

when the market and neoliberal governmentality seems to rule all of our lives, including those of us in higher education, people find creative ways to resist, mitigate, and redirect some of its most onerous effects.

Income Inequality: Economic Disparities and the Middle Class in Affluent Countries. Edited by Janet C. Gornick and Markus Jäntti. Stanford, Calif.: Stanford University Press, 2013. Pp. xxii+515. \$65.00.

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As human beings we are naturally ill equipped to understand implications of the upswing in inequality of the income distribution—the Great U-turn—that has afflicted this and other societies in recent decades. We have no evolved organs to sense inequality in a large, geographically spread out, and anonymous population. Even a purely intellectual apprehension of the inequality phenomenon is difficult, requiring comparison of incomes that differ by orders of magnitude.

For the past three decades the Luxembourg Income Study (LIS) has collected detailed microdata on household income (and more recently on wealth) at several points in time for a number of developed countries, harmonizing the survey procedures to make data comparable. The original set of OECD countries has recently been augmented with Latin American and other middle-income countries—providing additional insight. Janet C. Gornick and Markus Jäntti's *Income Inequality* is one fruit of this vast research effort. The book consists of studies of contemporary inequality trends using the LIS data woven into a rich tapestry of understanding of a complex historical episode. The contributors—economists, sociologists, political scientists—analyze the high-quality data using powerful methodologies capable of laying bare the underlying structure that human intuition cannot access. The rest of this review illustrates, very partially, the range of substantive issues that the book illuminates.

How bad has the U-turn been in the United States? Domestic public debate on inequality has narrowly focused on the U.S. experience. Several contributions help place this experience in perspective. Figure 1.3 (p. 22) shows the inequality trajectories from the 1980s to the 2000s for European OECD countries and Mexico. U.S. inequality has indeed increased over the period, ending at a level higher (Gini = .38) than most other developed societies. Despite the upswing U.S. inequality is still lower than that of Mexico (Gini = .48) and other Latin American countries. New data on income inequality in India (Gini = .48, higher than previous estimates) and South Africa (Gini ~.70) suggest that middle-income countries tend to have higher inequality than high-income countries. A chapter on India provides a startling visual clue to this pattern. Plotting the Gini coefficient against median household income, for Indian states together with individual countries in the LIS data, two distinct clusters emerge: one up on the left corresponds to Indian states

and middle-income countries, with high Ginis around .45; another down on the right corresponds to high-income countries, with Ginis centered around .30 (fig. 16.4, p. 453). This figure is just the right-hand segment of the Kuznets curve, showing inequality declining with economic development. The Kuznets pattern is still quite visible in these international comparisons. Despite the upswing of the past four decades, U.S. inequality is still low compared to that in middle-income societies.

Was there a hollowing out of the middle class? An early sound bite connected with the inequality upswing was the “hollowing out” of the middle class. Did the implied dent in the distribution of income ever appear? Two chapters in the collection investigate this issue, using complementary methodologies including relative distribution methods. The answer is somewhat complicated, as country trends differed. Many countries indeed experienced a hollowing out of the middle class between the mid-1980s and the mid-2000s. Defining the middle class as the middle 60% of incomes, the income share of the middle class has declined in most countries, with the lost income typically moving to higher income categories, an “upgrading” movement consistent with the popular skill-biased technological change theory of the inequality upswing. However, “downgrading” with a loss in lower-income categories has also taken place in such countries as Taiwan, Sweden, and Germany.

Trend or episode? Thinking about income inequality after the middle of the 20th century was dominated by the Kuznetsian vision of an inverted U-shaped trend of inequality in the course of economic development. With the reversal of the trend of declining inequality in the U-turn, the question arose of whether the upswing reflects cyclical rather than structural change. Year-to-year inequality data for Iceland provides a potential clue. Iceland experienced a financial bubble with considerable growth in the share of the top 1% together with a large increase in the Gini, from a Nordic .21 in 1993 to a peak of .43 in 2007 (fig. 15.1, p. 420). The burst of the bubble with the financial crisis of 2008 brought inequality quickly down to .25 in 2010. If such a wild swing could happen in Iceland, why not in the United States? The authors argue that the case of Iceland is rather unusual and should not be generalized to other national situations. Nevertheless, one wonders whether the inequality upswing that motivated Occupy Wall Street and presidential declarations is in part episodic, an epiphenomenal result of a financial bubble temporarily inflating incomes at the very top.

Did women’s employment contribute to inequality? When the U-turn was first noted and described in the late 1980s, social scientists looked at the growth in female labor force participation over the course of the 20th century as a possible culprit. As husbands and wives tend to be similar in education and other earnings-relevant resources, wives joining the labor force would tend to amplify current inequality of earnings among husbands. In fact, earnings of husband and wife tend to be positively correlated when both work. A chapter demonstrates, using counterfactual simulations among other approaches, that women’s employment tends to decrease inequality: if no women worked, inequality would be greater; if all women worked, inequal-

ity would be less; the equalizing effect of increasing women's employment is larger than that which would be achieved by closing the gender gap. Another chapter looks at the unpaid work in the household that is (typically) performed by women. Evaluating these "invisible" earnings and including them as part of household income substantially reduces the inequality of the distribution.

These illustrations hardly scratch the surface of this highly informative book. The combination of high-quality income data comparable across countries, international coverage of a period of major change, and insightful analysis based on sophisticated methodologies makes this book a major contribution to our understanding of inequality. *Income Inequality* will influence research for years to come.

Searching for the Spirit of American Democracy: Max Weber's Analysis of a Unique Political Culture, Past, Present, and Future. By Stephen Kalberg. Boulder, Colo.: Paradigm Publishers, 2014. Pp. xii + 157. \$102.00.

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What values constitute the foundation of American democracy? In what ways were they influenced by ethics in the early American colonies? Have these values changed over the 20th century, and what are the prospects for both continuity and change in the 21st? Stephen Kalberg attempts to answer these questions in this book, aptly characterized by the latter part of its title, *Searching for the Spirit of American Democracy: Max Weber's Analysis of a Unique Political Culture, Present, and Future*.

At only about 135 pages without the glossary, bibliography, and index, this volume is very slim, and in the early parts Kalberg's account is conventionally Weberian yet still manages to convey important insights. Lucidly and concisely, the author retraces Weber's conceptualization of the early American civic sphere arising out of ascetic Protestantism's attempts at world mastery, combined with the infusion of its Puritanical values into the civic sphere via families, schools, neighborhoods, businesses, and civic organizations. This "symbiotic dualism," as Kalberg terms it, between individualism and community building constituted a uniquely American form of practical-ethical rationalism neither shackled to established traditions nor solipsistically individualistic. Its social roots lay in the "Protestant sects," whose cultural representatives, in the form of missionaries, recent research (which the book does not mention) has claimed to have furthered democracy worldwide via mass literacy, education, and active civic groups opposed to corrupt or hegemonic governments (see Robert Woodberry, "The Missionary Roots of Liberal Democracy," *American Political Science Review* 106 [2012]: 244–74). After the waning of Puritanism in the United States, various secularized civic associations took up the slack to much the same effect, emphasizing self-reliance and self-government (a "strong in-