

THE POLITICAL ECONOMY OF SOCIAL INSURANCE

Spring 2024

Instructor: Shyam Raman	Time: T/R, 11:20a - 12:35p
Email: sr21@williams.edu	Place: Griffin 6

1 Important stuff

Student hours: T/R, 1-4p, Schapiro 203, or by [appointment](#).

Communication policy: Only contact me via email, with **ECON 367** in subject line.

Extension policy: Letter grade deduction (4%) every 24 hours past due date.

Grading policy: No ad hoc final grade changes. Aggregate grade inflation will be included in posted grade.

Attendance policy: You are expected to be in class for every session.

Withdrawal date: The last day to withdraw with a **W** is April 12th.

Prerequisites: ECON 255 or POEC 253

2 Course summary

The Great Society policies of the 1960s dramatically changed the ways people living in poverty interacted with the federal government, but the benefits associated with these policies seem to have stagnated. Since 1965, the annual poverty rate in the United States has hovered between 10% and 15%, though far more than 15% of Americans experience poverty at some point in their lives.

In this course, we will study public policies that, explicitly or implicitly, have as a goal improving the well-being of the poor in the United States. These policies include social insurance programs such as Unemployment Insurance; safety net programs such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Program, Medicaid, and housing assistance; education programs such as Head Start and public education; and parts of the tax code, including the Earned Income Tax Credit and Child Tax Credit. We will explore the design and function of these programs, with a particular focus on the context in which they were developed. What political incentives and constraints have strung up our social safety net? How do these factors affect the goals of policy, the trade-offs inherent to the policy's design, and why poverty has not sustained a downward trend in the United States? Through careful consideration, students will learn how to communicate a path forward for public policy which accounts for theoretical economic expectations and the reality of political constraints in policy design.

2.1 Learning goals

My goal in this course is to provide you with an economic framework to understand social insurance and welfare policy in the United States. By the end of the course, you should be able to:

- Identify the economic and political forces that shape the design of social insurance and welfare policy in the United States.
- Understand the history of social insurance and the long-term effects of policy drift on program efficacy.
- Analyze and critique the administration of social insurance in the United States, with a particular focus on the federalism.

- Evaluate and communicate the trade-offs made in the design of visible and submerged state social insurance policies.
- Make evidence-based policy recommendations for the design of social insurance and welfare policy in the United States.
- Understand the incentives, constraints, and opportunity costs faced by stakeholders in the policymaking process.

2.2 Required textbooks and course materials

- Suzanne Mettler, *The Submerged State: How Invisible Government Policies Undermine American Democracy*, UChicago Press, 2011.
- Jamila Michener, *Fragmented Democracy: Medicaid, Federalism, and Unequal Politics*, Cambridge University Press, 2018.
- Jessica Trounstein, *Segregation by Design: Local Politics and Inequality in American Cities*, Cambridge University Press, 2018.
- Additional readings will be posted on the course GLOW site and available in the course reader.

3 Classroom policies

3.1 Honor code and academic integrity

As in all courses at Williams, I expect all students to act in accordance with the Statement of Academic Honesty, which is available online [here](#). For each assignment above I discussed the extent to which collaboration is allowed. I encourage you to discuss the course outside of class. However, all written work must be your own product. If you have any questions about the appropriateness of any form of collaboration, please consult me.

For all papers, I expect appropriate attribution of source material. In economics we use in-text citations with a references page (not counted as part of the page limit). Further information on citation methods will follow as part of the first paper assignment. Pay particular attention to citations of online sources—I must be able to find the source from the location you provide.

3.2 Inclusivity and respect

The Williams community embraces diversity of age, background, beliefs, ethnicity, gender, gender identity, gender expression, national origin, religious affiliation, sexual orientation, and other visible and non visible categories. I welcome all students in this course and expect that all students contribute to a respectful, welcoming and inclusive environment. If you have any concerns about classroom climate, please come to me to share your concern.

I do not want to be complicit in your discomfort. If you feel uncomfortable or otherwise marginalized by something in class, please let me know via the anonymous Comment Box form. I will do my best to address your concerns, and I will not share your identity with anyone else under any circumstances.

3.3 Some unsolicited advice

With gratitude to my colleague Matthew Gibson for articulating these principles so well that I include them almost verbatim from his syllabus:

1. My respect for a student is not contingent on ability.
2. You need not be the best at something to contribute valuable work, or to enjoy it.

3. If you never volunteer an incorrect answer in class, you aren't taking enough risks.
4. It is not only normal, but also good and useful to begin a problem with no idea how you will solve it. If you train yourself to respond to a tough problem with patient fascination, rather than fear of failure, that will serve you well.

4 Assignments and evaluation

4.1 Policy memos

There will be three policy briefs due over the course of the semester. These memos will be maximum 5 pages long and are worth 50 points (10% of your final grade) each. You'll be expected to bring your printed policy memo to class on the due date. Late policy memos will be penalized 4% (one grade step) per day late and will not be accepted over email or GLOW.

The rubric for these memos will be as follows:

Clarity of writing	15
Appropriately cited evidence	15
Relevant exhibits with citations	10
Policy recommendations	10
Total	50

These memos will be due on the dates listed in the course schedule below. Late policy memos will be penalized 4% (one grade step) per day late.

4.2 Seminar debate participation

There will be four debate-style seminars throughout the semester, each worth 50 points (40% of your final grade). These seminars will conclude each of the four modules of the course. For each seminar, you will be assigned to a team of 4-5 peers. Each team will be assigned one of five stakeholders in the policymaking process (capital interests, policymaking advocates, legislators, administrators, and constituents). These teams and stakeholders will be assigned (randomly) at the beginning of each module.

You will be expected to use data visualization & analysis techniques from ECON 255/POEC 253 to prepare a 1-3 page handout of exhibits for your assigned stakeholder. This handout should include a summary of the economic theory and empirical evidence discussed in class, as well as a set of policy recommendations. You will be expected to present the exhibits from this handout during the seminar, and to answer questions from the other teams.

The rubric for these seminar debates will be as follows:

High-quality, original exhibits	15
Appropriately cited evidence	15
Thoughtful, relevant responses to debate	10
Policy recommendations	10
Total	50

Note: If, for any reason, you are uncomfortable working with a particular team member or on a particular stakeholder, please let me know as soon as possible. I will rearrange, no questions asked.

4.3 Analytical essay

There will be a final analytical essay due at the beginning of class on Thursday, May 9th. The final essay will be worth 175 points (35% of your final grade). You'll be expected to bring your printed final essay to class on the due date. Late final essays will be penalized 4% (one grade step) per day late and will not be accepted over email or GLOW.

The final essay should be 7-10 pages long, in 12-pt Times New Roman font, double-spaced, with 1-inch margins. You will be expected to use the figures created for policy memos and seminar debates to inform the analysis in your final essay. The rubric for this final essay will be as follows:

Literature review	50
Peer review report	25
Final essay	100
Total	175

4.4 Evaluation

Your grade will be determined according to the following grading scheme:

Seminar debate participation (x4)	40%
Final analytical essay	35%
Policy memos (x3)	30%

The average grade at the college has risen considerably in the past decade, and I am committed to maintaining the rigor of this course. I believe every student is capable of earning an A in this class, but I will not inflate grades to achieve this outcome. I have set the overall difficulty of this course at a level which leads to an average grade of approximately 3.3 (B+) on a 4.0 scale. You should set your expectations and study habits accordingly.

5 Course schedule

The course will be broken into five modules. The first will equip you with the theory, evidence, and language to discuss public policy from a political economy lens. The following four modules will each be structured around a domain of social insurance (health, retirement & unemployment, education, and the submerged state). Each module will begin with a discussion of the economic theory of the domain, followed by a discussion of the empirical evidence, and conclude with a discussion of the political economy of the domain.

Date	Topics	Readings
Jan 31, 2024	Syllabus review and 'metrics review	No readings!
Module 1: Justice, evidence-based policy, and public administration		
Feb 6, 2024	(Rawlsian) justice through social policy?	Stiglitz (1991); Feldstein (1995)
Feb 8, 2024	Policy administration in federalist systems	Moynihan et al. (2015); Hacker (2004); Grumbach & Michener (2022)
Feb 13, 2024	Policyscapes and the submerged state	Mettler (2016); Mettler (2015)
Module 2: Health, nutrition, and housing		
Feb 15, 2024	Medicaid and CHIP	Fragmented Democracy, pp 1-18, Michener (2018); Currie & Gruber (1996)
Feb 20, 2024	Medicare and long-term care	Card et al. (2009)
Feb 22, 2024	Nutrition assistance programs	Hoynes et al. (2016); Bond et al. (2022); Bailey et al. (2023)
Feb 27, 2024	Housing assistance programs	Jacob et al. (2013); Chetty et al. (2016)
Feb 29, 2024	Seminar debate I	No readings!
Module 3: (Un)employment and retirement		
Mar 5, 2024	Social security	Gelber et al. (2022); Boskin et al. (2019)
Mar 7, 2024	Writing skills lab: lit reviews	No readings!
Mar 12, 2024	Supplemental security income (SSI)	Duggan et al. (2015); Deshpande & Mueller-Smith (2022)
Mar 14, 2024	UI, SSDI, and workers' compensation	Ahammer & Packham (2020); Romer & Romer (2022)
3/16 to 3/31	Spring break	No readings!

Apr 2, 2024	Seminar debate II	No readings!
Module 4: Education as an anti-poverty program		
Apr 4, 2024	Early childhood education and Head Start	Garces et al. (2022)
Apr 9, 2024	Elementary and secondary education	Goldin & Katz (2008)
Apr 11, 2024	Post-secondary education	Bleemer (2024)
Apr 16, 2024	GI bill and veterans' education	Mettler (2002); Lehman (2007)
Apr 18, 2024	Seminar debate III	No readings!
Module 5: The submerged state		
Apr 23, 2024	Tax credits (EITC, CTC)	Ananat et al. (2022); Bastian & Michelmore (2018); Bastian (2020)
Apr 25, 2024	Redlining and home ownership	Fishback et al. (2022); Glaeser & Shapiro (2002); Hilber & Turner (2014)
Apr 30, 2024	Segregation by design: local politics	Segregation by Design, pp 1-23, Trounstine (2018)
May 2, 2024	Seminar debate IV	No readings!
End of new course content		
May 7, 2024	Final essay peer review	No readings!
May 9, 2024	Praxis as critical consumers of public policy	No readings!

Important dates:

Policy memo IThursday, February 29th
Seminar debate I Thursday, February 29th
Seminar debate II Tuesday, April 2nd
Policy memo IIThursday, April 4th
Policy memo IIIThursday, April 18th
Seminar debate III Thursday, April 18th
Seminar debate IVThursday, May 2nd
Literature review Tuesday, April 23rd
Final analytical essay Thursday, May 9th