

THE FUTURE OF THE WELFARE STATE

The Tikvah Advanced Institutes
Jerusalem, Israel | November 6–10, 2016
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Introduction

All of the advanced democracies are “welfare states.” Every one provides or finances schooling and health care; social insurance or “safety net” programs to cushion the vicissitudes of life, employment, and older age; anti-poverty programs to support the poor; and regulatory programs to promote the welfare of consumers and workers in the marketplace. The scope and design of these policies vary considerably across nations, but all welfare states are currently facing serious problems and are the subject of heated political controversies.

This course will examine both the variations and the common problems of the modern welfare state in an effort to identify politically feasible solutions. We will investigate reforms for preserving national economic strength and social cohesion in a world of globalization, aging populations, new technologies, and dramatic cultural transformations in how people live and what they value.

The course will run for five days, with two 3-hour sessions each day. On the first day, both sessions will be devoted to general issues of the nature and financial structure of the welfare state. On days two, three, and four, the first sessions will examine the welfare states of the United States, Europe, and Scandinavia respectively, and the second sessions each day will examine particular features and problems of the Israeli welfare state with the aid of guest speakers. On the fifth and final day, the first session will focus on one prominent reform proposal and the second will be reserved for further consideration of issues that have arisen in our earlier discussions.

Readings for the DeMuth sessions are available at [Welfare State Assigned Readings](#).

Supplemental readings are available at [Welfare State Supplemental Readings](#).

Syllabus

November 6

First Session: The Origins and Dilemmas of the Welfare State

- A. Friedrich A. Hayek, “The Decline of Socialism and the Rise of the Welfare State,” and “Social Security” (excerpts), from *The Constitution of Liberty* (1960). 369–379; 405–416.
- B. Richard M. Ebeling, “Marching to Bismarck’s Drummer: The Origins of the Modern Welfare State,” *The Freeman: Ideas on Liberty*, December 2007.

Second Session: The Sources of Economic Welfare—Capital, Debt, Transfers and Growth

- A. Christopher DeMuth, “Our Democratic Debt,” *National Review*, July 21, 2014.
- B. Christopher DeMuth, “Capital for the Masses,” *The Wall Street Journal*, April 8, 2014.
- C. Alberto Alesina, “The Kindest Cuts,” *City Journal*, Autumn 2012.

November 7

First Session: The American Welfare State—Dependency, Redistribution, and Growth

- A. Nicholas Eberstadt, “American Exceptionalism and the Entitlement State,” *National Affairs*, Winter 2015, 25–38.
- B. James Piereson, “The Redistribution Fallacy,” *Commentary*, September 2015.
- C. Jacob Funk Kirkegaard, “The True Levels of Government and Social Expenditures in Advanced Economies,” Peterson Institute for International Economics, March 2015.

Second Session: The Israeli Economy—Overview (Ohad Reifen)

- A. 2016 OECD Economic Survey of Israel.
<http://www.oecd.org/israel/economic-survey-israel.htm>
- B. Kohelet/Tikvah Chart Book.
<http://en.kohelet.org.il/publication/israels-path-to-economic-and-social-prosperity>
- C. Shores/Dan Ben David Chart Book.
<http://www.tau.ac.il/~danib/israel/ShoresHandbook2015-ExecSummary-English.pdf>

November 8

Class 4: Transnational Welfare: The European System

- A. OECD, Directorate for Employment, Labour, and Social Affairs, “Social spending is falling in some countries, but in many others it remains at historically high levels,” November 2014.
- B. Allan H. Meltzer, “Lessons from the European Welfare State,” Hoover Institution, *Defining Ideas*, May 25, 2016.
- C. Iain Begg, Fabian Mushövel, and Robin Niblett, “The Welfare State in Europe: Visions for Reform,” Chatham House, September 2015.
- D. Heather Horn, “Can the Welfare State Survive the Refugee Crisis?,” *The Atlantic*, February 18, 2016.

Day 3 Second session: Social Security in Israel (Esti Dominisini)

- A. Abraham Doron, “Sixty-Two Years of National Insurance in Israel,” *Israel Affairs* Vol. 22, No. 1 (2016), pp. 1-19 <http://dx.doi.org/10.1080/13537121.2015.1111632>
- B. Conclusions of the Committee to Examine Ways of Maintaining the Financial Strength of the National Insurance Institute.

November 9

First Session: The Scandinavian Model: Social Cohesion, Human Capital, and Sustainability

- C. “The Nordic Model,” *The Economist*, February 2, 2013.
- D. Nima Sanandaji, “The Nordic Democratic-Socialist Myth,” *National Review*, July 26, 2016.
- E. Derek Thompson, “Denmark Isn’t Magic,” *The Atlantic*, August 2, 2016.
- F. Steven Pearlstein, “Bernienomics—Could His Socialist Policies Turn the U.S. into Denmark?,” *The Washington Post*, March 18, 2016.

Second Session: Education Reform in Israel (Eric Cohen)

- A. OECD, Education Policy Outlook—Israel, April 2016. (Pages 4-17) <http://www.oecd.org/israel/Education-Policy-Outlook-Country-Profile-Israel.pdf>
- B. Robert Schwartz, “[School Accountability: An Elusive Policy Solution: The Israeli Experience in Comparative Perspective](#),” *Journal of Public Policy*, Vol. 20, No. 2 (May-Aug. 2000), pp. 195-218.

- C. Milton Friedman, "[The Role of Government in Education](#)," from Robert A. Solow, ed., *Economics and the Public Interest* (1955).
- D. *The Dovrat Report: Summary of the Report of the Task Force for the Advancement of Education*. <https://studylib.net/doc/7566082/dovrat-report>

November 10

First Session: The Guaranteed Income: Solution or Surrender?

- A. Charles Murray, "A Guaranteed Income for Every American," *Wall Street Journal*, June 4, 2016.
- B. Thomas A. Sowell, "Is Personal Responsibility Obsolete?," *Jewish World Review*, June 7, 2016.
- C. "Basically Flawed," *The Economist*, June 4, 2016.
- D. Brian Blackstone, "Should Everyone Get a Government Allowance? Ask the Swiss," *Wall Street Journal*, June 3, 2016.
- E. Raphael Minder, "Guaranteed Income for All? Switzerland's Voters Say No Thanks," *New York Times*, June 5, 2016.

Second Session: Concluding Discussion and Next Steps