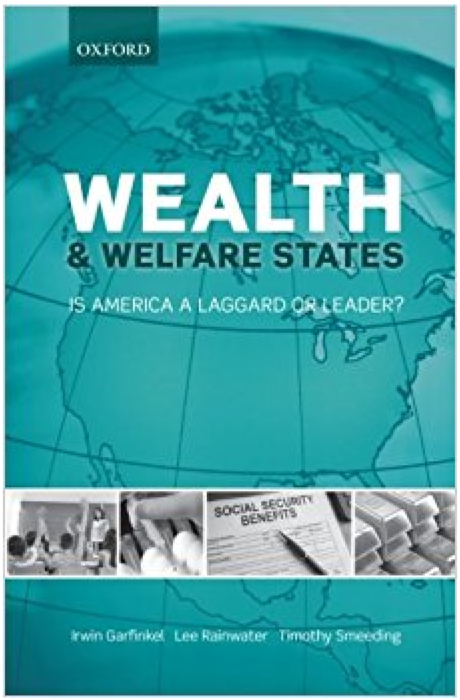
Wealth And Welfare States: Is America A Laggard Or Leader?



Synopsis

This book explores the role of the welfare state in the overall wealth and wellbeing of nations and in particular looks at the American welfare state in comparison with other developed nations in Europe and elsewhere.It is widely believed that the welfare state undermines productivity and economic growth, that the United States has an unusually small welfare state, and that it is, and always has been, a welfare state laggard. This book shows that all rich nations, including the United States, have large welfare states because the socialized programs that comprise the welfare state-public education and health and social insurance--enhance the productivity of capitalism. In public education, the most productive part of the welfare state, for most of the 19th and 20th centuries, the United States was a leader. Though few would argue that public education is not part of the welfare state, most previous cross national analyses of welfare states have omitted education. Including education has profound consequences, undergirding the case for the productivity of welfare state programs and the explanation for why all rich nations have large welfare states, and identifying US welfare state leadership. From 1968 through 2006, the United States swung right politically and lost its lead in education and opportunity, failed to adopt universal health insurance and experienced the most rapid explosion of health care costs and economic inequality in the rich world. The American welfare state faces large challenges. Restoring its historical lead in education is the most important but requires investing large sums in education, beginning with universal pre-school and in complementary programs that aid children’s development. The American health insurance system is by far the most costly in the rich world, yet fails to insure one sixth of its population, produces below average results, crowds out useful investments in children, and is the least equitably financed. Achieving universal coverage will increase costs. Only complete government financing is likely to restrain long term costs.

Book Information

Paperback: 226 pages

Publisher: Oxford University Press; 1 edition (April 5, 2010)

Language: English

ISBN-10: 0199579318

ISBN-13: 978-0199579310

Product Dimensions: 9.1 x 0.6 x 5.9 inches

Shipping Weight: 14.4 ounces (View shipping rates and policies)

Average Customer Review: 2.6 out of 5 stars   5 customer reviews

Best Sellers Rank: #29,544 in Books (See Top 100 in Books) #6 inÃ Â Books > Business & Money > Economics > Public Finance #48 inÃ Â Books > Textbooks > Humanities > Linguistics #80 inÃ Â Books > Politics & Social Sciences > Social Sciences > Linguistics

Customer Reviews

"Significant...impressive...[an] important and timely new book... Garfinkel, Rainwater, and Smeeding provide a new and fascinating look at the U.S. welfare state in comparative perspective." --Social Service Review "...Wealth and welfare states challenges longstanding views of the welfare state as a hindrance to capitalism, and of the US welfare state as a particularly anemic example... This work is innovative in the existing comparative welfare state literature through its discussion of public education, as both key to the welfare state's success and an area in which the US is a historic leader." --Journal of Childern and Poverty

Irwin Garfinkel is the Mitchell I. Ginsberg Professor of Contemporary Urban Problems and co-director of the Columbia Population Research Center. A social worker and an economist by training and a former director of the Institute for Research on Poverty (IRP), he has authored or co-authored over 180 scientific articles and twelve books on poverty, income transfers, program evaluation, single parent families and child support, and the welfare state. His research on child support influenced legislation in Wisconsin and other American states, the US Congress, Great Britain, Australia, and Sweden. He is currently the co-principal investigator of the Fragile Families and Child Well being Study. Lee Rainwater is Professor of Sociology Emeritus at Harvard University and a founder and Research Director emeritus of the Luxembourg Income Study. His books and articles have been in the field of social stratification and social policy. The most recent was Poor Kids in A Rich Country. Tim Smeeding is the Arts and Sciences Distinguished Professor of Public Affairs and Economics at the University of Wisconsin-Madison and director of the Institute for Research on Poverty (IRP).He is the founder and director emeritus of the Luxembourg Income Study (LIS), which he began in 1983. Smeeding is also co-editor of Oxford University Press' 2009 Handbook of Economic Inequality His recent work has been on inequality, wealth , and poverty amongst the children of immigrants in a cross-national context. His CV and recent papers can be found at: http://www.lafollette.wisc.edu/facultystaff/smeeding-timothy.html

Fabulous book that brings a number of important lines of social science research together to bear on the most pressing issues of our time.

Difficult to follow and densely written.

There’s overt grammar mistakes, obvious bias by the writer, and it frequently raises questions it doesn’t answer. If you’re looking for a good book to put you to sleep, though, this is the one.

Well to start my review, I have to first use definitionsEconomics - the branch of knowledge concerned with the production, consumption, and transfer of wealth.Subjective theory of value - The idea that an object’s value is not inherent, and is instead worth more to different people based on how much they desire or need the object. The Subjective Theory of Value places value on how scarce and useful an item is rather than basing the value of the object on how many resources and man hours went into creating it.Taxation is dead weight loss - Dead-weight loss of taxation is a loss of economic well-being imposed by a tax. The loss occurs because taxation makes the taxed good or service less attractive, reducing individuals’ desire to purchase that product. Furthermore, taxation reduces incentives to work beyond a certain point, causing individuals to prefer to take additional leisure time. The tax also causes taxpayers to suffer financially and/or to change their behavior to avoid or reduce the burden of the tax.Unseen (see batiste’s parable of the broken window) - the idea that spending money to fix or destroy (Ideas such as Wars and natural disasters are actually beneficial to economic growth). If you want to skew numbers and facts, GDP went up during various government spending programs and WW2 especially, but number takes into account (C+I+G (net exports - net imports)) = Y Where Y is consumption, I is investment and G is government spending and Y = GDPSurly increasing any variable increases GDP - but increasing government spending say, on building tanks or weapons doesn’t actually improve people lives, in fact it harms it because the resources diverted to such uses, created shortages, rations, and lowered living standards overall as new cars were on halt as factories converted to war machines.These are just some fundamental rules of economics that the authors clearly ignored with some of the statements made with zero logical argument to support the claims."The only way to make healthcare affordable is to eliminate the element of choice, make insurance mandatory, and spread the risk across a broad population" Agreed comrad! - Jokes aside, competition when allowed to actually exist in a market, overwhelming and historically causes prices down to an equilibrium of supply and demand. Supply and demand are inversely related, you increase one the other decreases and vice versa.Healthcare and health insurance are not the same thing, health insurance pays a portion of health care costs. There is a finite amount of doctors, clinics, medicines able to be produced and serviced in a given place for a given cost. Naturally increasing supply would decrease demand...Not so fast, Cartels exist, AMA licensing laws whom lobby to restrict whom can practice medicine artificially inflate costs in a market. Higher education costs are artificially inflated to even obtain a degree to begin practicing, from government subsidy of student loans and colleges having little incentive to compete for students r decrease costs since the government will be guaranteeing many loans and many grants."Today, virtually all economists accept the argument that some sort of government-financed or provider health insurance would be efficient" Band-wagon fallacy, this statement of questionable fact, assumes the premise is true because many people in the field believe it to be true. Well, I don't have time to go into the intricate details about how efficient government is because it lacks the profit motive. There are numerous examples of government subsidized industries that are far less efficient than private competition, My favorite juxtaposition is American Letter company Vs USPS. Never heard of it in school? There's probably a reason for it, there is plenty of information on that, as well as Vanderbilt, James J. Hill vs government subsidized Union and Central Pacific, Herbert Henry Dow vs German production of bromine but I digress."Just as the private market will provide too little education and too little health insurance, so it will provide too little insurance against the risk of becoming unemployed, or disabled, or dying prematurely, or even against the happy risk of living too long"Claims like these are little more than demagoguery that perhaps are appropriate for a pandering politician but is embarrassing to be used in a textbook. This goes back to understanding that value is subjective. Here's the thing, if education was valued by the people whom use it, you wouldn't need to coerce people to pay for it via taxes. Things people value actually get bought on the market. The statement in particular "too little education and too little health insurance" is subjective in nature and ironically ignores the subjective value idea entirely. If something is valued people will pay for it voluntarily, that's literally how you can tell if something is considered valuable or not. Musing about what you think is valuable and thus how you should have a say in how someone else's prioritizes spending is arrogant and typical elitism from Academia.Again some history is relevant to understand here, prior to FDR price and wage controlling which restricted competition among firms to compete for skilled workers, they lobbied to allow benefits like health insurance be excluded from price and wage controls set by the government due to spiraling inflation and shortages. So yes insurance covered far less, but it was more catastrophic coverage (cancer, accidental injuries, etc), but people paid their own care and it was far more affordable because you knew how much you were paying and what you were getting and doctors weren't constantly tied to insurance contracts. So when you artificially restrict supply of insurance, supply of doctors, plans you are allowed to buy what has to be covered, is it any surprise that price goes up, quality goes down? Why is it that typically uninsured procedures go down much faster than those that are insured (such as LASIK Eye Surgery or Plastic Surgery for cosmetic reasons) There are books that go in those topics in far greater detail than I am willing to for an review. So I will digress"The burden of proof clearly lies on the side of those who claim the welfare state programs are strangling productivity and growth. If they are right, they need to explain why all rich nations have large welfare states and they need to explain why growth rates have grown in most rich nations as their welfare states have grown larger"Sorry but the burden of proof is on the person making the claim. But to give an example, poverty rate was on a steady and rapid decline prior to LBJ great society programs. (see any graph mapping poverty over time) also account for people in poverty 0 years ago are worse off than those in poverty now thanks to improvements in consumer goods, medicine, and so fourth due to innovation that derives from competition and doing things better, cheaper, and more efficient. The US didn’t become a wealthy nation by taking from some to give to others. The US is also far more charitable as a whole than most people tend to believe (especially the authors of this book it seems).There are multiple incentives welfare creates, for one, it destroyed nuclear families as you tended to lose benefits if you were married vs a single parent. So naturally people opted not to co-inhabit/marry as they would lose essentially benefits. And single parents statistically have more criminally prone children, less educated children, and overall lower standards of living which perpetuate poverty rates.But what do I know, I didn’t get a piece of paper from an Ivy League so I can force my students to buy my book on how evil capitalism is. My job doesn’t rely on government subsidy and protectionism. I have to rely on creating value for a living. I think this is why so many people have disdain for education and academics in the current state, especially with social scientists promoting anti-economic thought that had been long debunked by Hayek, Mises, Bastiate, Hazlett, Friedman.This gets one star for being so intellectually dishonest at the same time as masquerading as an economics and welfare text.Also wealth is created from voluntary exchange of goods/services. Both parties are better off as a result, Trade is not zero sum. Seems to escape some people just wanted to mention that as well.

This book is kind of like taking every possible variation of welfare in America and comparing it to every possible variation of welfare in other countries and by the end of the book you’re just like why??? But I had to read it for a class and it was very informative but kind of dry and a little confusing at times. I wouldn’t have read this book if I didn’t have to but it could have been worse.

Wealth and Welfare States: Is America a Laggard or Leader? From Poor Law to Welfare State, 6th

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