

## Course Outline for “Economics of Social Security”

Teachers:

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### **Lecture 1-2: Traditional sick-pay insurance** (Mats Persson)

P A Diamond & J A Mirrlees: “A Model of Social Insurance with Variable Retirement”, *Journal of Public Economics*, Vol. 10, No. 3, 1978, pp 295-336.

M D Whinston: “Moral Hazard, Adverse Selection, and the Optimal Provision of Social Insurance”, *Journal of Public Economics*, Vol 22, No 1, 1983, pp 49-72.

### **Lecture 3: An alternative view of sick-pay insurance** (Mats Persson)

A Lindbeck & M Persson: “A Model of Moral Hazard”, mimeo, Institute for international economic studies, Stockholm university.

### **Lectures 4-6: The economics of pensions and pension reform** (Mats Persson)

A Lindbeck & M Persson: “The Gains from Pension Reform”, *Journal of Economic Literature*, Vol. 41, No. 1, 2003, pp 74-112.

M Feldstein & J B Liebman: “Social Security”, in A Auerbach & M Feldstein (eds.): *Handbook of Public Economics*, Volume 4, Elsevier, Amsterdam and New York 2002.

### **Lecture 7: The effect of social security on savings behaviour** (Mårten Palme)

Feldstein, M. (1974) “Social Security, Induced Retirement, and Aggregate Capital Accumulation” *JPE* 82(5), 905-926.

King, M. and L. Dicks-Mireaux (1982) “Asset Holdings and the Life-Cycle” *EJ* 92(366) 247-267.

Attanasio, O. and A. Brugiavini (2003) “Social Security and Households’ Saving” *QJE*

Attanasio, O. and S. Rohwedder (2003) “Pension Wealth and Household Saving: Evidence from Pension Reforms in the United Kingdom” *AER* 93, 1499-1521.

Bernheim, D. (2002) "Taxation and Savings" Handbook of Public Economics Vol 3. North-Holland: Amsterdam.

Gale, W. and J. K. Scholz (1994) "IRAs and Household Saving" AER 84, 1233-1260.

Venti, S. and D. Wise (1990) "Have IRAs Increased US Saving: Evidence from Consumer Expenditure Surveys" QJE 105, 661-698.

### **Lecture 8: The effect of social security on labour supply (Mårten Palme)**

Gruber, J. and D. Wise (1999) "Social Security and Retirement around the World" University of Chicago Press: Chicago.

Stock, J. and D. Wise (1990) "Pension, the Option Value of Work and Retirement" Econometrica 58(5), 1151-1180.

Rust, J. and C. Phelan (1997) "How Social Security and Medicare Affect Retirement Behavior in a World of Incomplete Markets" Econometrica 65(4), 781-831.

Lumsdain, R. and O. Mitchell (1999) "New Developments in the Economic Analysis of Retirement" in Handbook of Labor Economics vol 3C.

Palme, M. and I. Svensson (2004) "Income Security Programs and Retirement in Sweden" In Jonathan Gruber and David Wise (eds.) "Social Security and Retirement Around the World: Micro-estimates", 2004, Chicago University Press: Chicago.

Krueger, A. and J.-S. Pitschke (1992) "The Effect of Social Security on Labor Supply: A Cohort Analysis of the Notch Generation" *JOLE* 10, 412-437.

### **Lecture 9: Disability insurance (Mårten Palme)**

Bound, J. and R. Burhauser (1999) "Economic Analysis of Transfer Programs for People with Disabilities. In Handbook of Labor Economics vol 3C.

Bound, J. (1987) "The Health and Earnings of Rejected Disability Insurance Applicants" AER 81(5), 1427-1434.

Benitez-Silva, H., M. Buchinsky, H-M. Chan, J. Rust, and S. Sheidvasser (1999) "An Empirical Analysis of the Social Security Disability Application, Appeal, and Award Process" *Labour Economics*, 6, 147-178, 1999.

Kreider, B. (1998) "Workers' Application to Social Insurance Programs when Earnings and Eligibility are Uncertain", *JOLE* 16(4), 848-877.

Halpern, J. and J. Hausman (1986) "Choice Under Uncertainty: A Model of Application for the Social Security Disability Insurance Program" *JPubE* 31(2), 131-161.

Gruber, J. (2000) "Disability Insurance Benefits and Labor Supply" *JPE* 108(6), 1162-1183.

Autor, D. and M. Duggan (2003) "The Rise in the Disability Rolls and the Decline in Unemployment" *QJE* 118(1), 157-202.

### **Lecture 10: Sickness insurance** (Mårten Palme)

Johansson, P. and M. Palme (1996) "Do Economic Incentives Affect Work Absence? Empirical Evidence Using Swedish Micro Data" *Journal of Public Economics*, 1996, 59, 195-218.

Johansson, P. and M. Palme (2002) "Assessing the Effect of a Compulsory Sickness Insurance on Worker Absenteeism" (with Per Johansson). *Journal of Human Resources*, 2002, 37 (2), 381-409.

Johansson, P. and M. Palme (2004) "Moral Hazard and Sickness Insurance" (with Per Johansson). Forthcoming in *Journal of Public Economics*.

Persson, M. and M. Henrekson (2004) "The Effects on Sick Leave of Changes in the Sickness Insurance System", *Journal of Labor Economics* 22 (1), 87-113.

Skogman Thoursie, P. (2004) "Reporting sick: are sporting events contagious?" *Journal of Applied Econometrics* 19, 809-823.

Ichino, A. and Riphahn (2004) "The Effect of Employment Protection on Worker Effort. A Comparison of Absenteeism During and After Probation" Forthcoming in *JEEA*.

### **Lecture 11: Unemployment insurance** (Mårten Palme)

Krueger, A. and B. Meyer (2002) "Labor Supply Effects of Social Insurance" *Handbook of Public Economics Vol 4*. North-Holland: Amsterdam.

Carling, K., P.-A. Edin, A. Harkman and B. Holmlund (1996) "Unemployment Duration, Unemployment Benefits and Labor Market Programs in Sweden" *JPubE* 59(3), 313-334.

Carling, K., B. Holmlund and C. Carling (2001) "Do Benefit Cuts Boost Job Finding?" *EJ* 111, 766-790.

Card, D. and P. Levine (2000) "Extended Benefits and the Duration of UI Spells: Evidence from the New Jersey Extended Benefit Program" *JPubE*, 78, 107-138.

Gruber, Jonathan (1997) "The Consumption Smoothing Benefits of Unemployment Insurance" *American Economic Review*, 87 (1) 192-205.

**Lecture 12: The effect of workers compensation (Mårten Palme)**

Krueger, A. and B. Meyer (2002) "Labor Supply Effects of Social Insurance" Handbook of Public Economics Vol 4. North-Holland: Amsterdam.

Krueger, A. (1992) "Incentive Effects of Workers' Compensation Insurance" JPubE 41, 73-99.

Ruser, J. (1985) "Workers' Compensation Insurance, Experience-rating, and Occupational Injuries", Rand Journal of Economics 16, 487-503.

**Additional subject: Tax incidence.**

Gruber, Jonathan (1994) "The Incidence of Mandated Maternity Benefit" AER 84 (3) 622-641.