires a twofold argument to the effect that (a) campaign finance law, voter registration law, and other electoral institutions serve the interests of Republicans and thus raise their chances of electoral success (i.e., the Manza argument), and (b) once elected

Republicans will favor tax and employment policy that privileges those at the top of the income distribution (i.e., the Ferejohn argument).

It does not follow, however, that a Democratic president, such as Barack Obama, will instantly change distributional politics in the United States.[8] With tongue partly in cheek, Ferejohn does suggest that those wishing for less inequality need only elect a Democrat, although he additionally appreciates that Democrats have traditionally lacked the spine to put forward a strong and coherent anti-inequality narrative. If we took this caveat seriously, we might conclude that only rarely does that special politician, the one replete with spine, come along and bring about fundamental change. Why, then, are spines in such short supply? The short answer, as Manza points out, is that we live in an institutional and cultural environment that doesn't select for candidates with spines. The very Republican-advantaging institutions that make it difficult for Democrats to be elected make it equally unlikely, whenever a Democrat *is* elected, that she or he will be able to successfully push a serious anti-inequality platform. The upshot is that wide-reaching institutional reforms of the sort that reduced inequality in the Depression period are less likely to be pushed for and adopted now. Although the base probability of some fundamental reform may be unlikely, that's not to gainsay the equally important point that it is probably higher now than it's been for some time, as the success of Occupy Wall Street suggests.

HOW MUCH INEQUALITY DO WE NEED?

We shouldn't conclude that the run-up in inequality is problematic simply because political forces were behind it. Indeed, the overt ideology behind the Republican love affair with inequality is that it incentivizes effort and initiative, thereby increasing total economic output and yielding benefits (in the form of higher income) even among those at the bottom of the income distribution. The famous trade-off thesis thus implies that a taste for equality is exercised at the cost of reducing total output and potentially rendering all worse off. We can't, as Arthur Okun so cleverly put it, "have our cake of market efficiency and share it equally."[9]

The trade-off thesis is treated by ideologues as an article of faith, but it can be rendered testable by simply asking whether groups or societies with higher inequality are indeed more productive. The third debate, which

features contributions by Richard Freeman and Jonas Pontusson, approaches the debate from precisely this empirical stance. In Freeman's piece, the trade-off thesis is laid out very clearly, albeit now with the revision that extreme forms of inequality may in fact be counterproductive and serve to reduce output. The relevant thought experiment here is that of the golf tournament in which all prize money is allocated exclusively to the winner. In this winner-take-all setup, the mediocre golfers who have no chance of winning lack any incentive to exert themselves, with the implication that total output in the form of pooled golf strokes will diminish. It follows that we do well to set up more graduated payoff schedules that incentivize participants of all ability levels. There are, in other words, certain forms of extreme inequality (e.g., winner-take-all forms) that don't succeed in creating the incentives that the trade-off thesis presumes.

Although Freeman provides compelling experimental evidence in support of this modified thesis, Pontusson points out that actual cross-national data on inequality and economic growth don't reveal the presumed curvilinear relationship. We don't find that countries with low inequality have low growth, those with medium inequality have high growth, and those with high inequality then revert back to low growth. The results suggest, to the contrary, that the relationship between inequality and growth is weak and follows neither a linear nor curvilinear form. The simple conclusion proffered by Pontusson: The available data cannot support a trade-off thesis either in its original or Freeman-modified version.

It's less difficult than one might think to reconcile this conclusion with that of Freeman. It has to be borne in mind, after all, that those high-redistribution countries that "soak" the rich (e.g., Sweden) are hardly burning the resulting tax receipts. Rather, they use these receipts to undertake other initiatives (e.g., Social Security, health care), and the economic growth that obtains within such countries therefore reflects whatever additional productivity such initiatives may generate. If, for example, the receipts are used to open up educational opportunities for the poor and thereby allow new talent to be discovered, it's altogether possible that the resulting growth swamps any negative incentive effects of the sort featured in a trade-off thesis. The truly compelling test of the thesis requires, then, that we find a country that introduced a progressive tax structure without at the same time undertaking potentially confounding changes in its institutions. Although such a critical test would speak to the net effect of incen-

tives and thus interest academics, there's also pragmatic value in assessing the total effects of progressivity (i.e., the incentive effects combined with the associated institutional investments) insofar as such effects speak to the real trade-offs that countries face. That is, a country considering whether to raise tax rates at the top has to take into account not just the incentive effects of such a change, but also the institutional investments that become possible with the new tax revenues. The decision that in practice must be made is whether these two presumably countervailing forces will, when taken together, work to increase or decrease GNP and other outcomes of interest.

WHY IS THERE A GENDER GAP IN PAY?

The foregoing debates refer in turn to the responsibility of rich individuals to address poverty by ratcheting up their charitable giving, the effects of political forces in generating recent increases in inequality, and the extent to which inequality incentivizes workers and thereby increases effort, initiative, and ultimately total output. The focus in all these debates is thus on the overall amount of inequality rather than which groups tend to benefit most from it. In our final two debates, we turn explicitly to gender and racial gaps in income and other valued goods, a shift in focus that allows us to consider how different groups are faring under the rapid overall growth in inequality.

It is striking in this regard that, despite the recent takeoff in overall inequality, the pay gap between women and men has been growing progressively smaller. Because the earnings distribution has been "stretching out" over the last 30–40 years, the baseline expectation has to be that those who earn less (e.g., women) will, on average, fare poorly relative to those who earn more (e.g., men). The data happily belie this expectation: the ratio of women's earnings to men's earnings (for full-time workers) has in fact increased from .59 in the 1970s to .78 in 2007.[10] It must be concluded that the forces making for gender equality are so profound as to overcome the various generic inequality-increasing forces.

The main question taken on in our fourth debate is whether employer discrimination plays an important role in explaining the wage gap that nonetheless remains even after this historic equalization. Do employers still have a "taste" for hiring men for the best-paying jobs even when female

candidates are equally qualified? Or is the residual gap principally explained in terms of the different qualifications and credentials that women and men bring into the labor market? The gender difference in qualifications arises in part because the traditional division of labor has men primarily responsible for earning income and women primarily responsible for homemaking and child care. Moreover, because women anticipate shorter and discontinuous work lives (by virtue of childrearing), their incentive to invest in on-the-job training is less than that of men. It follows that women tend to accumulate less training than men and will accordingly earn less as well. The matter at hand is whether this gender difference in qualifications, which arises out of the traditional division of labor, accounts for rather more of the contemporary wage gap than outright employer discrimination.

Although our two participants in this debate, Solomon Polachek and Francine Blau, agree that both employer discrimination and differential qualifications account for some of the gap, they attach different weights to these two sources, with Blau emphasizing discrimination rather more than Polachek does. As with the last debate, here again it's a matter of weighing the implications of quite complicated statistical analyses, and Polachek and Blau alike are masterful in presenting the evidence that each side must take into account. We won't attempt to review that evidence here. Rather, we would simply stress that such evidence has more than purely academic implications, as it speaks directly to the types of policies that are likely to be successful in reducing the wage gap. Perversely, we might well root for Blau's position that employer discrimination is a prominent source of the residual gap, given that there are quite straightforward policy measures that could successfully take this discrimination on. We might, for example, work to toughen up enforcement of discrimination law, although even here the policy response is complicated by the role that subtle and subconscious forms of employer discrimination may well play.[11]

It's arguably more difficult to take on that portion of the wage gap that is generated by the traditional division of labor and the resulting gender gap in qualifications. We now know that the gender revolution has been a profoundly asymmetric one, a revolution in which females have increasingly moved into the labor force and assumed male-typed jobs, while males have proven reluctant to take on child care and domestic duties or assume female-typed jobs. Moreover, even though the diffusion of egalitarian ideologies might appear to challenge the traditional division of labor, these

ideologies require only a purely formal commitment to "equal opportunity" and can readily coexist with the essentialist view that women and men remain fundamentally different, have very distinctive skills and abilities (e.g., the "nurturant" women, the "technical" man), and will therefore avail themselves of formally equal opportunities in very different ways.[12] The persistence of such essentialist views of women and men make it challenging to take on the traditional division of labor (even as the pejorative tag "traditional" suggests some amount of ongoing delegitimation).

THE FUTURE OF RACE AND ETHNICITY

The final debate addresses similar questions about trends in racial and ethnic inequality. As with gender inequality, here again we find dramatic change over the last half century, but at the same time real concern that the forces for change may have stalled or that such changes as have occurred are more shallow than most of us appreciate. By some accounts, we find ourselves poised at a crossroads in which two very plausible futures appear before us, a pessimistic scenario that treats the civil rights revolution as unfulfilled and emphasizes that racism is deeply entrenched, and an optimistic scenario that assumes that racial and ethnic inequalities will continue to erode away, if only very gradually. With the election of Obama, the latter position instantly became more fashionable in some circles, with many commentators even going so far as to suggest that a new "post-racial order" has taken hold. Although the debate between pessimists and optimists is classic and long-standing, the election of Obama makes it especially important to revisit, and we have accordingly selected two scholars who are formidable representatives of these different views on the likely trajectory of change.

The essay by Mary Waters lays out the historic changes underway that serve to blur the boundaries between conventionally recognized racial groups and to reduce the homogeneity of life chances and experiences within these groups. The boundary-blurring effect of intermarriage is prominently featured in her account. In the last thirty years, the proportion of all couples from different races rose from 1 to 5 percent, with smaller groups tending to have higher out-marriage rates than larger ones. The out-marriage rate for American Indians, Asians, blacks, and whites is 57 percent, 16 percent, 7 percent, and 3 percent respectively. As intermarriage becomes more common, a new multiracial population has emerged that often refuses to self-identify in monoracial or monoethnic terms, a development that the census recognized in 2000 by allowing respondents to check more than one race (a choice that approximately 2.4 percent of the population took up). The rise of intermarriage and the resulting growth of the multiracial population mean that boundaries between groups are becoming "more permeable and harder to define" (Waters, p. 241). Moreover, just as the boundaries *between* racial groups are growing more amorphous, one finds new divides based on immigration status emerging *within* them. Most notably, black immigrants often outperform their native counterparts on standard indicators, including schooling or income. This development again renders any conventional racial classification less meaningful in terms of the information about life chances that it conveys.

How does Howard Winant, our other contributor to this debate, respond to such arguments? Although he's well aware of ongoing trends in racial intermarriage and identification, he suggests they bespeak a decline in particular types of racial boundaries rather than some more global decline in our collective tendency to racialize. This tendency to racialize runs deep in U.S. culture. Indeed, even as some racial boundaries are weakened by intermarriage, others are emerging or strengthening in response to perceived cultural, economic, or military threats (e.g., emergent "Islamophobia," emergent antipathy to Chinese-Americans). The extreme racialization of U.S. life is further revealed in the ongoing use of racial profiling, the continuing need to resort to racial politics to win elections, and the well-documented role of racial discrimination in labor markets.[13] Although life in the United States remains profoundly racialized in all these ways, the great irony of our times, Winant suggests, is that many U.S. citizens or residents don't see such racialization, with the result being that "color-blind policies" (e.g., dismantling affirmative action) have become increasingly attractive to many.

It is clear that Waters agrees with Winant that U.S. life is deeply racialized and that such racialization is not always fully understood or appreciated. This omnipresent racialization of everyday life and life chances is surely one of the exceptional features of the United States, although it's present to some degree in all countries. If Waters breaks with Winant's account, it's only because she stresses that there are also forces at work that are weakening at least some racial boundaries, forces that may work slowly and fitfully but even so are hardly a trivial side story.

CONCLUSION

We have chosen a debate-based format that perhaps lends itself to the conclusion that current scholarship on poverty and inequality is rife with discord and disagreement. If this is indeed the impression conveyed, it would be a partial and potentially misleading one. Although there is much healthy debate in the field, it's also striking that our contributors and the field at large appear to be settling into a new shared orientation toward inequality, a new zeitgeist of sorts that challenges the more benign narratives about inequality that were once fashionable. We will conclude by speculating briefly about the sources of this new orientation, the various ways in which our contributors and the larger inequality field appear to be moving toward it, and how it differs from past views of inequality and its legitimation. This discussion of the changing views of scholars will complement our earlier introductory comments on how the wider public is likewise changing their views of inequality as the New Gilded Age unfolds.

It's useful to set the stage by first describing how inequality (and its legitimacy) has been approached over the last quarter century or so. Obviously, there's always been a diversity of scholarly views about the conditions under which inequality is acceptable, but a prominent feature of the closing decades of the twentieth century was the rise of a neoconservative orientation. This orientation featured such claims as (a) some amount of inequality is necessary to create incentives and maximize total output, (b) inequality can and should be justified as the consequence of individual-level choice (e.g., differential effort, investments in education, training), and (c) all poverty interventions will inevitably create perverse incentives that make poverty more attractive and thereby increase the total amount of poverty. These views, all of which represent inequality or poverty as a necessary evil, were commonplace not just among populist neoconservative commentators but among more academic scholars of inequality as well, especially within economics. We don't mean to overstate the diffusion of such views. Throughout this period, the dominant orientation toward inequality among social scientists remained a disapproving one (at least outside the discipline of economics), yet the neoconservative position was also legitimate and influential and put conventional liberals frequently on the defensive, all the more so given that economics emerged during this period as the definitively high-status social science.

But the pendulum seems now to have swung against such broad and comprehensive justifications for inequality. In part, this new approach to inequality has been informed by a broadened conception of *rights*, the claim being that all citizens should be guaranteed the right to participate in economic life and to avoid the most extreme forms of social and economic exclusion (see esp. Winant's essay). It would nonetheless be a mistake to understand the rising concern with poverty and inequality as exclusively or even principally fueled by some sudden realization that social inclusion is a fundamental right. Although a rights formulation appeals to some philosophers and sociologists, it is simple *consequentialism* that seemingly underwrites the quite rapid shift in the orientation of some economists (and political scientists) toward inequality. In recent years, economists and political scientists have been much affected by the mounting evidence that extreme forms of inequality can in fact lower total output, an effect that may partly arise from the dynamics that Freeman identifies. Also, insofar as much inequality is generated by discrimination (see Blau's essay), it implies an economy rife with inefficiencies that lower overall output.

The negative consequences of extreme inequality may not be exclusively economic. There is additionally a growing tendency to emphasize the more generic threat that inequality poses for the world community as a whole. The rhetoric of "sustainability," although more frequently featured in discussions of environmental problems, is increasingly taken as relevant to discussions of inequality as well. In adopting this rhetoric, the claim is that extreme inequality is counterproductive not just because it reduces total economic output but also because other very legitimate objectives, such as reducing mortality rates or the threat of terrorism, might be compromised if inequality remains so extreme. This "externalities" orientation appears most prominently in our two essays examining the effects of extreme inequality on political participation.

The legitimacy of inequality has also increasingly been called into question within the context of micro-level models of decision-making. If in the past the characteristic trope was to justify poverty as the result of freely made decisions to forgo education in favor of immediate gratification, it has proven increasingly difficult to sustain that position in light of the constraints within which such decisions are now understood to be made. The behavioralist fashion is of course to focus on various cognitive constraints (or "deficits") that, because they are built into our physiology, preclude us

from fairly blaming the decision-maker for her or his decisions. Although many economists are attracted to the behavioralist approach, others additionally appreciate the constraints that are built into social structure (not just individual physiology). The standard argument here, and indeed one that Polachek takes up, is that inequality is reproduced because those at the bottom of the distribution are induced, by virtue of their position, to make decisions that further mire them. The woman who "chooses," in other words, to invest less in workplace training does so because of the societal presumption (and hence constraint) that she is principally responsible for child care and domestic duties. This type of rational-action account is widely applicable: the child born into a poor neighborhood and thereby consigned to poor schooling may, for example, rationally decide that attempting to attend college would be highly risky and yield low expected payoff, no matter how much talent she or he has. These types of rational-action accounts differ fundamentally from those that justify inequality as the outcome of randomly distributed proclivities to defer gratification.

This is all to suggest, then, that a confluence of factors have come together to induce all academics, even economists, to increasingly view inequality and poverty as important social problems. To be sure, this view has long been the dominant one within academia, but the "right tail" of the distribution of beliefs (i.e., the pro-inequality tail) has now shrunk in size and been put very much on the defensive. The present book is ample testimony to such shrinkage. It nonetheless remains unclear whether this is mere academic fad or instead presages a renewed commitment to take on poverty and inequality.