

LECTURE / DISCUSSION / DEBATE
PUBLIC POLICIES WHEN MARKETS FAIL:
WELFARE, HEALTH, AND THE ENVIRONMENT

Terms and concepts to know:

Cap and trade system	Precautionary principle
Christian democratic welfare states	Risk assessment
Command and control policies	Risk management
Conditional cash transfer (CCT)	Social democratic welfare states
Liberal welfare states	Social insurance
Market-based private insurance system	Social policy
Means-tested public assistance	Tax expenditures
Moral hazard	Tragedy of the commons
National health insurance (NHI)	Universal entitlements
Single-payer system	Welfare states

Study and discussion questions:

1. What do policy outcomes tell us about who has effective representation and power in a political system?
2. Why do states intervene in the market via social, health, and environmental policies?
3. Why have many governments pursued significant reforms to welfare states in the era of globalization?
4. Why have states found it so difficult to reform health policy and control costs?
5. Where and why did more effective welfare and health systems emerge, and can the most effective ones be replicated in other countries?
6. How does "Africa's Exploding Plastic Nightmare" correspond to this lecture's theme. What are the various intersections of economics, business, health and environment analyzed in the article? What should be done?
7. What does Auerback see as the connection between belief in the "free market" and the middle class in America? What are his solutions and do you agree with his position? Why or why not?
8. What are the reasons given by Szabo for the higher mortality rates among black and Latinx patients suffering from Covid-19? Could government policies have reduced the "catastrophic" nature suffered by these communities?

Readings:

Orvis / Drogus – Chapter 12

Video:

Four Horsemen.