Course Description:
This course will explore the economic and social challenges facing contemporary France as a result of demographic change, European integration and globalization. We will consider how high unemployment, job insecurity, and mounting social and economic inequality have called into question the prevailing French systems of income redistribution and social protection. We will examine how policy makers have tried to reform key elements of the “welfare state” (pensions, social security, healthcare) and how they have addressed the problems of unemployment and socio-economic exclusion. We will then consider how economists, sociologists and other critics and intellectuals have responded to the policies and proposals that the different political actors have advanced, both at the national and European levels. The course as a whole aims both to give students a basic understanding of the contemporary French economy and to introduce them to the conceptual framework of modern political economy. There are no prerequisites, though the course assumes a basic knowledge of the political history of nineteenth- and twentieth-century France. The quality of the course will depend on the quality of the discussion, which depends on everyone reading the selected texts and participating in class.

Grading is as follows:

- class participation (30%),
- a presentation in class (30%),
- and the final term paper (40%). The topics and format of the term paper will be worked out in discussions.

CLASS SCHEDULE AND REQUIRED READINGS

SECTION 1. INTRODUCTION

Week 1: Introduction

Week 2: The Ideologies of Redistribution
-- “The Death of Horatio Alger », Paul Krugman, The Nation, January 5, 2004

Week 3: The French Welfare State: between Insurance and Solidarity
How are citizens and residents of France protected against life and social risks, form birth to death, in particular the risk of sickness, unemployment, exclusion and old-age? The French protection system is generous, and therefore costly. A third of the French GDP is devoted to social expenditures. Who pays for it? Who benefits from it?
SECTION 2. THE WORK AND WELFARE NEXUS

Week 4: What's wrong with European Labor Markets?
In the countries belonging to the European Community, unemployment soared in the 70s/80s and remained at a high level up to today. What are the causes of unemployment? Are the European Labor Market too rigid? Why can't Europe create as many jobs as the United States?
-- Gregory Mankiw, Macroeconomics, Chapter. 5, "Unemployment". (20p.)

Week 5: The French Labor Market Policy
In the postwar era, it was the objective of European policymakers that wage-earners should be protected against arbitrary dismissal and have stable employment. In the 1980s, that ideal faded as the conventional wisdom adopted the view that employment protection was a rigidity impeding the growth of employment.
-- Paul Krugman (1997). "Is Capitalism too productive?" Foreign Affairs (9p.)

Week 6: Unemployment Benefits and Social Assistance: Safety net or poverty trap?

Week 7: The New Age of Inequalities
The erosion of employment security led to a two-speed society of "insiders" and "outsiders". Urban ghettos are appearing at the outskirts of Paris, Lille and Lyon. The xenophobic National Front is gaining popular support. The fragmentation of interest groups seems to prevail. Is unemployment feeding a decline in solidarity?

SECTION 3. DEMOGRAPHIC AND SOCIAL TRANSFORMATION: THE FUTURE OF SOCIAL PROTECTION

Week 8: Aging Europe: The pension crisis
In the next few decades, the "baby boomers", the large generation born in the 1950s and 1960s, will grow old. Who will finance the retirement benefits that they were promised?
Week 9: Changes in the Family Structure: Gender, Family and the Welfare State

In the idealized family of traditional welfare state programs, women and children were protected from poverty by the husband's and father's wage. As family roles and structures have changed significantly over the past 30 years, social protection systems have had to reform their family policies.


Week 10: Coping with the rising cost of Health Care: international comparisons

Health care consumes a large and growing share of rich countries' income. But does it provide value for money? What role should the government play in the health care system?


-- OECD Health at Glance: How France compares (October 2003)


SECTION 4. SHIFTING HORIZONS

Week 11: The European Single Market

What is the economic rationale behind the creation of a single market where goods, services, capital and labor can move freely?

-- Trond Gilberg, "The European Integration process".


Week 12: The Economics of the Euro

Monetary integration holds many implications for the economic and political structure of Europe and for the lives of those who resides in the Euro-zone. What are they?


Week 13: Globalization: Gain or Pain?
Globalization is often blamed for putting jobs and living standards in jeopardy. For French critics, economic globalization is also a threat to culture. Are these fears justified? How does globalization work? What does it mean for rich and poor nations?


Week 14: Conclusion