

ECON 85500: Economics of the Welfare State
Department of Economics
The Graduate Center, City University of New York

Professor:
Paul Krugman

This is a preliminary syllabus. It will be modified occasionally, as new research and/or events warrant. Also, I've been trying to check for bad links, but if you find one — or have any other questions — please let me know by email.

Also please let me know if you're not getting group emails. Usually the class roster has a couple of people's contact information wrong.

This course is listed as hybrid, but my plan is to do it in-person almost all semester. I may need to go remote for the last week or two, and possibly once or twice if I have to be someplace other than New York for some reason.

There are no exams in this course. Grading will be based on class participation, 5-6 short papers, and a term paper at the end. New and/or revised readings will be added along the way; all readings will be online, with links in the syllabus and additional links supplied along the way.

August 30: Facts and justifications

OECD social expenditure data: <https://data.oecd.org/socialexp/social-spending.htm>

Social Security history: <https://www.ssa.gov/history/briefhistory3.html>

Potted history of British welfare state: <https://www.thoughtco.com/creation-of-britains-welfare-state-1221967>

Potted philosophy: Rawls: <https://plato.stanford.edu/entries/rawls/>

Potted philosophy: Nozick: <https://plato.stanford.edu/entries/nozick-political/>

Sept. 6: Economics of social insurance

Okun's tradeoff:

[https://assets.aspeninstitute.org/content/uploads/files/content/docs/OKUN_EQUALITY_AND EFFICIENCY \(AS08\).PDF](https://assets.aspeninstitute.org/content/uploads/files/content/docs/OKUN_EQUALITY_AND EFFICIENCY (AS08).PDF)

Why the welfare state looks like a free lunch

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=372842

Redistribution and growth: <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf>

The Nordic experience: <https://lanekenworthy.net/2011/05/22/is-heavy-taxation-bad-for-the-economy/>

Piketty on France: <http://piketty.blog.lemonde.fr/2017/01/09/of-productivity-in-france-and-in-germany/#xtor=RSS-32280322>

What's the matter with France? <http://krugman.blogs.nytimes.com/2014/08/27/whats-the-matter-with-france/>

Sept. 13 Unemployment insurance

Going down to Liverpool: <https://www.youtube.com/watch?v=MZGwY49TXWs>

Europe v US: <https://www.dropbox.com/s/a7uoicmj3wuawbj/In-the-Covid-19-Recession%2C-Europe-Props-Up-Jobs-While-the-U-S-Props-Up-Workers-WSJ.pdf?dl=0>

Job acceptance, theory:

http://www.simonmongey.com/uploads/6/5/6/6/65665741/boar_mongey_cares_act_2020.pdf

UI during the pandemic: https://cpb-us-w2.wpmucdn.com/voices.uchicago.edu/dist/1/801/files/2018/08/disincentive_effects_of_expanded_ui.pdf

Withdrawing UI: <https://arindube.com/2021/08/20/early-withdrawal-of-pandemic-ui-impact-on-job-finding-in-july-using-current-population-survey/>

More on cutting off benefits: https://twitter.com/p_ganong/status/1428741098848067591

Sept. 20 Health care I

The Arrow paper: <https://assets.aeaweb.org/assets/production/journals/aer/top20/53.5.941-973.pdf>

Can markets work? <http://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/when-and-how-provider-competition-can-improve-health-care-delivery>

Profiles: <https://www.commonwealthfund.org/international-health-policy-center/system-profiles>

Performance: <https://www.commonwealthfund.org/series/mirror-mirror-comparing-health-systems-across-countries>

The crisis in the NHS: <https://www.nejm.org/doi/full/10.1056/NEJMp2301257>

Costs: <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries-2/#Health%20consumption%20expenditures%20as%20percent%20of%20GDP,%201970-2020%C2%A0>

Sept. 27 Health Care II

Obamacare logic:

<https://www.americanprogress.org/issues/healthcare/reports/2010/08/05/8226/health-care-reform-is-a-three-legged-stool/>

Current subsidies: <https://www.kff.org/policy-watch/five-things-to-know-about-renewal-of-extra-affordable-care-act-subsidies-in-inflation-reduction-act/>

Health coverage: TK

Cost, again: <https://www.healthsystemtracker.org/chart-collection/u-s-spending-healthcare-changed-time/#Average%20annual%20growth%20rate%20of%20GDP%20per%20capita%20and%20total%20national%20health%20spending%20per%20capita,%201970%20-%202020>

Oct. 4 Retirement I

Social Security: <https://www.ssa.gov/policy/docs/statcomps/supplement/2021/oasdi.html>

Financing: <https://www.ssa.gov/oact/trsum/>

Lockboxes and all that:

<http://www.usi.edu/business/cashel/331/Krugman%20Social%20Security.pdf>

Oct. 11 Retirement II

International systems (read France, Denmark, UK):

<https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/europe/index.html>

Fiscal prospects: <https://www.oecd.org/economy/Long-term-growth-prospects-and-fiscal-requirements.pdf> starting around p. 233

Oct. 18 Women at work

White House blog: <https://www.whitehouse.gov/cea/written-materials/2023/06/21/on-anniversary-of-equal-pay-act-signs-of-progress-and-remaining-challenges-for-women-in-the-labor-market/>

Goldin on history: <https://www.aeaweb.org/articles?id=10.1257/000282806777212350>

The pill: https://www.nber.org/system/files/working_papers/w7527/w7527.pdf

Structure of jobs:

<https://dash.harvard.edu/bitstream/handle/1/41534589/1231%20aer.104.4.1091.pdf?sequence=1>

Why women won: <https://www.nber.org/papers/w31762>

Oct. 25 Poverty

History of the US poverty measure: <https://www.census.gov/topics/income-poverty/poverty/about/history-of-the-poverty-measure.html>

Poverty in the pandemic: <https://www.urban.org/research/publication/2021-poverty-projections-assessing-impact-benefits-and-stimulus-measures>

Spending on the poor: <https://lanekenworthy.net/2010/06/07/social-spending-and-poverty/>

Food stamps: <https://gspp.berkeley.edu/assets/uploads/research/pdf/hoyne-schanz-march15-final.pdf>

More SNAP: <https://www.cbpp.org/sites/default/files/atoms/files/1-17-18fa.pdf>

The war on poverty:

https://obamawhitehouse.archives.gov/sites/default/files/docs/50th_anniversary_cea_report_-_final_post_embargo.pdf

The conservative view: https://abetterway.speaker.gov/_assets/pdf/ABetterWay-Poverty-PolicyPaper.pdf

Kinds of welfare states: <https://www.brookings.edu/blog/future-development/2016/01/13/does-high-social-spending-help-the-poor-evidence-from-european-welfare-states/>

Nov. 1 Wages, employment policies, work-life balance

EITC: <https://fas.org/sgp/crs/misc/R44057.pdf>

Interaction between minimum wage and EITC: <http://rooseveltinstitute.org/interview-dube-eitc-and-minimum-wage-as-complements/>

Working hours: <https://data.oecd.org/emp/hours-worked.htm>

Hours of work in history: <https://eh.net/encyclopedia/hours-of-work-in-u-s-history/>

No vacation nation: <https://cepr.net/images/stories/reports/no-vacation-nation-2019-05.pdf>

Obama admin report:

https://obamawhitehouse.archives.gov/sites/default/files/docs/updated_workplace_flex_report_final_0.pdf

Irregular work scheduling: <http://www.epi.org/publication/irregular-work-scheduling-and-its-consequences/>

Nov. 8 Declining regions and regional policy

The China shock: <https://www.ddorn.net/papers/Autor-Dorn-Hanson-ChinaShock.pdf>

“New geography” of jobs: <https://www.brookings.edu/blog/the-avenue/2012/08/07/regional-inequality-and-the-new-geography-of-jobs/>

Convergence and divergence: <https://www.theatlantic.com/business/archive/2015/11/cities-economic-fates-diverge/417372/>

The left behind: <https://www.brookings.edu/bpea-articles/saving-the-heartland-place-based-policies-in-21st-century-america/>

Nov. 15 Welfare states and inequality

Gornick and Milanovic: https://www.gc.cuny.edu/CUNY_GC/media/CUNY-Graduate-Center/PDF/Centers/LIS/LIS-Center-Research-Brief-1-2015.pdf

The Great Compression: <http://www.nber.org/papers/w3817>

Unions and inequality: <https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2016/12/31/Inequality-and-Labor-Market-Institutions-42987>

Taxes and top incomes: <https://www.aeaweb.org/articles?id=10.1257/pol.6.1.230>

Autor and Dube on compression: <https://www.nber.org/papers/w31010>

Nov. 29 Can we afford the welfare state?

OECD concerns: <https://www.oecd.org/economy/Long-term-growth-prospects-and-fiscal-requirements.pdf>

CBO latest: <https://www.cbo.gov/publication/56516>

Interest rates and all that: <https://www.nytimes.com/2019/01/09/opinion/melting-snowballs-and-the-winter-of-debt.html>

Furman-Summers critique: <https://www.piiie.com/system/files/documents/furman-summers2020-12-01paper.pdf>

Dec. 6 The future of the welfare state TBA