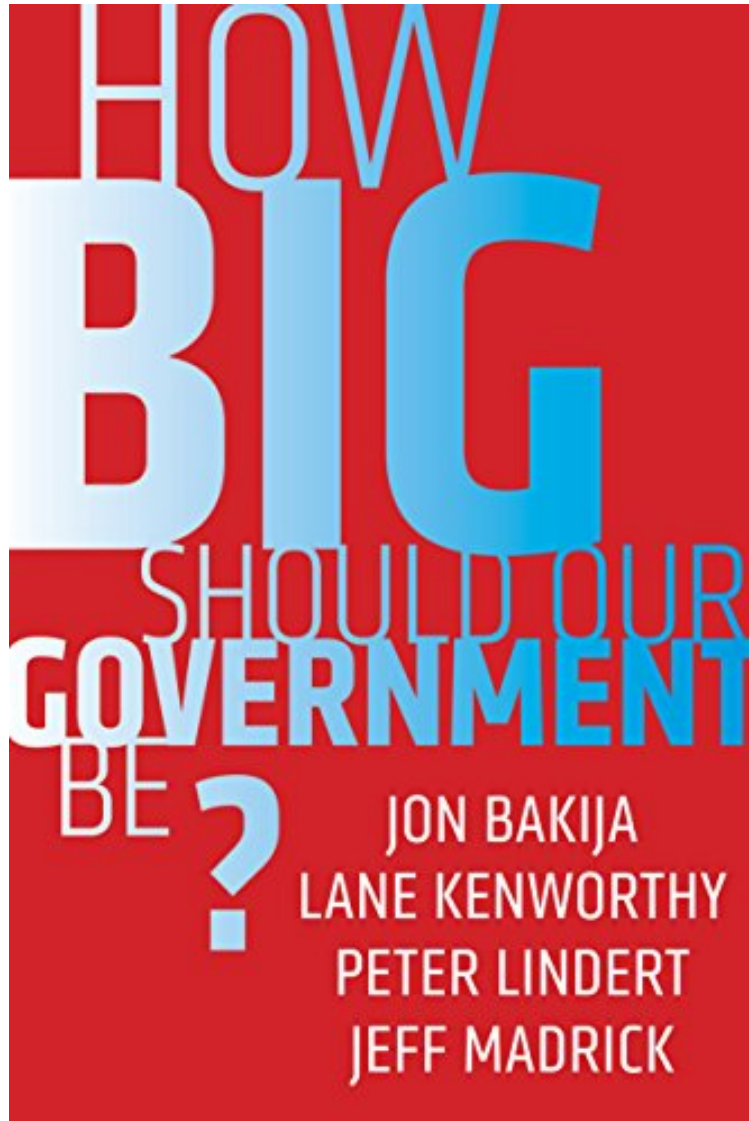


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How Big Should Our Government Be?

Jon Bakija, Lane Kenworthy, Peter Lindert, Jeff Madrick
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Jon Bakija, Lane Kenworthy, Peter Lindert, Jeff Madrick : How Big Should Our Government Be? before purchasing it in order to gage whether or not it would be worth my time, and all praised How Big Should Our Government Be?:

0 of 0 people found the following review helpful. This "non-political" book is about the basic economic argument between Democrats and Republicans, progressives and libertarians. By BVAThis book is eye-opening. But it is not nearly as accessible to the average person as the ad implies. Chapter 3 (the longest) is a bear. I read it twice, very slowly, and all of its 'foot-notes' in the back of the book to make sure that I understood as well as I could everything that the author packed into it. There are only 4 chapters. And there are 4 authors of this book. Three chapters have just

one author, each different from the other two one-author chapters. It answers the question: Does a large government, usually because of a large "welfare state" of social transfer spending, reduce economic growth? The authors say no! One of the authors presents his research along with other work, and he deconstructs and points out the experimental flaws in contradicting studies that seem to imply otherwise. What I don't understand is why no economists (or anybody else with expertise) have reviewed this book here on . (And there are few reviews anywhere on the internet.) There is a video (almost 2 hrs) of a panel discussion with the authors, two other panelists (with some credentials), and a moderator on the Economic Policy Institute website. There is a NYT book review (Eduardo Porter, 8/02/16) on the NYTimes-dot-com website. There is a Forbes article that appears to take issue with Porter's NYT review on the Forbes-dot-com website. There is a podcast interview with Lane Kenworthy, one of the authors, about this book (and probably other stuff) on the Politics Guys-dot-com website. I haven't yet read or listened to all the articles, audios, and video listed above. I'd just do a google search to find these. (Per the guidelines no review may include URLs unless they refer to other webpages on the website.) But I still don't know why there are so few reviews anywhere about this specific book. A lot of the other google hits just seem to mention this book in passing. These authors are relatively well-known in academia and the 'expertsphere'. This book should have caused a lot of arguments to break out about the proper size of government. This is an important book that refutes many of the the economic arguments against "big government" made by the small government advocates. This book is filled with objective scientific evidence, and if you are a non-expert like me you will be hard-pressed to understand some of that evidence. That's what I want in a review is some objective, non-ideological guidance in evaluating this evidence. I gave this book five stars because it contributes so much evidence to an issue that is very important. This book is about the basic argument between Democrats and Republicans, progressives and conservatives, liberals and libertarians. Is the 'small government' argument just a pretext for deregulation? Is it a pretext to allow the hyper-rich get even richer? Is it a pretext so that the Koch Brothers and other fossil-fuel-funded-family-fortunes can use to avoid making 80% of the proven reserves of the oil, coal, and gas companies stranded assets that can never be used in order to limit global warming? Or does big government really slow down economic growth? These four authors make a powerful argument that a bigger U.S. government would provide many societal benefits plus it might produce slightly faster economic growth, but in any case it very likely won't hurt economic growth. Many of the of the other 19 or so wealthy democracies have larger governments because they have a larger "welfare state" that benefits their citizens greatly. But they do not seem to have paid any long-term price in terms of a lower economic growth (GDP per capita). Some refer to this as the "free lunch paradox, or puzzle". (Some of these countries may have paid a lower growth price for other public policies that have nothing to do with having a large welfare state. I think you have to read this evidence for yourself. (If nothing else you will learn about some big demographic problems that all the wealthy nations will confront in the future and nobody seems to know exactly how to cope with these problems.) And then start asking the experts to weigh-in on this question with more evidence. Good luck.//-----Below is something I wrote about this book for an email to a friend. I think that most of it is accurate, but I apologize in advance if there are mistakes in my understanding of what these authors wrote in this book. And please excuse any grammatical errors.-----

When Ronald Reagan told us that government is the problem, most of us assumed he meant that it's size was hurting business, workers, and the economy. In "How big should our government be?" by Jon Bakija (Williams College), Lane Kenworthy (U. of C. San Diego), Peter Lindert (U. of C. Davis), and Jeff Madrick (Century Foundation), copy; 2016, confront this problem and find something different. Mere size is not a problem. So if you want to ground your small government creed in economics you've got a big problem. According to B,K,L,M especially Bakija, there is no correlation in recent research between the size of government and the rate of GDP growth per person. B,K,L,M show this and other important facts about civic size and the types of civic programs. They write in depth nuts and bolts explanations in 143 pages, 4 chapters, lots of citation notes, and a big bibliography. Jon Bakija will slow down your reading speed considerably when he explains the import of "stationary" versus "non-stationary" variables. But the conclusions they draw are quite clear. They investigate the "free-lunch paradox": How do the larger welfare states provide the benefits they do and still suffer no negative effect on growth? They explain why "total hours worked" is not a reliable measure of the effect of state benefits on incentives to work. They explain why the on-going European growth crisis is not related to the size of their governments, but to other counter-productive policies. No "credible" study shows with confidence that big government (BG) has hindered the rate of GDP growth over the last 100 years, nor in the last 53 years in the rich nations, as of 2013. There are studies that claim to prove that it BG does stifle business growth. But the negative effects that they find are "statistically insignificant" (too small to be trusted). And the authors of those studies tend not to release their data to the public. B,K,L,M (mostly Jon Bakija) go through the trusted BG/growth research and find no large numbers showing a slowing effect on growth. One large study covered 100 years (1913-2013) and 13 rich countries (with a total GDP range from 1/2 (in 1913) to 1/3rd (in 2013) of total world GDP). If anything this study showed a positive, but "statistically insignificant" effect of BG on the rate of GDP growth. But that means one can clearly rule out a negative effect of BG on the rate of GDP growth in this large study with some confidence. The size of government, whether gauged in spending or tax revenue, and the rate of GDP growth seem to be independent of one another. GDP stats don't measure everything. So, the authors list those non-

business positive effects that those rich welfare states and their citizens have experienced. They include: 1) more income equality; 2) less poverty (by any measure); 3) longer life expectancy (most likely through universal healthcare systems that are more efficient); 4) less government corruption (counter-intuitively given the larger amounts of money flowing through government agencies); 5) much lower budget deficits (probably because of more efficient tax systems); 6) greater expression of personal happiness (in opinion polls); and 7) more gender equality. The fact that these extra benefits from a larger welfare state come at no measured loss of GDP growth is part of the "free lunch paradox". How could this happen? There is no "free lunch" or is there? The authors speculate that "the few ways in which large tax-based social transfer programs reduce GDP are balanced by the ways in which they raise GDP". These boil down to 1) universal entitlement is easier and therefore much cheaper to administer (private, for profit insurance programs). 2) Broad tax systems (whether indirect or direct) are easier, more efficient, and therefore cheaper to administer, and they are less disruptive of consumer and business activity choices than narrow taxes (customs, etc). 3) Most of the larger welfare states use broad consumption VAT (which is more efficient to collect and generates more tax revenue per capita), and sin sales taxes (positive effects on human capital, public health, and limiting disruptive environmental externalities), which conventional and conservative theory economists believe is better (although there is no clear research evidence to confirm that yet). 4) More equal distribution of social spending among the 3 basic age groups (elderly, working age, and the young) due in large part to significantly greater social spending on the later two younger groups than the U.S., and the extra resources from points # 2 and # 3. 4) More efficient healthcare systems due in large part to reduced or no profit expense and no donation collection expenses and point # 1. 5) Better development of mother's human capital (paid parental leave, public day-care with qualified providers, public health spending, and safety net programs for the poor), due in large part to point # 4 and the extra resources from points # 2 and # 3. (The VAT tax seems to be almost self-enforcing. Therefore it might cost even less to operate than our IRS, which itself uses up only 1/2 of one percent of what it collects. Some think that wealth inequality has increased in some European welfare states since moving to the indirect VAT tax, but not nearly as much as in the U.S. which has constrained expansion of spending and dramatically reduced the top rates for direct taxes on income and estate in the past 50 years. And our payroll tax is a flat tax up to a limit. After that limit the rich get an exemption. The payroll tax helps pay for the largest part of the federal budget mdash; Social Security, Medicare, and Medicaid. Other federal taxes pay for the discretionary budget items.)//-----0 of 2 people found the following review helpful. Five StarsBy matchesEXCELENT APPROACH, VERY CAREFUL ANALYSIS. A GREAT BOOK0 of 0 people found the following review helpful. fast shipping.By Warrenhe love it, suit for this price . very sharp and nice feel in your hand. A nice company to deal with .Hope my product and I get many happy years together .Would for sure buy another product from them. fast and in time.. love it .

The size of government is arguably the most controversial discussion in United States politics, and this issue won't fade from prominence any time soon. There must surely be a tipping point beyond which more government taxing and spending harms the economy, but where is that point? In this accessible book, best-selling authors Jeff Madrick, Jon Bakija, Lane Kenworthy, and Peter Lindert try to answer whether our government can grow any larger and examine how we can optimize growth and fair distribution.

"An Important new book . . . goes deep into this question of government footprint and growth."