



**SEVENTH FRAMEWORK PROGRAMME
COOPERATION**

THEME 8

SOCIO-ECONOMIC SCIENCES AND HUMANITIES

SSH-2009 - 2.2.1 Social inequalities, their implications and policy options

GINI

Growing INequalities' Impacts

“Description of Work”

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Project Summary

Title Growing INequalities' Impacts

Acronym GINI

Strategic Objective A major improvement in the understanding of changing inequalities and their impacts in the various countries of the European Union in comparison to other developed countries, including a longer-term perspective and with due attention paid to the impact on society as a whole

Abstract

The project focus is inequalities in income/wealth and education and their social/political/cultural impacts. It combines an integrated interdisciplinary approach, improved methodologies, an improved understanding of inequality (bottom/middle/top and the very top), wide country coverage, a clear policy dimension and broad dissemination. It exploits differences between and within countries in inequality levels and trends to understand impacts and tease out implications for policy and institutions. It highlights potential effects of individual distributional positions and increasing inequality for a host of 'bad outcomes' (societal and individual) and allows feedback from impacts to inequality in a frame of policy-oriented debate and comparison across 25 EU countries, USA, Japan, Canada and Australia. Social impacts include educational access and achievement, individual employment opportunities and labour market behaviour, household joblessness, living standards and deprivation, family and household formation/breakdown, housing and intergenerational social mobility, individual health and life expectancy, and social cohesion versus polarisation. Underlying long-term trends, the economic cycle and the current financial and economic crisis will be incorporated. Politico-cultural impacts investigated are: Do increasing income/educational inequalities widen cultural and political 'distances', alienating people from politics, globalisation and European integration? Do they affect individuals' participation and general social trust? Is acceptance of inequality and policies of redistribution affected by inequality itself? What effects have political systems (coalitions/winner-takes-all)? Finally, it focuses on costs and benefits of limiting income inequality and its efficiency for mitigating other inequalities (health, housing, education and opportunity). The ultimate aim is to consider the overall impact of changing inequalities on societies for the longer term and discuss whether agenda setting in politics may undergo structural change. A detailed flexible plan and support from an outstanding Advisory Board will allow the highly experienced research team to deliver important new answers to questions of great import to European societies.

1. Relevant scientific quality

The 7th Framework Programme offers a great opportunity for a robust advance in the integrated study of changing inequalities and their impacts on individuals, different aspects of society and society as a whole in virtually all countries of the Europe Union¹ and beyond by an in-depth scrutiny of such impacts, the channels through which they operate (and potentially feed back into inequalities), and the role of institutions and policies in fighting – or reinforcing – these impacts and inequalities.

This description of work

- details the approach that we intend to adopt and the potential for analysis and policy making that it contains;
- presents an international team of some 80 scholars who agree to undertake the work, and shows their experience not only in researching the topic but also in cooperating successfully for research, to argue the feasibility of its large scale as a team;
- indicates the interest taken by renowned scholars who have made outstanding contributions to the study of inequalities and their impacts, and who have agreed to support the present undertaking as members of the Advisory Board².

1.1 Vision and objectives

The overarching objective of this project is a major improvement in the understanding of changing inequalities and their impacts in the various countries of the European Union in comparison to other developed countries, including a longer-term perspective and with due attention paid to the impact on society as a whole. This will be obtained,

first, by developing detailed, coherent and extensive new analyses of four main areas: the changes in income and educational inequalities, their social impacts, their cultural and political impacts and their interaction with policies, followed by,

second, the integrated application of these analyses to 25 countries in the European Union, the USA, Japan, Canada and Australia followed by, third,

the generalisation of conclusions that can be drawn from these country studies regarding the analysis of longer-term overall societal impacts of increasing inequalities, and,

fourth, the identification of policy lessons that can be learned from those conclusions.

Introduction: the basic structure of 'driver inequalities', impacts and policies

Inequality has been rising in many countries, especially in the USA but also in many countries of the European Union, though this has occurred with significant variation and even outright exceptions of stability or decrease. The increase raises concerns, both in its own right and for the wider social, cultural and political impacts it may have, and, naturally, it also raises questions about what can be done about it. The (inter)national and (inter)temporal variation seems essential for understanding the process and answering the questions. We aim to exploit this in a two-pronged approach, focused on the inequalities themselves and their impacts respectively, with the former aiming to help in understanding the latter.

The theoretical perspective underpinning the project takes as point of departure the role of education that has become ever more central in influencing life-chances, and has been a major preoccupation of both economic and sociological research over the past quarter-century or more. Deep-seated differences in educational attainment across social classes underpin wider socio-economic inequalities in advanced societies. This means that shifts in the returns to education, reflecting changing demand for skills driven by factors such as technological change and globalisation as well as changes in educational structures and participation

¹ Except Cyprus and Malta, to optimise budget use.

² Atkinson, Esping-Andersen, Hills, Mettler, Mira d'Ercole, Stier, Waldfogel, and Wilkinson (see Table 7).

patterns, can have profound effects on the distribution of income and on life-chances. This is particularly true when countries start from very different positions in terms of the distribution of educational attainments in the population. In addition, changes in gender roles and patterns of labour-force participation, in household structures, and in demographic profiles can have major implications for economic and social inequalities. Increasing economic inequalities between individuals driven primarily by market forces, with education and the labour market as key arenas, may then be compounded by what is happening at the household level, with an accumulation of advantages or disadvantages leading to growing polarisation. The ability of households to accumulate wealth through saving surplus income or by other means, such as through the ability to benefit from house price inflation, translates inequalities in flows to inequalities in stocks. Inequality in wealth further exacerbates the impact of income inequality on a range of social outcomes and through inheritance heightens the uneven playing field for future generations. An increasing gap between the privileged and the less-privileged across an array of inter-connected socioeconomic dimensions may reinforce intergenerational transmission of socio-economic status and deepen social stratification.

Consequently, we identify two main types of inequalities as 'drivers' of the impacts to be studied:

- ***income/earnings/wealth inequalities and***
- ***educational inequalities.***

We aim, for the benefit of international comparison, to define and measure these 'driver inequalities' as uniformly as possible and adopt a common methodological framework to guarantee comparable results. At the same time, the methodological framework's focus on relative positions in *changing distributions* and *changing effects* across the distribution (detailed in Section 1.2) will act as an important vector for progressing beyond the state of the art and serve to guarantee the project's focus on changes. This also holds for the more refined view of inequality that has come out of the recent literature, distinguishing potentially different effects at and for the bottom, the middle, the top and the very top of the distribution, which will be applied as much as possible in all parts of the project.

Next, we distinguish two (vertical) 'impacts pillars':

- ***social impacts of changing inequalities***, related to the characteristics and behaviour of individuals and households (and of individuals in relation to their households), ranging widely from e.g. health to fertility or housing, and including aggregate outcomes, such as social cohesion and social capital,
- ***political and cultural impacts of changing inequalities***, related to views, attitudes and preferences expressed by individuals as well as articulated by public opinion and politically, and expressed in social participation and personal networking, and of societal importance. (We think the political and cultural impacts are so strongly entwined that they are better kept together in a single pillar, with interaction between them fully taken into account.)

The study of these impacts will be the central focus of the project, in accordance with the call for proposals, and provides the structure for the primary work packages. These will be put in their historical and institutional contexts to adequately cover the significant factors (including institutions) as well as their variation, both cross-section and over time.

The two driver inequalities together with the policy aspect define (horizontal) analytical tasks cross-cutting the two pillars (see Schema B). Economic analysis is clearly vital for understanding the inequalities of incomes and wealth and their roles as 'drivers'. What are the linkages and causalities? What is the full picture when trade-offs between inequalities in different fields (e.g. wage inequality and job growth, in general or for females in particular) are accounted for? Income inequality and wealth inequality reinforce each other through the behaviour of individuals and families. Those with higher lifetime incomes accumulate wealth faster because they save a larger proportion of their incomes (Dynan et al 2004). Capital gains contribute disproportionately to income inequality although the size of this effect differs across countries (Atkinson and Piketty 2007). The rich are more likely to make substantial planned bequests than others, thus reinforcing the mechanisms that perpetuate both income and wealth inequality (Kopczuk and Lupton 2007). Taxation of top income has changed over time, thus modifying the existing distribution of net incomes. Tax competition and offshoring wealth to tax havens may affect national tax take and therewith the room for manoeuvre for policymaking, or even a country's possibility of taxing the top of the distribution.

This analysis is essential to capture the determinants of the evolution of these inequalities and the way their impacts come about, including the enhancing or mitigating effects that policies may have had in the recent past or in different countries. It will be equally vital in the present study for determining the policy options

available in future vis-à-vis changing existing inequalities and their impacts. The analysis may also reveal future inequalities in retirement income and pensions. Economic impacts and effects are often so strongly intertwined with social and political effects as to be difficult to separate. The economic analysis will therefore also be cross-cutting in the two impacts pillars to help ensure, first, the necessary interdisciplinary interaction for a proper understanding of the processes at work; second, the appropriate attention to the interactions with and between the two types of impacts; and, third, that the inequalities of income and wealth will be defined, measured and approached as uniformly as possible across the project as a whole.

For the same reasons, the driver of educational inequality warrants special attention as a cross-cutting task both for its analysis and its uniform definition and measurement. Given the fact that educational inequality can be defined in terms of a quantity component (average years of education in the population, access to education, drop-out rates and qualifications, transition probabilities) and a quality component (minimum level of literacy/numeracy, ITC competencies, track allocation in secondary or tertiary education), it requires a multidimensional approach in order to evaluate its impacts on various dimensions of peoples' lives. First of all, educational inequality affects labour-market participation (unemployment risk, hours worked, type of contract, salary). It also affects career prospects by changing on-the-job training opportunities, job mobility and promotion opportunities. Macroeconomists also stress the aggregate impact of educational inequality on technological upgrading, R&D activities and growth prospects. But it also affects social behaviours. Consider, for example, assortative mating in marriage, which may grow with the population's educational attainment. Conspicuous consumption may also be reinforced by educational inequality, as a partial substitute for the perception of inadequacy originating in differences in educational credentials. Evidence of the impacts of educational differences can be found also in social participation (e.g., volunteering, voting, union membership). Finally, the effects of educational inequality and income inequality may reinforce each other in determining the self-perception and self-confidence of adult individuals. In an intergenerational framework, what is crucial is not educational inequality per se but the inequality-of-opportunities component, i.e. the differential effects created by differences in social origins. Here the role of institutions, in both the educational system and the labour market, becomes relevant, because for a given level of educational inequality, prospects at individual level may be rather different depending on these institutions

Similarly, the analytical role of policies and the research findings' implications for policy-making comprise another cross-cutting task for four good reasons. First, one needs to ensure that both sides of the role of policies will be addressed across the project – as an enhancing or mitigating input into inequalities and their impacts on the one hand, and as implications for policy measures to be drawn from the results of the project's research on the other hand. Second, the role of policy making itself as an instrument may depend on the inequalities characterising its environment. The possible contents of policy making may depend on the nature and extent of inequalities. Third, the efficiency and effectiveness of policy making and concomitant measures as tools for affecting inequalities and impacts are at stake as the broad debates about the welfare state and the more narrow debates about deadweight losses and unintended side-effects of policy measures illustrate. Fourth, the relevance of different actors in the process of policy making and implementation will be established including their interaction: the roles and involvement of actors will differ significantly between countries.

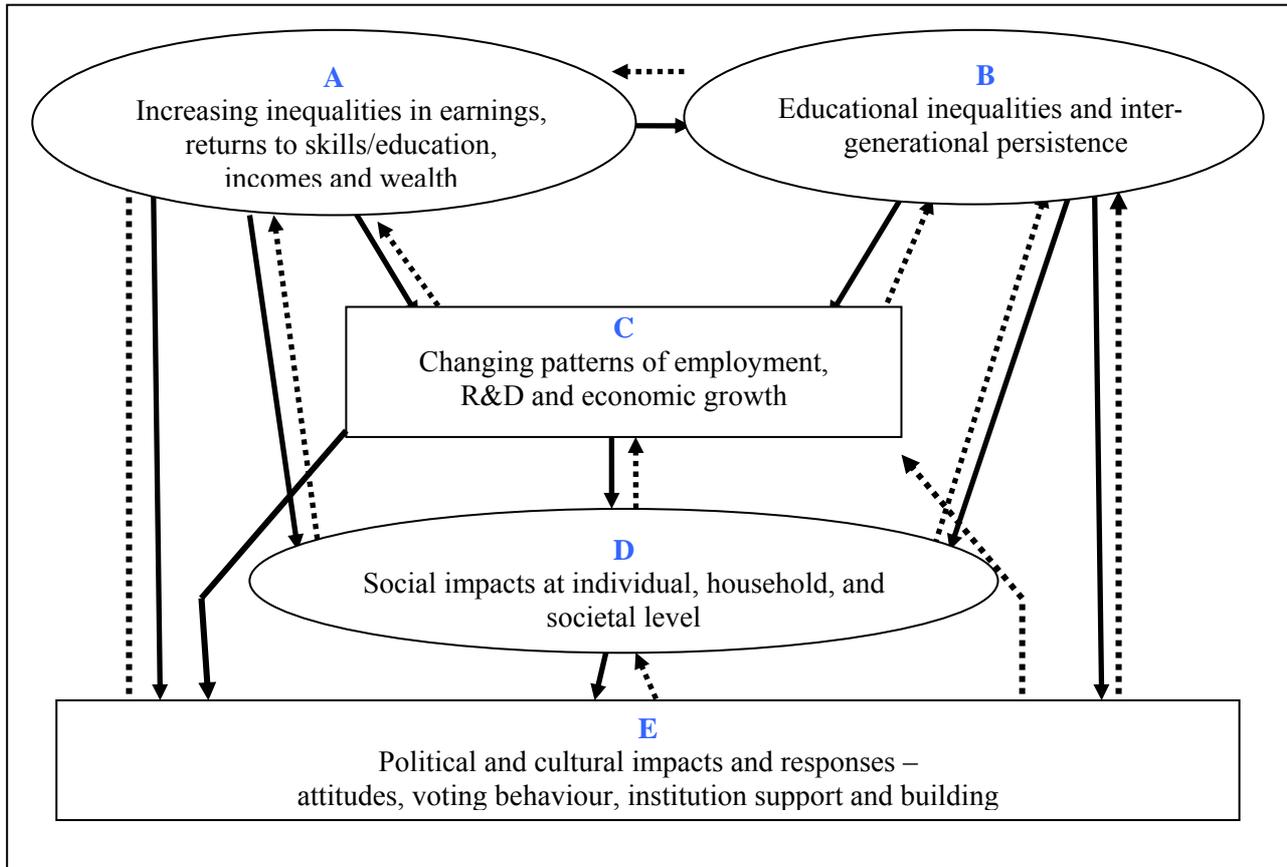
Schema A summarises the basic conceptual structure of the project set up

- *starting from the two types of inequalities as drivers (A and B),*
- *distinguishing the two impact areas (D and E), with*
- *the area of the economy and employment which often mediates the effects (C);*

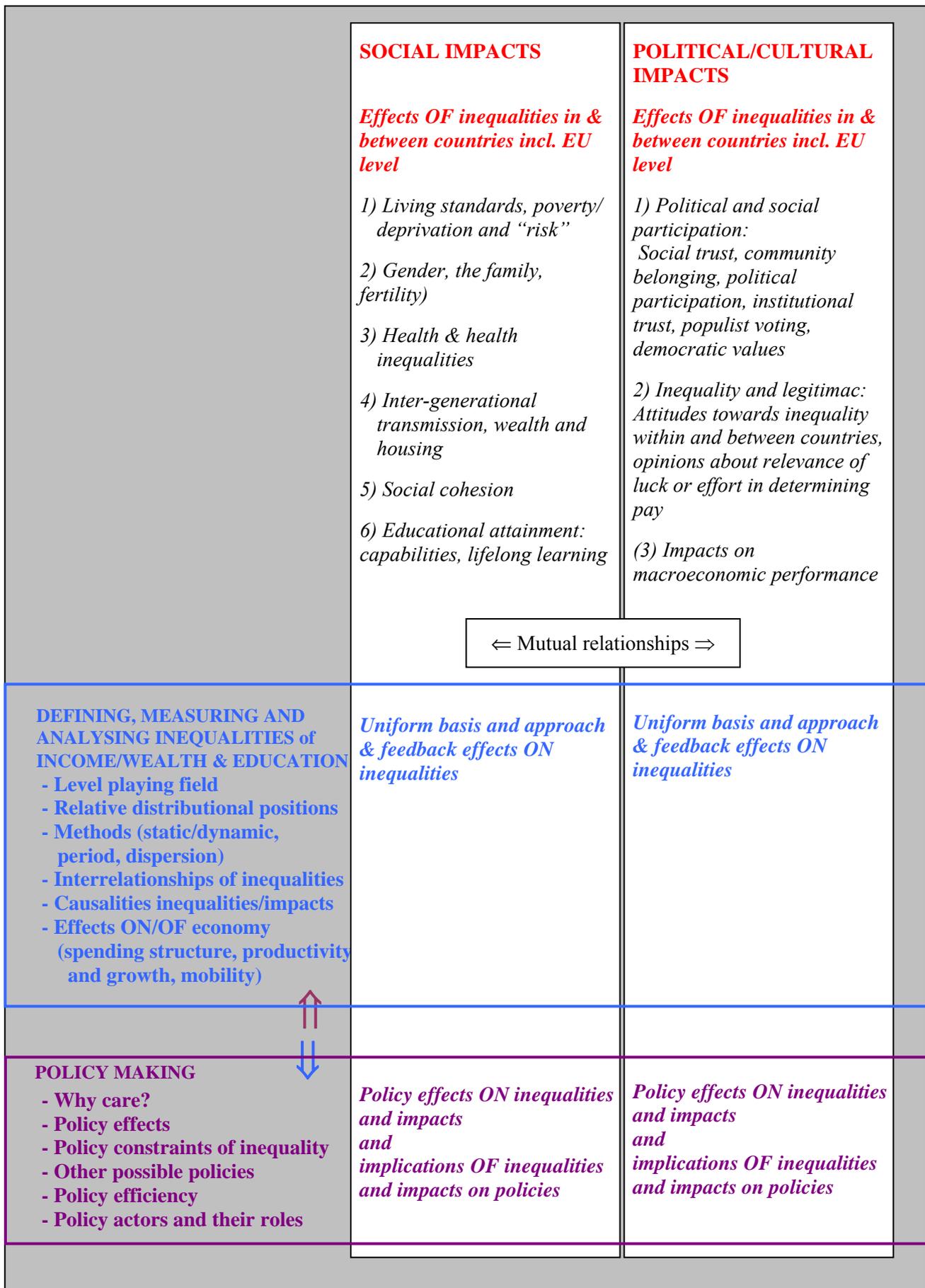
and stresses

- *their mutual relations, direct and indirect, with causation flowing not only from the inequalities to their social and political/cultural impacts but also potentially feeding back from those impacts to reinforcing inequalities (dotted lines), a key aspect of the overall picture.*

Schema A. Basic conceptual structure



Schema B. Basic research-task structure: Pillars and cross-cutting tasks



Policy analysis (not shown separately) is considered as all encompassing. It essentially adds a third dimension to the schema.

Schema B elaborates on this structure showing how it can be arranged into two pillars as tasks for analysing the impacts of inequalities on the one hand and, horizontally, into two cross-cutting tasks of defining, measuring and analysing the economic and educational drivers as well as policies and policy making on the other hand. This figure aims to serve as a support for the remainder of this section, which first treats each of the tasks, and later indicates how the work will be organised. Thus, further below, Schema C indicates how these basic tasks will be structured as more detailed work packages.

1.1.A Defining, measuring and analysing the 'driver inequalities': two cross-cutting tasks

Background and motivation: Treat inequalities and impacts with care

First, the 'new' (or emerging) inequalities highlighted in the Call relate in the first instance to areas - incomes, earnings and wealth - that are the subject of an immense literature, spanning from measurement issues, passing through inequality accounting and decomposition by subgroups, up to causal models of inequality generation. So from the very onset we will be as precise as possible about the nature of inequality in many dimensions across the project:

- to whom it relates: household or individual - and how the two are related;
- what it involves: individual incomes or household income, or wealth - and how these are defined and measured: by source such as wage earnings, transfers, pensions and capital income, before or after tax, including or excluding social transfers and provisions such as health care or child care which in some countries or for some groups or income bands are publicly supported or even provided;
- what it concerns: a static cross-section view or a dynamic approach related to mobility over time and even lifetime outcomes;
- how far back in time it goes: a long-term approach is desirable for the focus on changes but also for methodological reasons more generally - i.e. for generating sufficient variation that can be analysed - but there may be a trade-off between the period that can be adequately covered and the effort required for gathering additional data;
- how inequality is measured: by a single indicator such as Gini or the coefficient of variation (in cross-section descriptive analysis), by decomposing according to income sources and/or recipients (also in cross-section and/or in time series analysis) or by providing measures of intertemporal association (intergenerational elasticities, rank correlations) as measure of the degree of inequality of opportunities. The main advantage of these measures comes with their simplicity (a single number providing information for the entire distribution), but arguably less complex measures, such as a set of decile ratios or grouped positions by e.g. percentiles or broader bands such as low, intermediate and high, or the median-to-mean ratio, may provide important additional information enabling a more refined analysis of causes and impacts depending on relative position in the dispersion. Jenkins and Van Kerm's (2009) chapter in the *Oxford Handbook of Economic Inequality* provides an important point of departure here. Recent theoretical developments in the inequality literature have clarified the relationship of 'traditional' inequality indices (such as the Gini coefficient) to concepts such as relative deprivation and 'complaints' about income distribution that are also relevant for the shaping of policy (Cowell 2008). In recent years concern has also been shown for the possible polarisation of the income distribution which in some cases is related to, but distinct from, 'traditional' inequality (Wolfson 1997).

Task 1 Uniform approach to income inequality (WP3.1)

This more refined approach will help in allowing for the possibility of different mechanisms at work in different parts of the distribution e.g. as suggested by Atkinson (2007) for wage earnings at top and bottom. While the bottom part of the distribution is more sensitive to income subsidies, the top part tends to react to tax policies. Conversely, both tails may react to international trade openings, while technological change is more likely to affect the entire distribution. It will allow greater analytical freedom regarding the mechanisms at work that influence inequalities and their impacts, and help to disentangle the effects of changes to the distribution itself and to behaviour in different parts of the distribution as well as cross-country differences in behaviour. We explicitly include at least a three-part focus: on the bottom of the distribution, such as those who are poor or low paid, on the rich or highly paid, and, third, on the middle

class in between. The analysis will be preceded by an updated research review of the current debate about the main mechanisms of increased inequality at the top of the distribution (see the cross-country comparative work of income changes at the top of the distribution by Atkinson, Piketty and Saez), and of the ensuing polarisation of the wage structure (Autor and Dorn, 2009, and for cross-country comparative work Goos, Manning and Solomons, 2009).

Second, the 'new inequalities' themselves need particular scrutiny for their uniform definition and measurement as well as analytically for their mutual linkages, their newness or renewed significance, and their linkages to the 'old' ones. Some inequalities such as by gender that have surfaced in recent decades, which might be thought of as 'new', are in our view part and parcel of the analysis of these 'old' inequalities. Yet there may be many of these 'additional' inequalities left, too many perhaps if selection was undiscerning. They may have been studied before – a possibility that the Call reference to 'renewed significance' seems to suggest. They deserve equal scrutiny of the data for uniform definitions and measurement. The analytical discussion may also help to focus their selection. As was argued before, access to education is a central one, with a new significance in our view to the extent to which educational attainment has recently acquired such a prominent role in most countries in recent decades. It will be the main one that we concentrate on in this project. We will develop additional information on educational inequalities (preferably both in quantity and quality), in order to investigate their co-evolution over time and/or over the cycle.

The more detailed the analysis, the stronger is the need for *cross-nationally comparable* data, and hence also *harmonised, precise* definitions and as accurate a measurement as possible. Otherwise what we are seeking to learn from international differences would rest on a shaky foundation. The OECD's recent publication *Growing Unequal? Income Distribution and Poverty in OECD Countries* (2008) brings together nicely much of what is known but illustrates how little we actually know in a strictly comparable fashion. The OECD report simultaneously uses diverging definitions, even for such apparently straightforward variables as gross wages (hourly, annually, etc.), which give rise to widely diverging inequality outcomes. We will exploit LIS, ECHP and EU-SILC to the full without the illusion that the data sources will be perfect. We shall apply various measures of inequality and look beyond single summary measures and medians to the dispersion itself and positions therein. This logically implies that it will also be essential to look beyond averages at dispersions also on the outcome side of the impacts, such as for health or housing.

Topics to be addressed under GINI

We now turn to the two main inequality drivers of income/wealth and education respectively. However, it should be stressed that the two cannot be taken as independent from each other and a basic issue throughout the project concerns their mutual relations. Evidently, they are intertemporally related. (Parental) income inequality may obstruct access to education, especially from the bottom part of the income distribution. Many papers stress that credit constraints do not determine educational choices, but point to a crucial impact associated with parental education. Therefore the combination of (parental) income and/or educational inequality is an important source of (next-generation) educational inequality. Once the new generation has entered the labour market, thanks to educational credentials achieved as well as learning from role models at home, a newly generated earnings inequality appears. When we take into account savings decision and bequest motives, we will thus be able to study the formation of (both generations') income inequalities.

Driver inequality 1: Incomes, earnings and wealth

As stated before, there is an immense literature on the inequality of earnings and income, somewhat less contemporary research on wealth. Although, perhaps, 'traditional', it continues to be central and directly brings into play the economic analysis of inequality. Clearly, what is happening in the economy is intricately linked, through the labour market, to many important and often essential aspects of inequality. The availability of jobs governs the possibility of generating labour earnings – which are the main source of household income for the majority of the population, including many pensioners and children. However, the question to be posed for this part of the project does not run simply from the economy to inequality but also in the opposite direction: how does inequality affect employment and economic outcomes? At both the individual or economy-wide level? The two sides are not independent. However, one of the two directions may be taken as the primary focus while the other acts as an important qualifier, depending on the argument that is being developed. The interaction with the impacts pillars will clarify this.

Task 2 Understanding relationship income inequalities ⇔ impacts (WP3.2)

When considering feedback effects from inequality to the economy, several issues are involved:

- dispersion of actual household incomes may affect consumer demand and thereby production, trade and employment. A concrete example is the idea that higher-income households may demand more services, in particular low-wage services. In principle, the effects relate to both the structure and the aggregate level – to the extent that consumption out of income depends on the level of income³. The gross/net transition and the provision of income-priced commodities, such as, e.g., health care, are of evident importance esp. because they are often very different between countries; a particular element of the gross / net transition may be the (obligatory) savings for capital-funded pensions (particularly topical in the current economic environment);
- in addition to the pure dispersion of incomes, the way households ‘produce’ their incomes may also affect the nature of their demand (including the gross/net transition and income-priced goods). Higher incomes that depend on a higher labour supply by the household may imply buying certain inputs that would otherwise be provided and consumed within the household (the ‘marketisation of household services’);
- household demand depends on the needs of the household and its composition, which brings into play the effects of inequality on household formation – depending on both partnering (individualisation, homogamy) and fertility where low or even intermediate levels of income and educational attainment may provide important barriers;
- apart from such demand effects, inequality may also affect the nature of supplies from the household to the economy. A more unequal distribution of income is often thought to encourage savings but a greater compression combined with collective (pension) savings schemes may prove a viable alternative, and looking back at American and European developments has done so in actual practice (note though that investments from collective savings do not necessarily follow different rules from market savings). More unequal or more compressed distributions of income may affect additional supply of labour from households differently; the resulting aggregate level and time structure of labour supply may affect the organisation of production and, ultimately, productivity and economic growth; labour-incentive effects of taxation may have a major influence on the evolution of high wages and top incomes;
- an analysis of inequalities in financial assets and wealth will provide a picture of how historical inequalities in incomes have allowed some individuals/families to have sufficient surplus to accumulate assets. As financial assets can have a positive impact on the behaviour of households and children (through, for example, income smoothing, risk taking, human capital investment, assortative matching), the distribution of financial assets can also tell us about future inequalities.
- tax competition between the countries in our selection and outright offshoring of high incomes as well as wealth to tax havens may restrict tax receipts available for policies aimed at reducing inequalities; it may also reduce the options available to government for taxing the rich; these effects may have evolved strongly over time.
- mutual relations between different types of taxation (esp. income, capital gains) may affect how income is allocated.
- inequalities in the main source of household incomes, individual earnings from labour, may affect individual efforts and their combination within organisation as far as they affect the motivation of effort in the trade-off between work and leisure but, in terms of inequality, also through perceptions of fairness at the workplace;
- further to this, employers’ choice of business strategy may be influenced as a wider range of wage-setting can increase the economic feasibility (and social acceptance) of ‘low-road’ strategies that negatively affect levels of productivity, training and job security;
- gender differences in earnings drive the allocation of domestic work within the household. If firms’ beliefs about the way in which housework is split lead to statistical discrimination (and hence to wage gaps across genders) we could account for multiple equilibria (for example one with equal sharing of domestic work and low gender differentials, and another with unequal distribution of domestic work and larger wage differentials)
- in the long-run, lifetime perspective, the security and predictability of incomes – predominantly labour earnings – is important particularly when these relate to the level of individual earnings; this encompasses mobility;

³ e.g. Gregory *et al.* eds, *Services and Employment*, Princeton, 2007.

- the provision of labour supply at unequal, very low levels of earnings and labour costs may negatively affect employers' incentives for investment and raising productivity and also affect the demand for welfare provision, often creating intergenerational persistence in this respect;
- the lengthening of the earnings distribution that increased inequality may imply can affect the attraction of higher earnings as it may make earnings mobility more difficult to realise, naturally depending on how mobility is defined;
- policies and institutions concerning redistribution may be affected by the level of inequality found in their environment. The national economy may exhibit an undesirably low level of income security which, in turn, can affect economic and employment growth.

One important aim of this first analytical package is to offer relevant analysis and advice regarding the roles of the economic cycle and economic structure in influencing not only inequalities themselves but also the way they generate their impacts. It may have important implications for lifetime inequality because of the timing of individuals' labour-market entries, and it relates closely to the issues of luck and effort which will be studied in the political and cultural pillar. Given the existing evidence of the correlation between inequality and inflation (see Albanesi 2008), it would be extremely interesting to examine the particular mechanism through which inflation affects inequality, using various disaggregations (by income source, by age cohorts, by income position). This seems particularly relevant to the present crisis. The very wide country coverage of the present project may help draw such lessons. One notable element may be a comparison of how the Swedish and Japanese banking crises of the 1990s have affected inequality. Note that stock prices receive all the attention in this debate – they recovered quickly in Sweden but not at all in Japan – while employment experiences were quite the opposite – they fell by 15% in Sweden and never recovered, while Japan recorded further growth after some stagnation. We aim to keep some flexibility of manoeuvre to allow further relevant studies in this respect.

Driver inequality 2: Education

As most recent research on wage determinants has shown, the concept of human capital needs to be articulated into a quantitative and a qualitative dimension.⁴ In fact, the traditional measures of education proposed by Mincer and Schultz, based on the number of years spent in school, give only a rough view of the opportunities available in the population. Still inequality in years of education (a purely quantitative measure) has proven important in accounting for the role of human capital in growth accounting exercises.⁵ There have been also attempts to study the impact of educational inequality (also based on years of education) on personal income inequality, without finding strong evidence for this relationship.⁶

However, more and more scholars have questioned the idea that by simply sitting in a class one may increase one's earning ability. Recent studies on the existing correlation between earnings and competences (literacy, numeracy and problem solving) suggest that success in the labour market is also associated with possessing basic skills, which can be obtained in schools, but also in later life, especially through work experience.⁷ Finally, a recent strand of the literature stresses the relevant role of non-cognitive abilities (self-effectiveness, self-concept, dependency) as a key determinant of earning ability, which can again be obtained from either experience in school or in work.⁸

Task 3 *Uniform approach to educational inequality (WP3.3)*

Clearly, education inequality is a relatively new form of inequality, which is intertwined with income inequality at both the beginning and the end of skill formation. The sociological literature has made clear for a long time that (inequality in) parental background affects educational achievements.⁹ However, it has never been clear whether the association between parental social conditions worked through financial resources, cultural resources, or a combination of the two. More recent research by economists tends to downplay a

⁴ See for example Blau and Kahn 2005

⁵ See Barro 2000 and de la Fuente and Antonio Ciccone, 2003.

⁶ See Checchi 2004

⁷ Green and Riddell. 2003; Harmon and Walker. 2000.

⁸ Bowles et al. 2001 and 2005.

⁹ Shavit and Blossfeld 1993.

specific role for financial resources, especially when considering unexpected income variations.¹⁰ This calls for a deeper examination of the determinants of educational achievements at individual level based on parental resources (education, income or occupational prestige, wealth) and on social environment (residential characteristics, peer effects in school, school stratification). But socio-economic inequality (i.e. variations in the parents' generation) may impact on educational attainment of students not only measured quantitatively – typically years of education, qualification level completed, and/or drop out rates – but also qualitatively. Increasingly available data on students' competences (as proxied by international surveys like PIRLS, TIMMS, PISA) show that parents matter, but also that different educational systems produce variations in this association.¹¹ There is a lively debate in sociology about measuring inequality of educational inequality (IEO). Since Robert Mare proposed his school-continuation models in 1981, sociology has tried to separate educational mobility that resulted from distributional change (i.e. educational expansion) from educational mobility truly resulting from differential choices given distributional change. These 'Mare Models' (logit models on school continuation per transition only estimated on the population at risk, that is those who have completed the previous transition) have been famous throughout the discipline, and can be seen as an improvement relative to studying background effects on educational attainment using linear models. However, the Mare models have also been disputed more recently (for example Cameron and Heckman 1998). A review of existing tools of analysis, combined with initial empirical evidence from existing dataset, will be one of the initial steps of our analysis.

Task 4 Understanding relationship educational inequalities ⇔ impacts (WP 3.4)

Some institutional arrangements make some educational systems more equality enhancing than others.¹² We intend to analyse which institutional aspects favour greater equality of opportunities in educational attainment and capacities formation. Among these aspects we will consider

- compulsory education (length of compulsory years, instruction time over the year)¹³,
- design of curricula (including early tracking, stratification of secondary and tertiary education),
- organisation (homework, internal streaming, holidays),
- teachers' recruitment, motivation and incentives,
- admission policies, and
- financing and subsidising (including private schooling)¹⁴.

We plan to collect information at country level (in federal states at subnational level) on each of these aspects, compiling a list of institutional indicators (analogous to the methodology adopted by the OECD research for measuring the degree of employment protection and/or market regulation).¹⁵ These data will constitute a common layer for comparing countries experiencing different level of inequalities. Some of these institutional dimensions derive from different historical experiences, and we might be able to trace their historical antecedents (as already been done in the literature – see for example Becker and Woessmann, 2009, on schooling in Lutheran countries).

In principle there is a fourth task to be addressed aimed at understanding the relationship between educational inequality and its impacts. It will be discussed as the 6th task in the next section, on social outcomes.

¹⁰ The literature here is extensive. See for example Cameron and Heckman 1998, Shea 2000 and Carneiro and Heckman 2002,

¹¹ One example is provided by studying how the (early) stratification of the secondary school system may affect competence formation (Hanushek and Woessman 2006) and labour market employability (Brunello and Checchi 2007).

¹² See for indications about priorities European Group of Research on Equity of the Educational Systems. 2003. *Equity of the European Educational Systems. A Set of Indicators*. European Commission.

¹³ For example Brunello et al. 2009 argue that increases in compulsory education, by modifying the distribution of educational attainment in 12 European countries, reduces wage inequality.

¹⁴ Despite what is typically held in the economic theoretical literature (Epple and Romano 1998), the empirical literature suggests that private education does not always ensure better quality education (Vendemberghé and Robin 2004; Dronkers and Robert 2003 - see also Woessman 2006)

¹⁵ See OECD Employment Outlook 2004, Ch. 2.

Topics to be addressed under GINI

By exploiting cross-country variation as well as potential reforms in the previous century, we will be able to study the impact of different institutional arrangements on educational inequalities, articulated in terms of quantities (attainment of educational credentials, possibly converted into years of education) and in terms of quality (inequality measures computed over the distribution of test scores, population share above/below relevant thresholds). Information about the distribution of educational attainments in representative samples of countries populations is easily available. The SILC dataset reports information for all European countries,¹⁶ while the Cross-National Equivalent File¹⁷ collected at Syracuse University contains comparable information over 1980-2005 for Australia, Canada, Germany, Great Britain and the United States; finally, a larger set of countries (including Japan) is available through the ISSP-International Social Survey Programme project collected at Gesis centres.¹⁸ Data on students' competences at various stages of their career are also readily available. Starting from primary education, the Progress in International Reading Literacy Survey (PIRLS; most recent in 2006) collects information about pupils' achievements in literacy in their fourth grade.¹⁹ The *Trends in International Mathematics and Science Survey* (TIMSS, most recent in 2007) tests students about their numeracy and scientific ability in their fourth and eighth grade.²⁰ Finally the Programme for International Student Assessment (PISA; most recent in 2009, which will be available by the end of 2010 – otherwise the 2006 survey is already available) collects information about student competences in various dimensions (literacy, numeracy, scientific knowledge, problem solving) when they are fifteen.²¹ Less frequent are data on adult capabilities: the IALS survey, conducted between 1994 and 1998, covers only a subset of countries, some of them with regional variations.²² The ALL survey, conducted in 2003, covers only six countries.²³ The OECD is currently working on a project to survey university students (AHELO project) and adult competences in most of its member countries (PIACC project). In many cases there are country-specific analyses of these data-set, which we aim to review in the Country Reports (see Section 1.1.E below). However, the main advantage of cross-country comparisons is given by the possibility of identifying robust recurring patterns in the association of variables.

Finally, there is a third dimension of cultural achievement, which is related to participation in social life, including attending meetings, voting, joining a union. In Amartya Sen's perspective, these activities are undertaken if and only if the distribution of the appropriate functionings is fairly egalitarian in the society. Information on these attitudes can be gathered from the European Value Study-EVS, lastly collected in 1999-2000 over a large set of countries.²⁴

Analytical methods and data

Not all the datasets listed above contain information about parental backgrounds, but most of them do (notably the SILC survey for 2004, the students' surveys – PIRLS, TIMSS and PISA – the IALS and ALL, some countries in the ISSP modules). It is therefore possible to reconstruct whether the impact of parental background has changed over different age cohorts, and whether this may be correlated to institutional variation in the educational systems. At this stage we expect to be able to identify several dimensions of educational inequality (formation and possession of competences, access to credentials, social participation) which according to the historical experience of most European countries can be enhanced or reduced depending on the way in which the educational system is designed and organised. Unfortunately, in most cases the geographical disaggregation of the data within each country will be insufficient to obtain causal conclusions from these correlation analyses, because part of the results could be driven by spurious correlations. However, the cross-country analysis (and the subsequent Country Reports) should be sufficient

¹⁶ The 2006 SILC survey covers all 25 European countries, leaving out non European ones.

¹⁷ (www.human.cornell.edu/che/PAM/Research/Centers-Programs/German-Panel/cnef.cfm)

¹⁸ (www.esis.org/en/services/data/survey-data/) In the 2006 ISSP survey 21 countries (out of intended 29) were available.

The 2006 PIRLS survey collects information for 40 countries, 21 of which are in our research project.

²⁰ The countries covered by the 2007 TIMSS survey are 17 out of 29 intended ones in our research project.

²¹ 27 out of 29 GINI countries are covered by the 2006 PISA survey, some with regional disaggregation.

²² Among our 29 countries, IALS includes 15 of them (Canada Germany, USA, Ireland, the Netherlands, Poland, Sweden, Great Britain, Belgium Italy, Slovenia, Czech RepublicDenmark, Finland and Hungary).

²³ The relevant countries for our research are Canada, Italy and the United States only.

²⁴ The EVS 2000 survey includes 24 countries out of 29 in our research project.

to point to relevant policy issues that can be then included in the current policy debate. To mention just one, consider the case of teachers' salaries. Different countries adopt quite different wage schedules, imposing different durations of teaching load and offering various alternatives to career development. This induces different degrees of motivation among teachers, which translate into different involvement in students' competences formation. Recent proposals adopted in a few countries²⁵ suggest that pay-for-performance schemes are inequality reducing, because they force teachers to take care of the least able students. By comparing different countries over different years one may get a more precise idea whether this corresponds to a general rule or whether this can be confined to specific case studies.

One aspect that will be difficult to properly assess is the role of the social environment. While we will not be surprised by the finding that family-of-origin resources (and their distribution) affect individual achievements (and their distribution), it is relevant for policy intervention whether the context assists in reinforcing or reducing educational inequality. Especially when considering access to basic education, the local availability of resources and social attitudes (including religious beliefs²⁶) may shape observed outcomes. We aim to collect a sufficient number of countries/age cohorts to be able to contrast alternative stories.²⁷

It should be noted that this section focused on the income and educational distributions per se. One of the very purposes of what follows is that, where discussed, an individual's position (level) in these distributions provides a point of departure for the analysis only. Naturally, that position's analytical significance may depend also on the social and/or cultural categories that the individual belongs to.

1.1.B Social impacts and increasing inequality: the first 'impacts pillar'

Background and motivation: Social impacts of changing inequalities of incomes, earnings and wealth

Increasing inequalities in earnings and household incomes and an increasing fracturing of employment into "good" versus "bad" jobs have not by any means been seen universally across the OECD, but where they occur they may have deep-seated social impacts, at the individual, household and societal level. The remarkably wide range of potential negative social impacts which have been advanced in research and debate include increases in poverty and deprivation, in stress and unhappiness, in gender inequalities, in family breakdown and teenage pregnancy, in childhood disadvantage and educational failure, in health inequalities, in crime and disorder, in polarisation and increasing fragmentation between communities, ethnic groups, regions and social classes.

A programme of research on these potential effects is central to the theme, and its first task will be to delineate the channels of influence and the causal relationships via which such social impacts could arise. This will involve drawing on a variety of disciplinary perspectives, but the aim will be to underpin the empirical analysis with a theoretical framework which provides coherence across the different areas to be investigated. This framework, as already outlined, focuses on how increasing economic inequalities between individuals driven primarily by market forces, with education and the labour market as key arenas, may be compounded by what is happening at the household level, with a cumulation of advantages or disadvantages leading to growing polarisation and feeding through to a variety of societal effects. Given the range of areas and the complexity of the underlying relations, clearly setting out the channels of influence which have been hypothesised or asserted and putting them within an analytic framework will be an important contribution in itself. The hypothesised relationships will then be empirically investigated in a comparative perspective. The Country Reports will provide an important follow-up to this. In doing so, a priority will be to empirically link the individual with his or her household. Changes in the distribution of earnings and of jobs (good or

²⁵ In addition to the well-known Israelian case (Lavy 2002)) see both the British experience (Atkinson et al. 2004) and the American one (Clotfelter et al. 2006).

²⁶ See for example Becker and Woessman 2009 (see also their 2008 paper)

²⁷ As an example, let us restrict to the EU25 + external countries, for a total of 30 countries. By considering gender differences and a minimum of three age cohorts (students, 20-40 and above 40) we may count on 180 observations for each dimension of inequality, which give a sufficient number of degrees of freedom.

bad) have their immediate effects on the individuals concerned, but many of the hypothesised effects have also to be seen from a household perspective.

Task 1 Impact on living standards, poverty and deprivation, and “risk” (WP4.1)

The household level is critical in thinking about poverty and deprivation. At the outset, then, it will be necessary to link what is happening to earnings and employment for individuals to the way in which those individuals cluster together in households – taking into account that household formation and dissolution may themselves be affected by what is happening in the labour market. This will allow the impact on the distribution of income among households and on household joblessness to be analysed, building on the work to be done on defining and measuring inequality as outlined in Section 1.1.A above, (with OECD, 2008, as a significant point of departure; see also Gregg and Wadsworth, 2008 on joblessness). Both income and joblessness will then be key links in the chain tracing through the effects on living standards and deprivation (Whelan and Maitre, 2007, 2006; Burniaux *et al*, 2006; Dickens and Elwood, 2002; Forster, 2000), as well as the possible “hollowing out” of the middle with increasing polarisation in incomes. Where possible it will be interesting to track individuals and households over time to build up a picture of mobility and household structure. The extent to which exposure to risk and uncertainty is becoming individualised (as argued by Beck, 2007, in particular), changing the consequences of inequality both in terms of the social structuring of negative outcomes and their dynamics, and the related issue of “new” versus “old” social risks (Taylor-Gooby, 2004; D’Addio and Whiteford, 2007) will also be addressed (Whelan and Maitre, 2008).

Task 2 Impact on gender inequalities and the family (WP4.2)

Household circumstances also have to be taken into account in gender inequalities, though these are studied primarily at the individual level. The changing extent and nature of labour-force participation and how it is rewarded for women versus men is key to understanding recent trends (see e.g. Ozcan and Esping-Andersen, 2008), and increasing inequalities in earnings and growing proportions of bad jobs may further disadvantage women, with for example a disproportionate number in part-time and insecure employment. That need not necessarily be the corollary, though – in certain circumstances increasing earnings and job inequalities could go with declining gender gaps – so the emphasis will be on empirically assessing what has actually happened across different OECD countries and seeking to understand variation. The household context will provide part of the explanation, with childcare for example a key influence, and changing gender roles requiring investigation. In analysing these trends, where data permits, attention will be paid to longer-run prospects as some evidence suggests that increased labour market attachment and earnings mobility have improved women’s lifetime earnings while they have deteriorated for men; at least until recent years in the UK (Dickens and McKnight, 2008). How this has had an impact on household circumstances and the variation that exists across countries is so far unknown.

Patterns of family formation and breakdown may be a response not only to the general economic climate but also to increasing earnings and job inequalities. For example, in some countries increasing educational homogamy has been observed which may reflect wider earnings dispersion and contribute to increasing income inequalities among households (e.g. Smits, Ultee and Lammers, 1998; Blossfeld and Timm, 2003). If those with lower levels of education face poorer prospects in the job market this may make them less attractive as partners, and the costs of marital break-up are affected by labour-market position and prospects of the partners as well. Fertility, including pregnancy and child-bearing in teenage years, may also be affected by labour-market prospects (Sacerdote and Feyrer, 2008; Pickett and Wilkinson, 2007). Very different patterns have been observed across countries in this respect, and once again the priority will be to empirically investigate these relationships in a comparative perspective.

Task 3 Impact on health and health inequalities (WP4.3)

Health and health inequalities is an area where some see the impact of increasing inequalities in earnings and household incomes and an increasing fracturing into “good” versus “bad” jobs as likely to be particularly marked. There has been an enormous body of research on health inequalities (see for example Wilkinson and Pickett, 2006; Wagstaff and Van Doorslaer, 2000; Subramanian and Kawachi, 2004; Gravelle, 1998; Fritzell and Lundberg 1995) making strong claims and disputing them in relation to the role of economic inequality. Understanding health inequalities requires an analysis of the relationship between economic advantage and better health and economic disadvantage and poorer health, and how changes in household circumstances impact on health. The focus here on accurately capturing levels and trends in income and labour market inequalities and on a comparative perspective provides a particularly fruitful base on which to develop the

analysis of the complex web of relationships involved. This will involve bringing out the sometimes implicit causal models underpinning the potential impacts on objective and subjective measures of health, and framing and testing the hypothesised relationships in a cross-country over-time framework.

Task 4 Impact on Inter-generational Transmission, Wealth and Housing (WP4.4)

The influence of childhood disadvantage on educational and labour market success has been the subject of a great deal of research across different disciplines in recent years (see Blanden and Machin, 2005; Heckman, 2007; Currie, 2001; Gregg and Machin, 2000) and this research provides a base for studying the impact of increasing inequalities in household income and labour-market performance on the inter-generational transmission of poverty and disadvantage (d'Addio, 2007). As identified in the inequality drivers section above, earnings and income inequality can impact on savings and the accumulation of financial assets and wealth, with the main form in which wealth is held for many households being housing. Concentration of income at the top of the distribution can distort the housing market, economic structure, education systems and politics (Leigh, 2008). House price inflation in many countries has led to large increases in wealth and in inequality of assets (Wolff, 2006), and these wealthier households are then in a better position to increase their (and their children's) incomes and assets further. An unequal distribution of wealth can be reinforced and perpetuated across the generations through positive assortative mating (where couples meet and match on the basis of, say, education, income or wealth), family size and family fragmentation due to financial pressures. A number of studies have looked at assortative mating on the basis of education and earnings (Nakosteen and Zimmer, 2001; Dalmia and Lawrence, 2001 and Fernandez, Guner and Knowles, 2005) but there is little recent research on the relationship with wealth. The well-established inverse relationship between social class and family size (see, for example, Cartwright, 1976) means that wealth becomes more concentrated in future generations. It will be important to see how changes in pensions, inheritance and financial and housing assets have impacted on wealth inequality. The current financial crisis could play out in many ways further exacerbating existing wealth inequalities or leading to some redistribution.

Asset poverty can have both short and long run effects on individuals and their children. A relatively new area of research attempts to assess the impact of an asset-effect on a range of pecuniary and non pecuniary outcomes. There is some evidence that assets (even relatively small amounts) can have positive impacts on a range of social outcomes (Bynner and Paxton, 2001, McKnight and Namazie, forthcoming). Many countries have developed what have become known as asset-based welfare policies which attempt to correct asset poverty among the most disadvantaged through matched savings programmes either targeted at individuals or at their children. Cross-country analysis would help us to understand any variation in the disadvantage of asset-poverty and how it can be mitigated through state provision of services and the development of insurance provision. Another major concern in this context is that it may be more difficult for low-income households to access adequate housing (see for example Matlack and Vigdor, 2006), where again there is much to be learned from variation across countries in institutions and policies.

Task 5 Impact on social cohesion (WP4.5)

Increasing inequality in earnings and jobs has also been seen as driving, or at least being associated with, polarisation and increasing fragmentation between communities, ethnic groups, regions and social classes within countries (e.g. Wilkinson, 1996). At the same time, one may need to expand beyond national perspectives on inequalities, the manner in which they are experienced and related questions of legitimacy – particularly in an EU context (Beck, 2002; Heidenreich and Wunder, 2008; Diamond, 2006; Ferrera, 2006; Whelan and Maître, forthcoming). Once again it will be critically important to distinguish between different types of economic and social fracturing and different frames of reference, clearly specifying hypotheses for empirical testing, with an emphasis on linking what is happening in labour markets to the relative positions of different classes, areas or ethnic groups, the relationships between them, and how people perceive their own situation relative to others within and outside their own country. It will be important to gain an understanding of the social impacts across the complete class spectrum rather than a narrow focus on the most disadvantaged. The relationship between inequality and crime and disorder, which may be seen as an aspect of social cohesion, has also received some attention (e.g. Blau and Blau, 1982; Freeman, 1996; Kawachi, Kennedy and Wilkinson, 1999; Kelly, 2000), but firm conclusions have been difficult to support and a comparative cross-country perspective analysis focused on recent trends is likely to be productive.

Task 6 Social impacts of changing educational inequalities (WP4.6)

Educational inequality has a major impact on various dimension of living (with a great deal of overlap with other themes), and the research on trends in educational inequality to be undertaken in the course of the project as described in Section 1.1.A above will provide a foundation for exploring these. The main topics to be investigated include:

- the distribution of capabilities in the adult population (based on IALS, the ALL survey, and also the equivalent PISA survey for adults to be launched by the OECD in 2010) and how they relate to the capabilities formed when in school. Using matching techniques, PISA competencies can be “predicted” in all competencies, allowing one to predict for example the distribution of incomes 30 years ahead if we change the computer endowment of schools today.
- the extent and distribution of access to lifelong learning (here including reading books, TV watching, volunteer activities and social participation in general). Once again, by matching different datasets we can reproduce several counterfactuals, which may help in depicting a future society based on the current one.
- the relationship between education and health attitudes, behaviours and outcomes; this will cover for example the attitudes of young people with respect to alcohol and drugs use), and to food (very important given the long-lasting effect of obesity – e.g. Brunello and D’Hombres, 2007), adult attitudes and behaviours, and older people’s situation. Datasets with this information are abundant for younger people (www.hbsc.org) while for the adult population some information is available in EU-SILC and for older people via www.share-project.org).

Summarising, the research on social impacts of increased earnings and income inequality that will be undertaken in the course of the project, will thus focus on:

- the impact of increasing household income inequality and joblessness on living standards and deprivation towards the bottom, as well as on the gap between rich and poor and hollowing-out of the middle, and on vulnerability and “risk”,
- the relationships between changes in women’s labour force participation/earnings and gender roles, patterns of family formation/breakdown, and fertility (including teenage pregnancy).
- the impact of increasing income and labour market inequalities on life expectancy and health inequalities,
- the relationships between income inequality and intergenerational mobility, in particular in terms of the intergenerational transmission of poverty and disadvantage,
- the impact of increasing inequality in earnings and jobs on polarisation/fragmentation between communities, ethnic groups, regions and social classes, and on notions of solidarity and frames of reference within and across countries,
- the impact of broader inequality and labour market trends on specific disadvantaged groups, and in particular the extent to which they exacerbate patterns of cumulative disadvantage across various dimensions for such groups,
- the relationship between changing inequality and the housing market, both in terms of access to adequate housing and of the distribution of wealth,
- the impact of assets on a range of social outcomes, how asset-poverty varies across countries and how its effects can be mitigated,
- the distribution of capabilities among adults,
- the access to lifelong learning,
- the relationship between education and health attitudes, behaviours and outcomes.

1.1.C Political and cultural impacts of changing inequalities: the second ‘impacts pillar’-

Background and motivation: Inequalities’ widespread effects

Rising income/wealth inequalities, and stable or declining educational inequalities, may have severe repercussions on outcomes in the sphere of politics and values. The set of outcomes that we add upon the already broad set of outcomes in the first impacts pillar highlight important potential outcomes of changing inequalities.

For Topics to be addressed under GINI, we set ourselves three tasks with regard to political and cultural impacts: (1) understand the impact of changing educational and income/wealth inequalities on various forms

of political and social participation; (2) understanding the relationship between changes in inequality and legitimacy, and (3) examine the impact of inequality and values studied under (1) and (2) on macroeconomic performance. The generated knowledge will form the basis for Country Reports for almost every EU-country, the *Analysis Report on political and cultural impacts*, and for policy reports on policy implications of our findings

Task 1 Inequality and politics (WP5.1)

Existing research suggests that individuals with more abundant resources, such as skills and income, are less likely to rely on informal social ties and use them for help and support.²⁸ Formal civic participation in groups and associations is often considered to be 'the middle class affair', while lower classes compensate with informal, social networks. This suggests that in societies with greater income and educational inequalities, we should observe *polarisation* of participation modes, where higher income and educational inequality will be associated with a larger divergence of participation. And again, changing effects could reinforce or mitigate this polarisation.

While the positive effect of resources on political participation has long been established, there is no knowledge of the effect of inequality on the *structure* and *content* of political participation. In particular, does an increase in inequality mobilise or de-mobilise citizens to participate in politics? We expect a low relative socio-economic and educational position to be linked to 'unconventional' participation, while high position should encourage conventional participation. We therefore expect that high and increasing inequality does more harm to conventional than unconventional participation, as societies with higher and increasing levels of income and educational inequalities would be easier to mobilise into protest activities than into conventional participation. It is also important to ask whether the effect of inequality is equally distributed across various modes of participation. In particular, voting is seen as the least unequal type of participation, and even voting is strongly conditioned by socio-economic position.²⁹ We will therefore investigate whether higher levels of inequality are associated with greater polarisation in terms of the modes of participation (voting vs. party membership, interest in politics, pocket-book participation). Are more unequal societies drawn towards a minimalist (electoral) rather than liberal model of democracy?

In addition to *type* of political participation (conventional/unconventional), we also examine particular electoral choices that may be driven by inequality, including support for left-wing versus right-wing parties, and support for libertarian versus authoritarian parties. Furthermore, we study support for (populist) anti-immigration parties and movements. As a result of globalisation there is increasing economic competition (as a consequence of open markets) and increasing cultural competition (as a consequence of immigration). For some people – the well-educated, qualified employees – this provides all kinds of opportunities. They will be the winners. The losers are those with fewer skills, who see their economic sectors displaced to India or China, or who are challenged, in Western Europe, by the competition from immigrants from Central and Eastern European countries. They are likely to call for protectionist measures to shield national economies from worldwide competition, to oppose further European integration, and to oppose further immigration to their country. This may result in stronger preferences for populist/anti-immigration parties if inequality increases, both for reasons of compositional change and changing effects.

Social cohesion and sense of community form the next set of factors that are likely to be strongly undermined by income and educational inequality. Low social position, especially in combination with high level of deprivation, undermines trust and cohesion, while sense of community and belonging is lower in low-income neighbourhoods.³⁰ Civic-mindedness and consideration for public goods are harmed by an

²⁸ Li, Y., Pickles, A., and Savage, M. (2003), 'Social Capital and Social Exclusion in England and Wales (1972-1999)', *British Journal of Sociology*, 54 (4), 497-526.

²⁹ Lijphart, A. (1997), 'Unequal Participation: Democracy's Unresolved Dilemma', *American Political Science Review*, 91, 1-14.

³⁰ Ross, C. E., Mirowsky, J., and Pribesh, S. (2001), 'Powerlessness and the Amplification of Threat: Neighborhood Disadvantage, Disorder, and Mistrust', *American Sociological Review*, 66 (4), 568-91. A. E. Brodsky, P. J. O'Campo, and R. E. Aronson (1999), 'PSOC in community context: Multi-Level correlates of a measure of psychological sense of community in low-income, urban neighborhoods', *Journal of Community Psychology*, 27 (6), 659 – 679. N. Letki (2008), 'Does Diversity Erode Social Cohesion? Social Capital and Race in British Neighbourhoods', *Political Studies*, 56 (1), 99-126.

individual's and a community's low socio-economic status, and so is tax morale.³¹ However, in all studies of attitudes to public good, tax morale and civic morality socio-economic position is used only as a control variable, with no hypothesis proposed as to how one's place in the socio-economic structure could influence community-oriented attitudes. Building on the literature and research on social cohesion, we will propose a set of mechanisms linking income and educational inequality to sense of community and related attitudes. We will investigate whether relative socio-economic position impacts on the feeling of community belonging, and the sense of responsibility for the public goods and willingness to contribute to it. We expect that both the position significantly below and above the median income or educational level will encourage withdrawal from the community and unwillingness to support it through taxes and direct activities with implications for the impact of increasing inequalities.

Income inequality will also affect various social and political values considered to be important to the health of democracies. We take issue with the common approach that considers economic growth and development as the key contributors to democratic values. In contrast, we will explore how national level inequality interacts with individual-level economic position in affecting democratic values. Do democratic values of low-earners or low-educated persons differ from people higher up in the distribution more when inequality gets larger?

We will also look at the impact of measures aimed at mitigating the negative effects of inequality. Evidence for the effect of welfare structures on trust and participation is mixed: on one hand, social-democratic states have higher levels of trust and participation, thus implying a positive relationship between income *equality* and social trust, yet on the other hand more equal states/states with more developed welfare structures may 'crowd out' the need for interpersonal contacts and their spill-over effects, such as networks of trust, support and reciprocity.³² It is therefore important to investigate the effects of welfare state arrangements on inequality, and in turn, on participation and trust.

Social and political integration will need to be studied simultaneously across individuals and across countries. Country variations are important to study not only because countries differ in their distributions of earnings and education. More importantly, and more fundamentally, countries vary in terms of their institutional context, with a different labour market and educational institutional setup. Can country differences in the impact of relative position on participation and social trust be explained by the institutional structure of countries? Or, to put this question differently, is a particular institutional setup more successful for social inclusion of the wider population than another? For example, do wage-compressing institutions equalize participation beyond the labour market? Do educational systems that reduce early drop-out contribute to participation and trust among those at the bottom of the educational distribution? Does that affect participation and trust of those from less advantaged social and ethnic backgrounds, over-represented among early school drop-outs?

Task 2 Political legitimacy: Opinions on inequality (WP5.2)

Since in democracies politics is meant to reflect citizens' policy preferences, to fully understand political consequences of increasing or decreasing inequality it is necessary to go beyond attitudes and behaviour directly related to community and political participation, and to analyse opinions driving political choices. Understanding these opinions is crucial for understanding the legitimacy of politics and of inequality. Do the populations' opinions and attitudes underlying political choices reflect politics, or are actual politics inconsistent with the populations' views? And how are these relationships affected by varying levels of inequality? What is the causal relationship between levels and changes of factual inequalities and opinions on inequality? To this aim we study personal preferences for income/wealth redistribution within and between nation states, attitudes towards immigration and globalisation, and views on the relevance of luck and effort in determining individual chances in life.

³¹ Letki, N. (2006), 'Investigating the Roots of Civic Morality: Trust, Social Capital and Institutional Performance', *Political Behavior*, 28 (3), 305-25, B. S. Frey and B. Torgler (2007), 'Tax Morale and Conditional Cooperation', *Journal of Comparative Economics*, 35 (1), 136-159.

³² On equality and trust, see S. Kumlin and B. Rothstein (2005), 'Making and Breaking Social Capital. The Impact of Welfare State Institutions', *Comparative Political Studies*, 38 (4), 339-365. On decline of trust in transition countries, see Letki, N. and Evans, G. (2005), 'Endogenizing Social Trust: Democratisation in East-Central Europe', *British Journal of Political Science*, 35 (3), 515-29, Pichler, F. and Wallace, C. (2007), 'Patterns of Formal and Informal Social Capital in Europe', *European Sociological Review*, 23 (4), 423-45.

Personal preferences for redistribution are the first factor that is likely to be both driven by the existing inequalities and one's relative economic and educational position, and affect the level of inequality by being reflected in citizens' political choices. In this project we will examine preferences for redistribution using ISSP surveys (rounds 1987, 1992, 1999 and 2009). In these surveys a list of occupations is presented to respondents, and respondents are asked what they think people in these occupations *actually* earn, and what they think people in these occupations *should* earn. Based on these questions we can calculate an individual's preference for redistribution.³³ Is there a trend towards a declining preference for redistribution? Does this pattern vary across earnings groups? Does the impact of individual relative earnings vary with changing inequalities? Our design that combines changing distributions with changing effects is crucial here.

Personal opinions about international inequality are relevant for predicting and understanding international policy. We will measure people's opinions about the level of inequality between rich and poor countries, as well as their willingness to redistribute taxpayers' money from rich to poor countries. We will also investigate the effect that within-country changes have on people's opinions on international inequality and their support to for international redistribution. It is relevant to see whether changing inequalities affect the pattern of such opinions. It is likely that rising within-country inequality causes people at the lower end of the income distribution to more strongly disapprove of international equality, with serious implications for international solidarity; international solidarity, highly relevant in the light of the agreed target that at least 0.7 percent of national GDP should go on development aid, a percentage only achieved by a few countries. Following a similar logic, rising inequalities may also lead to stronger objections to globalisation and immigration, in particular among the low-skilled and low-paid. Scepticism towards the European Union is also likely to be affected by inequality, in particular among the 'losers' from globalisation. Thus far the research focus has been on the impact of GDP, rather than its distribution, on globalisation attitudes.³⁴

Also important with regard to the legitimacy of inequalities are people's opinions on whether individual attainments are caused by luck factors or by one's own effort. World Values Survey questions about how much individual economic fortunes are determined by "hard work and individual abilities" versus "luck and social contacts" has revealed there to be substantial average-national differences in attitudes. For instance, European polities tend to, on average, believe more in "luck," while US respondents tend to believe more in "pluck". As has been shown, such cross-national variation is unlikely to be driven by cross-national variations in social mobility and inequality.³⁵ In the United States, poverty is more often seen as the own responsibility of the poor themselves whereas in Europe the poor are more often seen as being trapped through the institutions in their countries. It is likely, instead, that between-country variation in these opinions is systematically related to their history and institutions. One of the questions our project seeks to answer is whether such differences on pluck versus luck reflect systematic differences in economic and/or educational inequality. Does educational inequality more strongly affect cultural or individual attitudes on pluck versus luck than does income inequality – particularly since it is the former that is presumably most relevant to potential mobility? Do welfare states or other political-economic institutions mediate how inequality affects attitudes about individual opportunity? For instance, do more generous social policies tend to dampen the relationship between inequalities and subjective attitudes on luck and pluck? (overlapping the discussion below on social policy and inequality)

Increasing economic and educational inequality is expected to influence more down-stream political sentiments in a polity, including *satisfaction with the current political leadership* and with *political institutions* generally. Economic, and perhaps more so educational inequality, can be expected to raise frustration among citizens not only because of their economic (mis)fortunes, but also as a reflection of the poor functioning of their political institutions. Our focus, therefore, will be on how varying economic and educational inequality affects citizen satisfaction with political leaders and political institutions, and on how existing political, economic and other institutions mediate this relationship. Most simply, does economic

³³ Osberg, L., & Smeeding, T. (2006). "Fair Inequality"? Attitudes toward Pay Differentials: The United States in Comparative Perspective. *American Sociological Review*, 71, 450-473; Jasso, G. (1999). How Much Injustice is There in the World? Two New Justice Indexes. *American Sociological Review*, 64, 133-168.

³⁴ O'Rourke, Kevin H., and Richard Sinnott. 2006. "The determinants of individual attitudes towards immigration." *European Journal of Political Economy* 22:838-861.

³⁵ Alesina, A and Glaeser, E.L. (2004) *Fighting Poverty in the US and Europe: A World of Difference*. Oxford: Oxford University Press,

inequality depress satisfaction with political leaders or with the functioning of political institutions? Does changing educational inequality do so more than economic inequality – a possibility in line with how education may well be more directly subject to political control than broader economic inequality? And do democratic political institutions or substantial social policies intensify how much inequalities affect political satisfaction?

Task 3 Inequality, value systems and country-level consequences (WP5.3)

After having carefully studied the impact of inequalities on various political and cultural outcomes, we will examine whether such cultural factors in their turn affect macroeconomic performance. Important trends have been the shift from survival attitudes to desires for self-expression and from solidarity to individualism.³⁶ We scrutinise the interaction between value systems and economic inequality, and analyze their joint implications for macroeconomic performance. Both the extent of expected income disparities and their determinants are likely to have incentive effects on the type of values that families tend to transmit to their children. Depending on perceived opportunities for their children, parents may try to instil various views of “good life”; examples include fulfilment in work, economic success, hedonistic enjoyment, devotion to family, cultivation of friendships, social solidarity, and political engagement. In turn, value systems affect economic choices because they add a symbolic payoff to actions. Depending on the distribution of value systems in society, values may reinforce or dampen economic inequality. We are interested in understanding the nature of equilibria that can emerge under various circumstances with respect to both value systems and patterns of inequality. Furthermore, we are interested in comparing those equilibria in terms of efficiency, social welfare, and macroeconomic performance.

Another relevant macro-level concerns the role of social norms in shaping inequality. While some have argued that attitudes towards inequality are merely a function of the actual distribution of income, others have contended that changing social norms have been one of the key reasons why inequality has risen (e.g. permitting executive pay to outstrip that of the average worker). We aim to study the direction of causality by focusing on the timing of changes in inequalities and changes in opinions. Do changes in inequalities precede changes in attitudes, or the other way around? And what kind of inequality matters? Is it the gap between the bottom and the middle, or the middle and the top?

Data

A number of comparative datasets will be used for these analyses. The combined USCID and ESS 2002 CID datasets are particularly suitable for analyzing the effects of inequality (relative position in terms of income and education) on civic and political participation, as they place particular emphasis on measuring political and civic engagement, social trust and social cohesion. These datasets also enable direct comparisons between the US and Europe. We will analyse both cross-individual and cross-country inequality, as well as the interaction between the two (i.e. do country-level differences affect individuals from both ends of the inequality scale in the same manner?).

International Social Survey Programme (ISSP) rounds 1987, 1992, 1999 and 2009 and World Values Study will be used to analyse opinions about inequality and preferences for within-country and international redistribution. They include many countries in Europe (EU25 and beyond), North-America and Australia, of which we will use as many as our empirical requirements will allow. A new Gallup survey, to be the first-ever genuinely global survey (200 countries by the end of 2008) will be analysed to explore the effect of inequality on attitudes on ‘pluck vs. luck’. We also make use of the European Election Study of 2009, to analyse populist party choice and Euroscepticism. The key source of aggregate level data will be the new edition of the Quality of Government dataset: a comprehensive source of political, economic and social information at the national level, supplemented with World Bank and IMF indicators.

³⁶ R. Inglehart & C. Welzel (2005), *Modernization, Cultural Change, and Democracy: The Human Development Sequence*, CUP

1.1.D Social policy making and impacts: the third cross-cutting task

Background and motivation: Why should policy care?

The research to be carried out on income inequality, educational inequalities, social impacts and political/cultural impacts as described in previous sections will be in each case be developed to produce clear, concrete implications for policy in the wide range of areas to be covered. The Policies work package then takes a further set of specific policy issues that are important to address. The Call raises or implies several such questions:

- Why should (European) policy care about (rising) economic inequality? What, if any, are the consequences for competitiveness, growth and social cohesion (viz. the Lisbon Agenda)?
- Does rising economic inequality constrain the capacity for effective collective action and the scope of feasible/sustainable policy alternatives, especially in the social and economic sphere?
- How can policy respond (if it should) to rising economic inequalities?
- Is the redistribution of income (through regulatory constraints on market-income inequality, or actual redistribution) a sensible and cost-effective social-cohesion strategy, even if it creates a setting conducive to better (distributional) outcomes in terms of health, education, political participation etc.?
- If limiting income inequality, especially compressing the lower end of the income distribution is desirable, be it in its own right or as a means to another end, how is it then best done?
- How can policy respond in other ways?
- What policies can promote equality in educational attainment?
- What other non-income policies can promote equality of opportunity

Of course, understanding the contribution that policies have made to the increase in inequalities is also critical both for the analysis and the validity of policy implications that can be drawn.

The overall objective of this work package is to address policy implications of economic and associated inequalities, and to spell out and assess possible courses of action. The focus here will be both on the implications for policy at European and national level, and on the implications for collective action involving non-governmental and other societal actors. Note that drawing policy inferences from the results of the present project will be the task of the Final Report at a time that the country results can also be accounted for. Here the prime focus is on the factual role of policy in relation to inequalities as we find it. Thus this work, together with that just specified sub 1.1.C, will be dealing extensively with the impact of (rising) inequality on such aspects as social cohesion, political participation, democratic values, social norms, institutional trust, and support for the welfare states and redistribution.

There was a time when European welfare states had explicitly stated redistributive ambitions. Reducing income inequality was considered a legitimate policy objective in its own right. Over the past decades, however, such egalitarian ambitions have given way to more complex aspirations framed in terms like social inclusion. Equality of opportunity is now deemed rather more relevant than equality of outcomes. Yet 'old-style' outcome inequality reduction seems to have re-entered via the back door in the guise of the social indicators adopted by European governments to help gauge progress in the field of social inclusion. Prominent among those are indicators with respect to income inequality and relative income poverty. Hence, in officially endorsing these indicators, European governments have in effect re-avowed the importance of reducing income inequality as a policy objective (Atkinson et al., 2002; Marlier et al, 2007). However, little justification is given. Lower relative poverty and income inequality seem to be considered desirable goals for their own sake. A limited degree of income inequality is widely seen to be a core attribute of the European Social Model and a key dimension on which Europe distinguishes itself from the United States and other advanced economies.

But why should we be concerned about income inequality and relative poverty in a more substantive sense? Why should we direct prime policy attention and resources to the reduction, or at least containment, of income inequality? One reason is of course that lower inequality and income poverty may be conducive to better outcomes on other dimensions than income: for example material deprivation, health, education and housing outcomes. As explained in Section 1.1.B, this project will investigate a range of such potential social impacts including in the areas of poverty and deprivation, in happiness and social welfare, in gender inequalities, in family breakdown and teenage pregnancy, in childhood disadvantage and educational failure, in health inequalities, in crime and disorder, in polarisation and increasing fragmentation between communities, ethnic groups, regions and social classes. This will provide one set of answers to why one

should care about increasing inequality, but the relationship between inequality and growth is of central importance. How should the objective of limiting income inequality relate to the objective of promoting income growth? This is arguably even more important when applied to countries where large sections of the population still lack the very basic provisions, and where the aggregate wealth of the country does not suffice to meet such needs through redistribution. So readdressing these issues now is particularly relevant in the context of the recent enlargement of the EU.

Task 1 Constraints imposed by rising economic inequality (WP6.1)

Does rising economic inequality constrain the capacity for collective action and the scope of potential policy alternatives? There are reasons to suspect that rising economic inequality limits the capacity for effective policy making, especially if it comes to promoting social cohesion and equality of opportunity. A key empirical element here is the link between economic inequality and welfare-state development. There exists a strong association at the country level between the level of income inequality and the size of the welfare state, measured as social spending. We also know that there is a strong correlation between social spending and social outcomes, for example the level of relative-income poverty. The sheer size of the welfare state matters greatly in this respect (Förster and Mira d'Ercole, 2005; Nolan and Marx, 2008).

It is important to enhance our understanding of these associations. Generally speaking, there might be three kinds of causal explanations. First, the direction of causality may go from an extensive welfare state to a condensed wage distribution. This is the line followed by Alvarez (2001), who has argued that second-order effects of social expenditure are a large part of the explanation of the puzzle: the higher taxes and transfers of large welfare states influence labour supply in such a way that a more condensed wage distribution results. High-wage earners substitute leisure for money income in response to taxes, while generous benefits reduce labour supply among those commanding low wages through high reservation wages. But the causal mechanism may also run in the other direction. A highly unequal distribution of market incomes may make it politically and technically more difficult to redistribute income. That high social expenditure tends to be associated with limited wage inequality and vice versa is suggestive evidence as one could expect this to be the other way around given that high pre-tax, pre-transfer wage inequality creates a stronger need for public redistribution. Thirdly, an extensive welfare state as well as a limited degree of wage inequality may both be the results of a third variable. As Atkinson (2000) suggests, countries may be characterised by notions of equity that are widely shared within any society, but that differ across societies. A society in which the value of solidarity is widely shared may simultaneously support pay norms, collective agreements and adequate minimum wages, as well as quasi-universal and generous benefits.

The issue also links with what Korpi and Palme, in their seminal 1998 article, called '*The Paradox of Redistribution*'. Based on data relating to institutional characteristics of social transfer systems on the one hand, and data relating to observed income distributions on the other, they examined the relationship between the degree of benefit targeting and the redistributive impact of the system. They found that, paradoxically, more selective systems, that by design target resources to the most needy, have a smaller redistributive impact than universal systems, that offer both minimal income protection as well as income insurance in a broader sense. Furthermore, Korpi and Palme found that this relationship is mediated by the relative size of the available means for redistribution; countries with selective systems tend to have lower social expenditure levels. This finding was in tune with other strands of the literature. Authors like Baldwin (1990) and Goodin and LeGrand (1987) had earlier argued that the strength of universal systems is that these cater both to the needs of the least well-off and the politically more powerful middle classes. By contrast, in selective systems there is an inherent conflict between the least well-off, who are by definition the sole or main recipients of social transfers, and the better-off, who fund the system without benefiting from it in any proportional way. As a consequence, as Rainwater once put it, "systems for the poor tend to evolve into poor systems" – that is to say, systems where there is less and less to redistribute.

Summing up, the more intriguing hypothesis here appears to be that high market-income inequalities are barriers to the formation of robust and wide coalitions upholding large, redistributive welfare states.

One research approach we aim to pursue is to look at the impact of rising market-income inequality (especially at the lower end to the income distribution) on actual social expenditure trends and policy reform. Most research has looked at the impact of social expenditure on poverty and inequality, and we will do so too. But we also intend to look at this relationship from a reverse angle. In countries where (market) income inequality increased, how did this impact on actual policy? As was detailed in section 1.1.C, we will also consider the impact on institutional trust, participation and social cohesion. Complementary to that we will

here consider how rising market-income inequality (especially at the lower end of the distribution) has affected policy. How has it affected spending levels and spending patterns (transfer vs. social investment spending)? Has it prompted a welfare backlash or welfare innovation? If, as we expect, we find that there are important cross-country differences in all these respects, what then are the relevant mediating factors (e.g. the extent of means-testing)?

While the focus of the project is on structural shifts within advanced economies, macro-level changes can have substantial effects on the distribution of resources at the individual and household levels. Since the onset of the current economic downturn, concerns about its implications for poverty and distributional outcomes more generally have led to a range of policy initiatives seeking to support vulnerable groups. These efforts are, however, hampered by how little is in fact known about the likely distribution of changes in market income, or the capacity of existing redistribution systems to soften the negative impact of job and income losses. While it is possible to make informed guesses about which groups are likely to be hardest-hit, detailed distributional studies in OECD countries are still largely backward-looking. We will therefore attempt to provide forward-looking income-distribution scenarios.

Task 2 Effectiveness of redistributing income (WP6.2)

Is the redistribution of income (through regulatory constraints on market income inequality, or actual redistribution) a sensible and cost-effective strategy? If so, how is it best done? This question is again immediately linked to the 'social consequences of economic inequality' part of the project. But finding that less income inequality is conducive to better health, education etc outcomes does not imply that redistributing income is the most efficient way of improving outcomes on those dimensions (see for example Burtless and Jencks, 2003). It may be far more effective to deal with say health inequalities directly than via the route of the income or wealth distribution. But supposing that limiting economic inequality, especially compressing the lower end of the income distribution is desirable, how is it best done?

A good way of looking at the interaction between market-income inequality and the impact of policies is through using the microsimulation technique, and more specifically EUROMOD, a multi-country European-wide tax-benefit model involving researchers from all EU-member states. It provides estimates of the distributional impact of current personal income tax and cash transfer policies, as well as of changes in this field. Through the specification of policy changes and the application of revenue constraints distributional outcomes can be measured both at the national and the European level (see e.g. Immervoll et al. 2006). Thus EUROMOD is invaluable for assessing the consequences of consolidated social policies and in understanding how different policies in different countries may contribute to common objectives. It is of as much significance in evaluating national policies within a European perspective, as in evaluating policies at the level of the European Union.

We propose to use EUROMOD for evaluating past policies. For the 15 (pre-2004) member states the model starts with policy systems from 1998 onwards; by comparing this situation with more up-to-date systems we investigate the impact of policy changes on changing patterns of income inequality. By doing this, it will also highlight the role of changes in market income inequality and its interaction with policies. As policy systems of new member states are currently being integrated in EUROMOD, the international comparison of recent policy systems will be extended with central and eastern European countries (models for Estonia, Hungary, Poland and Slovenia are currently available). A pan-European perspective will be given by studying the effect of introducing European-wide benefits for specific groups. In previous EUROMOD-work a European basic income for children has been simulated (see Levy et al., 2007), but other measures are possible for other groups. Possible examples include the simulation of a European-wide minimum wage (e.g. specified as a proportion of national median wages), a basic income for pensioners (building on Mantovani et al, 2007), a basic study grant for students, etc. (Holly Sutherland, leader of the EUROMOD project, will contribute here as an associate expert.)

At the European level and in most EU member states, higher levels of labour market participation are seen as key to better social inclusion and cohesion. But what is its likely impact on income inequality and poverty? In the literature, shift-share analysis has been used to address this issue (Whiteford & Adema, 2007; Fritzell & Ritakallio, 2004). This essentially consists of changing the weight of population segments, keeping their poverty rates constant, and has serious limitations.

We propose a more sophisticated analysis which starts by estimating the probability of labour-force participation by a probabilistic regression, using the relevant individual (e.g. sex, age, education) and household determinants (e.g. household composition, partner's labour income, young children) available in

EU-SILC. We use these probabilities to rank inactive individuals according to their chances of becoming active and finding work so that in simulations of higher participation rates those most likely to work are moved into a hypothetical job first. In a next step we estimate the wages of the newly active individuals (taking account of selection bias). In a last stage we use EUROMOD to simulate net income, including the possible repercussions of the predicted labour income on all kinds of benefits (e.g. unemployment benefits, old-age benefits). We can then simulate alternative scenarios, for example the attainment of the 70% Lisbon objective. We can assess the effect on the income distribution and on poverty. We can also see whether newly active individuals/households have a labour income high enough to escape poverty. Comparing outcome differences across countries under similar scenarios can shed light on the impact of policy.

Task 3 Towards an integrated policy approach (WP6.3)

In addition to the work to be conducted under this work package, the research to be carried out on income inequality, educational inequalities, social impacts and political/cultural impacts will be in each case be designed to produce clear, concrete implications for policy in the wide range of areas to be covered. The Country Reports will also focus on policy and policy outcomes in individual countries.

A Policy Analysis Report will bring together key policy relevant insights across the different work packages, integrate them into a coherent whole and consider possible trade-offs or complementarities. The focus here will be on the implications for policy at European and national level, and on implications for collective action involving non-governmental and other societal actors. This report will also consider the implications for social indicators and other instruments to monitor progress in the sphere of social inclusion and social cohesion.

1.1.E Country Reports

GINI aims to provide as wide a country coverage as possible, not only of Member States but also of four other major countries, USA, Japan, Canada, Australia. Expectedly, this will be the only research project undertaken with FP7 support in this field. To enable this within the given budget a two-phase, two-layered structure has been adopted. Starting from the analysis provided on the basis of what has been discussed so far a series of Country Reports will be drafted. These will present for each of the countries covered the results of an integrated approach based on the analytical approaches of the four work packages framing this in the national contexts of the public and political debate on inequalities and the nation's realities of policymaking. Detailed international comparisons are at the heart of the research proposed above using international data sources and exploiting differences in trends and levels of inequalities, and in their impacts as well as in the roles of policies and institutions. Such comparisons usually suffer from the small number of observations (country-years). We think that our approach of combining country and individual data, maximizing time and country coverage and in-depth study of certain aspects, helps to address this problem to some extent. Country analysis will work as double check for the cross-national comparison, both in building relevant indicators for the institutional arrangements with respect to schooling systems, labour market institutions, taxation, subsidies and other policies, and for considering the possible country-specificity of levels, trends and measures. We are aware of the risk that in different countries similar things may have different meaning and different things similar meaning. Also, countries are no mechanical combinations of an internationally uniform set of factors and, even if they were, they may have found different equilibria between these factors. Therefore it is of utmost importance to also consider inequalities and their impacts from the country point of view. For this reason, and naturally also for augmenting the knowledge of inequalities and impacts in its own right, an important distinguishing feature of the present project is that it will consider the issues at stake in depth in their national contexts for a total of 25 EU countries and 4 other developed countries: the United States, Canada, Australia and Japan. In principle, but evidently in a more concise fashion, the Country Reports will cover the same grounds as do the four work packages of the first phase, aiming to present national levels and trends in inequalities and impacts together with the 'national story' of relevant policies and institutions. On the one hand they will take into account the results as reported in the four work package reports. The results will help evaluating the significance of the international comparative findings, and where possible fill gaps that are left by the international data. For this feedback a workshop will be organised as part of the coordination by each of the six partners for the selection of 4 to 5 countries which they will be supervising during the second phase. The main country results will go into the Final report including a scrutiny of possible cross-country patterns.

A uniform potential-contents-type of format (the General Format Proposal) for the reports aimed at steering the underlying research will be developed in mutual cooperation between the partners and the country experts during the first phase to ensure that, first, no important aspects are missed by the partners' own work, second, the distinctive methodological approach of the project is pursued throughout, and, third, sufficient room is left to account for principal country differences. The format will be prepared during the first phase of the project by means of a general preparatory discussion at the Year1 Meeting and a concluding discussion at the Mid-term Conference when drafts of both the six partners' own Country Reports and the four work package reports will also be available in addition to the format proposal. The other Country Reports will be prepared during the second phase. Thus we intend to produce a series of 25 Country Reports covering 29 countries in total. The nature of these may be compared to the recent OECD reports on *Sickness, disability and work*, *Jobs for youth*, *Ageing and employment policies* or *Jobs for immigrants*. The project partners will be responsible for their own six countries while for the remaining 23 countries the work will be done by leading inequality experts from the countries, who have agreed to collaborate and receive a subsidy. The involvement of the country experts in the general discussion about the format is a feature that we aim to add to the OECD's approach to its exemplary reports.

Eleven of these country experts (see Table 6) will also contribute their expertise to in-depth studies during the internationally comparative first stage of the project and thus will already be involved in the debate on the issues covered by the work packages.

1.2 Progress beyond the state-of-the-art

The scholars contributing to the proposed research have individually and in many cases collaboratively contributed to the current state-of-the-art in this area. The proposed research collaboration provides an exciting opportunity for these scholars to work collectively to push the frontiers further. The proposed research adds to the state-of-the-art on inequalities and their impacts in several respects: the use of a more detailed methodology combined with a systematic focus on changes, the application of new cutting-edge research techniques, a systematic study of emerging inequalities (access to education) and areas which there are gaps in our knowledge (wealth inequalities), the study of mutual relations between inequalities and impacts, and the extensive coverage of impacts and multi-country comparisons. Naturally, the actual progress beyond the state-of-the-art will be adequately spelled out in the work package reports and the final report.

The inequality-impact interactions, the new knowledge of impacts and countries and the importance of an integrated analysis at the country level as a potential check on the significance of results obtained from the international comparison were discussed above. Here we focus on the first contribution: the methodological advance.

The first area on which this contribution will focus is in the measurement and understanding of the core trends in income and educational inequalities themselves. All too often, in analysing the effects of these inequalities measures are taken from different sources for different countries and insufficient care is taken to ensure that "like is being compared with like". The team of researchers here will apply their expert knowledge in constructing and employing measures of income and educational inequality that are as closely harmonised from one country and setting to another as possible, thus substantially adding to the weight which can be placed on the findings when their impacts are analysed.

Much of the current research on the impact of inequalities relates national-level statistics on inequality (e.g. Gini coefficient, or decile ratios) to aggregate level outcomes, such as crime rates, health, or average social trust (Green et al. 2005; Wilkinson 2005). In GINI we shall advance on this by making the analytical distinction between variations in distributions and variations in effects by combining country-level and individual data sources. This will allow us to exploit the fact that our 'driver inequalities' and the impacts which we are interested in researching can vary *across countries* and change within countries *across time*. This will help both to understand better how inequality has evolved and how it has impacted on a range of social, cultural and political outcomes. This project will be the first to systematically study the consequences of inequalities in a large realm of domains, including employment, poverty, health, social trust, political participation and opinions on inequality, for such a large number of countries in a harmonised format, combining individual and country-level data.

Variations in inequalities (across time or place) may explain variations in social and cultural/political impacts for two reasons, each of which will be centrally examined in the empirical parts of the first phase of the project. First, varying inequalities affect the distributions, and particularly the relative sizes of the different groups in the distributions (*distributional variation*). Distributional variation will affect social and cultural/political outcomes even if the relative differences across educational and income groups are stable across time or among countries. So, for example, if the effect of low relative income on trust in societal institutions is stable across time, a growing size of the group with relatively low earnings will lead to a decrease in institutional trust just by distributional variation (also known as compositional effects).

Second, in addition to distributional variation, there may also be *varying effects* of relative income and/or educational attainment on social and cultural/political outcomes. This means that the differences between income or educational groups in terms of social and cultural/political impacts can change across time within a country, or vary among countries. These varying effects are impossible to study if only aggregate-level data are used, which is the current state-of-the-art in this field. Thus, in order to disentangle distributional variations from effect variations, it is essential to jointly examine individual and country-level data, which is exactly what this project proposes to do.

Importantly, varying effects may *off-set or reinforce* the impact of distributional variation. It will reinforce inequalities in social and cultural/political outcomes if wider dispersions coincide with larger effects, but it off-sets inequalities if rising dispersions are matched with smaller effects. In this project we will study both distributional change and changing effects. We will then be able to examine to what extent changes in employment, health outcomes, political participation, and social trust result from changing distributions, or whether on top of that changing effects are found. Similarly, we are able to identify the extent to which cross-national variations in employment, health and politics are caused by country variation in distributions and/or in effects of income and education.

We give one illustration that shows the relevance of disentangling changing distributions from changing effects. This relevance arises from the known paradox of civic integration, that, although highly educated individuals have higher levels of social trust than people educated at lower levels, national educational expansion has not led to increased levels of social trust. Rather, according to Putnam (2000) levels of social trust are in decline in many countries, even if educational attainment expanded at a national level. Clearly compositional change (changing distributions) is not all that matters; we should examine changing effects as well. This has never been done before for such a wide set of outcomes. Given our experience in multilevel research designs (Van de Werfhorst, Andersen, Burgoon, Checchi – and several country experts, with a good spread across the three disciplines involved in the project) our team will be well-equipped to make significant advances and to inform policy makers on the relevance of distributions and variations in social, cultural and political outcomes.

In the initial phase of the project a light, broad-brush review (D2) will cover the main research on the issues being addressed and will include research from different perspectives and using different methods, including research in the major disciplines as well as transdisciplinary research. This will include coverage [of the processes or mechanisms linking inequality and impact, as well as good coverage of European research](#). This review aims to cover the very broad field that the project aims to map and also inform project participants across the whole spectre. It will serve as a point of departure for the deeper and more focused state-of-the-art reporting mentioned below that will be incorporated in the four main work package reports (D3–6). The latter will position the contributions of the present project in relation what the reviewed research, including the theories and hypotheses used.

Methodological aspects

We take the issue of methodology very seriously and among the group of scholars in GINI are individuals internationally renowned for their technical ability and contributions they have made towards methodological advancements in their disciplines. In the individual research papers experts will employ relevant state-of-the-art techniques to explore particular issues whether this is for defining or measuring inequality or assessing the impact of inequalities on a range of outcomes. While all of these papers will involve advanced analysis, not all of these studies will involve cross-country analysis as comparative data is not always available. There is not enough room to outline in detail all of these methodologies in the description which range from research reviews for the four work package reports, conceptual theoretical analysis, mapping trends and providing descriptive statistics, inequality/poverty decompositions, semi-

parametric techniques, regression analysis and microsimulation, to name but a few. For the country studies and cross-country analysis we need to be much more systematic and employ harmonised methodologies. We outline our proposed methodology below but we shall also spend some time at the start of the project finalizing methodology and seeking the assistance of our expert advisory committee. This topic will be covered at our first meeting.

One of the major outputs from this project will be the cross-country analysis of the impact of inequalities on a range of social, political and cultural outcomes. Standard cross-country analysis aims to identify country fixed-effects in ordinary regressions accounting for inequality; these fixed effects are then correlated to macro-features (like geographical variation, historical domination, ethnic fragmentation, religion and so on). The two-step procedure can then be collapsed into a one-step procedure, gaining in efficiency of estimation, as long as the underlying distributions at country level are not very different. This strategy is essentially descriptive, since its results cannot be interpreted as causal in any sense. In addition, it requires a sufficient number of countries, which corresponds to the available degrees of freedom at the second stage of the procedure. Due to data limitations, many studies have given up the goal of explaining cross-country differences in inequality levels, preferring the alternative strategy of accounting for cross-country differences in impacts of standard variables (typically the case of parental background) or of institutional variables (typical cases are educational structures – like tracking, central examination, admission policies and the like - or labour market institutions – like employment protection, minimum wage and unemployment support schemes). These analyses get closer to causal interpretation, as long as they are able to capture geographical/temporal variations that represent genuine exogenous changes, the better evidence obtained under structural reforms (when one or more of these institutional variables is changed). Difference-in-difference estimators are the appropriate statistical tools in this framework. For example, given a general common trend in inequality, the investigators wonder whether differences in trends observed between countries (or regions or age cohorts or any combination of them) can be causally explained by policy variations. This type of analysis focuses on reforms and or unexpected events (like wars or national disasters), but its main weakness derives from the potential endogeneity of policies themselves. Only when convincing instruments are employed, can the researcher safely conclude that a specific policy is capable of causing a variation in the level of inequality. More ambitious is the analysis of the causal impact exerted by our inequality drivers (income/wealth and education) on social behaviour and/or political participation. In such a case, one should distinguish between macro-inequality (which may account for country fixed effects) and individual contribution to inequality. In this case causal statements are still possible (like “home ownership decreases the likelihood of divorce”), but again we need either very rich datasets (in order to control for self-selection into the ‘treatment’, i.e. home ownership) or appropriate instruments exogenously affecting the likelihood of the ‘treatment’ itself (for example the local availability of public housing). Once a potential causal effect has been identified, a typical illustrative device is the construction of counterfactual distributions, and the consequent calculation of inequality measures under alternative assumptions.

As most of our empirical studies in the first phase compare a large number of countries (between roughly 20 and 45), a complementary route is employing multilevel models that allow for the insertion of micro- and macro-level variables. By randomizing the intercepts and effects, multilevel models improve on models that estimate country variations by country fixed effects (i.e. country dummy variables). Although country fixed effects would optimize the estimated variation between countries, these effects are often hard to interpret. What do we know if, say, the UK has greater political inequalities than Sweden? It is difficult to conclude that this is the result of larger income inequalities in the UK, because there are many more differences between these countries. Instead, multilevel models randomize (rather than fix) the intercepts and effects of individual-level variables. By subsequently adding macro-level variables (most importantly indicators of a country’s level of inequality) it is possible to examine the share of the country-level variance that is explained by these country-level indicators. By controlling for other macro-level variables it is furthermore possible to more clearly scrutinise the impact of a nation’s level of inequality on social, cultural and political impacts.

Multilevel models, however, do not come without problems. Most importantly, multilevel designs for cross-national comparisons have been criticised for the fact that they violate the assumption that higher-level units (i.e. countries) are drawn from a random sample. This means that we have to be more critical with regard to standard errors than standard statistics would assume, and that effect sizes of macro-level variables are of greater interest than significance tests. Also, we will test assumptions of multilevel designs, in particular with regard to the conditional distribution of country-level residuals.

One assumption underlying the random sampling is that there is a *joint* normality of the residuals at the individual and country level. Recent advances in multilevel modelling have made it possible to relax this assumption. We will estimate two-step multilevel models, where first microdata are analyzed for each country. Then, in a second step, the estimates of individual level variables (in particular individual position in income and educational distributions) of all countries are related to macro-level indicators (e.g. Gini coefficient), where the country-level regression is weighted by the standard errors of the micro-level analysis. The normality in the country level regression can be tested using standard normality tests for regression. The two-step methodology is particularly interesting because it allows different estimation techniques at the individual level.

1.3 European coverage and comparative perspective

We intend to cover as many EU member states as possible (data permitting). This will boost available knowledge and improve a basis for international comparison. It will enable considering the presence of different patterns across groupings of countries depending on e.g. their level of development, and discussing the role of economic integration vis-à-vis inequality and impacts. In addition, the United States, Japan, Australia and Canada are included in the analysis. These countries also differ with respect to levels and trends in inequality, ranging from high and increasing in the US to stable or declining in Japan and in terms of social, cultural and political environments. Much can be learned from the comparison between EU – taking within-EU differences into account – and these countries with concern to both structural issues of economy and policy making and cyclical aspects. An important question is what impact the current economic crisis will have on inequality in the short term and in the long term. Cross-country variation will help to shed some light on this issue as will the analysis of short and long run impacts relating to previous recessions. It will also be explicitly addressed in one of the Discussion Papers for the policy work package. The effects of economic integration are also important to address in this comparison. It seems increasingly clear that in recent years the US has been thriving economically on the savings procured elsewhere including many European countries. Thus different economic and social models may be playing complementary parts in integration on a wider scale which, in turn, may affect inequalities and impacts as well as the room for manoeuvre for influencing them.

1.4 Methodology and work plan

The fundamental structuring of the work follows a two-stage approach (see also Schema D for interdependencies and Schema E for timing). The first phase will start off the project with a Kick-off Conference that discusses the approach and concomitant work plans and identifies task responsibilities. This phase focuses then on international comparison and in-depth analyses of inequalities and impacts. Its task configuration follows the two dimensions mentioned before: vertical pillars for the two categories of impacts, and horizontal, cross-cutting tasks for inequality analysis and policy analysis respectively. The second phase comprises, first, the research for and production of the Country Reports, and, second, the final reporting which aims to bring together in a coherent fashion both the national and international results together with a consideration of their policy implications. This phase ends with a concluding policy conference where the results will be presented.

These two phases will be linked by the mid-term conference which will use the first round to set the stage for the second. By the time of the conference, Theme workshops will have been held and most Discussion Papers will be available. At the conference four draft reports will be presented on inequality analysis, social impacts, political/cultural impacts and policy analysis respectively, together with the proposed general format for the country reporting – supported with the practical examples of six draft Country Reports for UK, Italy, Hungary, the Netherlands, Belgium and Ireland. The precise format to be adopted for the final Country Reports will be agreed at this stage. On the basis of that, the six draft reports will be subsequently revised, and the 19 reports for the remaining 23 countries will be prepared. Also the four analytical reports will be finalised on the basis of the discussion and the comments given by the Advisory Board.

General coordination of GINI across the entire duration of the project is provided by regular, half-yearly meetings of the 7 work-package coordinators³⁷ – complemented by email and telephone contacts in between

³⁷ Checchi, Marx, McKnight, Nolan, Salverda, Tóth, Van de Werfhorst.

(WP2). Within-phase and between-individual coordination will be provided in two ways: via a facility at the project website accessible to project participants only, and by the task-centred approach in all relevant work packages. For the first phase this is practically supported by the plenary Year-1 Conference and small-scale workshops for each of the four analytical work packages (WP3, 4, 5, 6), and one workshop aimed at the six first-round Country Reports and the general country-report format (WP7). The four Analysis Reports which will be circulated for discussion before the Mid-term conference serve to bring together the findings of the within-package tasks and consider their policy implication. The Advisory Board's review of these reports and their comparative discussion aims to evaluate each of the reports on its own right, to help revision, as well as their overall coherence. They are an important starting point for drafting the Final Report. Phase-2 direct coordination is provided by a supervisory structure put in place for preparing the other 19 Country Reports, again a task-centred approach. Each of the six partners will take responsibility for a specified interestingly diverse group of country teams while the coordinators continue to coordinate between themselves through WP2. These Country Reports will adopt a common frame of reference and also profit from the results of internationally comparative studies that may help to provide country data. Vice-versa the national studies can help to fill gaps left by those data and help to evaluate their quality and the relevance of the results reached on the basis of these data.

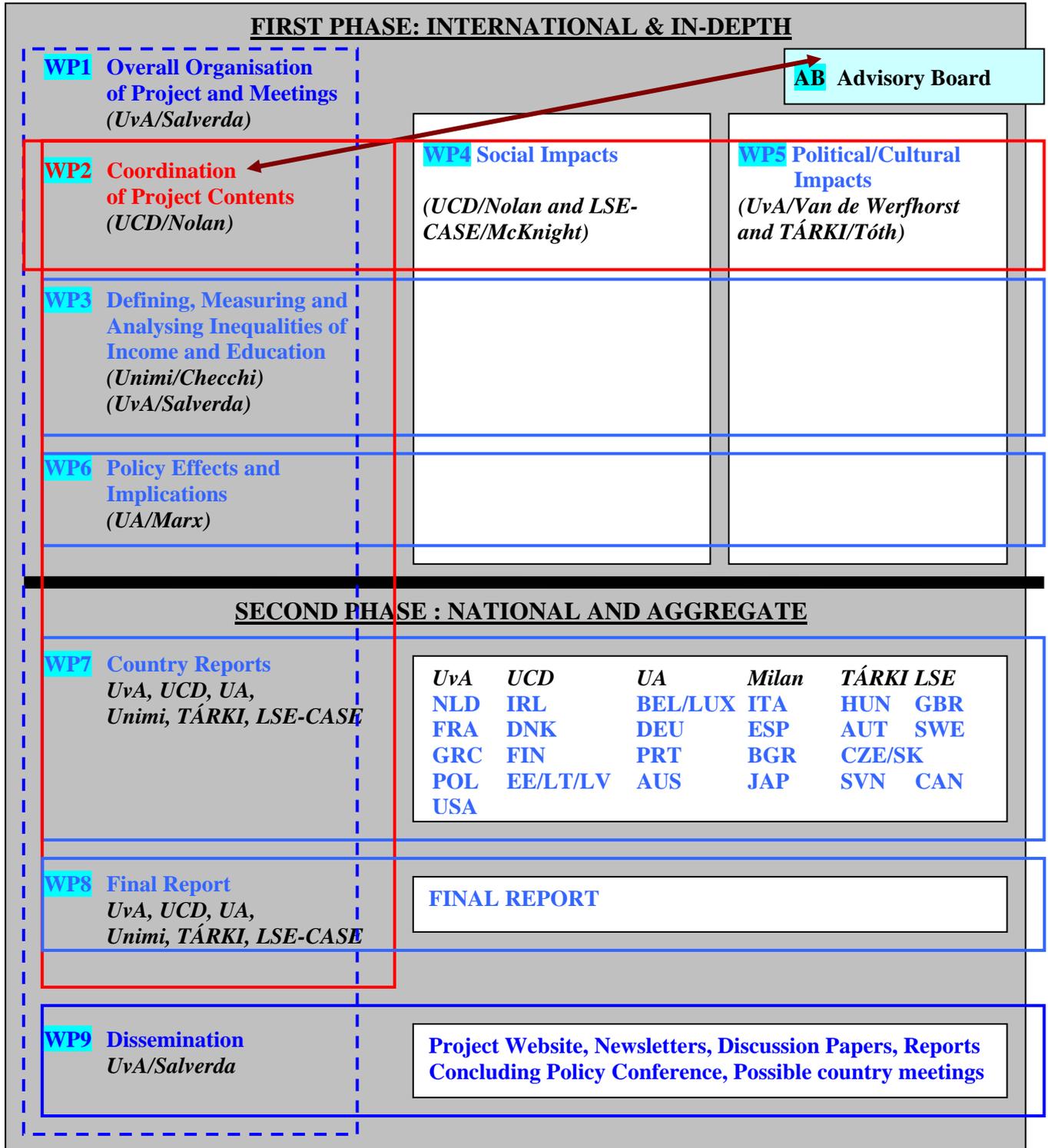
The Final Report is the responsibility of the 7 coordinators and will be based on the 4 finalised analysis reports and the reports for 29 countries. The former will be ready 6 months after the mid-term conference, the latter after 9 months – but their progress will be well known to the coordinators because of the supervisory process that includes a joint progress-and-comparison workshop for the 4 or 5 countries comprised in each group. The report aims to bring these results together and examine their policy implications. The draft version will be presented and discussed at the concluding policy conference after which it will be revised.

Contributing scholars will seek to publish their research papers in peer-reviewed journals and as contributions to books and reports. The ultimate expectation is to publish the collective results in two different ways (apart from a popular summary of the final report for dissemination): first, as a book with an excellent publisher, plausibly in two different volumes: one for analytical and comparative results and one for the national results, and, second, for specific aspects of the analysis, as one or more special journal issues. Work on the latter can already start on the basis of Phase-1 Discussion Papers.

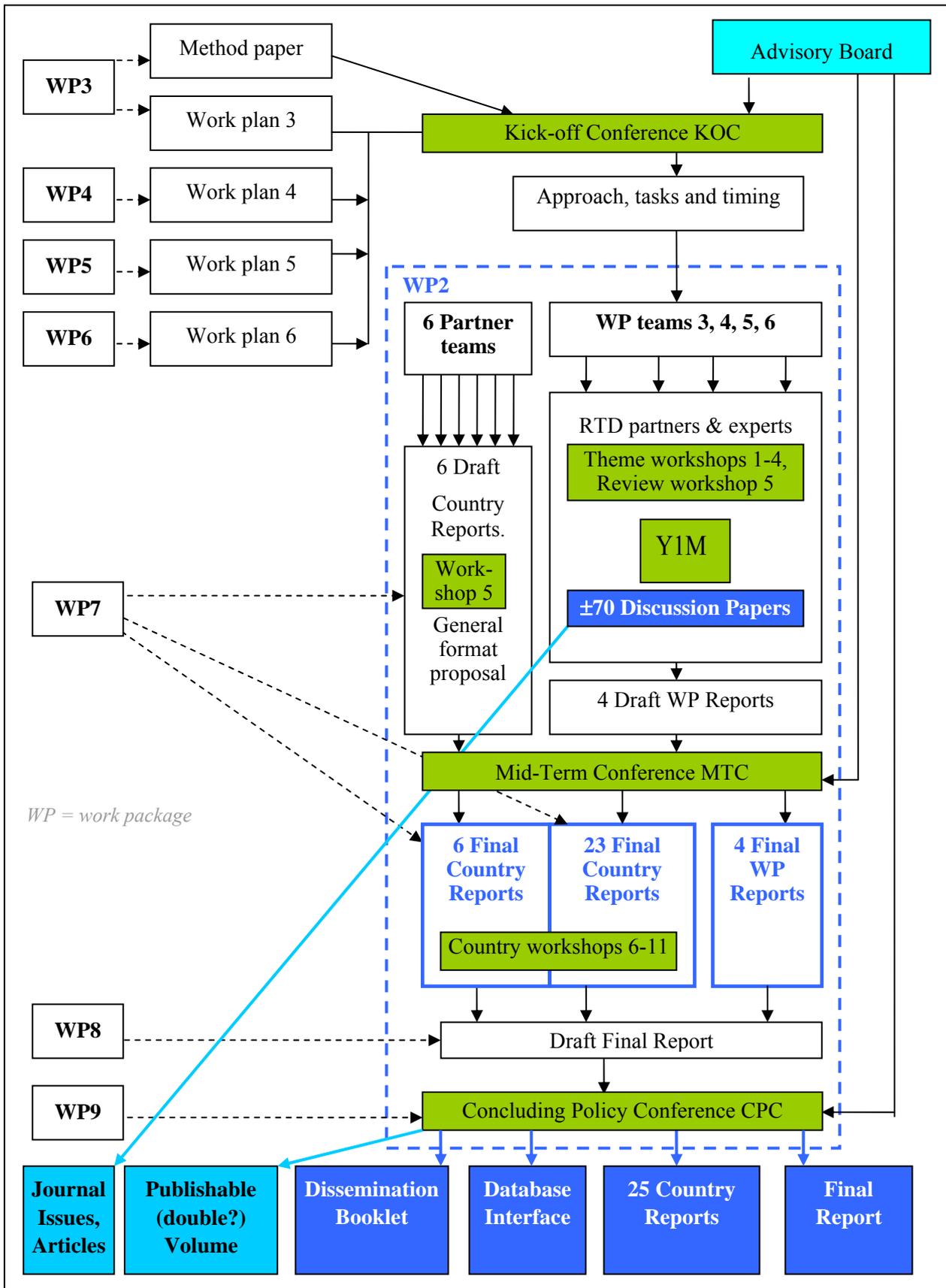
Schema D presents how the two phases and the nine work packages hang together and who takes responsibility. It indicates the central importance of four contents work packages on inequalities, impacts and policy. It shows the coordinating roles of work packages 1 and 2 across the project and spells out the relevant detail of the two work packages 7-8 of the second phase, indicating the country groupings for preparing the Country Reports. Finally, the dissemination work package, which has relevance from the start to the end of the project, is shown. The sequential interdependencies of the research activities are the subject of Schema D. It clearly shows the role of meetings, project-wide and package-wide, and the preparation of draft and finalised reports up to the final report and book and journal publications.

Overall work plan

Schema C. Work organisation (packages)



Schema D. Interdependencies of RTD activities



Timing of the project

Schema E. Time chart

Month	PHASE 1: INTERNATIONAL & IN-DEPTH												PHASE 1: NATIONAL & AGGREGATE																										
	Year 1						Year 2						Year 3																										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36			
Meetings																																							
COM	X					X					X					X						X						X											X
KOC	X																																						
Y1M											X																												
MTC																										X													
CPC																																							X
TWS																																							
Work packages																																							
WP1 ORCO	[Grey bar]																																						
WP2 COCO	[Grey bar]																																						
WP3 INEQ	[Grey bar]																								[White]														
WP4 SOCIMP	[Grey bar]																								[White]														
WP5 POLCUL	[Grey bar]																								[White]														
WP6 POL	[Grey bar]																								[White]														
WP7 COUREP	[White]												[Grey bar]																										
WP8 FINREP	[White]																								[Grey bar]														
WP9 DISSEM	[Grey bar]																																						

COM = Coordination meetings (WP2); KOC = Kick-off conference; Y1M = Year-1 meeting; MTC = Mid-term conference; CPC = Concluding policy conference. TWS= Theme workshops: WP's 3, 4, 5, 6 and 7.

The chart brings the timing of the work packages together with that of the meetings that are foreseen for coordination within and across packages. The central role of the Mid-term Conference comes to the fore as the linking mechanism between the two phases of the project. The three-year duration is a conscious choice to enhance the focus and concentration of the work, based on the excellent experience of the *Demand Patterns and Employment Growth* project. (FP5).

*Work packages overview***Table 1 Summary of work packages**

Work-package No	Work package title	Type of activity	Lead participant No	Lead participant short name	Person - months *	Start month	End month
WP1	Organisational Coordination ORCO	MGT	1	UvA-AIAS	11	1	36
WP2	Contents Coordination COCO	RTD	2	UCD	7	1	36
WP3	Inequality Analysis INEQ	RTD	4, 1	Unimi + UVA-AIAS	56.2	1	26
WP4	Social Impacts Analysis SOCIMP	RTD	2, 6	UCD + LSE-CASE	49.6	1	26
WP5	Political and Cultural Impacts Analysis POLCUL	RTD	1,5	UvA-AIAS + TÁRKI	42.5	1	26
WP6	Policy Analysis POL	RTD	4	UA	32.2	1	26
WP7	Country Reports COUREP	RTD	3	all	47.5	12	33
WP8	Final Report FINREP	RTD	1-6	all	27.5	24	36
WP9	Dissemination DISSEM	OTHE R	1-6	UvA-AIAS	7	1	36
TOTAL					281.5		

*) Only person-months meant for reimbursement by the Commission are mentioned

*Deliverables***Table 2 List of deliverables**

Deliverable No	Deliverable name	WP No.	Nature	Dissemination level	Delivery date
D1	GINI Discussion Papers (see ±70 titles in Table 2A)	3-6	R	PU	6-26
D2	Initial review of the literature	2/3-6	R	RE	9
D3	Report <i>Inequality Analysis</i>	3	R	RE*	26
D4	Report <i>Analysis of Social Impacts</i>	4	R	RE	26
D5	Report <i>Analysis of Political/Cultural Impacts</i>	5	R	RE	26
D6	Report <i>Policy Analysis</i>	6	R	RE	26
D7	Country Reports 1–6: Belgium, Ireland, Italy, the Netherlands, Hungary, and the United Kingdom General Format Proposal for Country Reports	7		PU	30
D8	Country Reports 7–25 (see Table 2B and Scheme G)	7	R	PU	33
D9	Final Report	8	R	PU	36
D10	Project website	9	O	PU/RE	2
D11	Database for dissemination	2	O	PU	33
D12	Database interface on project website	9	O	PU	33
D13	Dissemination booklet	9	R	PU	36

*) RE is meant to indicate that the results will be available to project participants and Commission services only until the moment they have been used as inputs for the Final Report.

R = Report, PU = Public, PP = Restricted to project participants and Commission

To keep the Commission abreast of the progress of the project as a whole Progress Reports will be submitted over the first and the second half (18 months each).

To particularly focus on the policy relevance of on-going activities the Commission will receive Policy Briefs at months 12, 24 and 36. These will draw out the policy implications of the project to date and be in suitable language and a suitable attractive format for people interested in policy. The first will be approximately 4 pages in length and the two subsequent Briefs will be increasingly long up to approximately 8 pages for the final Brief.

Table 2A GINI Discussion Papers (specification of deliverable D1)

Discussion Papers arranged by Work Packages and Tasks
<p>Work package 3: Inequalities Analysis</p> <p>Task 3.1: Uniform approach to income inequality <i>Cowell, Fiorio, Garcia, McKnight, Nolan, Salverda, Micklewright</i></p> <p>D1.3.1.1 Comparable indicators of inequality across countries D1.3.1.2 Measuring and mapping trends in wealth inequality D1.3.1.3 Issues of measurement in inequality across and within countries D1.3.1.4 Factor components of inequality D1.3.1.5 Variation in the structure of inequality among the wealthiest</p> <p>Task 3.2: Understanding relationship income inequalities \Leftrightarrow impacts <i>Brandolini, Cappellari, De Graaf-Zijl, Fillipin, Garcia, Leonardi, Marx, Nolan, Salverda, Smeeding</i></p> <p>D1.3.2.1 Mechanisms of inequality at the top and at the bottom of the wage distribution D1.3.2.2 Comparative trends in wealth inequality, income inequality and the impact of the credit crunch D1.3.2.3 Joblessness and income inequality: two-way causality D1.3.2.4 Inequality of household income and consumer demand D1.3.2.5 Earnings inequality at the workplace level D1.3.2.6 Gender earnings differences and the allocation of domestic work within the household D1.3.2.7 Business strategy, wage inequality and productivity D1.3.2.8 Mobility out of low-wage jobs: the roles of immigration, economic cycle and labour market programmes</p> <p>Task 3.3: Uniform approach to educational inequality <i>Bratti, Checchi, Fiorio, Leonardi, Van de Werfhorst</i></p> <p>D1.3.3.1 Indicators of educational inequality D1.3.3.2 A map of educational inequalities using data from students' testing on competences. D1.3.3.3 A map of educational inequalities using data on educational attainments D1.3.3.4 Indicators of institutional features of educational systems</p> <p>Task 3.4: Understanding relationship educational inequalities \Leftrightarrow impacts <i>Ballarino, Bratti, Checchi, Garcia, Leonardi, Pollak</i></p> <p>D1.3.4.1 The correlation between educational attainment and parental background: the role of institutions D1.3.4.2 An educational-inequality minimizing set of institutions D1.3.4.3 Policy options for the reduction of educational inequality D1.3.4.4 Intergenerational mobility in terms of income, class and wealth in Great Britain and Germany</p> <p>Work package 4: Social Impacts</p> <p>Task 4.1: The Impact on Living Standards, Poverty and Deprivation, and "Risk" <i>Marx, Nolan, Smeeding, Verbist, Voitchovsky, Whelan, Micklewright</i></p> <p>D1.4.1.1 The impact of increasing income inequality and joblessness on living standards and deprivation D1.4.1.2 On the gap between rich and poor: "hollowing-out" of the middle in OECD countries and its social effects D1.4.1.3 The impact of increasing income inequality on economic vulnerability and "risk" D1.4.1.4 Income inequality, deprivation and cumulative disadvantage</p>

Discussion Papers arranged by Work Packages and Tasks**Task 4.2: The Impact on Gender Inequalities and the Family***Fahey, Nolan, Voitchovsky*

- D1.4.2.1 Increasing inequality, women in the labour force, and patterns of family formation and breakdown
- D1.4.2.2 Gender and the distribution of income
- D1.4.2.3 Increasing inequality, women in the labour force, and fertility patterns

Task 4.3: The Impact on Health and Health Inequalities*Fritzell, Kangas, Lucifora, Brunello*

- D1.4.3.1 Income, income distribution and health.
- D1.4.3.2 Inequality and objective and subjective measures of health
- D1.4.3.3 The causal effect of education on health outcomes and behaviours
- D1.4.3.4 Inequality, working conditions and health outcomes

Task 4.4: The Impact on Inter-generational Transmission, Wealth and Housing*Cowell, McKnight, Nolan, Norris, Smeeding, Winston*

- D1.4.4.1 On the relationship between income inequality and intergenerational mobility
- D1.4.4.2 Increasing inequality and the intergenerational transmission of poverty and disadvantage
- D1.4.4.3 Increasing inequality and the intergenerational transmission of wealth
- D1.4.4.4 The demographics of changing wealth inequality
- D1.4.4.5 Inequality and access to adequate housing
- D1.4.4.6 Income inequality, housing, and the distribution of wealth
- D1.4.4.7 Asset poverty and the impact of assets on social outcomes

Task 4.5: The Impact on Social Cohesion*Nolan, Whelan, Fahey, Ferrer-i-Carbonell, Gautié, Mulcahy, O'Donnell*

- D1.4.5.1 Increasing inequality and polarisation/fragmentation – communities, ethnic groups, regions and social classes
- D1.4.5.2 Solidarity and reference groups within and across countries when inequality increases
- D1.4.5.3 The impact of increasing income inequality and labour market trends on disadvantaged groups
- D1.4.5.4 Inequality, deprivation and crime
- D1.4.5.5 Economic inequality and happiness
- D1.4.5.6 Fairness at work

Task 4.6: Education, Capabilities and Life-Long Learning*Ballarino, Bratti, Checchi, Garcia, Leonardi, Micklewright, Pollak*

- D1.4.6.1 On the distribution of educational capabilities
- D1.4.6.2 Inequality and access to lifelong learning
- D1.4.6.3 Educational achievement and intergenerational mobility

Work package 5: Political and Cultural Impacts**Task 5.1: Understanding the impact of inequality on political preferences (M1–26)***Van de Werfhorst, Tóth, Van der Brug, Andersen, Letki*

- D1.5.1.1 Economic Polarisation and generalised social trust
- D1.5.1.2 Inequality and political participation
- D1.5.1.3. Inequality and party preferences
- D1.5.1.4 Inequality and the populist vote
- D1.5.1.5 Inequality and support for the welfare state
- D1.5.1.6 Inequality and democratic values
- D1.5.1.7 Inequality and institutional trust
- D1.5.1.8 Inequality tolerance: how does it relate to measured inequality levels?
- D1.5.1.9 Inequality, trust and social networks

Task 5.2: Understanding the relationship between inequality and legitimacy (M1–26)*Van de Werfhorst, Andersen, Burgoon, Van der Brug*

- D1.5.2.1 Inequality, opinions and support for redistribution
- D1.5.2.2 Opinions about international inequality
- D1.5.2.3 State or Market? A cross-national analysis of preferences for state intervention

Discussion Papers arranged by Work Packages and Tasks

D1.5.2.4 Threat across the border: inequality and attitudes towards globalisation

D1.5.2.5 Inequality and euroscepticism

Task 5.3: Understanding the impact of inequality and values on country-level outcomes (M26)

Corneo, Leigh, Burgoon, Boix

D1.5.3.1. Income inequality, value systems, and macroeconomic performance

D1.5.3.2 Can changing social norms change the level of inequality?

D1.5.3.3 Inequality and national level politics

D1.5.3.4 Inequality and opinions on national welfare

Work package 6 Policy Analysis

Task 6.1: Constraints imposed by rising economic inequality

Cantillon, Marx, Verbist, Van Den Bosch, Immervoll, Peichl, Gál

D1.6.1.1 Impact of rising market-income inequality on policy agendas and spending patterns; the determinants of cross-country variation

D1.6.1.2 The puzzle of egalitarianism revisited

D1.6.1.3 Who are the losers of the 2009/10 labour-market downturn? A scenario analysis

D1.6.1.4 The cohort impact and policy consequences of rising inequalities

Task 6.2: The effectiveness of redistributing income and work

Cantillon, Marx, Nolan, Sutherland, Verbist, Salanauskaitė, Van Mechelen, Förster, Vandenbroucke

D1.6.2.1 The changing distribution outcomes of cash transfers in EU countries over the past decade using EUROMOD

D1.6.2.2 Cash transfers and distribution outcomes in EU countries over the past decade using EUROMOD

D1.6.2.3 The impact of an EU-wide minimum wage on poverty and inequality

D1.6.2.4 Targeting, universalism and poverty alleviation: a re-examination

D1.6.2.5 The redistributive effect and progressivity of taxes revisited. An International Comparison across the EU with EUROMOD

D1.6.2.6 Combating Child Poverty in New Member States: the Role of Family Benefit Systems

D1.6.2.7 Towards more adequate indicators of income support

D1.6.2.8 Shifting from in-kind to cash benefits? A comparison of the distribution effects of cash and in-kind benefits in the European Union

D1.6.2.9 Work as an antidote to poverty? An simulation for EU countries

Task 6.3: Towards and integrated approach

Bertola, Garcia-Penalosa, Salverda, Gábos, Dewilde

D1.6.3.1 Successful policy mixes to tackle the impact of rising inequality on children: an EU-wide comparison

D1.6.3.2 Inflation rate and level of inequality

D1.6.3.3 Effects of economic integration in Europe and elsewhere on inequalities and policy

D1.6.3.4 Cumulating inequalities in Europe

Table 2B GINI Country Reports (specification of deliverables D7 and D8)

Country Reports: 6 partner countries (D7) and other countries – outside and within the European Union (D8)	
Countries of partner institutes	
D7.1	Belgium and Luxembourg in one combined report
D7.2	Great Britain
D7.3	Ireland
D7.4	Italy
D7.5	Netherlands
D7.6	Hungary
D7.7	General Format Proposal for Country Reports
Other countries	
<i>Outside EU</i>	
D7.1	United States
D7.2	Japan
D7.3	Canada
D7.4	Australia
<i>Within EU</i>	
D7.5	Austria
D7.6	Bulgaria
D7.7	Germany
D7.8	Denmark
D7.8	Spain
D7.10	Estonia, Lithuania and Latvia in one combined report
D7.11	Finland
D7.12	France
D7.13	Greece
D7.14	Poland
D7.15	Portugal
D7.16	Romania
D7.17	Czech republic and Slovakia in one combined report
D7.18	Slovenia
D7.19	Sweden

Milestones**Table 3 List of milestones**

Milestone number	Milestone name	Work packages involved	Expected date	Means of verification
Mst1	Kick off conference	1-6, 9	1	Meeting actually held, advice given by Advisory Board, decisions on tasks and responsibilities taken; project website presented
Mst2	Year-1 Meeting	1-6, 7, 9	12	Meeting actually held, progress reports of work packages presented and discussed Selection of Partner-country Reports working groups decided.
Mst3	Mid-term Conference	1-9	24	Delivery of D1–D6, and drafts of D7, and the General Format Proposal for Country Reports. Meeting actually held, mid-term review given by Advisory Board, Country-reports format decided, workshops for country-report groups planned. Decisions on journal issues taken.
Mst4	Pre-final Reporting	8	33	Delivery of D8
Mst5	Concluding Policy Conference	9	36	Meeting actually held, delivery of D9, final review by Advisory Board Decisions about preparation and publication of volume and publisher.

Tentative schedule of Project Reviews

Review No	Tentative timing	Planned venue	Comments, if any
1	After month 18	TBC	The reviews are indicatively planned at the end of each reporting period. The Commission will decide whether the indicated reviews are necessary.
2	After month 36	TBC	As above

If so requested by the EC, the Coordinator and selected members of the consortium will attend an 18-month periodic review meeting / cluster meeting in Brussels.

Individual work packages

Table 4.1

Work package number	WP1	Start date or starting event:	1
Work package title	Organisational Coordination ORCO		
Activity type	MGT		
Participant number	1		
Participant short name	UvA-AIAS		
Person-months per participant:	11		

Objectives

Guarantee the smooth and timely functioning of the project.

Description of work

Maintain contacts with the Commission
 Organise the plenary project meetings
 Responsible for the financial and administrative organisation of the project including any contracting
 Provide the tool for internal project communication through the project website
 Physically produce the project output: all Reports and Discussion Papers.

Deliverables

Contacts: reporting to Commission (two Progress Reports over M1–18 and M19–36 respectively), submission of deliverables (M1-37) and ad hoc contacts whenever necessary (M1-37).
 Organisation of Events: Kick-off Conference (M2), Year-1 Meeting (M12), Mid-term Conference (M24), Concluding Policy Conference (M36): conference and hotel accommodation, subsistence, reimbursement of travel costs, timely announcement and distribution of material. Note that workshops are organised by the respective work packages, though support can be given if necessary.
 Financial and administrative organisation: organisation of the financial reporting and other reporting by all relevant parts of the project team, including necessary audits. Establishment and maintenance of the internal facility at the project website (M1-36) (website establishment joint with WP9 for dissemination). Initiation of consortium contracting (M1). Contracting of all associate experts and country teams in cooperation with WP leaders responsible for the research coordination and supervision. Steady contact with the chair of Contents Coordination Committee (CoCoCo, WP2), especially about progress reports before submission to the Commission.
 Production of all project reports: care for the lay-out of the Discussion Papers for distribution via website (M1-26), physical production of all other project reports (M23-37).

Table 4.2

Work package number	WP2	Start date or starting event:					1
Work package title	Contents Coordination COCO						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	2	1	1	1	1	1	

Objectives

Guarantee contents coordination and timely progress of the project research across the work packages 2–9.

Description of work

Active high-frequency coordination of research between work packages 3–8 during Phase 1 through six-monthly meetings and intensive email and telephone contact between meetings.

Guarantee cross-fertilisation and mutual interaction of the individual work package activities and tease out their cumulative effects. This will receive attention at all coordination meeting, while the CoCoCo will explicitly report on this with regard to the four main work packages 3–6 at the Year-1 Meeting and the Mid-term Conference and also ensure its role in the Country Report Format. The CoCoCo also ensures that due attention is given to indicating the policy relevance in the work package reports and the discussion papers to enable building on this for the Final Report.

Responsible for coordinating the production of Country Reports (WP7) between the six teams, via the 6 partner team leaders.

CoCoCo is also the body to decide about

- Dissemination Plan, at its first meeting after the Kick-off Conference
- Drafting and contents of the Final Report (WP8) during Phase 2.
- The General Format proposal for Country Reports.
- Accepting final results (Discussion Papers (M1–26), Analysis Reports (M23–30), Final report (M36) as project output in accordance with obligations.
- Any proposed alterations to the research plan, including additional meetings, and/or to the project team, including associate experts, discussion papers and country teams.
- Possible use of the budget contingency and any proposed alterations to the budget
- Possible additional workshops, invitations to experts.

It will also supervise other specific activities: data provision, electronic library, collection and dissemination (M1–36), methods (M1-36), policy implications (M12-36) and dissemination (M1–36). For this purpose CoCoCo members will be appointed as Commissioners for Data, Method and Policy/Dissemination respectively. The first will bear responsibility for data access, availability and archiving, the second will advise contributors to work packages 3–7 and supervise the results with respect to method, the third will take care of the attention paid to policy context and implications throughout the same work packages and liaise with WP9 (Dissemination).

The CoCoCo is also available for appeal by Country Teams and Associates in case of disagreement about acceptance of their Reports and Papers by the work package coordinator(s) concerned.

CoCoCo also maintains contacts with the Advisory Board (M1–36) under the prime responsibility of CoCoCo chair.

The CoCoCo will provide two short policy briefs after the Year-1 Meeting (month 12) and the Mid-term Conference (month 24).

Note that the final reporting is singled out as a special task in Work Package 8.

Deliverables

Regularly 6-months meetings

D2 Initial review of the main research literature on the issues being addressed.

D10 Database for dissemination

Table 4.3

Work package number	WP3	Start date or starting event:					1
Work package title	Inequalities Analysis INEQ						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	22	4.2	4	19	0	7	

Objectives

To understand the interactions of education and income inequality as “drivers” of overall inequality, within and across generations. The causation link between income and education inequality goes both ways. (Parental) income inequality may prevent access to education, especially from the bottom part of the income distribution. In addition, parental education (cumulating cultural constraints with liquidity constraints) may be a significant obstacle to achieving equality of opportunities, creating an important source of (next-generation) educational inequality. Once this new generation has entered the labour market, thanks to educational credentials achieved, as well as role models from home, a newly generated earnings inequality appears. From the policy point of view we will point to policies aimed at breaking the vicious circle and improving equality in income and in education. Implications for the longer term will be important here.

Description of work**Task 3.0: Contribution to light review (D2)****Task 3.1: Uniform approach to income inequality**

- 1) Construction of various internationally comparable indicators regarding different sources of income (individual or household income, wealth, wage earnings, transfers, pensions and capital income, before or after tax, including or excluding social transfers)
- 2) Discuss various issues of measurement (indexes: Gini or any other decomposable index satisfying standard properties; decomposition according to income sources and/or recipients (in cross-section and/or in time series analysis); provision of measures of intertemporal association (intergenerational elasticities, rank correlations) as measure of the degree of inequality of opportunities.

Task 3.2: Understanding relationship income inequalities ↔ impacts

- 3) Analysis of different mechanisms shaping different parts of the distribution for wage earnings at the top (i.e. technological change, social norms) and bottom of the distribution (minimum wages, influence of unions).
- 4) Analysis of the link between joblessness and income inequality and the reverse. Since labour incomes are the main determinants of household incomes, we aim to understand whether feed-backs from income to employability help to reinforce inequality persistence.
- 5) Analysis of the link between the dispersion of actual household incomes and consumer demand, often taken as a test of the permanent income hypothesis. It deals with the problem whether politicians should be more concerned with consumption or income inequalities.
- 6) An analysis of how gender differences in earnings may drive the allocation of domestic work within the household. In fact more unequal or more compressed distributions of income may affect not only demand but also labour supply.
- 7) Identification of policy options with regard to income inequalities and their impacts

Task 3.3: Uniform approach to educational inequality

- 8) Construction of indicators of educational inequality, considering both quantity/quality dimensions, and taking into account the categorical nature of the educational attainments,
- 9) Maps of current educational inequalities, based on individual data on competences, disaggregated by gender/ location/parental background in the young population, using data from students' testing on competences.
- 10) Maps of current educational inequalities, based on individual data, disaggregated by gender/ age/ location/ parental background in the adult population, using data on educational attainments, school continuation, and (when available) on competences and capabilities (proxied by participation in social

life),

- 1) Construction of indicators of salient features of educational systems, which are expected to be related to the inequality-reducing aim of education (early childcare, class size and formation, school admission, resource availability, teachers motivation, remedial programs, school choice, compulsory education, tracking and/or streaming, students' assessment)

Task 3.4: Understanding relationship educational inequalities \Leftrightarrow impacts

- 12) Analysis of correlation between individual educational attainment and corresponding parental background, mediated by existing institutional framework. When available, exploit cohort effects to identify changes over time
- 13) Identification of the “educational inequality minimizing set of institutions” – cross-country comparisons of existing institutional clusters and historical account, in order to trace out social forces supporting these combinations
- 14) Identification of policy options which may lead in the direction of reduction of educational inequality. In particular three potential reforms: enlarging free access to tertiary education; expanding child care access; reducing the stratification of secondary school systems.

The work will be carried out by the core teams in the participating institutions, the country experts, and the associate experts providing invited papers. The co-ordinators in UvA and Unimi will ensure that the research proceeds in a structured fashion, that there is exchange and collaboration among participants, in particular via the website facility accessible to all research members, where inequality indicators, institutional indexes and standardised data on income and education national distributions are downloadable. The process will be supported by the following Discussion Papers.

Task 3.1: Uniform approach to income inequality (M1–6)

- D1.3.1.1 Comparable indicators of inequality across countries
- D1.3.1.2 Measuring and mapping trends in wealth inequality
- D1.3.1.3 Issues of measurement in inequality across and within countries
- D1.3.1.4 Factor components of inequality
- D1.3.1.5 Variation in the structure of inequality among the wealthiest

Task 3.2: Understanding relationship income inequalities \Leftrightarrow impacts (M7–26)

- D1.3.2.1 Mechanisms of inequality at the top and at the bottom of the wage distribution
- D1.3.2.2 Comparative trends in wealth inequality, income inequality and the impact of the credit crunch
- D1.3.2.3 Joblessness and income inequality: two-way causality
- D1.3.2.4 Inequality of household income and consumer demand
- D1.3.2.5 Earnings inequality at the workplace level
- D1.3.2.6 Gender earnings differences and the allocation of domestic work within the household
- D1.3.2.7 Business strategy, wage inequality and productivity
- D1.3.2.8 Mobility out of low-wage jobs: the roles of immigration, economic cycle and labour market programmes

Task 3.3: Uniform approach to educational inequality (M1–6)

- D1.3.3.1 Indicators of educational inequality
- D1.3.3.2 A map of educational inequalities using data from students' testing on competences.
- D1.3.3.3 A map of educational inequalities using data on educational attainments
- D1.3.3.4 Indicators of institutional features of educational systems

Task 3.4: Understanding relationship educational inequalities \Leftrightarrow impacts (M7–26)

- D1.3.4.1 The correlation between educational attainment and parental background: the role of institutions
- D1.3.4.2 An educational-inequality minimizing set of institutions
- D1.3.4.3 Policy options for the reduction of educational inequality
- D1.3.4.4 Intergenerational mobility in terms of income, class and wealth in Great Britain and Germany

Final report WP3

D3 Report *Inequality Analysis*

Table 4.4

Work package number	WP4	Start date or starting event:					1
Work package title	Analysis of Social Impacts SOCIMP						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	8.5	21.1	2	3	2	13	

Objectives

To trace through and understand the social impact of increasing inequalities in income and in access to “good” jobs, in particular on living standards and deprivation, family and household formation/breakdown, housing and intergenerational social mobility, health and life expectancy, cohesion versus polarisation, and on wealth and assets. Tease out possible policy implications, particularly for the longer term.

Description of work

This work package will organise and structure the research on social impacts of increasing inequalities to be undertaken in the project. It will contribute (Task 4.0) to the light review (D2)

The main topics to be investigated include:

- the impact of increasing household income inequality and joblessness on living standards and deprivation towards the bottom, as well as on the gap between rich and poor and hollowing-out of the middle, and on vulnerability and “risk”,
- the relationships between changes in women’s labour force participation/earnings and gender roles, patterns of family formation/breakdown, and fertility (including teenage pregnancy).
- the relationship between changing income/labour market inequalities and health/health inequalities,
- the relationships between income inequality and intergenerational mobility, in particular in terms of the intergenerational transmission of poverty and disadvantage,
- the impact of increasing inequality in earnings and jobs on polarisation/fragmentation between communities, ethnic groups, regions and social classes, and on notions of solidarity and frames of reference within and across countries,
- the impact of broader inequality and labour market trends on specific disadvantaged groups, and in particular the extent to which they exacerbate patterns of cumulative disadvantage across various dimensions for such groups,
- the relationship between changing inequality and the housing market, both in terms of access to adequate housing and of the distribution of wealth, and
- the impact of assets on a range of social outcomes, how asset-poverty varies across countries and how its effects can be mitigated.

The work will be carried out by the core teams in the participating institutions, the country experts, and the associate experts providing invited papers. The co-ordinators in UCD and LSE will ensure that the research proceeds in a structured fashion, that there is intensive communication, exchange and collaboration among participants, and that balance and critical mass is achieved across the range of topics to be addressed.

Deliverables

The key deliverable for this work package is the overall Report on Social Impacts, due in Month 24. This will draw primarily on Discussion Papers which will by then have been circulated in the GINI Discussion Paper series. The findings on social impacts will also form a key element of the Country Reports that will be produced in the second stage of the project, by Month 33, and of the Final Report on the project to be produced by Month 36.

Task 4.1: The Impact on Living Standards, Poverty and Deprivation, and “Risk” (M1–26)

D1.4.1.1 The impact of increasing income inequality and joblessness on living standards and deprivation

D1.4.1.2 On the gap between rich and poor: “hollowing-out” of the middle in OECD countries and its social effects

Deliverables (continued)

D1.4.1.3 The impact of increasing income inequality on economic vulnerability and “risk”

D1.4.1.4 Income inequality, deprivation and cumulative disadvantage

Task 4.2: The Impact on Gender Inequalities and the Family (M1–26)

D1.4.2.1 Increasing inequality, women in the labour force, and patterns of family formation and breakdown

D1.4.2.2 Gender and the distribution of income

D1.4.2.3 Increasing inequality, women in the labour force, and fertility patterns

Task 4.3: The Impact on Health and Health Inequalities (M1–26)

D1.4.3.1 Income, income distribution and health.

D1.4.3.2 Inequality and objective and subjective measures of health

D1.4.3.3 The causal effect of education on health outcomes and behaviours

D1.4.3.4 Inequality, working conditions and health outcomes

Task 4.4: The Impact on Inter-generational Transmission, Wealth and Housing (M1–26)

D1.4.4.1 On the relationship between income inequality and intergenerational mobility

D1.4.4.2 Increasing inequality and the intergenerational transmission of poverty and disadvantage

D1.4.4.3 Increasing inequality and the intergenerational transmission of wealth

D1.4.4.4 The demographics of changing wealth inequality

D1.4.4.5 Inequality and access to adequate housing

D1.4.4.6 Income inequality, housing, and the distribution of wealth

D1.4.4.7 Asset poverty and the impact of assets on social outcomes

Task 4.5: The Impact on Social Cohesion (M1–26)

D1.4.5.1 Increasing inequality and polarisation/fragmentation – communities, ethnic groups, regions and social classes

D1.4.5.2 Solidarity and reference groups within and across countries when inequality increases

D1.4.5.3 The impact of increasing income inequality and labour market trends on disadvantaged groups

D1.4.5.4 Inequality, deprivation and crime

D1.4.5.5 Economic inequality and happiness

D1.4.5.6 Fairness at work

Task 4.6: Education, Capabilities and Life-Long Learning (M1–26)

D1.4.6.1 On the distribution of educational capabilities

D1.4.6.2 Inequality and access to lifelong learning

D1.4.6.3 Educational Achievement and intergenerational mobility

Final report WP4 (M23 draft, M30 final)

D4. Report *Analysis of Social Impacts*

Table 4.5

Work package number	WP5	Start date or starting event:					1
Work package title	Political and Cultural Impacts POLCUL						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	19.5	-	2	1	20	-	

Objectives

To study the impacts of inequalities in education and income/wealth on political and cultural outcomes. Under cultural outcomes we include various value orientations, social integration/social capital. Tease out possible policy implications, particularly for the longer term.

Description of work

Task 5.0: Contribution to light review (D2)

Task 5.1: Understanding the impact of levels and changes of educational and economic inequalities on political and social participation. In this part we study the impacts of macro-level inequality and micro-level individual position on indicators of political and social participation. The outcomes that we study include electoral participation, social participation, informal sociability, and various indicators of social trust (interpersonal, institutional).

Task 5.2 Understanding the relationship between levels and changes of inequality and legitimacy. This part studies opinions that drive political participation. The outcomes under study are related to the legitimization of political parties, as the results can point to disagreement of populations with politics.

Task 5.3: Understanding the impact of inequality and values on country-level outcomes. This part focuses on national-level outcomes. We study the impact of changes in and levels of inequality on macro-economic performance, national level politics, and opinions on national welfare. Furthermore, we seek to examine whether aggregate inequality levels can be changed by changing social norms among populations.

Deliverables**Task 5.1: Understanding the impact of changing inequality on political preferences (M1–26)**

D1.5.1.1 Economic polarisation and generalised social trust

D1.5.1.2 Inequality and political participation

D1.5.1.3. Inequality and party preferences

D1.5.1.4 Inequality and the populist vote

D1.5.1.5 Inequality and support for the welfare state

D1.5.1.6 Inequality and democratic values

D1.5.1.7 Inequality and institutional trust

D1.5.1.8 Inequality tolerance: how does it relate to measured inequality levels?

D1.5.1.9 Inequality, trust and social networks.

Task 5.2: Understanding the relationship between changing inequality and legitimacy (M1–26)

D1.5.2.1 Inequality, opinions and support for redistribution

D1.5.2.2 Opinions about international inequality

D1.5.2.3 State or Market? A cross-national analysis of preferences for state intervention

D1.5.2.4 Threat across the border: inequality and attitudes towards globalisation

D1.5.2.5 Inequality and euroscepticism

Task 5.3: Understanding the impact of changing inequality and values on country-level outcomes (M26)

D1.5.3.1 Income inequality, value systems, and macroeconomic performance

D1.5.3.2 Can changing social norms change the level of inequality?

D1.5.3.3 Inequality and national level politics

D1.5.3.4 Inequality and opinions on national welfare

Final report WP5 (M23 draft, M30 final)

D5 Report *Analysis of Political/Cultural Impacts*

Table 4.6

Work package number	WP6	Start date or starting event:					1
Work package title	Policy Analysis POL						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	5	4.2	14	-	9	-	

Objectives

To address policy implications of economic and associated inequalities, building on the policy-relevant output of Work packages 3–5, and to spell out and assess possible courses of action. The focus here will be both on the implications for policy at European and national level, and on the implications for collective action involving non-governmental and other societal actors with particular attention to the longer term.

Description of work

The first activity (Task 6.0) will be to contribute to the light review (D2).

The research to be carried out on income inequality, educational inequalities, social impacts and political/cultural impacts will be in each case be developed to produce clear, concrete implications for policy in the wide range of areas to be covered. The Policies work package, then, takes a further set of specific policy issues that are very important to address, particularly the following questions:

- Why should (European) policy care about (rising) economic inequality? What, if any, are the consequences for competitiveness, growth and social cohesion (viz. the Lisbon Agenda)? What are the implications for the way social inclusion and social cohesion are monitored?
- Does rising economic inequality constrain the capacity for effective collective action and the scope of feasible/sustainable policy alternatives, especially in the social and economic sphere?
- How can policy respond to rising economic inequalities? Is more redistribution of income (through regulatory constraints on market income inequality, or actual redistribution) a sensible and cost-effective social-cohesion strategy, even if it creates a setting conducive to better (distributional) outcomes in terms of health, education, political participation etc.?
- If limiting income inequality, especially compressing the lower end of the income distribution, is desirable, be it in its own right or as a means to other ends, how is it then best done? What income policies are effective in reducing problematic inequalities? What role should employment policies play in reducing inequalities, including poverty?
- How can policy respond in other ways, especially to address the root causes of economic and educational inequalities? What are the trade-offs and possible complementarities between policies in various spheres?

Deliverables

This WP aims for a diversified output in terms of Discussion Papers and the cross-cutting Policy Analysis Report. We see at least the following deliverables:

Task 6.1: Constraints imposed by rising economic inequality

- D1.6.1.1 Impact of rising market-income inequality on policy agendas and spending patterns; the determinants of cross-country variation
- D1.6.1.2 The Puzzle of Egalitarianism Revisited
- D1.6.1.3 Who are the losers of the 2009/2010 labour-market downturn: a scenario analysis
- D1.6.1.4 The cohort impact and policy consequences of rising inequalities

Task 6.2: The effectiveness of redistributing income and work

- D1.6.2.1 The changing distribution outcomes of cash transfers in EU countries over the past decade using EUROMOD
- D1.6.2.2 The impact of an EU-wide minimum wage on poverty and inequality
- D1.6.2.3 Targeting, universalism and poverty alleviation: a re-examination
- D1.6.2.4 The redistributive effect and progressivity of taxes revisited. An International Comparison across the EU with EUROMOD
- D1.6.2.5 Combating child poverty in new member states: the role of family benefit systems

D1.6.2.6	Towards more adequate indicators of income support
D1.6.2.7	Shifting from in-kind to cash benefits? A comparison of the distribution effects of cash and in-kind benefits in the European Union
D1.6.2.8	Work as an antidote to poverty? An empirical analysis for EU countries
Task 6.3: Towards and integrated approach	
D1.6.3.1	Successful policy mixes to tackle the impact of rising inequality on children: an EU-wide comparison
D1.6.3.2	Inflation and inequality
D1.6.3.3	Inequality, policy and economic integration
D1.6.3.4	Cumulating inequalities in Europe
Final report WP6 (M23 draft, M30 Final)	
D6	<i>Policy Analysis Report</i>

Table 4.7

Work package number	WP7	Start date or starting event:					12
Work package title	Country Reports COUREP						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	10	7.5	7	8	7	8	

Objectives

Smooth, timely and adequate production of the 25 Country Reports covering 29 countries, which will report on each of these countries' changing inequalities with their impacts and the frame of political realities and the political debate on inequality. The reports will include the implications for the longer term.

Description of work

Each of the six partners takes responsibility for the report on the own country. These will be drafted first and provide the practical input together with the results of the work packages 3–6 that are reached by that time. Preparation of the General Format Proposal for Country Reports and endorsement of its obligations for the finalisation of the own Country Reports after the MTC and the production of the other Country Reports by the 19 national teams during the second project phase. Each of the six partners takes responsibility for supervising the work of 3 or 4 Country Teams (for a provisional allocation to partners see Schema G vertically, it will be made final when the contract for the project is concluded and laid down in the Contractual Annex). Coordination between the 6 partner actions is provided by the CoCoCo (WP2).

Deliverables

Countries of partner institutes (M23: drafts, M30 Final)

- D7.1 Belgium/Luxembourg
- D7.2 Great Britain
- D7.3 Ireland
- D7.4 Italy
- D7.5 Netherlands
- D7.6 Hungary
- D7.7 General Format Proposal for Country Reports (M23)

Other countries outside EU (M33)

- D8.1 United States
- D8.2 Japan
- D8.3 Canada
- D8.40 Australia

Other countries within EU (M33)

- D8.5 Austria
- D8.6 Bulgaria
- D8.7 Germany
- D8.8 Denmark
- D8.8 Spain
- D8.10 Estonia, Lithuania and Latvia in one combined report
- D8.11 Finland
- D8.12 France
- D8.13 Greece
- D8.14 Poland
- D8.15 Portugal
- D8.16 Romania
- D8.17 Czech republic and Slovakia in one combined report
- D8.18 Slovenia
- D8.19 Sweden

Table 4.8

Work package number	WP8	Start date or starting event:					24
Work package title	Final Report FINREP						
Activity type	RTD						
Participant number	1	2	3	4	6	5	
Participant short name	UvA-AIAS	UCD	UA-CSB	Unimi-WTW	TÁRKI	LSE-CASE	
Person-months per participant:	11	2	4	2	6.5	2	

Objectives

Writing of the Final Report for presentation at the Concluding Policy Conference and submission as the final result to the Commission

Description of work

The Final Report will provide a coherent overview of the results drawing together, on the one hand, the 4 Analysis Reports presented at the Mid-term Conference and finalised after review and discussion at this conference and, on the other hand, the Country Reports covering 29 countries. The Final Report will account for the results from the different areas as well as the contributing disciplines and especially discuss the overall impact on society in a longer-run perspective. It will also consider analytical implications of individual countries as well as of possible patterns across groupings of countries. In addition, the overall policy implications will be discussed.

The coordination of the preparations is the responsibility of the CoCoCo (WP2).

Deliverables

D9 Final Report (M35 draft, M37 final)

Table 4.9

Work package number	WP9	Start date or starting event:	1
Work package title	Dissemination DISSEM		
Activity type	OTHER		
Participant number	1		
Participant short name	UvA-AIAS		
Person-months per participant:	7		

Objectives

Organise the continuous and effective dissemination of results, stimulate interest of the public in the project and pick up feedback for the benefit of the project

Description of work

The CocoCo Policy/Dissemination officer (WP2) will liaise with the present work package for ensuring the adequacy and effectiveness of dissemination activities in the sense of contents, modes of communication (website etc.) as well as target audiences, especially for the many social actors involved in the area of impacts of inequality.

A first task (up to month 9 maximum, similar to the light review) will be to draw a Communication Plan covering the three aspects above with a realistic underlying time frame. It will pay special attention to taking stock of who the relevant actors in the field are and how best to reach them and where possible and sensible interact with them. Local (read national) dissemination of results is primarily the responsibility of the Country Teams. The project's overall dissemination effort, however, will back up those national efforts.

Technically establish the project website, for both internal and external communication, at the start of the project in such a way that it allows timely development, adaptation and improvement during the project duration, especially when the above Communication Plan becomes available.

Contents management of the website:

- internal

- establish and maintain a part of the site where access is limited to project participants; this will help keeping all abreast of developments across the project, to make data available to and share experiences with data sources between project members.

- provide an organisational facility (e.g. conference registration, access to papers for conferences)

- external

- general information about the project backed by a printed leaflet

- news

- provision of Discussion Papers (linked for access to international databases)

- provision of Reports

- access to the data archiving

Provide contacts to the press and interested policy makers and researchers

Take responsibility for the public distribution of the reports available to third parties, both electronically and in print.

Maintain a regular printed summary newsletter for distribution among the interested public, building on addresses available in existing newsletters of LoWER, Equalsoc, various partner institutes.

Coordinate the production of a dissemination booklet, preferably with a publisher who takes responsibility for the distribution.

Deliverables

D10 Project website internal and external (M2)

D11 Database dissemination interface on project website (M33)

D12 GINI Newsletter

D13 Dissemination booklet (M36)

Staff effort

Table 5 summarises the staff effort mentioned for each of the work packages and presents the totals of the effort across the project and its nine packages. Note again that the person-months mentioned comprise only those that will be covered by the Framework grant, and do not give a full picture across the packages.

Table 5 Overview of staff work effort by partner and work package

Participant No / short name	WP1 ORCO	WP2 COCO	WP3 INEQ	WP4 SOCIMP	WP5 POLCUL	WP6 POL	WP7 COUREP	WP8 FINREP	WP9 DISSEM	Total
1 UvA-AIAS	11	2	22	8.5	19.5	5	10	11	7	96
2 NIUD-UCD		1	4.2	21.1	0	4.2	7.5	2		40
3 UA		1	4	2	2	14	7	4		34
4 UMIL		1	19	3	1	0	8	2		34
5 LSE-CASE		1	7	13	0	0	8	2		31
6 TÁRKI		1	0	2	20	9	7	6.5		45.5
Total	11	7	56.2	49.6	42.5	32.2	47.5	27.5	7	281.5

Project risks

Risks to the successful completion of the project could arise internally or externally. An internal risks could be the loss of staff (e.g. due to illness, or mobility). We expect the two-person coordination of most teams to reduce risks of discontinuity in managing the research due to possible personnel issues. At present the policy analysis team is the only one headed by one person. However, good replacements will be available at the same institute if need be. We also observe that the policy issues are embedded across the project, i.e. in other work packages. Similarly, the project counts on multi-person teams for various countries while it shall be understood that the single persons mentioned for other countries will generally dispose of such support. Another source of internal risk may arise if a country report cannot be delivered. However, we have managed this risk by already contacting the country experts. The risk of not being able to find an expert from a particular country has therefore been eliminated. If unexpectedly these persons will not able to comply with the agreement, our broad network of economists, sociologists and political scientists will make it very likely to find replacements. Our core members are active members of various international academic networks specialised in the social, cultural and political impacts we study; such as the International Association for Research on Income and Wealth, Society for the Study of Economic Inequality, Research Committee 28 of the International Sociological Association (on Social Stratification and Mobility), the European Consortium for Sociological Research (ECSR), the European Consortium for Political Research (ECPR) and various Framework Programme networks such as EQUALSOC and LoWER. A third source of internal risk would be when a part of our research teams underperforms and does not deliver the anticipated output. Given the harmonised format of the work packages, such underperformance, however unlikely, will be managed by the Work package coordinators. They will search for alternative researchers from within the network to deliver the output. Finally, an internal risk can arise from longer than expected durations. In the past we have managed to control such risks and cover them by timely action vis-à-vis the Commission for what always have been limited extensions. The pressure of the project's three-year project duration is meant to create the collective drive of rapid progress that is indispensable for preventing a long-drawn out and in the end perhaps less successful evolution. Our track record shows that we have successfully taken away that risk.

On the external side, data problems could potentially plague such an undertaking. However, the data that are available are well-known to the team including new datasets that are in the process of coming available. The very wide international coverage of the team actually guarantees the best possible knowledge of relevant datasets. Thus the risk relates not the availability of data but their comparability across countries. It is one of the very purposes of the project to scrutinise and where possible improve that situation. Again, our involvement in international research networks will be very helpful in this respect.

Concluding, we do not expect significant risks to arise and think we can cope with them if they arise. We have provided for a small 4% contingency for flexibility in the budget though.

2. Implementation

2.1 Management structure and procedures

With some 80 researchers involved, the project is a major undertaking. However, the two-stage set-up is quite transparent and can be well managed. The partners together form a coherent group of six teams, each with clearly identified coordinator and tasks. They can maintain the necessary contacts relatively easily through regular meetings and email and telephone contact between meetings. The group is built on a large amount of trust that has resulted from previous cooperation in various research networks and projects. Therefore a light but clear structure of decision-making and organisation for the project will suffice though there will be many day-to-day responsibilities. Responsibilities are allocated primarily on the basis of individuals, who happen to also represent their institutions. Schema F lays down the organisational structure and responsibilities of the project.

Contents coordination

Four main *Work Package Teams* (3, 4, 5, and 6) have been identified in this project for the first phase. They will carry prime responsibility for the success of the research in the different fields. Within each of these teams two *Team Co-ordinators* have been identified, except for Policy Analysis where there is one but which is at the same time more broadly embedded in the interests and activities of the other work packages. As a result there will be seven WP coordinators in total. These have already been identified in this project description: Checchi, Tóth, Marx, McKnight, Nolan, Salverda, Van de Werfhorst. The network coordinator, who links to the actual organisation of events and publications and the financing and administrative reporting, is one of them, which will be helpful for the smooth functioning of the project.

The seven coordinators will work together as the Contents Coordination Committee (CoCoCo), which will be chaired by Brian Nolan. Nolan is one of Europe's leading researchers of inequality with a keen interest in many of the fields that it affects, and has ample experience of research coordination and a very good understanding of the policy relevance of such research. The committee has responsibility for the active general coordination of the research undertaken by the project, and will also perform several research-related tasks such as data management and methodological help. It will also decide about acceptance of Discussion Papers and their publication on the project website. Hereto the CoCoCo will nominate two of its members as Method Commissioner and Publication Commissioner respectively. Third, a Data Commissioner will take care of the data side of the project: 1) the necessary acquisition of data to be used across the project, 2) the access of project participants to available data which can be organised by means of a data facility operated through the project website, and 3) the bringing together of consistent data for dissemination – when the sources allow – as a project result that can be made available to interested researchers via the project website. One good example is the inventory that will be made of educational systems applying a similar approach to the OECD's Employment Protection Legislation indicators. Finally, it will nominate another member as Policy Commissioner who will take responsibility for the Dissemination of results and its targeting.

On behalf of the project the CoCoCo also maintains contacts with the Advisory Board, which is discussed further below. The work includes the active stimulation of joint research and the preparing and programming of events. It relates directly to the core of the Co-ordination Activity and is different from the management activities, which will be performed by the Network Co-ordinator only. The CoCoCo has responsibility for finding solutions to problems of research that may arise and cannot be solved within or between the work package teams. The CoCoCo will guarantee the continuity in decision making and is enabled to do so in a bottom-up way, based on the activities deployed for the work packages. Vice versa it also acts to stimulate the progress of the individual work packages and their mutual co-ordination. The CoCoCo will also decide on the use of a 4% contingency in the budget that is available for flexible research flexibility and solving unexpected problems.

The CoCoCo prepares the project business meetings that will be held at each of the four plenary conferences. A kick-off conference and business meeting will provide an appropriate start for the project where the

scientific approach and set-up, tasks and responsibilities and timing of activities, events and deliverables will be clearly laid out and discussed by all project participants. This occasion will also enable the four WP teams to meet and get started. The KOC will be held in the second project month to enable adequate preparations by the CoCoCo annex the Work Package leaders. This overall co-ordination is supported by a small budget for travel needed for six-monthly meetings.

The four work package teams 3, 4, 5 and 6, take responsibility for the actual progress of the research undertaken in these four fields. They will organise the research tasks and check their fulfilment. They also maintain contacts with the associate experts who contribute to their field. Each work package will organise a progress workshop internal to the package and meet at three plenary meetings: the Kick-off Conference, Year 1 meeting and Mid-term conference respectively. Contact over the email and the phone between these meetings will generally be sufficient but short bilateral visits will be possible. Note that direct responsibilities for coordinating the activities within the 16 work package tasks that are distinguished, have not been allocated to individuals. This allocation will be decided at the Kick-off Conference. We expect newly hired post-doc researchers to play an important part at this level and prefer not to pre-empt their chances as carrying such responsibility is a worthwhile experience that can further their careers. Most of our institutes aim to offer such positions to the mutual advantage of the research undertaken by the institute and the career development of the individuals. As women are more numerous at junior positions leaving these positions open until later also potentially benefits them.

For the Country Reports each of the six partners will take responsibility as this work concerns the national level. First, at the Year 1 Meeting, they will establish a small working group of people involved in the Country Reports for the six partner countries. This working group will meet for a workshop and propose, to the CoCoCo, a general format for all Country Reports that can be discussed at the Mid-term Conference before the start of Phase 2 when the 20 other country teams will start their work for the other 23 countries. The work of these 20 teams will be coordinated by means of smaller groups of up to five country teams that are supervised by each of the six partners. A workshop will enable checking progress and gives feedback on the format and discuss country differences. Thereto the choice of countries brought together in each of the six groupings will be diverse. The results of the workshop will be communicated to the CoCoCo that will provide feedback.

Organisation coordination

Pure management of the project will be done from AIAS by the project coordinator, Dr Wiemer Salverda. This will concern all budgetary and administrative formalities and the contacts with the Commission. The factual dissemination of output, editing and publishing, will be his responsibility as well. He will also keep an eye on the context in which the project operates on both the scientific and the policy side to see whether any changes and adaptations may have to be proposed. Salverda has extensive organisational management experience as well as successful research coordination experience, having initiated and led the European Low-wage Employment Research network LoWER since the start in 1995 (with consecutive support of FP4, 5 and 6, and a much larger numbers of partners), and having coordinated international research such as the for the *Demand Patterns and Employment Growth* project³⁸ financed by DG Research, the *Benchmarking Low-wage and High-wage Employment* project for DG Employment and Social Affairs and Equal Opportunities. The purpose of these projects was very similar to the present undertaking: organising internationally comparative and integrated analysis, publishing and disseminating its results. The research was performed to a high level, the results were published with excellent publishers (Princeton UP, Oxford UP) and disseminated orally and with the help of specially written dissemination books among the Brussels community of policy makers and in writing via Commission publications (European Social Fund, *Employment in Europe*). He has organised a multitude of workshops and conferences for the LoWER network and the research projects. The AIAS has been and is home to the coordination of various other projects and provides adequate administrative and organisational support. The AIAS is also able and willing to host the project website and employs personnel capable of building and maintaining this facility as a communication channel both internal to the project and external for the interested public of scholars and policy makers.

³⁸ The project had a similar structure of organisational (Salverda) and research coordination (Schettkat).

The Coordinator will maintain contacts with the Commission and is responsible for the administrative obligations of the project. This includes all subcontracting with the country teams and associate experts and the reimbursement of the travel to project meetings. The organisation of the three main conferences will be the Coordinator's responsibility while the organisation of the theme and country group workshops will be conducted under the responsibility of the Work package coordinator(s). All organisation of events will be done in cooperation with local organisers. Though the contents of dissemination will be the responsibility of the CoCoCo, the Coordinator, through WP9, takes responsibility for the actual organisation of the dissemination process. The administrative infrastructure supporting the main meeting will be provided through the AIAS and the project website. The AIAS is an experienced organiser of events, not only for the LoWER and Equalsoc networks but recently also for the European Economic Association (EEA, 2005) and the European Association of Labour Economists (EALE, 2008). For the internal communication of the network a members-only facility will be added to the network website. The output of the four teams will be put up here to inform the other teams together with other relevant information and a discussion platform will be enabled.

2.2 Individual participants

Three categories of participants can be distinguished: Partners (A: Nos 1–6), Country Teams (B: Nos 7–26), and Associate Experts (C: Nos 27–36).

A. Consortium Partners

1. University of Amsterdam [UvA-AIAS] (NLD)

Amsterdam Institute for Advanced Labour Studies (AIAS) and Amsterdam School for Social Science Research (ASSR)

The AIAS (uva-aias.net) is an interdisciplinary university institute focusing on labour issues, established by the Departments of economics, sociology, law, psychology and health at the University of Amsterdam. It is a unique high-level expert centre for research and teaching in the Netherlands on industrial relations, organisation of work, wage formation, labour-market inequalities and social policy, employment and labour-market governance and European integration. The institute is an active player in the field in Europe with important international contacts. AIAS maintains a large portfolio of internationally funded research projects and also of databases on trade union membership, collective bargaining and labour-market institutions, and collective agreements, and it provides essential scientific support to the large strongly international surveybased internet databases on individual wages (WageIndicator.org).

Amsterdam School for Social Science Research (ASSR)

The ASSR is one of the core social science research schools in the Netherlands. One of its research clusters is strongly connected to the present project, which is the cluster Institutions, Inequalities, and Internationalisation (3xI), with involvement of cluster director Herman van de Werfhorst and cluster member Brian Burgoon. The mission of the 3xI research programme is to conduct social research on existing (national) institutions governing the allocation and (re-)distribution of economic, educational and social resources in labour markets in a globalised and transnational world. The institutions typically studied are educational and labour market institutions. In line with neo-institutionalist theory the cluster aims to study both the effects of institutions and their emergence.

Dr Wiemer Salverda, Director of the AIAS. He has been coordinating the successful *European Low-age Employment Research Network LoWER* since its inception in 1995 (FP4, 5 and 6). It has published 16 books, special journal issues and reports, the latest of which – jointly with the Equalsoc network – is the *Oxford Handbook of Economic Inequality* with the world's top-ranking authors considering many important angles (see Annex 2). He coordinated the *Demand Patterns and Employment Growth* (FP5) and *Benchmarking Low-wage and High-wage Employment* (EU tender) research projects. The results of the former were published by Princeton (Gregory *et al.* 2007), including important contributions by Victor Fuchs, William Baumol and Robert Gordon. He is an active joint coordinator of the Russell Sage Foundation's *Low-wage Work in Europe* project, led by Nobel Laureate Robert Solow. He was a member of

various EU Expert Working Groups and Rapporteur of the EU/OECD conference on Wages and Employment (1997). He advised the OECD on wage inequality in the Netherlands (1993), the British Low Pay Commission and a recent ILO/EU Expert Working Group on the minimum wage. He took part in the OECD's *Older Workers* project for the Netherlands and advised on its *Jobs for Youth* and *Jobs for Immigrants* projects. Other interests concern wage inequality and low pay in a broad setting (including the role of employers and institutions), wage formation including the minimum wage, pay inequalities such as between the private and public sector, labour-market policies, education and work, the workings of the Dutch 'Polder model', income inequality and the (gendered) labour market.

Herman van de Werfhorst, Professor of Sociology, University of Amsterdam, and Director of the research cluster 'Institutions, Inequalities, and Internationalisation' of the Amsterdam School for Social Science Research (ASSR). He is also Fellow of the Amsterdam Institute for Advanced Labour Studies (AIAS). Together with Robert Erikson and Magnus Nermo of Stockholm University, Van de Werfhorst coordinates the EU-funded Network of Excellence EQUALSOC. He works on the role of education in issues of inequality, in terms of social stratification and political outcomes, and has published on this in many journals such as *Sociology of Education*, *Demography*, *European Sociological Review*, *British Journal of Sociology*, *British Educational Research Journal*, *Acta Sociologica*, and *European Societies*. Recently he was guest editor of a special issue of the *International Journal of Comparative Sociology*, on the role of educational fields of study in European labour markets.

Wouter van der Brug, Professor of Political Science, Department of Political Science at the University of Amsterdam. His research interests focus on comparative research in collective political behaviour, in particular electoral behaviour, right-wing populism, political communication, political trust and support, and political parties. He publishes regularly in international political science journals. His most recent book publications are "The Economy and the Vote" (co-authored by Cees van der Eijk and Mark Franklin), published in 2007 by Cambridge University Press, and an edited volume (co-edited by Cees van der Eijk) called "European Elections and Domestic Politics", published in 2007 by the University of Notre Dame Press.

Dr Brian Burgoon, Associate Professor of International Relations in the Department of Political Science. He is a member of the Amsterdam School for Social science Research (ASSR); and Director of Master's program in International Relations. He received his PhD from the Massachusetts Institute of Technology (MIT) in 1998. His main research focus is on the politics of economic globalisation, particularly on policy and political responses to the distributional consequences of trade and investment openness – responses ranging from welfare compensation, to trade protectionism, to right- and left-wing political extremism. He also researches topics in comparative political economy, especially the politics of working time and welfare state reform, and in international security, including the political economy of violent conflict. Current projects include large-scale data-gathering projects on worker and employer attitudes towards globalisation, and on government policies towards immigration. Prior to coming to the University of Amsterdam, Burgoon was Assistant Professor of American Foreign Economic Policy at the Johns Hopkins School of Advanced International Studies (SAIS) in Washington, DC. His published work includes several (co-)edited volumes on political economy and security, and has appeared in a wide range of political, science, economic and sociology journals, including *International Organization*; *Politics and Society*; *Journal of Conflict Resolution*; *Review of International Political Economy*; *European Journal of Industrial Relations* and *European Union Politics*.

Dr Marloes De Graaf-Zijl, Senior Researcher, AIAS, graduated in economics (cum laude) at the Free University Amsterdam. In 2006 she successfully defended her PhD-thesis *Economic and Social Consequences of Temporary Employment* at the University of Amsterdam. Marloes is specialised in labour market issues, especially with respect to active labour market policies, temporary work and flows on the labour market, with publication such as M. De Graaf-Zijl and E. Berkhout (2007), Temporary agency work and the business cycle, *International Journal of Manpower*, 28(7), 539-556. Her main interest in this project concerns the role of employers in bringing about inequality with respect to wages, training opportunities, etcetera, and its implications for their productivity. Are high paying firms more productive because of their wage setting strategy, or does the causality run in the other direction? Why is there room for high and low-wage strategies to co-exist in one market and can policy making induce more use of the high road strategy?

Dr Caroline Dewilde, Assistant Professor of Sociology, University of Amsterdam, holds a doctorate in Political and Social Sciences and a graduate degree in Specialised Studies of Quantitative Analysis in Social Science. She focuses on quantitative research into the dynamics of social exclusion and poverty in Europe

paying special attention to cross-national differences in life course patterns, institutional regulations and family structures.

Selected publications

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2. University College Dublin [NIUD-UCD] (IRL)

School of Applied Social Science and the Geary Institute

UCD is Ireland’s largest university, with over 22,000 students and 1,000 academic staff, and ranks highly among European universities based on publications, citations, and reputation. UCD attracts students from

over 50 countries, and is a research-intensive university with extensive educational and research partnerships and collaborations with other academic, industrial and not-for-profit organisations.

UCD's School of Applied Social Science is a centre of excellence for research, teaching and professional training in the applied social sciences, social policy and social work, actively engaged in research in policy areas such as child and family welfare, housing, family policy, social integration, community development, health policy, disability and addiction. UCD's School of Sociology is the largest teaching centre for that discipline in the Republic of Ireland, with research extending from globalisation, ethnicity, identity and multiculturalism to crime, health, inequality and religion. UCD School of Economics is the largest and most prestigious department of economics in Ireland, with an international reputation for excellence in teaching and research. The UCD Geary Institute conducts leading edge research on life course issues and the way public policy affects life outcomes, including behaviour and health and child and youth disadvantage, and is home to the Irish Social Science Data Archive (ISSDA) The UCD School of Economics and the UCD Geary Institute are currently ranked in the top 5% of economics research institutions in the world, according to the RePEc database.

Brian Nolan, Professor of Public Policy, School of Applied Social Science, leading the UCD contribution, previously worked in the Economic and Social Research Institute, where he was Head of the Social Policy Research Division, and in the Central Bank of Ireland. He has a doctorate in economics from the London School of Economics. He has extensive experience of EU and domestic research projects and networks, and is currently co-ordinating research on income inequality and poverty under the EU-funded Economic Change, Quality of Life and Social Cohesion (EQUALSOC) Network of Excellence. He has published widely on poverty, income inequality, the Welfare State, health economics and health inequalities, social indicators, and the EU's Social Inclusion Process, and is co-editor of the *Oxford Handbook on Economic Inequality* from Oxford University Press. Recent publications include studies on social inclusion in the EU, equity in health service use, long-term trends in top incomes, child poverty, deprivation and multiple disadvantage, tax/welfare reform, and the minimum wage. He is a Member of the Royal Irish Academy.

Christopher T. Whelan, Professor, currently at the Economic and Social Research Institute, is joining UCD's School of Sociology in April 2009. He is former Chair of the Standing Committee for the Social Sciences of the European Science Foundation, and current Chair of the Governing Council of the EU Economic Change, Quality of Life and Social Cohesion (EQUALSOC) Network of Excellence. His research interests include the causes and consequences of poverty and inequality, quality of life and social mobility and inequality of opportunity, and he has published extensively on these topics in leading international academic journals. He is a Member of the Royal Irish Academy and Academy nominee to the RIA Social Sciences Committee, and an associate editor of the *European Sociological Review*.

Tony Fahey, Professor and Head of the School of Applied Social Science, which he joined in 2007, has formerly been at the Economic and Social Research Institute in Dublin. He has researched a wide range of sociological and social policy topics relating to Ireland and the European Union, including living conditions and social inequality in the enlarged EU, social policy and social services in Ireland, family policy and demography.

Dr. Aogan Mulcahy has an MA from Northern Illinois University and a doctorate in Law and the Social Sciences from Arizona State University. He worked as a criminology researcher at the University of Leeds and Keele University before moving to UCD where his main research interest is in criminology, particularly issues of social order and social control. He has conducted research on policing in various jurisdictions, including analyses of the police reform debate in Northern Ireland, and the relationship between policing and cultural change in England and Ireland.

Dr Michelle Norris, Senior Lecturer, in the School of Applied Social Science, has previously been Director of the Centre for Housing Research, a lecturer in University College Cork and a community development officer in the housing department of Cork City Council. She carries out research on housing and housing policy in Ireland and Europe and has published in leading journals in the field.

Dr. Ian O'Donnell joined the UCD Institute of Criminology in 2000. Previously he was Director of the Irish Penal Reform Trust (1997-2000), Research Officer at the Oxford University Centre for Criminological Research (1992-1997) and Research Assistant at the University of London (1989-1992). He has been a Fellow of Linacre College, Oxford since 1993. During his time in England Ian served as a member of the Board of Visitors for Pentonville Prison and as a Magistrate on the Oxford bench. He is a Chartered Forensic Psychologist and an Associate Fellow of the British Psychological Society

Dr Sarah Voitchovsky, Post-doctoral Fellow, the Geary Institute, works primarily on a project on the “new economy”, inequality and poverty during Ireland’s economic boom, funded by the Irish Research Council for Humanities and Social Sciences. She received Masters and PhD degrees in economics at Oxford University, having studied at the University of Lausanne. Her doctoral thesis was on the relationship between inequality and economic growth.

Dr Nessa Winston, Lecturer, School of Applied Social Science, holds a PhD in Sociology from the University of Toronto. Her research has dealt with European integration, the Irish in Britain, migration, and the accommodation and housing of Travellers; currently it focuses on the family, housing and sustainability. In 2007-08 she was recipient of a Government of Ireland Fellowship in the Humanities and Social Sciences for research on housing and urban regeneration for a sustainable city.

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- Whelan, C. T. and B. Maître (forthcoming), ‘Europeanization of Inequality and European Reference Groups’, *Journal of European Social Policy*, 19, 2.
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3. University of Antwerp [UA] (BEL)

Centre for Social Policy Herman Deleeck (CSB)

The Centre for Social Policy (CSB) was established in 1972 at the University of Antwerp (UA) by Herman Deleeck. The CSB is an interdisciplinary research centre within the Faculty of Political and Social Sciences of the University of Antwerp. The Centre’s principal objective is to measure the effectiveness and to evaluate the adequacy of social policies under changing demographic, economic and social conditions. To this end, the CSB collects and analyses data on how social policy and the social security system affect the income distribution and financial poverty. In this framework, the CSB has built up considerable expertise with microsimulation models (running both on survey and administrative data) and participates in various international scientific networks, such as EQUALSOC (FP6 Network of Excellence 2005-2010), LoWER (EU-FP6, 1996-2008), the Survey of Health, Ageing and Retirement in Europe (SHARE). The Centre has acted as an expert for the Belgian Government, the European Commission, the OECD, the ILO and the World Bank.

Ive Marx, Senior Research Fellow, holds an MSc. degree in economics and a Doctorate in Political and Social Sciences. His work is on poverty and minimum protection, especially in relation to labour market change and migration. At the CSB, he directs projects in the areas of labour, migration and minimum income

protection. He teaches at the University of Antwerp and the University of Maastricht Graduate School of Governance. He was a member of the LoWER network and is a current of the EQUALSOC network.

Bea Cantillon, Director of the Centre for Social Policy and professor at the University of Antwerp. She holds a Doctorate in Political and Social Sciences. She is president of the Belgian Social Security Association, chairperson of the Board of Governance of the Foundation for International Studies on Social Security and serves on the Research Committee of the International Social Security Association. She is fellow of the Royal Belgian Academy.

Gerlinde Verbist, Senior Researcher. She holds a doctorate in applied economics and degrees in philosophy and political and social sciences. At the CSB she directs projects on migration, education and microsimulation. She contributed to the recent OECD study '*Growing Unequal?*'. She is a member of the EUROMOD User group and of the EQUALSOC network of excellence.

Lina Salanauskaitė, PhD Researcher. She holds a Master of Science in Social Protection Financing, and is currently enrolled in a Social Protection Policy PhD Programme. As a PhD Researcher she mainly works on distributional impacts of both in-kind (i.e. healthcare) and monetary (i.e. family benefit) public policies, using microsimulation techniques. She is a member of the EUROMOD network and ECINEQ (the Society for the Study of Economic Inequality) association.

Selected publications

Atkinson, T., Marlier, E., B. Nolan (2002), *Social Indicators. The EU and Social Inclusion*. Oxford University Press.

Marlier, E., Atkinson, T., Cantillon, B. and Nolan, B. (2006), *The EU and Social Inclusion: Facing the Challenges*, Policy Press

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Marx, I and G. Verbist (2008) 'Combating in-work poverty in Europe: the policy options assessed' in H.J. Andrez and H. Lohmann, *The Working Poor in Europe; Employment, Poverty and Globalization*, London: Edward Elgar.

Nolan, B. and I. Marx (2009), 'Poverty and Social Exclusion', in Salverda, Nolan and Smeeding, *Handbook of Economic Inequality*, Oxford: Oxford University Press.

Carpentier, S, Marx, I. & K., Van den Bosch (2008) *Social Cohesion and Social Policy: Does Income Inequality Matter?*, in Hooghe, M. (ed) *Theoretical Perspectives on Social Cohesion and Social Capital*. Brussels: Royal Flemish Academy of Belgium for Science and the Arts.

F. Marical, M. Mira d'Ercole, M. Vaalavuo & G. Verbist (2008), "Publicly Provided Services and the Distribution of Households' Economics Resources", *OECD Economic Studies*, n°44, 2008/1.

4. University of Milano [UMIL] (ITA)

Work, Training and Welfare interdisciplinary research centre (WTW)

wTw (Work, Training and Welfare) is an interdisciplinary research Centre at the University of Milan. It is promoted and supported by five departments (Department of Labour Studies, Department of Economics, Department of Social and Political Sciences, Department of History and Department of International Studies). The overall aim is analysing, in a critical and multidisciplinary way, issues concerning Work, Training and Welfare (wTw), that are three crucial aspects of human life and key areas of interaction between economic, political and social systems. Often these issues were (and still are) studied separately, but we think that only a polyhedral, yet coordinated, approach (based on different disciplines and competences) can provide satisfactory accounts. Hence, wTw has brought together many well-known professors and eminent scholars in Economics, Sociology, Law, Political Science and Social History, to promote cooperation and better understanding of new (and old) social processes, not only in the Italian context but in a wider European perspective. Scientific director of the centre is prof. Roberto Pedersini.

Current research themes include: Education and training, Student's competences, Higher education, Programmes evaluation, Trade union density in Europe, Immigration and labour market, Industrial relations in Europe, Political economy and models of capitalism, and Employment protection both at Italian and at European level. Recent research projects that have relevance for GINI project are the following:

- intergenerational mobility in Italy – Report to the Ministry of Welfare – research group composed by D.Checchi, M.Bratti, G.Ballarino, C.Fiorio, T.Jappelli, M.Leonardi, M.Padula, G.Pica, A.Schizzerotto.
- evaluation of voucher programs supporting labour market insertion – Lombardy government - research group composed by D.Checchi, M.Bratti, G.Ballarino, C.Fiorio, S.Iacus, M.Leonardi, G.Porro.
- the impact of student competences in generating income inequality – report to INVALSI (National Institute for the evaluation of the Italian educational system - research group composed by D.Checchi, S.Iacus, G.Porro.

Daniele Checchi, Professor of Economics, President of the WTW centre. After obtaining a degree in Economic and Social Disciplines (M.A. equivalent) at Bocconi University, Milan (1982), and a Master degree in Economics at London School of Economics (1985), he obtained a PhD in Economics awarded by University of Siena, Italy (1987) (supervisor prof.R.M.Goodwin). He has taught at the University of Brescia, Milano-Bicocca and currently at the University of Milan. He has been visiting professor at the universities of York, Boston College, Leicester, Louvain, Autonomia Barcelona, Maastricht, Pontificia Universidad Catolica (Buenos Aires) and Lima. He also also spent study stays at the universities of Pompeu Fabra (Barcelona), Cepremap (Pris), York, Amsterdam, London School of Economics, WIDER (United Nations University – Hlsinki), Amherst Massachussets, Berkeley, Oxford, IZA(Bonn), Stockholm, University College Dublin. Research fellow of IZA (Bonn) since 2003 and research associate of CEPR (London) since 2005.

Relevant publications

The Economics of Education: Human Capital, Family Background and Inequality. Cambridge University Press 2006

“Education and intergenerational mobility in occupations”, *American Journal of Economics and Sociology*, 1997, 56/3: 331-352

“More equal but less mobile ? Intergenerational mobility and inequality in Italy and in the US” (with A.Ichino e A.Rustichini), *Journal of Public Economics*, 1999, 74: 351-393

“Mobility Comparisons: Does using different measures matter ?” (with V. Dardanoni), *Research on Economic Inequality* 2002 vol.9: 113-145.

“Risk and the distribution of human capital” (with C.García-Peñalosa), *Economics Letters*, 82/2004: 53-61.

“School quality and family background in Italy” (with G.Brunello), *Economics of Education Review*, 2005, 24(5): 563-77.

“Does School Tracking Affect Equality of Opportunity? New International Evidence” (with G.Brunello), *Economic Policy* 2007

“Territorial differences in Italian students' mathematical competences: evidence from PISA” (with M.Bratti e A.Filippin), *Giornale degli Economisti e Annali di Economia* 2007

“Private schooling in Italy” (with G.Bertola e V.Oppedisano), *Giornale degli Economisti e Annali di Economia* 2008

“The Impact of Perceived Public School Quality on Private School Choice in Italy” (with T.Jappelli) in L.Woessman and P.Petersen (eds) *Schools and the equal opportunity problem*, MIT 2007

Gabriele Ballarino, Associate Professor of Sociology University of Milan

Relevant recent publications

"Capitale sociale e benessere delle nazioni: una nota sulle ricerche di R. D. Putnam", *Quaderni di sociologia*, 2, 2001

"Uso di dati time-budget per lo studio delle risorse familiari: capitale sociale e culturale dei genitori deibambini in età scolare in Italia" (con F. Bernardi), *Quaderni di sociologia*, 2, 2001

Mobilità sociale (con A. Cobalti), Carocci, Roma 2003

"Senso civico e performance economica. Un'analisi longitudinale delle province italiane, 1980-2000" (con H. Schadee), *Inchiesta*, n. 139, 1-3/2003.

Massimiliano Bratti, Assistant Professor of Economics University of Milan and Research fellow IZA (Bonn)

Bratti M. (2007). Parents' Income and Children's School Drop-out at 16 in England and Wales: Evidence from the 1970 British Cohort Study. *Review of Economics of the Household*. vol. 5, pp. 15-40. ISSN: 1569-5239.

Bratti M. (2006). Female Labour Force Participation and Marital Fertility in Italy. In: Gustafsson Siv, Kalwij Adriaan. *Education and Postponement of Maternity*. (pp. 113-145). ISBN: 1-4020-4715-0.: Springer (Netherlands).

Carlo Fiorio, Assistant professor of economics University of Milan

Fiorio, C. V. and F. D'Amuri (2006), Tax Evasion in Italy: An Analysis Using a Tax-benefit Microsimulation Model, *The ICAI Journal of Public Finance*. p. 19-37. May.

Fiorio, C. V. and F. D'Amuri (2005), Workers' Tax Evasion in Italy, *Giornale Degli Economisti e Annali di Economia*. Vol. 64 (2-3). p 247-70, November.

Cowell, F. A. and C. V. Fiorio (2006), Rethinking Inequality Decomposition: Comment, *Darp Working Paper*, No. 82, STICERD, London School of Economics, June.

Fiorio, C. V. and A. Zanardi (2006), L'evasione fiscale: cosa ne pensano gli italiani? p. 217-239, in M. C. Guerra and A. Zanardi (ed.), *La finanza pubblica italiana, Rapporto 2006*, Il Mulino (in Italian).

Marco Leonardi, Assistant professor of economics University of Milan, Research fellow IZA (Bonn)

Firm heterogeneity in capital labor ratios and wage inequality *Economic Journal*, 117 (March), 2007, pp. 1-24.

Capital-Skill Complementarity and Wage Differentials in the US and Germany (with W. Koeniger), *Economic Policy*, Issue 49, January 2007

Labour market institutions and wage inequality joint with W. Koeniger and L. Nunziata, *Industrial and Labor Relations Review*, Vol. 60, No. 3, April 2007

Can Risk Aversion Explain Schooling Attainment?: Evidence from Italy (with C. Belzil), *Labour Economics*, 14(6), 2007.

Sessanta anni di istruzione in Italia (with D.Checchi and C.Fiorio), *Rivista di Politica Economica*, 2006

Antonio Filippin, Assistant professor of economics University of Milan

"Gender Wage Gap in Expectations and Realizations" with A. Ichino *Labour Economics*, 12 (1), 125-145

"An Experimental Study of the POUM Hypothesis," with D. Checchi *Research on Economic Inequality*, 11, 115-136

"Discrimination and Workers' Expectations: Experimental Evidence" *IZA Working Paper n. 824*

5. London School of Economics and Political Science [LSE-CASE] (GBR)

Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD),

The Centre for Analysis of Social Exclusion (CASE), established in October 1997, is a multi-disciplinary research centre located within the Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD) at the London School of Economics and Political Science. CASE benefits from support from STICERD for core activities, around which specific research projects are funded from a variety of sources. The focus of research undertaken in CASE is on the exploration of different dimensions of social disadvantage, particularly from longitudinal and neighbourhood perspectives, and examination of the impact of public policy.

CASE's research has always had a strong policy focus. It has carried out research funded by a range of bodies, including the ESRC, charitable foundations, Government departments, and the European Commission. CASE runs two seminar series on empirical and theoretical issues connected with social exclusion; the Social Exclusion Seminar Series and the Welfare Policy and Analysis Seminar Series (which is co-organised with the Department for Work and Pensions).

CASE hosts visitors from Britain and overseas, and members of the LSE teaching staff on special sabbatical leave. The Centre publishes a series of discussion papers, CASEpapers, and a series of CASEbriefs, which summarise the research. Particular conferences and activities are summarised in our occasional CASEREports series. These can be downloaded from our internet site <http://sticerd.lse.ac.uk/case>.

Dr Abigail McKnight, Senior Research Fellow at Centre for Analysis of Social Exclusion (CASE) is an economist specialising in labour economics. Her research interests include: low wage employment, earnings inequality and mobility, wealth inequality and asset-based welfare, evaluation of active labour market programmes and economics of education. Her research is mainly empirical often involving the manipulation of large and complex databases from survey and administrative sources. Recently she has completed a joint project with Richard Dickens (Centre for Economic Performance, LSE) which was funded by the Joseph Rowntree Foundation. This research explored the assumption that individuals can work their way out of poverty by examining the changing earnings of employees, the integration of migrants into the labour market and the progression of low paid families in Britain since the late 1970s. They found that opportunities to progress are very limited due to falling or static earnings mobility in the 1980s and 1990s with considerable persistence in low wage jobs and benefit receipt. They found some evidence that mobility had improved since around 2002. She is a member of the Review of Health Inequalities Post 2010 in England (Chaired by Sir Michael Marmot) and the Smith Institute Advisory Group.

Frank Cowell, Professor of Economics in the Dept of Economics and Director of Distributional Analysis Research Programme (DARP) within STICERD and acting Deputy Director of STICERD. Research interests are inequality and poverty, income and wealth distribution and taxation. He is author of several books and numerous articles on the subject of inequality, including *Measuring Inequality* to be published in 2009 by Oxford University Press.

Selected recent publications

- Amiel, Y., Cowell, F. A., Davidovitz, L. and Polovin, A. (2008) "Preference Reversals and the Analysis of Income Distributions" *Social Choice and Welfare*, 30, 225-243.
- Cowell, Frank, *Economic Inequality and Income Distribution*, with D.G. Champernowne. Cambridge University Press, Cambridge, 1998
- Cowell, F. A. and Ebert, U. (2008) "Inequality and Envy" *Research on Economic Inequality*, 16, 37-47.
- Cowell, F. A. (2008) "Gini, Deprivation and Complaints" in Betti, G. and Lemmi, A. (ed.) *Advances in income inequality and concentration measures*, Routledge, London.
- Cowell, F. A. and Victoria-Feser (2008) "Modelling Lorenz Curves: robust and semi-parametric issues" in Chotikapanich, D. (ed.) *Modelling Income Distributions and Lorenz Curves: Essays in Memory of Camilo Dagum*, Springer, New York.
- Cowell, F. A. (2008) "Income Distribution and Inequality" in Davis, J. B. and Dolfsma, W. (ed.) *The Elgar Companion To Social Economics*, Edward Elgar, Cheltenham.
- Cowell, F. A. (2008) "Inequality: Measurement" in Durlauf, S. N. and Blume, L. E. (ed.) *The New Palgrave Dictionary of Economics*, Palgrave Macmillan, Basingstoke.
- Dickens, R. and A. McKnight (2008) 'Assimilation of Migrants into the British Labour Market' CASEpaper 133, London: Centre for Analysis of Social Exclusion.
- Dickens, R. and A. McKnight (2008) 'Changes in earnings inequality and mobility in Great Britain 1978/9-2005/6' CASEpaper 132, London: Centre for Analysis of Social Exclusion.
- Dickens, R. and A. McKnight (2008) 'The Impact of Policy Change on Job Retention and Advancement' CASEpaper 134, London: Centre for Analysis of Social Exclusion.
- Sanghamitra Bandyopadhyay, Frank A Cowell, Vulnerable Households and Variable Incomes in: *Research on Economic Inequality*, vol. 13 (2006), pp. 3-30)

6. TÁRKI, Hungary (HUN)

TARKI Social Research Institute

Funded in Budapest in 1985, TARKI is an employee-owned, nonpartisan research centre. The institute's profile comprises research on a wide range of issues related to social stratification, labour markets, income distribution, intergenerational transfers, tax-benefit systems, consumption and lifestyle patterns and attitudes. Recent additions to TARKI include a public health unit and an institute for macroeconomic research. TARKI is engaged in the analysis of Hungarian social issues with a strong emphasis on comparative analyses, and provides expertise on European social structure, income distribution, social mobility and attitudes as well as on the operation of national social welfare regimes. TARKI regularly advises international and national decision-makers.

TARKI is a member of various international research networks and consortia, including CESSDA, ICPSR, ISSP, ESS, LIS, ECPR and ENEPRI. In addition, every second year TARKI publishes the highly regarded Hungarian Social Report that is widely referred to in scientific publications, reviewed in the press and often incorporated into university course syllabi. TARKI has its own fieldwork department with a nation-wide interviewer network and hosts Hungary's national social science data archive, a member of the Council of European Social Science Data Archives (CESSDA).

TARKI has conducted the Hungarian Household Panel Study (yearly between 1991 and 1997, and a follow-up in 2007-2008), and the TARKI Household Monitor Survey (the only regular data source for Hungarian income distribution, which supplements the Central Statistical Office's income survey and is widely used in various international income distribution reviews). TARKI produces annual reports on European income distribution trends within the framework of the Social Situation Observatory, a network that monitors and reports on trends in income distribution, poverty and social exclusion across the European Union (commissioned by DG EMPL). TARKI participated in SIMGLOBE – Is Social Europe Fit for Globalization?, which identified policy challenges arising from the impact of globalization on European social conditions. Most recently, TARKI has published its European Social Report which analyses demographic, labour market and income distribution trends in all 27 EU Member States using data from EU-SILC.

Dr István György Tóth, Director of TÁRKI Social Research Institute, and Docent, Department of Sociology, Corvinus University, Budapest, holds a PhD in Sociology. He served as project director of the Hungarian Household Panel Study and several other projects on income distribution and social policies. He has been a consultant to various international organisations such as the OECD and the World Bank, and he served as a Steering Committee Member of the “Taking forward social inclusion” project organised by the Luxembourg presidency of the EU. In addition, he has been asked to comment on European survey projects, e.g. Eurobarometer and EU-SILC. He has authored a number of reports for various EU projects such as “European Observatory on the Social Situation” and “SIMGLOBE – Is Social Europe Fit for Globalization?” (both commissioned by DG EMPL). He has edited and co-edited over ten books, and published articles in Hungarian and English (including in journals such as *Economics of Transition* and the *Journal of European Social Policy*). He is author of the book *Income Distribution: From the Systemic Change to the Joining of the European Union* (in Hungarian), co-editor of the bi-annual Hungarian Social Report series since 1998, and editor of the TARKI European Social Reports. He is also an Advisory Board Member of the Luxembourg Income Study.

Anikó Balogh holds an MA in Sociology and Survey Statistics and is currently a PhD candidate. She is Head of the Survey Unit at TÁRKI and lecturer of Survey Statistics and Methodology at the Faculty of Social Sciences, Eotvos Lorand University (ELTE), Budapest. Her research covers survey statistics, social stratification and inequality. She has led several national and cross-national large-scale surveys (e.g. Political Preferences, TÁRKI Monitor, World Value Survey, European Social Survey, International Social Survey Programme) and panel studies (Panel on Electoral Behaviour, Follow-up of the Hungarian Household Panel, Youth Life-Cycle Panel) in Hungary and serves as a methodology expert in various international projects (ESYM: European Study on Youth Mobilisation, LLL2010: Towards a Lifelong Learning Society in Europe, ENRI-EAST: Interplay of European, National and Regional Identities: Nations between States along the New Eastern Borders of the European Union).

András Gábos is Senior Researcher at TÁRKI Social Research Institute (January 2000-present). His main research interests are fertility effects of intergenerational transfers, cost of children, work incentive effects of family policies, poverty (especially child poverty) and income inequality. He is a regular contributor to the TÁRKI Social Report publication series and is responsible for a large part of the analysis of the household surveys regularly conducted by TÁRKI. In addition, he has participated in several European research projects: CHER (FP5, 2000-2003), AHEAD (FP6, 2004-2007), WORKCARE (FP6, starting in 2006), the European Observatory on Social Situation (DG EMPL, 2005-), and I-CUE (FP6, 2005-). He also assists with the lissification of the TÁRKI Household Monitor survey (2000-). Finally, jointly with István Tóth, he coordinated the Ex-ante evaluation of the Operative Programmes of the Hungarian National Development Plan, 2007-2013 and is presently coordinating the Study of Child Poverty (DG EMPL, 2009).

Róbert Iván Gál holds a MSc in Economics (Corvinus University of Budapest) and PhD in Sociology (University of Groningen), is Senior Researcher at TARKI and Affiliated Professor at the Corvinus University of Budapest (CUB). He participated or is currently participating in international projects related to age and cohort effects such as ANCIEN–Assessing Needs of Care in European Nations (DG Research, EU);

PENMICRO—Monitoring pension developments through micro socio economic instruments based on individual data sources (DG EMPL); NTA—National Transfers Accounts (National Institute of Aging, US); AIM—Adequacy of old-age income maintenance in the EU (DG Research, EU); and PIE—Project on Intergenerational Equity (Ministry of Science and Technology, Japan). He has published in journals such as the *Keizai Kenkyuu* (Economic Review, Hitotsubashi University), and *Population Studies*. In 2007, he was invited to the Pension and Ageing Roundtable by the Prime Minister of Hungary in order to work on the Green Paper of the new pension reform.

Dr. Márton Medgyesi holds a MSc in Applied Economics (with a specialisation in demographic economics) from IEP Paris and a PhD in Sociology from Corvinus University in Budapest. His main research interests are income distribution, private and public intergenerational transfers, and redistribution. He has served as a researcher at TARKI Social Research Institute since 1997 and regularly lectures on social policy at the Corvinus University. Medgyesi is involved in a number of international projects at TARKI, including the “European Observatory on the Social Situation – Network on Social Inclusion and Income distribution” (DG EMPL), “National Transfers Accounts project of the National Institute of Aging”, and “Millennium Development Goals” country report on Hungary (UNDP).

Relevant publications

Decomposition of inequalities in household income in the EU”. Chapter 5 in *Network on Social Inclusion and Income Distribution, Final Report*. European Observatory on the Social Situation, December 2006. APPLICA-European Centre-ISER-TÁRKI.

Reducing Poverty and Social Exclusion”. Millennium Development Goals Report, Hungary.. UNDP Regional Bureau for Europe and the Commonwealth of Independent States, Bratislava and TÁRKI, Social Research Centre Budapest 2004

Dr. Péter Róbert (currently at UCD, partner 2) holds a PhD in sociology, is Associate Professor at the Social Science Faculty of the Eötvös Lóránd University (ELTE) and Senior Researcher at TARKI Social Research Institute. His current research interests cover social stratification and mobility, educational inequalities, life course transitions. He has an abundance of experience researching at universities outside Hungary, as a Fulbright scholar at the University of Madison-Wisconsin, as a Magyar Fellow in the NIAS, and as a Jean Monnet Fellow at the EUI. He has recently published in *European Sociological Review*, *European Societies* as well as in edited volumes by Oxford University Press, Princeton University Press, and Edward Elgar Publishing Ltd. Currently he is representing TÁRKI in an Integrated Project on Lifelong Learning (2005-10) financed by the Commission.

Relevant publications

Bukodi Erzsébet – Róbert Péter: The effect of the globalization process on the transition to adulthood in Hungary. In: Hans-Peter Blossfeld, Erik Klijsing, Melinda Mills and Karin Kurz (eds.): *Globalization, Uncertainty and Youth in Society*. Routledge, London, New York, 2005. 177-213.

Róbert Péter: A pályakezdők elhelyezkedési esélyeinek és foglalkozási szerkezetének átalakulása. In: Fazekas Károly és Varga Júlia (szerk.): *Munkaerőpiaci Tükör 2004*. MTA KTI és OFK, Budapest, 2004. 100-105.

Róbert Péter – Bukodi Erzsébet: Winners or Losers? Entry and Exit into Self-Employment in Hungary: 1980s and 1990s. In: Richard Arum és Walter Muller (szerk.) *The Reemergence of Self-employment: A Comparative Study of Self-Employment Dynamics and Social Inequality*. Princeton University Press, Princeton, 2004. 245-276.

Róbert Péter – Bukodi Erzsébet: Changes in Intergenerational Class Mobility in Hungary, 1973-2000. In: Richard Breen (ed.) *Social Mobility in Europe*. Oxford University Press, Oxford, 2004. 287–314.

B. Country Teams

1. United States (USA)

Timothy Smeeding, Arts and Sciences Distinguished Professor of Public Affairs and Economics, University of Wisconsin-Madison, and Director of the Institute for Poverty Research (IPR). He is the founder and Director-emeritus of the Luxembourg Income Study (LIS), which he began in 1983. He was awarded an

honorary degree by Stockholm University for his work with the LIS in September, 2008. Smeeding is also co-editor of the Oxford University Press' *Oxford Handbook of Economic Inequality* published in February 2009. Smeeding's recent publications include *Poor Kids in a Rich Country: America's Children in Comparative Perspective*, co-authored with Lee Rainwater (Russell Sage Foundation, 2003), which is based on LIS data and places child poverty in the United States in an international context. *The Future of the Family*, co-edited by Daniel Patrick Moynihan and Lee Rainwater (Russell Sage Foundation, 2004; paperback ed., 2006), brings together the top scholars of family policy to take stock of the state of the family in the United States and address the ways in which public policy affects the family and vice versa. *Immigration and the Transformation of Europe*, co-edited with Craig Parsons (Cambridge University Press, 2006), examines a new kind of historic transformation underway in 21st-century Europe, in-flows of non-European people. His recent work has been a on poverty amongst the children of immigrants in a cross-national context.

Other relevant publications

- Parsons, C., and T.M. Smeeding (eds.). 2006. *Immigration and the Transformation of Europe*. Cambridge, UK: Cambridge University Press.
- Moynihan, D.P., T.M. Smeeding, and L. Rainwater (eds.). 2004. *The Future of the Family*. New York, NY: Russell Sage Foundation. (paperback edition, 2006).
- Clark, R.L., R.V. Burkhauser, M. Moon, J. F. Quinn, and T.M. Smeeding. 2004. *The Economics of an Aging Society*. Oxford, UK: Blackwell Publishing. (paperback edition, 2005).
- Smeeding, T.M. 2004. Twenty Years of Research on Income Inequality, Poverty, and Redistribution in the Developed World. Guest Editor. *Socio-Economic Review Special Issue 2(2)* (May):149-163.

Lane Kenworthy, Professor of Sociology and Political Science, University of Arizona

Relevant publications

- Jobs with Equality*. Oxford University Press. 2008
- Egalitarian Capitalism*. Russell Sage Foundation. 2004
- with Leslie McCall. "Inequality, Public Opinion, and Redistribution." *Socio-Economic Review* 6: 3 5-68. 2008
- "Inequality and Sociology." *American Behavioral Scientist* 50: 584- 602. 2007
- "Is Equality Feasible?" *Contexts* 6(3): 28-32. 2007
- "Toward Improved Use of Regression in Macro-Comparative Analysis." *Comparative Social Research* 24: 343-350. 2007
- Kenworthy, Lane. 2006. "Institutional Coherence and Macroeconomic Performance." *SocioEconomic Review* 4: 69-91.
- with Jonas Pontusson. "Rising Inequality and the Politics of Redistribution in Affluent Countries." *Perspectives on Politics* 3: 449-471. 2005
- with Streeck, Wolfgang. "Theories and Practices of NeoCorporatism." Pp. 441-460 in *The Handbook of Political Sociology*, edited by Thomas Janoski, Robert Alford, Alexander Hicks, and Mildred A. Schwartz. Cambridge University Press. 2005
- "Do Social-Welfare Policies Reduce Poverty? A Cross-National Assessment." *Social Forces* 77: 1119-1139. 1999. Reprinted in *Welfare States: Construction, Deconstruction, Reconstruction*, edited by Stephan Liebfried and Steffen Mau, Edward Elgar, 2008.

2. Japan (JPN)

Fumio Ohtake, Professor and Director, Institute of Social and Economic Research (ISER), Osaka University

Selected Publications

- "The Ageing Society and Economic Inequality," *The Demographic Challenge: A Handbook about Japan*, BRILL, 2008, pp. 899-9 19.
- "Inequality in Japan," *Asian Economic Policy Review*, Vol.3(1), June 2008, pp. 87-109.
- "Testing the Morale Theory of Nominal Wage Rigidity," *Industrial and Labor Relations Review*, Vol. 61, No. 1, 2007, pp. 59-74 (with Daiji Kawaguchi).

- “Who Supports Redistribution?” *Japanese Economic Review*, Vol. 55 (4), 333-354, 2004 (with Jun Tomioka)
- “Population Aging and Consumption Inequality in Japan,” *Review of Income and Wealth*, Ser.44, No.3, 361-381, 1998 (with Makoto Saito).

3. Canada (CAN)

Robert C.A. Andersen, Professor of Sociology and Political Science, U. of Toronto, CAN

His teaching and research interests are in political sociology (especially the social bases of attitudes and political actions), social stratification, applied statistics, and survey methods. Most recently, he has been exploring the contextual factors associated with national differences in social and political attitudes and civic participation.

Relevant recent publications

- Andersen, Robert and Tina Fetner (2008) ‘Economic Inequality and Intolerance: Attitudes toward Homosexuality in 35 Democracies,’ *American Journal of Political Science*, 52 (4):942-958.
- Van de Werfhorst, Herman and Robert Andersen (2005) ‘Social Background, Credential Inflation, and Educational Strategies,’ *Acta Sociologica*, 48:323-42.
- Weakliem, David, Robert Andersen and Anthony Heath (2005) ‘By Popular Demand: The Effect of Public Opinion on Income Inequality,’ *Comparative Sociology*, 4:261-84.
- Andersen, Robert and Scott Milligan (in press, 2009). “Inequality and Intolerance: Canada in Cross-national Perspective,” Chapter 27 in Grabb, Edward and Neil Guppy (eds), *Social Inequality in Canada: Patterns, Problems, and Policies*, Fifth Edition. Toronto: Prentice Hall.

4. Australia (AUS)

Dr Andrew Leigh, Associate Professor, Economics Program, Research School of Social Sciences, Australian National University (ANU)

His current research is in the fields of labour economics, public finance and the economics of elections. He holds a PhD from Harvard University, and has previously worked as a lawyer, a political adviser, and a think-tank researcher. He has published over thirty journal articles and two books, is a regular columnist for the *Australian Financial Review*, and writes a semi-daily weblog. In 2006, he received an Early Career Award from the Academy of Social Sciences in Australia.

Relevant recent publications

- ‘Top Incomes’ in W. Salverda, B. Nolan, and T. Smeeding (eds) (2009) *The Oxford Handbook of Economic Inequality*, Oxford, Oxford University Press
- ‘Health and Inequality’ (with Christopher Jencks and Tim Smeeding) in W. Salverda, B. Nolan, and T. Smeeding (eds) (2009) *The Oxford Handbook of Economic Inequality*, Oxford, Oxford University Press
- ‘Do Redistributive State Taxes Reduce Inequality?’ (2008) *National Tax Journal*, 61(1): 81-104
- ‘More Inequality, Less Social Mobility’ (with Dan Andrews) (2008) *Applied Economics Letters*, forthcoming (working paper version: ANU CEPR DP 566)
- ‘Inequality and Mortality: Long-Run Evidence from a Panel of Countries’ (with Christopher Jencks) (2007), *Journal of Health Economics*, 26(1): 1-24
- ‘The Distribution of Top Incomes in Australia’ (with A.B. Atkinson) (2007) in A.B. Atkinson and T. Piketty (eds), *Top Incomes over the Twentieth Century: A Contrast Between Continental European and English-Speaking Countries*, Oxford, Oxford University Press, 309-332
- ‘Does Equality Lead to Fraternity?’ (2006) *Economics Letters*, 93: 121–125 (working paper version: ANU CEPR DP 513)
- ‘Trust, Inequality, and Ethnic Heterogeneity’ (2006) *Economic Record*, 82(258): 268-280 (working paper version: ANU CEPR DP 511)
- ‘Estimating Returns to Education Using Different Natural Experiment Techniques’ (with Chris Ryan) (2008) *Economics of Education Review*, 27: 149-160 (working paper version: ANU CEPR DP 493)
- ‘How Much Do Public Schools Really Cost? Estimating the Relationship Between House Prices and School Quality’ (with Ian Davidoff) (2008) *Economic Record*, 84(265): 193-206 (working paper version: ANU CEPR DP 558)

- 'Did the Death of Australian Inheritance Taxes Affect Deaths?' (with Joshua Gans) (2006) *The B.E. Journal of Economic Analysis & Policy*, Volume 6, Issue 1 (Topics), Article 23 (working paper version: ANU CEPR DP 530)
- 'Does the World Economy Swing National Elections?' (2009) *Oxford Bulletin of Economics and Statistics*, forthcoming (working paper version: ANU CEPR DP 485)
- 'Is Voting Skin-Deep? Estimating the Effect of Candidate Ballot Photographs on Election Outcomes' (with Tirta Susilo) (2009) *Journal of Economic Psychology*, forthcoming
- 'Happiness and the Human Development Index: Australia is Not a Paradox' (with Justin Wolfers) (2006), *Australian Economic Review*, 39(2): 176-184 (working paper version: ANU CEPR DP 505; NBER WP 11925)

5. Austria (AUT)

Herbert Obinger, Professor of Comparative Public and Social Policy, University of Bremen, Germany

Relevant publications

- 2008; Convergence Towards Where? In What Ways, If Any, Are Welfare States Becoming More Similar?, in: *Journal of European Public Policy* 15:7, 1-26.
- 2008; Worlds, Families, Regimes: Country Clusters in European and OECD Area Public Policy, in: *West European Politics* 31(1-2), pp. 321-345, mit Francis G. Castles
- 2007; Abschied vom Interventionsstaat? Der Wandel staatlicher Subventionsausgaben in den OECD-Ländern seit 1980, in: *Swiss Political Science Review* 13 (2): 203-236, mit Reimut Zohlnhöfer
- 2007; Sozialpolitische Entwicklungstrends in OECD-Ländern 1980-2001: Konvergenz, Divergenz oder Persistenz? in: *Politische Vierteljahresschrift* (Sonderheft 38/2007), 470-495, mit Peter Starke
- 2007; Social Expenditure and the Politics of Redistribution, in: *Journal of European Social Policy* 17 (3), pp. 206-222, mit F.G. Castles
- 2006; The State and its Welfare State: How Do Welfare State Changes Affect the Make-up of the Nation-state? In: *Social Policy & Administration* 40 [3], 250-266 (mit Heinz Rothgang und Stephan Leibfried).

6. Bulgaria (BGR)

Dr Vassil Tzanov, Senior Research fellow, Institute of Economics, Bulgarian Academy of Sciences

Since 1999 Head of division Macroeconomics, Institute of Economics, Bulgarian Academy of Sciences, and Head of Commission of the Institutional and program Evaluation, National Agency for Evaluation and Accreditation, Economic Sciences and Management. He is also a senior research fellow at the University of Veliko Tarnovo, Faculty of Economics.

Relevant publications

- Poverty line and the Guaranteed Minimal Payments – Methodological Aspects of Defining and Binding, (co-author), *Economic Thought*, 2006, pp. 3-18
- Bulgaria: Towards a Better Balanced World of Work, in *Evolving World of Work in Enlarged EU. Progress and Vulnerability*, (co-author), ed. By Fr. Eyraud and D. Whitehead, ILO, 2006, pp. 53-90
- Measurement of the poverty in Bulgaria, *Economic Thought*, (co-author), 2004, pp. 3-24
- Flexibility and Security in the *Labour Market: Bulgaria's Experience*, (co-author), ILO, CEET, Budapest, 2004

7. Germany (DEU)

Reinhard Pollak Dipl.-Soz, Research fellow Research Unit Inequality and Social Integration, Wissenschaftszentrum Berlin (WZB)

Relevant publications

- Educational Fields of Study and the Intergenerational Mobility Process in Comparative Perspective; in: *International Journal of Comparative Sociology*. (mit Michelle Jackson, Ruud Luijkx, Louis-André Vallet, Herman van de Werfhorst) (forthcoming)

From Origin to Destination: Trends and Mechanisms in Social Mobility and Social Stratification Research; Frankfurt/Main: Campus (mit Stefani Scherer, Gunnar Otte und Markus Gangl (eds.)), 2007
 „Germany: Institutional Change and Inequalities of Access in German Higher Education“; S. 240-265 in: Yossi Shavit, Richard Arum, Adam Gamoran (eds.): Stratification in Higher Education; Stanford: Stanford University Press (mit Karl Ulrich Mayer und Walter Müller), 2007
 Social mobility in West Germany. The long arms of history discovered?; S. 77-113 in: Richard Breen (ed.): Social Mobility in Europe; Oxford: Oxford University Press (mit Walter Müller), 2004
 „Weshalb gibt es so wenige Arbeiterkinder in Deutschlands Universitäten?“; S. 311-352 in: Rolf Becker, Wolfgang Lauterbach (Hrsg.): *Bildung als Privileg? Erklärungen und Befunde zu den Ursachen der Bildungsungleichheit*; Wiesbaden (mit Walter Müller), 2004

Giacomo Corneo, Professor of Public Economics, Freie Universität Berlin has the chair of Public Economics at the Free University of Berlin. He was previously Professor of Economics at the University of Osnabrück. He studied economics at Università Bocconi in Milan, earned a Ph.D. at Ministero dell'Università in Rome and one from the EDP at EHESS in Paris, and got his Habilitation at the University of Bonn. He taught at ENPC in Paris and at the University of Bonn. From 1993 to 1994 he served as advisor for labor market issues at Ministère de l'Economie et des Finances in Paris.

Has published several works in the fields of public economics, labour economics, comparative economics, industrial organization, and growth theory. His papers appear in various periodicals, including American Economic Review, Journal of Public Economics, International Economic Review, European Economic Review. His current research is focused on redistributive taxation, the economics of public utilities and regulation, the economic role of the mass media and the economics of social norms.

8. Denmark (DNK)

Niels Westergård-Nielsen, Professor, Department of Economics, Århus School of Business (ASB), Århus University; Director, Center for Corporate Performance, Aarhus School of Business, 2002 - present.

Research Fellow, IZA, Bonn, 2000 - present. Member of Personnel Economics Group, National Bureau of Economic Research, Cambridge, Mass., USA, 2002 - present. Country leader of Russell Sage project on Low-wage Work in Europe. Russell Sage Scholar 2007/08. Research Areas: Wage formation at individual and firm level, unemployment and employment, Matched worker and firm data, Personnel Economics, Health Economics, Human Capital

Relevant publications

Eriksson, Tor, Rikke Ibsen, Jingkun Li and Niels Westergård-Nielsen, Globalisering og det danske arbejdsmarked (Globalizing and the Danish Labor Market) DJØF's forlag, København 2006.

Ibsen, R. og N. Westergård-Nielsen, Medlemsskab af a-kasser og fleksibilitet, i Arbejdsdirektoratet, Arbejdsløshedsforsikringsloven 1907-2007, København 2007.

Eriksson, T and N. Westergård-Nielsen, Wage and Labor Mobility in Denmark, 1980- 2000, in Lazear, E. and K Shaw, NBER, 2008.

Westergård-Nielsen, (ed), Low-Wage Work in Denmark, Russell Sage Foundation, Case Studies of Job Quality in advanced economies, Russell Sage, New York 2008.

9. Spain (ESP)

Dr Ada Ferrer-i-Carbonell, ICREA Researcher, Institut d'Anàlisi Econòmica (CSIC), Barcelona, graduated in Economics at the Universitat Autònoma de Barcelona (Spain) in 1994. Subsequently, she worked as a researcher and docent at the Universidad de Zacatecas (México) and as a research assistant at the Universitat Autònoma de Barcelona. In 1997 she received a Fulbright scholarship for graduate studies at Rensselaer Polytechnic Institute (RPI) (Troy, NY, USA). In RPI, she obtained a M.S. in Economics (1998) and did some additional research and teaching. From 1999 to 2003, Ada wrote her Ph.D. thesis at the Faculty of Economics and Econometrics of the University of Amsterdam and at the Tinbergen Institute. In 2003 she obtained another Ph.D. from RPI. The topic of Ada's RPI-thesis was individual behaviour and sustainable consumption (Supervisor: Prof. dr. J. Gowdy). After her PhD she worked for the Amsterdam Institute for Advanced Labour Studies (AIAS) of the University of Amsterdam as a post-doc. From March 2005 to September 2007 she had a VENI personal fellowship from the Dutch Science Foundation (NWO). Since

September 2007 she is an ICREA researcher at the Institute of Economic Analysis (IAE-CSIC). One of Ada's main research areas is the use of subjective measures as a proxy for welfare and well-being so as to address a range of scientifically and politically relevant questions, such as issues of poverty and inequality.

Relevant publications

- van Praag, B.M.S. and Ferrer-i-Carbonell, A., 2008. Happiness Quantified: A Satisfaction Calculus Approach. *Oxford University Press*. Paperback and Revised edition.
- Van Praag, B.M.S. and Ferrer-i-Carbonell, A., 2008. A Multi-dimensional Approach to Subjective Poverty. In: N.Kakwani and J. Silber (eds.), *Quantitative approaches to multidimensional poverty measurement*. Chapter 8. NY: Palgrave, macmillan.
- Ferrer-i-Carbonell, A., 2005. Income and Well-being: An Empirical Analysis of the Comparison Income Effect. *Journal of Public Economics*, 89(5-6): 997-1019.
- Ferrer-i-Carbonell, A., and Van Praag, B.M.S., 2002. The subjective costs of health losses due to chronic diseases. An alternative model for monetary appraisal. *Health Economics*, 11: 709-722.
- Ferrer-i-Carbonell, A., and Van Praag, B.M.S., 2003. Subjective income inequality and its causes. *The Journal of Economic Inequality*, 1: 107-127.
- van Praag, B.M.S., Frijters, P., and Ferrer-i-Carbonell, A., 2006. Reprinted. The anatomy of subjective well-being originally published in 2003 (*Journal of Economic Behavior and Organization*, 51:29-49) is reprinted in Clem Tisdell (ed.) *The Economics Of Leisure*. Edward Elgar, Cheltenham: UK.

10. Estland, Lithuania and Latvia (EST, LTU, LVA)

Dr Jaan Masso, Senior Research Fellow, Faculty of Economics and Business Administration, University of Tartu received a PhD in economics at the University of Tartu in 2005. He has also participated in various international summer schools and lecture courses in abroad (in Finland, Germany, Norway). The list of his research areas include labour economics (labour demand, job flows, scientific workforce, firm demographics), foreign direct investments (effects of FDI on employment and productivity), innovations (effect on firm performance), science policy (public research funding). He has participated in various national and international research projects, funded from EU framework programmes, International Labour Organization, World Bank.

His recent publications include the following:

- Masso, J., Varblane, U., and P. Vahter (2008), "The Impact of Outward FDI on Home-Country Employment in a Low-Cost Transition Economy", *Eastern European Economics*, Vol. 46, Issue 6, pp. 27-61.
- Vahter, P., Masso, J. (2007), "Home versus Host Country Effects of FDI: Searching for New Evidence on Productivity Spillovers", *Applied Economics Quarterly*, Vol. 53, No. 2, pp. 165-196.
- Eamets, R. and J. Masso. (2005) "The Paradox of the Baltic States: Labour Market Flexibility but Protected Workers?", *European Journal of Industrial Relations*", Vol. 11, pp. 71-90.
- Masso, J., Eamets, R. and K. Philips, (2006) "Job Creation and Job Destruction in Estonia: Labour Reallocation and Structural Changes", in Helena Hannula, Slavo Radosevic and Nick von Tunzelmann (Eds.), "Estonia, the New EU Economy: Building a Baltic Miracle?" London: Ashgate, pp. 105-142.
- Masso, J., Eamets, R. and K. Philips, (2007), "Creative Destruction and Transition: Evidence on Firm Demographics from Estonia", in J.M. Arauzo and M. Manjón (Eds.), *Entrepreneurship, Industrial Location and Economic Growth*, Edward Elgar, pp. 81-103.

Dr Anu Masso, Lecturer, University of Tartu, Faculty of Social Sciences, Institute of Journalism and Communication received her PhD in media and communication at the University of Tartu in 2008. She has participated in various international lecture courses in Estonia and in abroad (in Sweden, Denmark, Austria, Norway). Her main research areas are personal social space in transition countries (geo-cultural mobility, cultural distances), the role of media and language communication in constructing geo-cultural identities and cultural distances, and research methods in social sciences (both qualitative and quantitative). Her lecturing fields are related to research methods (quantitative data analysis with MS Excel, In-depth interview method, qualitative data analysis techniques and software, quantitative data analysis with SPSS). She has participated in various national and international research projects. Her recent publications include the following:

Relevant publications

- Masso, A. (2009). Readiness to accept Immigrants in Europe? Individual and Country Level Characteristics. *Journal of Ethnic and Migration Studies*, 35, ilmumas.
- Masso, A. (2008). Lifeworlds in an enlarged Europe: Differences in Personal Spatiality in Estonia and Sweden. *European Societies*, 10, 303 - 325.
- Masso, Anu; Tender, Tõnu (2007). Cultural Sustainability in a Transition Society: Relations between Foreign Languages and Geo-Cultural Self-Position in Estonia. *The International Journal of Environmental, Cultural, Economic and Social Sustainability*, 3, 163 - 172.
- Vihalemm, T.; Masso, A. (2005). The Nation-Building and Perspectives of Formation of Civic Identity in Post-Soviet Estonia. Hashimoto, N.; Obata, K.; Mizobata, S.; Komori, H. (Eds.). A Collection of Papers on the History and Today's Situation of Russian-Speaking Population in Estonia and Latvia: From the View Point of the Contemporary History of European Integration and Formation of Multi-Ethnic Society (89 - 105). Hiroshima: Hiroshima University

11. Finland (FIN)

Olli Kangas, Research Professor, Head of the Research Department, Social Security Institution of Finland (KELA). He is also Professor of Social Policy at the the University of Turku since 1996 and he was previously working at the Danish National Institute for Social Research.

Relevant publications

- "Relative to what? Cross-national picture of European poverty measured by regional, national and European standards." (with Veli-Matti Ritakallio), *European Societies*, Vol. 9 (2007):2, pp. 119-145.
- Social policy and economic development in the Nordic countries. (eds. With Joakim Palme) Palgrave/Macmillan, London 2006.
- "The role of welfare state principles and generosity in social policy programmes for public health: an international comparative study." (with Olle Lundberg, Monica Åberg Yngwe, Maria Kölegård Stjärne, Jon Ivar Elstad, Tommy Ferrarini, Thor Norström, Joakim Palme and Johan Fritzell). *Lancet* 2008; 372: 1633-40

12. France (FRA)

Thomas Piketty, Professor of Economic, Paris School of Economics (PSE) and École des Hautes Études en Sciences Sociales (EHESS)

Relevant publications

- Cohen D., Piketty T., Saint-Paul G. (Eds) : The Economics of rising inequalities, Oxford : Oxford university press, 2002, xii-358 p. ISBN 0-19-925402-8
- Atkinson T., Piketty T.: Top incomes over the twentieth century : a contrast between continental european and english-speaking countries, Oxford : Oxford university press, 2007, 604 p. ISBN 0-19-928688-4
- Piketty T. : « Theories of persistent inequality and intergenerational mobility », in Atkinson A.B., Bourguignon F. : Handbook of income distribution, Amsterdam : North-Holland, 2000, p. 429-476.
- Piketty T., Saez E. : « Income inequality in the United States, 1913-1998 », *Quarterly journal of economics*, vol. 118, no 1, 2003, p. 1-39.
- Piketty T. : « Income inequality in France, 1901-1998 », *Journal of political economy*, vol. 111, no 5, 2003, p. 1004-1042.
- Piketty T. : « The Kuznets' curve, yesterday and tomorrow », in Banerjee A., Benabou R., Mookerjee D. (Eds) : Understanding poverty, Oxford : Oxford university press, 2005, 21 p.
- Piketty T., Postel-Vinay G., Rosenthal J.L. : « Wealth concentration in a developing economy : Paris and France, 1807-1994 », *American economic review*, vol. 96, no 1, 2006, p. 236-256.
- Piketty T., Saez E. : « How progressive is the U.S. federal tax system ? A historical and international perspective », *Journal of economic perspectives*, vol. 21, no 1, 2006, 42 p.
- Piketty T. : « Wealth taxation in the 21st century: a personal view », in Reforming the Tax System for the 21st Century: The Mirrlees Review, London : Institute for Fiscal Studies; Oxford : Oxford university press, 2008, 10 p..

Alvaredo F., Piketty T. : « The Dynamics of Income Concentration over the Twentieth Century. The Case of Advanced Economies », in *Markets, the State and the Dynamics of Inequality*, ouvrage coordonné par Luis Felipe Lopez-Calva et Nora Lustig, Washington, D.C. : Brookings Institution Press, 2009, 43 p.

13. Greece (GRC)

Thomas Moutos, Professor of Economics, Department of International and European Economic Studies of the Athens University of Economics and Business (AUEB). He is also the Vice-Chairman of the Department and the Director of the Executive MSc Programme in European Studies at AUEB and a Research Fellow of CESifo. He received his Ph.D. from McMaster University, and before returning to Greece he taught at the Universities of Glasgow and Stirling. He has also held visiting appointments and has lectured at the Dresden University of Technology, McMaster University, University of Mainz, University of Munich, and the University of Queensland. His main fields of interest are macroeconomics, labour economics, and international economics, and he is currently working on issues relating to the Political Economy of Regional Trade Agreements and the Political Economy of Minimum Wages and Inequality, and on Alternative Methods of Redistribution. Among his publications are papers in the *American Economic Review*, *Canadian Journal of Economics*, *Economics Letters*, *Journal of Development Economics*, *European Journal of Political Economy*, *Oxford Economic Papers*, and *Scandinavian Journal of Economics*. He has also co-authored a monograph published by *Cambridge University Press*, and has co-edited a volume with *The MIT Press* on “Managing European Union Enlargement”, and with *Elsevier* on “Designing the New European Union”. He has also participated as the national coordinator in a number of EU and ILO financed projects, including the GRIT (Growth, Inequality, and Technological Change) project and the “Minimum Wages in an Enlarged Europe” project.

Relevant publications

Greece: Neglect and Resurgence of Minimum Wage Policy”, (with E. Fotoniata), in D. Vaughan-Whitehead (ed.), *Palgrave, MacMillan*, forthcoming.

Special section on “Global Economic Imbalances: Prospects and Remedies” (with H. Berger and S. Kalyvitis), *Review of International Economics*, 2008.

Designing the New European Union (co-edited with H. Berger), North-Holland, Elsevier, 2007

“Minimum Wages, Inequality, and Redistribution” (with A. Adam), *Economics Letters*, 2006.

“The Macroeconomic Consequences of Basic Income and Employment Subsidies” (with W. Scarth), in J. Agell, M. Keen and A. Weichenreider (eds), *Labour Market Regulation and Employment Protection*, The MIT Press, 2004.

Dr Margarita Katsimi, Assistant Professor of Economics at the Department of International and European Economic Studies, AUEB. Research Fellow, CESifo, Center for Economic Studies and IFO Institute for Economic Research. She holds a BA in Economics (University of Athens), MSc and PhD in Economics (University of London). Prior to her appointment at AUEB she was Lecturer in Economics, Department of Economics, University of Essex (1995). She was Member of the Economic Analysis and Research Unit of the Council of Economic Advisers (1996-2000), Alternate Member of the Economic and Financial Committee of the European Union (1997-2000), Member of the Economic Policy Committee of the European Union (1996) and Member of Working Party 1 of OECD on Macroeconomic and Structural Policies (1996-1997). Her research focuses on issues of macroeconomics, political economy, unemployment, European economic integration, applied economics and public economics. She has published in a number of refereed journals, including *Southern Economic Journal*, *European Journal of Political Economy*, *Public Choice*, *Scottish Journal of Political Economy* and *Journal of Macroeconomics*.

Dr George Pagoulatos, Associate Professor of Politics, Department of International and European Economic Studies, Athens University of Economics and Business and Visiting Professor, European General Studies Programme, College of Europe, Bruges. In 1998 – 1999 Hannah Seeger Davis Post-doctoral Fellow, Program in Hellenic Studies; Fellow, Southern European Research Group, Center of International Studies, and Research Associate, Department of Politics, Princeton University. Research interests: EU and comparative political economy and public policy; Greek and Southern European politics and political economy; the politics of economic and structural reform; political economy of banking and finance; privatization and regulatory reform; EU governance; civil society. He has published nineteen articles in refereed journals (including *West European Politics*, *Journal of Common Market Studies*, *Journal of Public*

Policy, Public Administration, European Journal of Political Research, etc) and many chapters in edited volumes. He has edited, authored and co-authored four books, including Greece's New Political Economy. State, Finance and Growth from Postwar to EMU (Palgrave Macmillan, 2003) (Academy of Athens award)

Dimitri A. Sotiropoulos, Assistant Professor at the Department of Political Science and Public Administration of the University of Athens.

In January-August 2003, he was Senior Research Fellow of the Hellenic Observatory, at the European Institute of the London School of Economics and Political Science. His latest books in English are the following: *Is Southern Europe Doomed to Instability?*, coedited with Thanos Veremis, London: Frank Cass, 2002; and, *The State and Democracy in the New Southern Europe* (co-edited with Richard Gunther and P. Nikiforos Diamandouros, Oxford: Oxford University Press, 2006).

14. Poland (POL)

Dr Natalia Letki, Assistant Professor, University of Warsaw, Institute of Sociology. Previously, she was an assistant professor at Collegium Civitas Warsaw, and a Post-doctoral Prize Research Fellow at Nuffield College, Oxford. She specializes in public-opinion based research of political behaviour of citizens and political elites, especially in the context of systemic transformation. She also researches social capital, social trust, civic and political participation, civic morality and trustworthiness, and their relation to the institutional political and economic context in the new and established democracies. Her current project focuses on citizens' attitudes and behaviour towards public good in post-communist transition. In 2009 she has been awarded an ERC Starting Grant for the project "Public Goods through Private Eyes. Exploring Citizens' Attitudes to Public Goods and the State", which is going to be a full scale comparative public opinion survey of 15 post-communist states of Central Eastern Europe focusing on citizens' values, attitudes and strategies in the context of public goods provision and management.

Relevant publications

- "Social Capital in East-Central Europe" (2009). in G.T. Svendsen and G.L. Haase Svendsen (eds), *Handbook of Social Capital*. Edward Elgar.
- "Does Diversity Erode Social Cohesion? Social Capital and Race in British Neighbourhoods", *Political Studies* 2008, Vol. 56 No.1, pp. 99-106.
- "Investigating the Roosts of Civic Morality: Trust, Social Capital and Institutional Performance", *Political Behavior* 2006, Vol. 28 No. 4, pp. 305-25.
- "Endogenizing Social Trust: Democratisation in East-Central Europe", with Geoffrey Evans, *British Journal of Political Science* 2005, Vol. 35 No. 3, pp. 515-29.
- "Socialization for Participation? Trust, Membership and Democratization in East-Central Europe", *Political Research Quarterly* 2004, Vol. 57 No. 4, pp. 665-79.

15. Luxembourg (LUX, report in co-operation with Belgium)

Dr Philippe van Kerm, Research Officer (CEPS/INSTEAD) is head of the unit "Enseignement, Recherche et Developpement International", including the *Integrated Research Infrastructure in the Socio-economic Sciences*, the mission of which is to exploit micro-data resources for socio-economic research in both a national and a cross-nationally comparative perspective. Philippe Van Kerm holds a PhD in Economics and can draw on more than ten years of experience in applied micro-econometric research and longitudinal data analysis. His chief expertise is in the analysis of income mobility and income distribution dynamics, poverty and discrimination, both with regard to measurement principles and methods and to empirical, comparative analysis. His research has been published in the Oxford Economic Papers, *Economica*, *Economics Letters*, *Demography* (forthcoming) the *Journal of Economic Inequality*, or *Sankhya* (the Indian Journal of Statistics). Philippe Van Kerm is also Research Associate at the Institute for Social and Economic Research at the University of Essex (UK) with which he maintains long-standing research collaborations.

Relevant publications

- Stephen Jenkins & Philippe Kerm, 2005. "Accounting for income distribution trends: A density function decomposition approach," *Journal of Economic Inequality*, Springer, vol. 3(1), pages 43-61, April

Philippe Van Kerm, 2004. "What Lies Behind Income Mobility? Reranking and Distributional Change in Belgium, Western Germany and the USA," *Economica*, London School of Economics and Political Science, vol. 71(281), pages 223-239, 05.

16. Portugal (PRT)

Carlos Farinha Rodrigues, Assistant Professor, Instituto Superior de Economia e Gestão, Technical University of Lisbon (UTL) holds a Ph.D. in Economics (2005), Instituto Superior de Economia e Gestão (ISEG), Technical University of Lisbon (UTL) (Portugal). Ph.D. Thesis on "Income Distribution, Inequality and Poverty: Portugal in the 1990's", supervised by Prof. Tony Atkinson and Prof. Manuela Silva.

Adviser of the Instituto Nacional de Estatística (Portuguese Statistical Office) in the field of households' statistics.

Relevant publication

Manos Matsaganis, Cathal O'Donoghue, Horacio Levy, Manuela Coromaldi, Magda Mercader-Prats, Carlos Farinha Rodrigues, Stefano Toso and Panos Tsakoglou, *Child poverty and family transfers in Southern Europe*, EUROMOD Working Paper No. EM2/04, July 2004

17. Romania (ROU)

*Iuliana Precupețu, Senior Researcher, Research Institute for Quality of Life, Romanian Academy, Associate Professor, Faculty of Sociology and Social Work, University of Bucharest specialises in quality of life, social policy, methodology of social research and the study of corruption. She coordinated research projects or has been part of many research teams either national or international. Currently, she is involved in a project on *Quality of Life and Sustainable development* which is funded by the Excellence Programme of the Ministry of Education and Research. Another important project developing at present is an international project funded through the 6th Framework Programme of EU studying corruption in seven countries: *Crime as a Cultural Problem. The Relevance of Perceptions of Corruption to Crime Prevention. A Comparative Cultural Study in the EU-Accession States Bulgaria and Romania, the EU-Candidate States Turkey and Croatia and the EU-States Germany, Greece and United Kingdom*, coordinated by Professor Hans Georg Soffner, University of Konstanz, Germany. In the past, Iuliana Precupețu has been part of a research team studying democratic values under the 5th Framework Programme of EU in the project *Values systems of the citizens and socio-economic conditions: challenges from democratisation for the EU enlargement*, coordinated by Professor Detlef Pollack, European University Viadrina, Germany.*

Recently, Iuliana Precupețu began a new research project on *Quality of life diagnosis and social inequalities in Romania* looking at the various inequalities that are evident in different spheres of quality of life and which represent challenges for social cohesion. On the whole, Iuliana Precupețu published two books as co-editor, one book as unique author, about ten chapters in various books, about twelve research articles and wrote more than twenty research reports.

Relevant publications

Iuliana Precupețu, Ioan Marginean, Marius Precupețu, (2004) Consolidating Democracy in Romania: Political attitudes and Values, in Pollack D, Jacobs J, Pickel G, Mueller O, *Democratic Values in Central and Eastern Europe. Research Report*, Frankfurt Institute for Transformation Studies, Frankfurt

Iuliana Precupețu, Ioan Marginean, Marius Precupețu, (2004) Sources of political support for democracy in postcommunist countries, *Romanian Sociology Review*, no 1

Ioan Marginean, Iuliana Precupețu, Marius Precupețu, (2004) *Support for Democracy in Post Communist Countries*, *Sociological Problems Journal*, no1-2, Sofia, Bulgaria

Iuliana Precupețu (2003), Reshaping the Social Landscape in Eastern Europe – the Case of Community Development in Romania in Cassling R & Fragniere G (eds) *Social Sciences and Political Change*, Brussels: Presses Interuniversitaires Europeennes

18. Slovakia, Czech Republic (SVK, CZE)

Dr Martin Kahanec, Senior Research Associate, IZA Bonn, completed his Ph.D. in Economics in 2005 at the Center for Economic Research (CentER), Tilburg University, the Netherlands, with his thesis "Social Interaction and the Labor Market: Essays on Earnings Inequality, Labor Substitutability, and Segregation." During his doctoral studies, he spent several months as a Marie-Curie Fellow at Midi-Pyrenees School of Economics (MPSE) at Université Toulouse 1 Sciences Sociales in France and the European Center for Advanced Research in Economics and Statistics (ECARES) at Université Libre de Bruxelles in Belgium. Prior to his doctoral studies, in 2000 he earned his Master's degree from the Central European University in Budapest as well as from Comenius University in Bratislava, where he also earned his Bachelor's degree. His main research interests are Labor Economics, Ethnicity, Migration, and Technological Change. He joined IZA as a Research Associate in September 2005 and became a Senior Research Associate in September 2007. He is also a Deputy Program Director "Migration" at IZA.

Viliam Pálenik, senior researcher and head of department of economic modeling at Institute of Economic Research of the Slovak Academy of Sciences. He is also the president of IZ Bratislava. Employment Institute (IZ Bratislava) is a non-profit non-government organization, which is working in the field of education, research, social and consulting in the field of labour market and employment in general. In its activities, Employment institute is focused on research, analysis, collection of information, composing studies and their publishing, with regards to labour market. Objectives of Employment Institute support of theoretical thinking in the community, analysis and research of economical processes in Slovakia and collecting information, preparing studies and publications based on the state or other organisations' requirement. IZ Bratislava works on analysis of Slovak and European labour markets, analysis and forecasts of regional and sectorial labour market, data on regional employment and unemployment, analyses of employees and their wages in individual regions and sectors and general economic background of Slovak and EU regions. His main scientific orientation is study of economic policy by modeling methods, specialization at monetary and fiscal area, and analysis focused on labour market, financial market, foreign trade and similar.

Relevant publications

Viliam Páleník, Vladimír Kvetan, Katarína Krivánska, Michal Páleník: Prognóza vývoja ekonomiky Slovenska na rok 2002 a výhľad do roku 2005 (Forecast of development of Slovak economy in year 2002 and forecast till 2005, in Slovak), BIATEC, 1/2002

Jiri Vecernik, Head of the Department of Socio-Economics at the Institute of Sociology, Academy of Sciences of the Czech Republic, is Editor-in-Chief of the *Czech Sociological Review* and Vice-Chairman of the Institute for Social and Economic Analyses (ISEA). He studied economics and sociology and on the undergraduate and graduate levels. Since 1970, he was employed by the Institute of Philosophy and Sociology of the Czechoslovak Academy of Sciences as an assistant researcher. Since 1990, he is senior researcher and head of the Department of Economic Sociology at the Institute of Sociology of the Academy of Sciences of the Czech Republic. In 1991-1993, he was Editor-in-Chief of the *Czech Sociological Review* and launched its English edition. In 2003, he took up the position of Editor-in-Chief of the sole English edition. He was also member the Executive Committee of the *Luxembourg Income Study*, cooperated with the ILO and OECD. Since 1999, he is evaluator of the EU research programmes. In 2004-2007 he was member of the network of non-governmental experts on social inclusion of the European Commission.

Relevant publications

Income taxes and benefits among Czech employees. *Czech Journal of Economics and Finance* 56:2-17, 2006.

Work Values and Job Attitudes in the Czech Republic between 1997 and 2005. *Czech Sociological Review* 42:1219-1240, 2006.

The Czech labour market: historical, structural and policy perspectives. *Prague Economic Papers* 16:220-236, 2007.

Social Policy in the Czech Republic: the Past and Future of Reforms. *East European Politics & Societies* 22:496-517, 2008.

Household consumption in the Czech Republic: from shopping queues to consumer society. *Polish Sociological Review* 162:153-173, 2008.

Dr Daniel Münich, Senior Researcher, Associate Professor at CERGE-EI and a member of the Board of the NHÚ v.v.i. In the recent past he was a member of the Executive Committee of the European Association of Labour Economists and key organizer of its annual congress in Prague. He is also a member of the executive committee of the Czech Economic Society and an observer at the Governmental Board for R&D, chairing its

Expert Committee for Social and Human Sciences and its Committee for Evaluation of R&D outcomes. Also member of an expert team established by the Czech ministry of Schooling preparing White Book of reforms of the tertiary system of education. He has been a research partner in applied projects focused on labour market policies, including (i) Leonardo da Vinci, Phare EU program, UNDP and World Bank projects, He conducted a background study on the Czech labour market before EU accession (EU commission), (x) a study on the Impact of EU Enlargement On Employment and Labour Markets in the Member States. Recently, he also serves as a SYSDEM correspondent for the Czech Republic (EU Employment Observatory) and a senior expert in the European Expert Network of Economists of Education. He teaches the advanced labour economics course in the CERGE-EI Ph.D. program. He has received support for scientific research projects from EBRD, WB, USAID, ACE-Phare, Volkswagen Foundation, NSCEER, GDN and published in international journals including the *Review of Economics and Statistics*, *Journal of Comparative Economics* and *Labour Economics*. Referee for 8 economics journals including the American Economic Review, Journal of Comparative Economics, and Economics of Transition.

Dr Alena Bičáková, Assistant Professor at CERGE at the Charles University in Prague and a Senior Researcher at the Economics Institute of the Academy of Sciences of the Czech Republic. M. Phil. degree in Economics (2000) from the University of Cambridge, United Kingdom; and Ph.D. in Economics (2005) from the Johns Hopkins University, USA. From November 2005 - September 2007 she worked as a Research Fellow at the Finance and Consumption Programme, European University Institute, Florence, Italy. Her research focuses on applied microeconomic and applied microeconomic topics in the areas of labor economics and economics of consumer credit. Her previous work includes research on the effect of minimum wage on welfare reciprocity, the effect of welfare benefits on family structure, and the impact of wage flexibility on the distribution of non-employed between unemployment and inactivity. More recently, she focused on the relationship between wage inequality and the so-called labor market status inequality - the distribution of the probability of employment, unemployment, and inactivity across different wage levels. In her work conducted under the research grant for DG ECFIN (joint with Eva Sierminska), she explored to what extent mortgage market development affects home-ownership inequality with respect to income among young households in four European countries and the US. Her current work, funded by the grant from the Czech Science Foundation, analyzes the evolution and cross-country variation in gender unemployment gaps in the New EU Member states.

Relevant publications

- Bičáková, A. 2008. "Unemployment vs. Inactivity: Why Do We Care about One But Not the Other?" in: Neumaier, O., Schweiger, G., and Sedmak C. (eds.), *Perspectives on Work*, Wien: LIT Verlag, 295-300.
- Bičáková, A. 2007. "Does the Good Matter? Evidence on Moral Hazard and Adverse Selection from Consumer Credit Market," *Giornale degli Economisti e Annali di Economia*, 120, 66: 29-66.

19. Slovenia (SVN)

Dr Miroljub Ignjatovic, researcher at the Centre for Welfare Studies, Faculty of Social Sciences, University of Ljubljana In 2002 Ignjatović successfully defended his doctoral thesis entitled "The social consequences of the increase of labour market flexibility" and in 2003 he received the faculty's award for best doctorate in 2002. Dr. Miroljub Ignjatović's research activity is in the following areas: the labour market (employment, unemployment, flexibilization), vocational education and training, social policy, postmodern society. In the previous period he has cooperated with a number of international institutions – for example: as an external consultant to the OECD (1996), as a foreign expert for ETF (European Training Foundation) in the project CARDS (Development of National Qualification Frameworks in Albania, Bosnia-Herzegovina, Croatia, The Former Yugoslav Republic of Macedonia, the Kosovo, Serbia and Montenegro) and from 2003 onwards as SYSDEM expert for the EEO (European Employment Observatory).

Selected relevant publications

- Ignjatović, Miroljub (2007). *Osip iz rednega izobraževanja - individualni in družbeni problem (Drop-out from regular education – individual and social problem)*. V: Kramberger, Anton (ur.), PAVLIN, Samo (ur.). *Zaposljivost v Sloveniji : analiza prehoda iz šol v zaposlitve : stanje, napovedi, primerjave*, (Knjižna zbirka Profesija). Ljubljana: Fakulteta za družbene vede
- Ignjatović, Miroljub, Svetlik, Ivan, Trbanc, Martina. (2001) *Scenarios and Strategies for VET in Europe. National Report - Slovenia*. Final report for the International project on Scenarios and Strategies for VET in Europe, CEDEFOP and ETF.

Masa Filipovic MSc is a junior researcher, employed since January 2003 at the Centre. Currently she is continuing postgraduate studies of Sociology of everyday life at the Faculty of Social Sciences and working on her PhD project and involved in several international and national (research) projects. From the year of 2005 she has also been appointed as a National Correspondent for the FEANTSA (European federation of national organisations working with the homeless) and has cooperated as a member of European Observatory on homelessness.

Martina Trbanc MSc studied sociology at Faculty of Social Sciences, University of Ljubljana and graduated in 1989. Masters' degree of sociology (social policy) completed at the same Faculty in 1992. Attended several summer schools (University of Essex, University of Oslo, LIS in Luxembourg) and spent four months at the University of Kent as visiting researcher (Tempus fellowship). Currently working on her Ph. D. on Social Inclusion and Inclusion Policies. Since 1991 employed at the Faculty of Social Sciences, University of Ljubljana. Currently works at Faculty's Organisations and Human Resources Research Centre; Her main research topics are labour market issues, unemployment and employment, social exclusion and poverty, social policy, inclusion policies and educational issues. Some of the projects she participated in include: research on Quality of Life in Slovenia (1989-1996), project Marginalisation, social exclusion and elites in Slovenia (1996-1999), international project Integration of Work and Learning (1998-2001, funded by ETF), project Social and Economic Inclusion of Vulnerable Groups in Slovenia (2003), participation in EU research network COST A13 (1998-2003), participation as national expert in Peer Review processes on social inclusion and employment, participation as independent national expert in EU network on Social inclusion.

20. Sweden (SWE)

Johan Fritzell, Professor of Sociology, Centre for Health Equity Studies (CHESS), Stockholm University, is also affiliated as research director at the Institute for Futures Studies in Stockholm. He is a board member of the Swedish Council for Working Life and Social Research (FAS), and the Luxembourg Income Study. He has for many years conducted research on the determinants and distribution of welfare and was a member of the Swedish Welfare Commission. A major focus in Fritzell's work has been comparative studies of poverty, income distribution and social policy and he has been involved in several international collaborations within these fields. He is presently a member of RECOWE, Network of Excellence within the 6th EU Framework Programme. He currently directs five larger research programs: "Welfare States, welfare services and welfare outcomes", "Segregation and its consequences for health", "Sickness absence: patterns, marginalisation and context", "Social determinants of health: Swedish-Brazil Exchange and Sweden-Brazil comparisons" and is co-director of a project about "The Nordic Experience: Welfare States and Public Health", initiated by the WHO Commission on Social Determinants of Health. His current research is also on the relation between income, segregation and health, as well as intergenerational transmission of health inequalities. Recent publications include: *Health inequalities and welfare resources. Continuity and change in Sweden* (Johan Fritzell and Olle Lundberg, eds.), Bristol: Policy Press, 2007.

Relevant publications

- Lundberg, O. Åberg Yngwe, M. Kölegård Stjärne, M. Elstad, J.I. Ferrarini, T. Kangas, O. Norström, T. Palme, J. and Fritzell, J. (2008) "The role of welfare state principles and generosity in social policy programmes for public health: an international comparative study", *The Lancet*, 372: 1633-40.
- Fritzell, J.; Lundberg, O. (eds.) *Health inequalities and welfare resources: Continuity and change in Sweden*. Bristol: Policy Press, 2007.
- Fritzell, J.; Lundberg, O. Fighting inequalities in health and income - One important road to welfare and social development. In Kangas, O. & Palme, J. (eds.), *Social Policy and Economic Development in the Nordic Countries*. SERIES: Social Policy in a Development Context, General Editor: UNRISD. Basingstoke: Palgrave, 2005.

C. Associate Experts³⁹**1. Giuseppe Bertola**

Ph.D., M.I.T. (1988) is Professore Ordinario di Economia Politica, Facoltà di Scienze Politiche, Università di Torino. He was on leave as Full-time professor at the European University Institute (1997-2003) and in 1989-93 was Assistant Professor and Assistant Director of the International Finance Section, Princeton University. He is a Managing Editor of *Economic Policy* and Condirettore of *Giornale degli Economisti e Annali di Economia*, and has performed scientific advisory work for the European Commission, the European Central Bank, and other organizations. His research is published in *Review of Economic Studies*, *American Economic Review*, *European Economic Review*, and many other academic journals and books. He has authored chapters in *Handbook of Labor Economics* and *Handbook of Income Distribution* (North-Holland), coauthored *Models for Dynamic Macroeconomics* (Oxford University Press) and *Income Distribution in Macroeconomic Models* (Princeton University Press), and co-edited *Welfare and Employment in a United Europe* and *The Economics of Consumer Credit* (MIT Press). He is affiliated to Centre for Economic Policy Research (London), Centro Studi Luca d'Agliano (Mi.To), Kiel Institute of World Economics, Collegio Carlo Alberto (Moncalieri TO), Centre for Financial Studies (U. Frankfurt), ExCEM (U. Nottingham). Co-director, *Giornale degli Economisti e Annali di Economia*, 1997-. Joint managing editor, *Economic Policy*, 2001-. Senior Consultant European Central Bank, Wage Dynamics Network.

Relevant publications

- "Institutions and Labor Reallocation" (with Richard Rogerson), *European Economic Review*, 41:6, 1997, pp. 1147-1171
- "Microeconomic Perspectives on Aggregate Labor Markets," in O.Ashenfelter and D.Card (eds.), *Handbook of Labor Economics* vol.3B, Amsterdam: North-Holland, 1999, pp.2985-3028.
- "Macroeconomics of Income Distribution and Growth," in A.B.Atkinson and F.Bourguignon (eds.), *Handbook of Income Distribution* vol.1, Amsterdam: North-Holland, 2000, pp.477-540.
- "Sorting and Private Education in Italy" (with Daniele Checchi), *Lavoro e Relazioni Industriali* 2/2001, pp.87-124; also in D.Checchi and C.Lucifora (eds.) *Education, Training and Labour Market Outcomes in Europe*, Palgrave MacMillan, 2004.
- "Comparative Analysis of Labor Market Outcomes: Lessons for the US from International Long-Run Evidence" (with Francine D. Blau and Lawrence M. Kahn), pp.159-218 in A.B.Krueger and R.Solow (eds.), *The Roaring Nineties: Can Full Employment Be Sustained?*, Russell Sage and Century Foundations, 2002
- "A pure theory of Job Security and Labor Income Risk" *Review of Economic Studies*, 71:1 (2004), 43-61.
- An Agenda for a Growing Europe - The Sapir Report* (with A.Sapir and others), Oxford University Press, 2004 (*Europa, un'agenda per la crescita*, il Mulino, 2004).
- "National Labor Market Institutions and the EU Integration Process," *CESifo Economic Studies* 2/04.
- Distribution in Macroeconomic Models* (with Reto Foellmi and Josef Zweimueller), Princeton University Press, 2006, 440 pages.
- "Social and Labor Market Policies in a Growing EU" *Swedish Economic Policy Review* 13:1 (2006), pp.189-232.
- "Welfare Policy Integration Inconsistencies" in Helge Berger and Thomas Moutos, eds., *Designing the New European Union*, Amsterdam: Elsevier, pp.91-120, 2007.
- "Europe's Unemployment Problems," Ch.14 in M. Artis and F.Nixon (eds) *The Economics of the European Union*, Oxford: Oxford University Press, pp.354-374, 2007.
- "Labor Market Institutions and Demographic Employment Patterns" (with Francine D. Blau and Lawrence M. Kahn), *Journal of Population Economics* 20 (2007), 833-867.
- "Consumption Smoothing and Income Redistribution" (with Winfried Koeniger), *European Economic Review* 51:8 (2007), 1941-1958.
- "Finance and Welfare States in Globalising Markets," p.167-195 in Christopher Kent and Jeremy Lawson (eds.), *The Structure and Resilience of The Financial System*, Sydney: Federal Reserve Bank of Australia, 2007.

³⁹ Country experts Robert Andersen, Giacomo Corneo, Ada Ferrer-i-Carbonell, Johan Fritzell, Olli Kangas, Andrew Leigh, Natalia Letki, Reinhard Pollak and Tim Smeeding will also act as Associate experts.

2. Carles Boix

Professor of Politics and Public Affairs. Woodrow Wilson School of Politics and Public Affairs and Department of Politics, Princeton U. He writes and teaches on comparative political economy and comparative politics. He is the author of *Political Parties, Growth and Equality* (Cambridge University Press, 1998), *L'obertura catalana (Idees, 2002)* and *Democracy and Redistribution* (Cambridge University Press, 2003) and the co-editor of the *Oxford Handbook of Comparative Politics* (Oxford University Press, 2007). He has received the William Riker award for the best book on political economy twice, the Mattei Dogan award for best book published in the field of comparative research and the Heinz Eulau award for best article published in the *American Political Science Review*. His current research projects include: the internal workings of dictatorships; the book *The Birth of Party Democracy*, which explores the political conditions that led to the emergence of various party systems and electoral institutions in advanced democracies in the 19th and 20th centuries; the application of agent-based models to understand the formation of states; and the use of osteological evidence to trace the sources and evolution of inequality over time. Before joining Princeton he taught at the University of Chicago. Ph.D. Harvard University.

Relevant publications

Oxford Handbook of Comparative Politics. Co-editor with Susan Stokes. New York: Oxford University Press, 2007.

“Economic Roots of Civil Wars and Revolutions in the Contemporary World.” *World Politics* 60 (April), 2008.

“Constitutions and Democratic Breakdowns.” Jose M. Maravall and Ignacio S. Cuenca, eds. *Controlling Governments*. Cambridge University Press. Chapter 8, pages 247-301. Jointly with Alicia Adsera, 2008.

“Kempo to Democracy no Hokai” (“Constitutions and Democratic Breakdowns”). In Hideko Magara & Masanobu Ido, eds., *Kyohiken-Player to Seisaku Tenkan (Veto Players and Policy Change)*, Waseda University Press, 2007. Pages 82-117.

“Between Protectionism and Compensation: The Political Economy of Trade.” In Pranab Bardhan, Samuel Bowles and Michael Wallerstein, eds. *Globalization and Egalitarian Redistribution*. Princeton University and Russell Sage Foundation, 2006.

“Political Institutions and Fiscal Policy.” *The Political Economist*. Winter. 2006.

“The Institutional Accommodation of an Enlarged Europe.” Friedrich-Ebert-Stiftung. Berlin, 2004.

“Endogenous Democratization.” *World Politics* 55 (July): 5 17-49. Jointly with Susan Stokes, 2003.

“The Political Economy of Trade and Economic Integration: A Review Essay.” In Robert Devlin and Antoni Estevadeordal, eds. *Bridges for Development: Policies and Institutions for Trade and Integration*. Inter-American Development Bank. Washington, DC. Jointly with Alicia Adserà, 2003.

“Must We Choose? European Unemployment, American Inequality and the Impact of Education and Labor Market Institutions,” *European Journal of Political Economy* 16 (November): 611-638. Jointly with Alicia Adserà, 2000.

3. Andrea Brandolini

He is the head of the Economic Structure and Labour Market Division in the Department for Structural Economic Analysis of the Bank of Italy, the Italian central bank. He chairs the Commission for the Revision of the Methodology for the Estimation of Absolute Poverty created by the Italian statistical office. He was a member of the Commission of Inquiry on Labour Conditions in Italy, established by the Presidents of CNEL, the Chamber of Deputies and the Senate of the Republic. He was a member of the Poverty Commissions established by Italian governments from 1994 to 2007. He is the current Chairperson of the International Association for Research in Income and Wealth (IARIW), a council member of the Society for the Study of Economic Inequality (ECINEQ), a member of the executive committee of the Luxembourg Income Study, and a fellow of the Human Development and Capability Association (HDCA) and the Centre for Household, Income, Labour and Demographic Economics (CHILD). He is associate editor of the *Journal of Economic Inequality* and a member of the editorial board of the *Review of Income and Wealth*. He is among the founders of the Italian electronic journal www.neodemos.it, focusing on demographic issues. In 1995 he was awarded the “Aldi J. M. Hagenars LIS Memorial Award”. He directed, together with Timothy M. Smeeding (Syracuse University, USA), the Luxembourg Wealth Study, a pilot international project aimed at constructing a harmonised cross-national database of micro information on household wealth. His research

interests are income and wealth distribution, poverty and social exclusion, methods of measurement of economic well-being, labour economics and macroeconomics.

Selected recent publications

- Brandolini, A. P. Cipollone and E. Viviano (2006) “Does the ILO Definition Capture All Unemployment?”, *Journal of the European Economic Association*, 4, 153-179.
- Atkinson, A. B. and A. Brandolini (2006) “The Panel-of-Countries Approach to Explaining Income Inequality: An Interdisciplinary Research Agenda”, in S. L. Morgan, D. B. Grusky and G. S. Fields (eds.), *Mobility and Inequality: Frontiers of Research from Sociology and Economics*. Stanford, CA: Stanford University Press.
- Brandolini, A., L. Cannari, G. D’Alessio and I. Faiella (2006) “Household Wealth Distribution in Italy in the 1990s”, in E. N. Wolff (ed.), *International Perspectives on Household Wealth*. Cheltenham: Edward Elgar.
- Brandolini, A. (2007) “Measurement of Income Distribution in Supranational Entities: The Case of the European Union”, in S. P. Jenkins and J. Micklewright (eds.), *Inequality and Poverty Re-examined*. Oxford: Oxford University Press.
- Brandolini, A. and T. M. Smeeding (2008) “Inequality: International Evidence”, in S. N. Durlauf and L. E. Blume (eds.), *The New Palgrave Dictionary of Economics*. Basingstoke: Palgrave Macmillan.
- Brandolini, A. and T. M. Smeeding (2008) “Inequality Patterns in Western Democracies: Cross-Country Differences and Changes over Time”, in P. Beramendi and C. J. Anderson (eds.), *Democracy, Inequality and Representation*. New York: Russell Sage Foundation.
- Sierminska, E., A. Brandolini and T. M. Smeeding (2008). “Comparing wealth distribution across rich countries: First Results from the Luxembourg Wealth Study”. In Banca d’Italia, *Household wealth in Italy. Papers presented at the conference held in Perugia, 16-17 October 2007*. Roma: Banca d’Italia.
- Brandolini, A. and T. M. Smeeding (in press) “Income Inequality in Richer and OECD Countries”, in W. Salverda, B. Nolan and T. M. Smeeding (eds.), *The Oxford Handbook of Economic Inequality*. Oxford: Oxford University Press.
- Brandolini, A. (in press) “On Synthetic Indices of Multidimensional Well-Being: Health and Income Inequalities in France, Germany, Italy and the United Kingdom”, in R. Gotoh and P. Dumouchel (eds.), *Against Injustice: Ethics, Economics and Law*. Cambridge: Cambridge University Press.

4. Giorgio Brunello

Professor of Economics, University of Padua, Research Fellow IZA (Bonn). DPhil in Economics at Osaka University, Osaka, Japan (1987)

Relevant publications

- Is Training more Frequent when Wage Compression is Higher? Evidence from the ECHP (with Andrea Bassanini), *Labour Economics*, 2007
- The Effects of Cohort Size on European Earnings, *Journal of Population Economics*, 2007
- Training and the Density of Economic Activity: evidence from Italy (with Maria De Paola), *Labour Economics*, 2007
- Does School Tracking Affect Equality of Opportunity? New International Evidence (with Daniele Checchi), *Economic Policy*, 2007,
- Optimal Timing of School Tracking, (with Massimo Giannini and Kenn Ariga), in P. Peterson and L. Woessmann, (eds), *Schools and the Equal Opportunity Problem*, MIT Press, Cambridge MA, 2007
- Does Obesity Hurt your Wages more in Dublin than in Madrid (with Beatrice D’Hombres), *Economics and Human Biology*, 2007
- Workplace Training in Europe (with Andrea Bassanini, Alison Booth, Maria de Paola and Edwin Leuven), in G. Brunello, P. Garibaldi and E. Wasmer (eds.), *Education and Training in Europe*, Oxford University Press, 2007
- Agglomeration Effects of Employer Provided Training: evidence from the UK, (with Francesca Gambarotto), *Regional Science and Urban Economics*, 37,1, 1-21, 2007
- Family Background and School Quality in Italy (with Daniele Checchi), *The Economics of Education Review*, 2005
- Beyond national institutions: labor taxes and regional unemployment in Italy, (with Claudio Lupi and Patrizia Ordine), *Giornale degli Economisti e Annali di Economia*, 2005

- Education and Earnings Growth: Evidence from 11 European Countries, (with Simona Comi), *The Economics of Education Review*, 2004
- Stratified or comprehensive? The economic efficiency of school design (with Massimo Giannini), *The Scottish Journal of Political Economy*, special issue on the Economics of Education, 2004
- On the Complementarity between Education and Training in Europe, in Checchi and Lucifora, (eds.), *Education, Training and Labour Market Outcomes in Europe*, Palgrave, McMillan, 2004
- Absolute risk aversion and the returns to education, *The Economics of Education Review*, 2002
- Does Competition at School Matter? A View Based Upon the Italian and the Japanese Experiences (with Tsuneo Ishikawa), in Daniel Cohen, Thomas Piketty and Gilles Saint-Paul (eds.), *The New Economics of Rising Inequalities*, Oxford University Press, 2002

5. Lorenzo Cappellari

He is an associate professor of economics at Università Cattolica in Milan. After graduating from Università Cattolica in Milan (1994) he received his MSc in Economics from Università Bocconi (1995) and his PhD in Economics from the University of Warwick (1999). He has been a post-doctoral research fellow at Università Cattolica in Milan and at the Institute for Social and Economic Research (ISER) at the University of Essex, and an assistant professor at Università del Piemonte Orientale. His research interests are in the field of empirical labour economics, in particular earnings and income dynamics, labour market transitions, job satisfaction, education and training, applied microeconometrics.

Relevant publications

- “State dependence, duration dependence and unobserved heterogeneity in the employment transitions of the over-50s”, with Dorsett R., and Haile G., *Empirical Economics*, forthcoming
- “Do Job Security Guarantees Work?”, with A. Bryson and C. Lucifora, *Labour*, forthcoming.
- “Transitions between Unemployment and Low Pay”, with S.P. Jenkins, *Research in Labor Economics*, 28, 2008.
- “The Labour Market Effects of Alma Mater: Evidence from Italy”, with G. Brunello, *Economics of Education Review*, 27, 2008.
- “Modelling Low Pay Transition Probabilities, Accounting for Panel Attrition, Non-Response, and Initial Conditions”, with S.P. Jenkins, *Journal of the Royal Statistical Society, Serie C*, 2008.
- “Earnings Mobility among Italian Low-Paid Workers”, *Journal of Population Economics*, 20, 2007.
- “Patterns of Consent: Evidence from a General Household Survey”, with S.P. Jenkins, P. Lynn, A. Jackle e E. Sala, *Journal of the Royal Statistical Society, Serie A*, 169, 2006.
- “Modelling Low Income Transitions”, with S.P. Jenkins, *Journal of Applied Econometrics*, 19, 2004.
- “The Dynamics and Inequality of Italian Men’s Earnings: Long-term Changes or Transitory Fluctuations?”, *The Journal of Human Resources*, XXXIX (2) 2004.
- “Volunteer Labour Supply: The Role of Workers Motivations”, with G. Turati, *Annals of Public and Cooperative Economics*, 75(3) 2004.
- “Do the ‘Working Poor’ Stay Poor? An Analysis of Low Pay Transitions in Italy”, *Oxford Bulletin of Economics and Statistics*, 64 (2) 2002.
- “Earnings Dynamics and Uncertainty in Italy: How do they Differ between the Private and Public Sectors?”, *Labour Economics*, 9 (4) 2002.
- “Who Stays Poor? Who Becomes Poor? Evidence from the British Household Panel Survey”, with S.P. Jenkins, *The Economic Journal*, 112 (March) 2002.
- “Low-Wage Mobility in the Italian Labour Market”, *International Journal of Manpower*, 21, (3/4) 2000.
- “Introduction – The Evolution of Labour Market Inequalities”, with S. Staffolani, guest editorial, *Labour Special Issue AIEL Conference Volume*, 2008
- “Summarising Multiple Deprivation Indicators”, (with S.P. Jenkins), in *Inequality and Poverty Re-examined*, S.P. Jenkins and J. Micklewright (eds), Oxford University Press, Oxford, 2007.
- “Calculation of multivariate normal probabilities by simulation, with applications to maximum simulated likelihood estimation”, (with S.P. Jenkins), *The Stata Journal* 6, 2006.
- “Mobility at the Bottom of the Italian Earnings Distribution”, in *Applied Econometrics Association Series – Minimum Wages, Low Pay and Unemployment*, D. Meulders, R. Plasman e F. Rycx (eds.), Houndmills: Palgrave-Macmillan 2004.

6. Michael Förster

Senior policy analyst, OECD Social Policy Division. He has been working in different departments at the OECD Directorate for Employment, Labour and Social Affairs since 1986 and, particularly, has been involved in successive OECD work on income distribution and poverty. Recently, he has co-authored a major OECD study, *“Growing Unequal? Income Distribution and Poverty Trends in the OECD Area”*. Mr. Förster has also been involved in the OECD work on reviewing sickness and disability policies. In the past, he has also been collaborating with international research institutes, the Luxembourg Income Study (1994-1996) and the European Centre for Social Welfare Policy and Research, Vienna (2000-2004). Mr. Förster’s research interest and expertise focus on international comparative social policy analysis, in particular in the areas of income distribution, poverty, impacts of tax/benefit policies, and selected areas of social policy reform. Mr. Förster studied economics at the Universities of Vienna, Austria (M.A.) and Saarbrücken, Germany and holds a Ph.D. from University of Liège, Belgium. He is member of several steering committees in international social policy projects and is author of various journal articles and numerous research papers and book contributions.

7. Herwig Immervoll

Senior Economist and Head of Employment-oriented Social Policies, the Organisation for Economic Co-operation and Development (OECD). Before joining the OECD, Immervoll has been a Research Associate at the University of Cambridge, where he had a major role in developing EUROMOD, the EU-wide tax-benefit model. He holds a PhD in economics from the Vienna University of Economics. Immervoll’s work has a strong comparative focus. The 2007 *Economic Journal* article “Welfare Reform in European Countries: A Microsimulation Approach” (co-authored with Kleven, Kreiner and Saez) analyses the welfare effects of different redistribution strategies in 15 countries. A contribution, jointly with Sutherland and De Vos, to a major international volume on child poverty evaluates the poverty-alleviation capacity of different types of child benefits. Immervoll has also published a journal article on the effects of inflation on household tax burdens in three countries (*Review of Income and Wealth*). A further comparative study, which he co-authored, provides the first comparative results on the redistributive capacities of tax-benefit systems in Europe (published in Papadimitriou, D.B. (ed.), *The Distributional Effects of Government Spending and Taxation*, Palgrave MacMillan, 2006). Immervoll’s recent work has been on minimum wages, social assistance policies, on childcare costs and other barriers to female employment, the optimal taxation of couples, and on the employment and social policy implications of the current jobs crisis. Appointments include a research fellowships at the IZA in Bonn and at the Institute for Social and Economic Research (ISER), University of Essex.

8. Cecilia Garcia-Peñalosa

Senior research fellow at GREQAM, Marseille (CNRS), D.Phil in Economics, Oxford University, Nuffield College, September 1995. Nuffield College, Oxford University, UK, Prize Research Fellow, 1996-1999. CESIFO fellow (2004-present), Council member of the Society for the Study of Economic Inequality (2005-present). Co-editor, *Journal of Economic Inequality*, since 2007.

Relevant publications

- “Inequality and growth: a note on recent theories”. *Investigaciones Economicas*, 1994, pp. 97-116
- “The Paradox of Education or the Good Side of Inequality”. *Oxford Economic Papers*, 1995, pp. 265-285.
- “Inequality and Growth: the Perspective of the New Growth Theories”, with Philippe Aghion and Eve Caroli. *Journal of Economic Literature*, 1999, 1615-60.
- “Status Effects and Negative Utility Growth”, with Ben Cooper and Peter Funk. *Economic Journal*, 2001, 642-665.
- “Risk Aversion and Rising Wage Inequality”, with Eve Caroli. *Economics Letters*, 2002, pp. 21-26.
- “Bayesian Learning and Gender Segregation”, with Richard Breen. *Journal of Labor Economics*, 2002, pp. 899-922.
- “Income Inequality and Macroeconomic Volatility: An Empirical Investigation”, with Richard Breen. *Review of Development Economics*, 9(3), 2005, pp. 380-98.
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- “Wage Inequality and the Effort Incentive Effects of Technical Progress”, with Campbell Leith and Chol-Won Li. In T. Eicher and S.J. Turnovsky (eds.) *Distribution and Growth: Issues and Policy Implications*, MIT Press, 2003.
- “Distribution and Policy in the New Growth Literature”. In N. Salvadori (ed.), *Old and New Growth Theories: An Assessment*, Edgar Allen, 2003.
- Economic Growth and Macroeconomic Dynamics: Some Recent Developments*, Cambridge University Press, Cambridge, 2004.
- “The Personal Distribution of Income in a Stochastic Growth Model”, with Stephen Turnovsky. In N. Salvadori (ed.), *Economic Growth and Distribution : On the Nature and Causes of the Wealth of Nation*, Edgar Allen, forthcoming.
- “How do Institutions Lead Some Countries to Produce So Much More Output than Others?”, with T. Eicher and U. Teksoz. In T. Eicher and C. García-Peñalosa (eds.) *Institutions, Development and Economic Growth*.

9. Jérôme Gautié

Professor of Economics, Université de Paris I Panthéon-Sorbonne. His research topics are labor economics and industrial relations, economic sociology, social policies. He has published many articles and books on these subjects, and has recently edited (with Eve Caroli) *Low Wage Work in France*, Russel Sage Foundation, NY, 2008.

Relevant publications

- Caroli E., Gautié J., Askénazy P.(2008), Low-wage work and labor market institutions in France, in *Low wage work in France* (2008) 12-47
- Gautié J., Godechot O., Sorignet P.E. (2005), Arrangement institutionnel et fonctionnement du marché du travail. Le cas de la chasse de tête. *Sociologie du Travail* 47 , 383-404
- Craig G., Dietrich H., Gautié J. (2005) , Excluded youth or young citizens? Ethnicity, young people and the labour market in three EU countries in: *Young People in Europe. Labour Markets and Citizenship*, 137-159

10. John Micklewright

Professor of Social Statistics and Policy Analysis at the University of Southampton, UK, a position he took up in 2002. His previous posts include Head of Research at UNICEF Innocenti Research Centre, Florence, Professor of Economics at Queen Mary College, University of London, and Professor of Economics at the European University Institute, Florence. He is a research fellow of CEPR, London. He holds a PhD in Economics, London School of Economics. Associate Editor, *Journal of the Royal Statistical Society (A)*, Editorial Board, *Journal of Economic Inequality*, Member, UK Economic and Social Research Council (ESRC) Training and Development Board. Research Fellow, IZA, Bonn, and CEPR, London.

Selected recent publications

- Economic Transformation in Eastern Europe and the Distribution of Income*, Cambridge University Press, 1992 (with A.B. Atkinson)
- Household Welfare in Central Asia*, Macmillan, 1997 (edited with J. Falkingham, J. Klugman and S. Marnie)
- The Welfare of Europe's Children: Are EU Member States Converging?*, The Policy Press, 2000 (with K. Stewart)
- The Dynamics of Child Poverty in Industrialised Countries*, Cambridge University Press, 2001 (edited with B. Bradbury and S. P Jenkins).
- Inequality and Poverty Re-Examined*, Oxford University Press, 2007 (edited with S. P Jenkins)
- “Targeting Social Assistance in a Transition Economy: The Mahallas in Uzbekistan” (with S Marnie), *Social Policy and Administration*, 2005
- “International Surveys of Educational Achievement: How Robust are the Findings?” *Journal of the Royal Statistical Society* (Series A), 2007 (with G Brown, S Schnepf and R Waldmann)
- “Social Segregation in Secondary Schools: How does England compare with Other Countries?” *Oxford Review of Education*, 2008 (with S P Jenkins and S Schnepf)

11. Claudio Lucifora

Professor of Economics, Università Cattolica Milan. He has published books on low pay employment, the economics of education and the shadow economy, as well as articles in refereed journals on earnings mobility, wage determination, unemployment and labour market institutions. He has been the treasurer and elected member of the Executive Committee of the European Association of Labour Economics.

Dr Elena Cottini, Postdoctoral researcher, Institute of Labour Economics and Industrial Relations, Università Cattolica Milan

She holds a PhD from the Catholic University of Milan (Italy) and a Msc in Economics from the University College London (UK). She obtained a research fellowship at Statistics Canada and worked as post-doctoral researcher at the Aarhus School of Business (DK). Her research focuses on issues of labour and health economics. She participated in the SOCIOLD project during her stay at the Aarhus School of Business (DK).

12. Andreas Peichl

Research Associate at the Institute for the Study of Labor (IZA), Bonn, Germany, and at the Institute for Social and Economic Research (ISER) of the University of Essex, UK. He holds a PhD in Economics from the University of Cologne, Germany. Since 2009 he is the Co-Editor of the IZA Policy Paper Series, and since September 2009 he is the Deputy Program Director for the IZA Research Area "The Future of Labor". His current research interests include public economics, applied micro-econometrics and labour and welfare economics with particular reference to tax reforms and their empirical evaluation, tax benefit microsimulation, the analysis of income distribution and especially the measurement of richness at the top of the distribution. Recent publications include studies on the distributional and labor markets effects of flat tax reforms and the outside earnings of politicians.

13. Holly Sutherland

Research Professor, Institute for Social and Economic Research, University of Essex. Research Professor at the German Institute of Economic Research (DIW), Berlin (2001-) and Research Associate of the ESRC Centre for the Analysis of Social Exclusion (CASE) at the London School of Economics (2001-). Co-ordinator of the EUROMOD projects (1998-). Member of the ESRC Research Resources Board (2001-5), Member of the Council of the International Association for Research in Income and Wealth (2002-8), Member of the Department of Work and Pensions Model Development Advisory Board (2007-). Co-organiser of the Department of Work and Pensions-funded seminar series on *Welfare Policy and Analysis* (1995-).

Editorial boards of *Schmollers Jahrbuch* (Journal of Applied Social Studies) (2003-) and the *International Journal of Microsimulation* (2005-); Academic Advisory Board of the Social Policy Journal of New Zealand (2007-).

Steering Group for a National Statistics Quality Review of statistics on take-up of income-related benefits (2003). Member of the Fabian Society's *Commission on Taxation and Citizenship* which published its report *Paying for Progress: A New Politics of Tax for Public Spending* in 2000 (1998-2000). Participant in advisory groups and steering committees for many research projects including those funded by the ESRC, the Joseph Rowntree Foundation, the Equal Opportunities Commission, the Fawcett Society and the Nuffield Foundation.

Selected recent publications

Sutherland H., R. Hancock, J. Hills and F. Zantomio, 2009 (February), "Failing to keep up? The long-term effects of current benefit and tax uprating policies", *Benefits: The Journal of Poverty and Social Justice* 17 (1).

Levy H., C. Lietz and H. Sutherland, 2007 "Swapping Policies: Alternative Tax-Benefit Strategies to Support Children in Austria, Spain and the UK", *Journal of Social Policy* 36/4 625-647.

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- Mitton L., H. Sutherland and M. Weeks (eds), 2000, *Microsimulation Modelling for Policy Analysis: Challenges and Innovations*, Cambridge University Press.
- Levy H., C. Lietz and H. Sutherland, 2007, "A guaranteed income for Europe's children?" in Jenkins S. and J. Micklewright (eds), *Inequality and Poverty Re-examined* Oxford: Oxford University Press.
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- Mantovani D., F. Papadopoulos, H. Sutherland and P. Tsakloglou, 2006, "Pension Incomes in the European Union: Policy Reform Strategies in Comparative Perspective" in Bargain O. (ed) *Microsimulation In Action: Policy Analysis in Europe using EUROMOD*, Research In Labor Economics Vol 25, Elsevier pp27-71.
- Immervoll H., H. Levy, C. Lietz, D. Mantovani, C. O'Donoghue, H. Sutherland and G. Verbist, 2006, "Household incomes and redistribution in the European Union: quantifying the equalising properties of taxes and benefits", in Papadimitiou D.P. (ed) *The Distributional Effects of Government Spending and Taxation*, Palgrave.
- Sefton T. and H. Sutherland, 2005, "Inequality and Poverty under New Labour", in Hills, J. and K. Stewart (eds) *A More Equal Society? New Labour, poverty, inequality and exclusion*, Bristol: The Policy Press.
- Sutherland H., 2007, "Good housekeeping: ensuring the basis for sustained poverty reduction", *Social Policy Journal of New Zealand*, 31 1-21.
- Sutherland H., 2002, "Indicators for Social Inclusion in the European Union: the impact of policy changes and the use of microsimulation models," *Politica Economica*, 18 (1) 117-120.

2.3 Project participation as a whole

The project membership brings together many of the leading experts on inequality and on its impacts in Europe and beyond. It is well grounded in the three relevant disciplines: economics, sociology, and political science, at the relevant levels of co-ordination, research and advice. The team members dispose of important complementary expertise and skills, and they share the view that the pursuit of scientific method requires a careful and balanced treatment of the evidence and opposes a uniform and simplified modelling which runs the risk of overlooking significant differences across individuals and countries, levels of income and educational attainment etc. The team also shares a great interest in one of the most important and protracted problems of our time, to be addressed here. The participants are excited to work together on the subject at a time when many things seem to be changing simultaneously and sometimes quite dramatically so, and they hope the results will bear on this. When looking back to the past – if only because of data – they will specifically ask how fundamental changes are or have been. Project participants are also very well acquainted with policy debates and are often invited to contribute their opinions and expertise, in their own countries as well as at the European level.

For many participants the team builds on previous successful cooperation for research. Half the team consists of experienced members of preceding research projects and networks – esp. *European Low-wage Employment Research network* (FP4/5/6-LoWER), *Economic Change, Quality of Life and Social Cohesion* (FP5-Changequal and FP6-Equalsoc Network of Excellence), *Low-wage Work in Europe* (Russell Sage Foundation), and *The Minimum Wage Revisited* (ILO/EU) – who have worked together on many occasions and with clear results (see Annex 1). Some of these and others are members of the International Association for Research on Income and Wealth, or the Society for the Study of Economic Inequality (ECINEQ). In particular the six partner teams comprise very experienced researchers and represent productive institutes that complement each other well in the fields relevant to the present issues, and they have strong mutual ties of previous experience. They also share experience of dissemination by means of conferences and purposely designed books. They are well aware of the advantages of well-conceived networks and project and how one can reinforce the other and understand the challenges of cooperating with larger numbers. They aim at best practice here as for the study of inequality and it impacts to progress scientifically it is extremely important to cover many countries and compare them as precisely as possible.

The consortium is built on six contractual partners to the Commission coming from six different EU member states. They are fully capable of providing the backbone of the project and taking responsibility for the

process as a whole (WP's 2 and 8), including most of the international comparative research (WP's 3-6), and the staging of the national studies (WP7). The six partners will run the project. They have obtained the agreement to cooperate from a further 20 teams who take responsibility for country studies of 19 other EU member states and four countries outside the Unions which are of particular interest for the study of inequality: USA, Japan, Canada and Australia. Thus a total coverage of 29 countries will be attained in a most efficient and effective way. Though the numbers may seem large, the organisation of the national studies is entirely feasible as, first, the teams are identified, second the tasks and timing for these teams are well defined and, third, the six partners have agreed a division of labour for supervising this part of the work. All country teams involved will be subcontracted to the project through the Coordinator.

Associate experts

In addition, 23 individual scholars (Table 6) will be involved as associate experts to the project with specified tasks to complement on specific issues the research undertaken by the six partners. Some are also members of the country teams due to the highly specialised nature of the expertise needed. The advantages offered by this set up is the provision to the project of special scientific expertise and/or data expertise that is needed for in-depth studies of particular aspects. These experts will make specified contributions that will be incorporated into the Discussion Papers of work packages 3–6. Table 6 shows the specialised contribution that each will make and the research tasks into which they will be inserted.

The experts can attend the project meetings where this helps their contributions.

Table 6 Associate experts

Name	Specialised expertise provided	Specific contributions to WP task
1) Robert Andersen (U. of Toronto)*	democratic values, globalisation	5.1, 5.2
2) Guiseppa Bertola (U. Turin)	economic integration	6.3
3) Carles Boix (Princeton U.)	opinions on welfare	5.2
4) Andrea Brandolini (Banca d'Italia)	wealth	
5) Giorgio Brunello (U. Padova)	education and health	4.3
6) Lorenzo Cappellari (Unicatt)	workplace	3.2
7) Giacomo Corneo (Freie Universität Berlin)*	macroeconomic performance	5.3
8) Ada Ferrer-i-Carbonell (IAE-CSIC)*	happiness	4.5
9) Michael Förster (OECD)	cash/in-kind benefits	6.2
10) Johan Fritzell (Stockholm U.)*	health	4.3
11) Cecilia Garcia-Peñalosa (CNRS)	domestic work, inflation	3.1, 3.2, 3.3, 6.3
12) Jérôme Gautié (U. de Paris I)	industrial relations	4.5
13) Herwig Immervoll (OECD)	downturn scenario	6.1
14) Olli Kangas (KELA)*	health	4.3
15) John Micklewright (U. of Southampton)	education and intergenerational mobility	3.1
16) Andrew Leigh (ANU)*	social norms	5.2
17) Natalia Letki (U. of Warsaw)*	trust	
18) Claudio Lucifora / Elena Cottini (Unicatt)	working conditions and health	4.3
19) Andreas Peichl (IZA and ISER)	downturn scenario	6.1
20) Reinhard Pollak (WZB)*	intergenerational mobility Germany vs Britain	3.4
21) Timothy Smeeding (U. of Wisconsin/Madison)*	wealth	3.2; 4.1
22) Holly Sutherland (ISER, Essex)	microsimulation, tax modelling	6.1

*) These nine persons are also involved as experts on country teams.

Advisory Board

The project that we will undertake is both large and complicated. It aims to bring together different strands in inequality research that so far have usually operated paying little mutual attention and often based on different disciplines. The project will navigate important uncharted waters of new inequalities, new impacts, the links between both, the comparison of a large number of countries and the assembling of new and better comparable data to list a few. For such an enterprise the initiators and coordinators will praise themselves lucky if they can receive good advice, invited as well as uninvited. Thereto they have approached the leading scholars – that category also includes the very expert researchers at OECD – in the field, the disciplines and the set of countries involved inviting them for a body that can provide such advice. We are very happy that they have all accepted the invitation. Table 7 specifies the membership of the GINI Advisory Board.

Table 7 Advisory Board

GINI Advisory Board
Tony (A.B.) Atkinson, Oxford University, United Kingdom
Gøsta Esping-Andersen, University Pompeu Fabra, Spain
John Hills, London School of Economics and Political Science and CASE, United Kingdom
Suzanne Mettler, Cornell University, United States
Marco Mira d'Ercole, OECD, Paris, France
Haya Stier, Tel Aviv University, Israel
Jane Waldfogel, Columbia University and LSE, United States
Richard Wilkinson, University of Nottingham, United Kingdom

We hope the members of this body will contribute the following:

- provide advice at the start of the project, that is at the Kick-off Meeting, about the detailed set up of the research and the methods proposed, indicate their priorities for the research and for the best possible organisation of the tasks,
- review the provisional results at the Mid-term Conference in the light of progress to be made and advising about improving the provisional results, and about the second phase of the project and in particular the proposed General Format for the Country Reports,
- review the final results at the Concluding Policy Conference and present their opinions about the progress that has been made and the needs for future research, and about the policy advice that can be given.

Tony Atkinson is Senior Research Fellow, and formerly Warden, of Nuffield College and Research Professor at the Economics Department of Oxford University. He has been a distinguished challenger to the economics profession to study inequality. He has been bestowed with many honours from Academies, Universities, Associations and Governments.

He has written extensively on the subject and organised important projects that also reflect the great value he attaches to accurate data and data comparison. *Top Incomes over the 20th Century. A Contrast between Continental European and English-speaking Countries* (edited jointly with Thomas Piketty, Oxford University Press, 2007) is one important recent result. Some of his book publications are *Income Distribution in OECD Countries* (with L Rainwater and T Smeeding, 1995), *Incomes and the Welfare State* (1996), *Poverty in Europe* (1998), *The Economic Consequences of Rolling Back the Welfare State* (1999), *Social Indicators* (with B Cantillon, E Marlier and B Nolan, 2002) and *The Changing Distribution of Earnings in OECD Countries* (OUP, 2008).

He has educated many among the participants of this project as a thesis supervisor or worked together.

Gøsta Esping-Andersen is professor of Sociology at the Universitat Pompeu Fabra where he directs the DEMOSOC research unit. Born in Denmark, he studied economics and sociology at Copenhagen University and at the University of Wisconsin–Madison, where he received his PhD. His scientific work centres on life course dynamics, social stratification and comparative social policy. Before coming to Pompeu Fabra, he taught at Harvard University, the University of Trento and the European University in Italy. Among his

major academic publications are numerous books, including *The Three Worlds of Welfare Capitalism* (translated into Chinese, Greek, Japanese, Korean and Spanish) for which he was awarded the APSA's Aaron Wildavsky Enduring Contribution Award in 2005; *The Social Foundations of Postindustrial Economies* (translated into Italian and Japanese); and, most recently, *Trois Leçons sur L'Etat Providence* (Paris, Le Seuil). He is currently working on a new book, *How Women Changed the World*.

John Hills is Professor of Social Policy and Director of the ESRC Research Centre for Analysis of Social Exclusion (CASE) at the London School of Economics. His research interests include income distribution and the welfare state, social security, housing and taxation. He was a member of the Pensions Commission between 2003 and 2006. He was Co-Director of the LSE's Welfare State Programme (1988-1997), and Senior Adviser to the Commission of Inquiry into Taxation, Zimbabwe (1984-86). He worked at the Institute for Fiscal Studies (1982-84), for the House of Commons Select Committee on the Treasury (1980-82), and at the Department of the Environment (1979-80).

Suzanne Mettler's research and teaching focus on American political development, public policy, and political behaviour. She is particularly interested in issues pertaining to gender and politics, race and politics, democratization, inequality, and citizenship. She is the author of two books, *Dividing Citizens: Gender And Federalism In New Deal Public Policy* (Cornell University Press), which was awarded the Kammerer Award of the American Political Science Association for the best book on U.S. national policy published in 1998, and *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (Oxford University Press), which also won the Kammerer Award as well as the Greenstone Prize of the Politics and History section of the American Political Science Association. She is also co-editor, with Joe Soss and Jacob Hacker, of a new book entitled *Remaking America: Democracy and Public Policy in an Age of Inequality* (Russell Sage Foundation). She has published articles in several journals, including *American Political Science Review*, *British Journal of Political Science*, *Perspectives on Politics*, and *Studies in American Political Development*. She is now working on two projects: one that examines how a wide array of changes in the American welfare state since the 1970s have shaped Americans' attitudes about government and participation in politics, and a second about the politics of higher education policy and what the implications of stagnating access to college may be for American democracy. These projects are funded, respectively, by grants from the Russell Sage Foundation and the Spencer Foundation.

Marco Mira d'Ercole is Counsellor in the Statistics Directorate at the OECD. He has worked on measures of well-being, on income distribution and on various aspects of social policies. He has acted as editor of the past two issues of *Society at a Glance – OECD Social Indicators* and was among the contributors of the recent OECD report *Growing Unequal? Income Distribution and Poverty in OECD Countries*. He is currently acting as one of the "rapporteurs" of the Commission on the Measurement of Economic Performance and Social Progress established by President Sarkozy in early 2008. Since joining the OECD he has worked in the Directorate for Employment, Labour and Social Affairs, in the Economics Department and in the Private Office of the OECD Secretary General, as well as spending two years at the International Monetary Fund. He holds a degree in Economics from the University of Modena and a M.Phil from Oxford University.

Haya Stier is Associate Professor of Sociology and Labour Studies in the Faculty of Social Sciences. She Received her PhD in Sociology from the University of Chicago, in 1990. She holds a BA and an MA in Sociology from the Tel Aviv University. She is currently the chair of the Labour Studies department, and between 1998-2001 she served as the director of the Institute for Social Research at Tel Aviv University. Her main research interests are in the areas of Work and Family, Women in the Labour Market, Social Demography, and Poverty.

Jane Waldfogel is Professor of Social Work and Public Affairs at Columbia University School of Social Work and a Research Associate at the Centre for Analysis of Social Exclusion at the London School of Economics. Waldfogel has written extensively on the impact of public policies on child and family well-being. Her research includes studies of work-family policies and child and family well-being, inequality in early childhood care and education, and the black-white achievement gap. During 2008-09, Waldfogel is the Marion Putnam Cabot Memorial Fellow at the Radcliffe Institute of Advanced Study, where she is writing a book about Britain's war on poverty.

Waldfogel received her Ph.D. in public policy from Harvard University. Her previous books include *What Children Need* (Harvard University Press, 2006), *The Future of Child Protection: How to Break the Cycle of Abuse and Neglect* (Harvard University Press, 1998), and *Securing the Future: Investing in Children from Birth to Adulthood* (Russell Sage Foundation, 2000). Waldfogel is the author of over 100 articles and book

chapters, and her work has been published in leading academic journals including the *American Economic Review*, *American Educational Research Journal*, *American Sociological Review*, *Child Development*, *Demography*, *Economic Journal*, *Journal of Economic Perspectives*, *Journal of Policy Analysis and Management*, *Journal of Human Resources*, *Journal of Labor Economics*, *Journal of Population Economics*, *Monthly Labor Review*, and *Pediatrics*.

Richard Wilkinson is Professor Emeritus of Medical Epidemiology at the University of Nottingham. He is a passionate researcher in social inequalities in health and the social determinants of health for decades, especially the role of poverty. His results on the role of inequality and the health effects of people's relative distributional positions inspired much of the presents project's approach.

He wrote two books on the relationship between income inequality and public health in two books *Unhealthy Societies: The Affliction of Inequality* (Routledge, 1996) and *The Impact of Inequality: How to Make Sick Societies Healthier*. (New Press, New York, 2005) and many journals (Soc Sci Med **62**, Am J Public Health **95**, J Epidemiol Community Health **59**, Br Med Bull **69**, and BMJ **322**).

3. Impact

3.1 Expected impacts listed in the work programme

The project will have important and extensive impacts on both the scientific and political debate. It will generate new knowledge on many of the individual, social and political consequences of the rises in two major inequalities, of income and of educational attainment, as well as on the key aspects of the increasing trends themselves. The knowledge comprises both new scientific analysis and the generation of new data. The project takes a long-term view and will also consider the current crisis in that perspective. It will perform its study in an internationally comparative perspective across a large number of highly relevant countries including the four countries outside the European Union mentioned in the Work Programme: Unites States, Japan, Canada and Australia where we have sought the cooperation of leading scholars in the field. It will generate new knowledge where this was lacking for certain countries or where international comparability was uncertain or lacking. This knowledge will be highly relevant policy information.

The present project directly connects to the OECD which with *Growing Unequal? Income Distribution and Poverty in OECD Countries* has just published a major report on OECD-wide developments in inequality, and is currently organising new research as a sequel to this report. We trust that our project is well situated for fruitful cooperation. Compared to the OECD publication our contribution will enhance international comparability, consider interrelationships between inequalities and impacts and broaden the scope to include many 'new' inequalities. We share its optimism that "Precisely how much inequality there is in a society is not determined randomly, nor is it beyond the power of governments to change". Policies will be viewed in two directions: as mitigating inequalities and their impacts but also as possibly reinforcing them – an essential distinction for thinking about an appropriate and valid consideration of policy lessons.

Each of the four Analysis Reports which contain the outcomes of the basic research work packages on analysis of inequalities, social outcomes, political and cultural outcomes, and policy, will summarise the analytical results together with a discussion of their policy implications. A Policy Analysis Report will bring these together, consider complementarities and trade-offs, and integrate them into a coherent whole, also building on the policy description and analysis in the country reports. Our objective here is to formulate detailed and concrete policy recommendations to reduce problematic inequalities in various spheres, particularly education, employment and income. In this respect, the country reports will function in a way similar to the National Action Plans which EU member states submit in the context of the OMC processes Employment and Social Inclusion, i.e. to help identify 'best practices'. The fact that our scope of countries reaches beyond the EU will be particularly informative in this respect.

Our project should add substantially to the knowledge base guiding the Renewed Lisbon Strategy as it is being implemented within the framework of the Integrated Guidelines and the Open Method of Coordination processes. By way of illustration, the Lisbon strategy currently gives a central role to job growth as a way of strengthening social cohesion. The underlying assumption here appears to be that there is a strong complementarity between higher levels of labour participation and better outcomes on various aspects of social cohesion. EU Commission President Barroso, for one, has said that ‘a job is the best protection against poverty’, echoing the message of the influential Kok reports. While fully appreciating the key role that employment has to play in any sustainable and viable policy geared towards improving social inclusion and cohesion, we will empirically assess to what extent boosting employment can contribute towards curing social ills such as poverty or social disorder. Fully exploiting the wealth of cross-country comparative analysis this project will produce, we will investigate what type of employment based policies work best in this respect, and what else can be done to make sure that economic and job growth yields more cohesive societies. The role of education and integration policies is of obvious importance here and due attention will be given.

This project will also consider the implications for social indicators and other instruments to monitor progress in the sphere of social inclusion and social cohesion. Given that the Open Method of Coordination is one of the principal governance instruments here, these social indicators are of pivotal importance for policy. As we have already indicated, prominent among the social indicators currently in use are indicators with respect to income inequality and relative income poverty. Since a key aim of the project is to investigate the interrelationships between inequalities in various domains, especially in relationship with income inequality, we are likely to come up with suggestions as to how the social inclusion monitoring process could be improved.

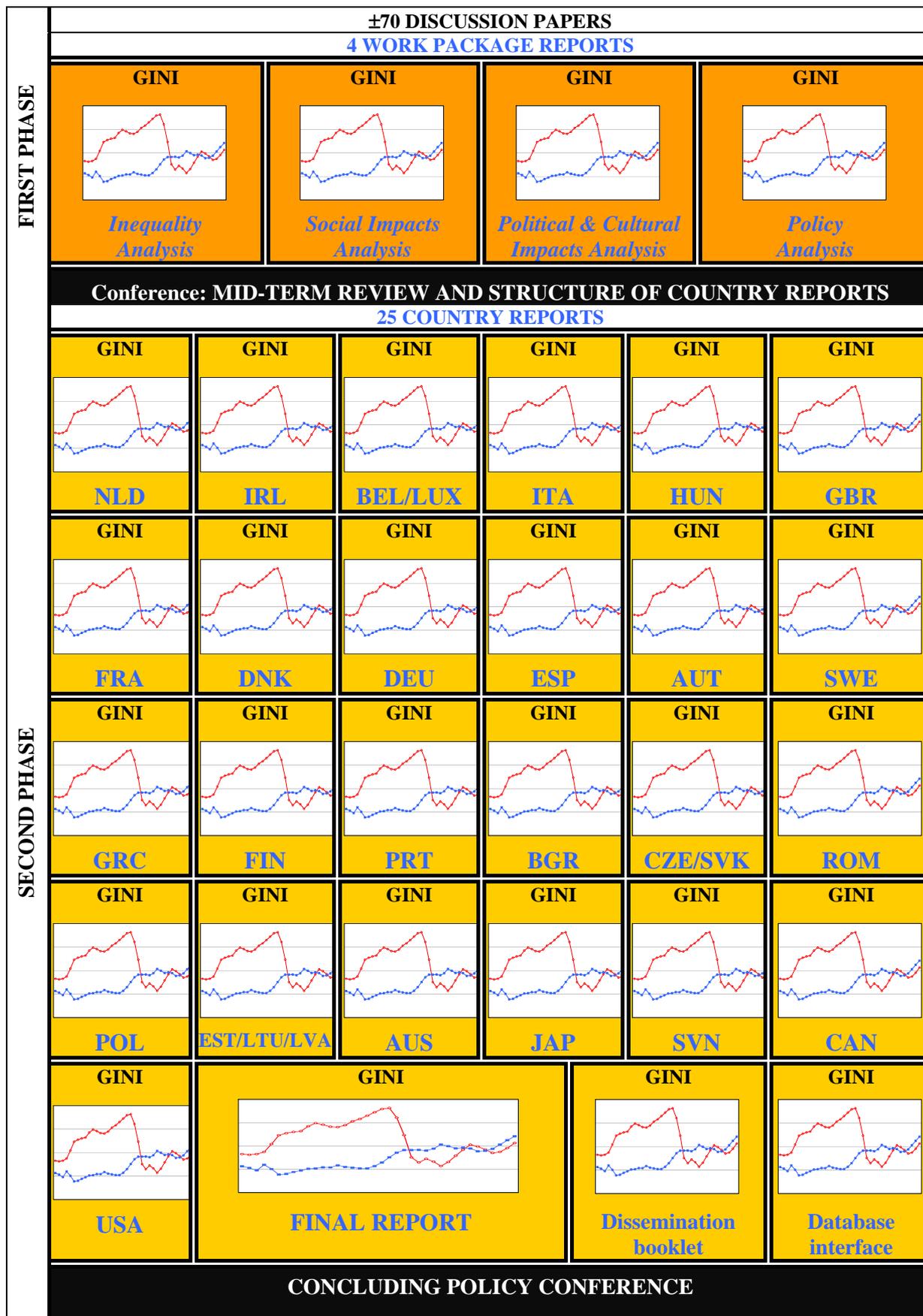
We should stress again, however, that while we consider the implications for policy at the European, national and possibly regional level as of prime importance, we also intend to consider the possible implications for non-governmental actors, social partners and civil society organisations.

3.2 Dissemination of project results

Given the fact that it will plausibly be the one and only major project focusing squarely on inequality under FP7, the dissemination of GINI results warrant special attention because of the importance of the subject and the broad array of actors involved such as, e.g. various Commission directorates, other policy makers at the European and the national level, social partners associations, and NGOs focusing on several aspects of inequality and its impacts. A special Communication Plan will be drafted at the start of the project, in consultation with outside experts, and decided by the CoCoCo no later than nine months into the project period. In particular, it will consider in what ways the project output – the four Analysis Reports, the many Discussion Papers, the series of Country Reports and last but not least the Final Report – will be brought best to the attention of said actors. For this purpose the Plan will sort out the roles of the project website, different types of written material (general and focused brochures, briefs and reports) and different types of meetings. One of the members of CoCoCo will bear special responsibility for the dissemination activities in conjunction with monitoring the policy implications of the project, which will often hang together. The Policy Briefs fit here, and more targeted ones may be prepared when necessary and feasible.

Naturally, a GINI website (www.gini-research.org) will be started immediately to serve as a central resource for both internal and external communication. Given the number of project associates and their geographical dispersion, the website will function as a key tool for internal communication and coordination. In addition, the website will act as the primary repository for (intermediate) project outputs (Discussion Papers, Reports, Newsletters) and for making available datasets, via user-friendly interfaces. We will take particular care to differentiate our output in ways attuned to the expectations and needs of different target audiences. As a technical example – certainly not to be adopted uncritically for its structure of dissemination – can serve the website developed for the EQUALSOC network (FP6) (www.equalsoc.org). A good look will be taken at other websites including those that are successful in the view of the Commission. Naturally, the Country Reports and Final Report will all be made available in a paper version (compare Schema G.). The continuous, updated content management of websites is often an important stumbling block for their significance. Therefore this will receive special attention organisationally from the start. We expect the

Schema G. Dissemination output



demands that will be put on project contributors to systematically pay attention in their reporting to the policy context and implications of their work together with the focused structure of the reporting of the results (especially the many Discussion Papers and Country Reports), to ease the feeding of content into the website.

The project aims for high-impact scholarly output. In a first phase this will take the form of Discussion Papers, to be made available in a timely fashion at the project website for both internal and external use. We shall also ensure that the Discussion Papers find their way to relevant academic networks, conferences and meetings. To this end we will also interlink with existing and widely consulted academic research databases and resources (e.g. RePEc). The involvement of GINI participants in professional associations, research institutes, research networks (e.g. EQUALSOC), etc. will ensure an effective and wide reach. The objective here is a two-way engagement and interaction with the research community (including data producers and non-academic researchers), with the purpose of mutual learning and quality improvement through peer-review and feedback. The Discussion Papers and other papers resulting from the project will be submitted to high-impact professional journals. The track records of the participants make it likely that many will effectively be published, consulted and cited.

In order to broaden our reach we also plan to publish volumes (edited volumes and multi-authored books) with respected international publishers like Oxford University Press and other publishers with whom we maintain good contacts from past projects. Edited volumes and books have the advantage that they present findings in a less dispersed and more complementary form, and that cross-cutting implications can be considered. Experience has also learned that books widen the impact and visibility of our research findings and that they are crucial in reaching primary but non-academic users of scholarly research, most notably governmental and non-governmental research and policy-preparation units.

The project aims to produce research findings attuned to the policy issues at hand. The dissemination towards the more general public, including policy-makers, will take the form of the reports listed, notably the Country Reports and the Policy Report. For the Policy Report, which will bring together and integrate the policy implications from the various work packages, particular care will be taken that these are presented in a way that is pertinent to the interests of the policy community, including non-governmental actors. The Country Reports will ensure that the impact and relevance of the project have a local dimension. At the same time, the Country Reports will serve as a vehicle to increase awareness of the overall project. Where there is interest, we will be happy to support presenting and discussing these Country Reports locally.

In order to disseminate new findings, especially policy relevant findings, in a timely and succinct way, we will periodically publish a newsletter, aimed at both fellow scholars and the broader public of policy makers and others. This newsletter will be published on the website and distributed electronically via the networks of the project associates. A summary format will be distributed in a printed format as a good means of catching attention. Here we can draw on experience and resources (including distribution lists) from past projects (LoWER, FP6).

The project wishes to organise, together with the relevant DGs, a workshop to be held in Brussels in which first key results from its activities will be presented in an interactive environment. This would be held mid-way through the programme. Members of the project already have experience of this type of meeting and it has been found to be highly effective as a means of communication as well as having considerable benefits for the research activity itself. At the end of the project we will organise a concluding Policy Conference, also to be held in Brussels. Complementary to this, we intend to publish a book – the dissemination booklet – that deals specifically with the implications for policy in an appropriate format. As realising such an event evidently depends on the Commission we express our willingness here but have not mentioned this meeting as a deliverable.

The dissemination of the project results will be the responsibility of the CoCoCo, particularly the Policy Officer. The presence of an outstanding Advisory Board whose members are often engaged in policy debate and advice is expected to augment the effects of our dissemination activities.

3.3 Archiving of information produced by the project

The consortium will carry out the project in such a way that databases, survey results, statistics, indicators, methodologies, questionnaires, classifications, models, etc. resulting from the project and used by the

consortium to carry out work under the project can, at the end of the project, be centrally archived by the project (guidelines on how to archive such information is available from CESSDA: Council for European Social Sciences Data Archives – www.CESSDA.org/sharing/index.html). One project partner (Tarki) is a member of CESSDA.

The objective of this archiving is that other research teams and policy makers can have access to the information produced by the project in full compliance with data protection regulations and ethical principles governing FP7 implementation. The consortium will wherever possible use existing international classifications and standards when undertaking the research under this project.

4. Ethical issues

In the research of the project ethical issues have no direct presence apart from the protection of individual data. However, it is truly exceptional that individuals could be recognised in the data. As the project does not aim to collect new data but will use existing datasets, all rules governing the protection of privacy will be actively respected.

Naturally, ethical issues could be part of possible policy implementations. The project takes great care to look into the trade-offs attached to inequalities and their impacts, including the past roles of policies as well as the future options. The policy pros and cons will be spelled out in detail.

5. Gender aspects

Gender issues are taken into account in three different ways. First, some of the tasks are especially designed to focus on the position of women in the distributions of income, education and their impacts. Our hope is that the results can contribute to reducing unacceptable gender differences. Second, there can be no doubt that the important expertise that is available among the project members undertaking these tasks will make itself felt also in other parts of the work. It is helpful that they have a presence in each of the three disciplines that will work together in the project. Third, women (both mothers of young twins!) will lead two of the six partner teams; they are already present in 5 out of the 6 partner teams and where possible will be recruited for the post-doc positions that will become available. This presence in a coordinating role will help ensure that proper attention is paid to the balance between work and private life during the entire project, especially for the timing and location of the large meeting. Fourth, as observed above, we will wait with allocating responsibilities for the 16 work package tasks to increase the chances of obtaining such potentially career-enhancing positions for newly hired post-doc researchers – among whom, plausibly, women will be overrepresented compared to the rest of the project participants. Generally, women make up more than one quarter of all participants and are found in almost half of all teams including the country teams.

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Annex: Track records of project participants' research cooperation

1. Joint production

- *European Low-Wage Employment Research Network LoWER* (3 phases (1996–1998, 2000–2004, 2004–2008), supported by the 4th, 5th and 6th Framework Programme respectively, the activities of the network and related European projects (Benchmarking, DEMPATEM, Epicurus)
 - *Economic Change, Quality of Life and Social Cohesion Equalsoc* Network of Excellence (2005–2010),
 - **Russell Sage Foundation** Low-wage Work in Europe project team (2003–2009),
 - **ILO/EU Expert Working group** *The Minimum Wage Revisited in the Enlarged EU: Issues and Challenges* (2007–2008)
- 10 scientific book publications (## 1–8)
 - 4 special issues of scientific journals (## 9–12)
 - 3 special reports to the European Commission (## 13–14A/B)
 - 2 special dissemination books (##15–16)
 - 14 scientific conferences (excl. workshops)
 - 3 special dissemination events

1. **Low Pay and Earnings Mobility in Europe**

Editors Rita ASPLUND, Peter SLOANE and Ioannis THEODOSSIOU
Edward Elgar, Cheltenham; 200 pages, July 1998

2. **Low-Wage Employment in Europe**

Editors Stephen BAZEN, Mary GREGORY, Wiemer SALVERDA
Edward Elgar, Cheltenham; 200 pages, December 1998

3. **The Overeducated Worker? The Economics of Underutilization of Skills**

Editors Andries DE GRIP and Lex BORGHANS
Edward Elgar, 260 pages, March 2000

4. **Labour Market Inequalities: Problems and Policies of Low-Wage Employment in International Perspective**

Editors Mary GREGORY, Wiemer SALVERDA, Stephen BAZEN
Oxford University Press, 248 pages, August 2000

5. **Policy Measures for Low-Wage Employment in Europe**

Editors Wiemer SALVERDA, Brian NOLAN and Claudio LUCIFORA
Edward Elgar, 256 pages, November 2000

6. **Job Quality and Employer Behaviour**

Editors Stephen BAZEN, Claudio LUCIFORA and Wiemer SALVERDA
Palgrave, August 2005

7. **Services and Employment: Explaining the Us-European Gap**

Editors Mary GREGORY, Wiemer SALVERDA and Ronald SCHETTKAT
Princeton University Press, 2007 (DEMPATEM Research Project)

8. **The Oxford Handbook of Economic Inequality**

Editors Wiemer SALVERDA, Brian NOLAN and Timothy Smeeding
Oxford University Press, Dec. 2008 (in cooperation with EQUALSOC)

9. **Company Training and Services with a Focus on Low Skills**

Special issue of the *International Journal of Manpower*
Guest editors Rita ASPLUND and Wiemer SALVERDA, Volume 25 nr 1, 2004

10. **Women and Work**

Special issue of *Oxford Economic Papers*
Guest editors Mary GREGORY, Miriam BEBLO, Ioannis THEODOSSIOU, and Wiemer SALVERDA
Forthcoming, March 2009

11. **Job Insecurity and Training**

Special issue of *Labour, Review of Labour Economics and Industrial Relations*

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2. Contents of “Oxford Handbook of Economic Inequality”

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Part 1 Inequality: Overview, Concepts and Measurement

1. Introduction (Brian Nolan, Wiemer Salverda and Timothy M. Smeeding)
2. Inequality: Its justification, nature and domain (John E. Roemer)
3. The measurement of economic inequality (Stephen Jenkins and Philippe van Kerm)

Part 2 The Extent of Inequality

4. Income inequality (Andrea Brandolini and Timothy M. Smeeding)
5. Functional distribution and inequality (Andrew Glyn)
6. Wealth and economic inequality (James B. Davies)
7. Top incomes (Andrew Leigh)

Part 3 Earnings Inequality

8. Inequality and earnings distribution (Francine D. Blau and Lawrence M. Kahn)
9. Inequality and the labour market: employers (Julia Lane)
10. Inequality and the labour market: unions (Jelle Visser and Daniele Checchi)
11. Low pay (Claudio Lucifora and Wiemer Salverda)
12. Gender and economic inequality (Mary B. Gregory)

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14. Inequality and time use in the household (Nancy Folbre)
15. Inequality and happiness (Bernard van Praag and Ada Ferrer-i-Carbonell)
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27. Prospects for achieving equality in market economies (John E. Roemer)