

Redistributive Policies in Europe and in the US: Why So Different?

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The welfare state is much larger in Europe than in the US, and, more generally, Europeans seem to be more concerned about equalizing incomes and reducing inequality than Americans are. Why is this?

The purpose of this book is to examine various explanations for these differences.

I shall begin by briefly illustrating the main differences in redistributive policies on the two sides of the Atlantic. This will also allow me to illustrate the significant differences within Europe, which by no means has a uniform set of policies in place.

I will then examine what explains different policy preferences. Schematically one can think of different types of explanations:

1. purely economic ones. This would include different levels of pretax income inequality, openness, social mobility, etc.
2. politico-historical ones. This would include electoral systems, the role of courts, historical reasons why a socialist party never fully established itself in the US.
3. sociological explanations. This would include different attitudes toward the poor, individual versus social responsibilities in correcting ex post income differences, race relations.

I will then conclude by trying to disentangle which of these various explanations have more weight. I am currently actively engaged in research about various aspect of this project, and I see this book as an opportunity to organize in a non-technical way this body of research and to push forward my thinking of these issues.