

Macro Roundup Article

Headline: [Work Requirements](#)

Article Link: <https://johnhcochrane.blogspot.com/2023/05/work-requirements.html#more>

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Tweet: [@JohnHCochrane](#) argues in favor of work requirements and writes that the debate would be more productive if “we talked about the constraint posed by incentives, rather than the usual moral mudslinging.”

Summary: Work requirements are an imperfect method to try to replace the incentive to work that social programs eliminate. Our government does this sort of thing all over to transfer income but contain the disincentives: Subsidize gas, and then regulate against its use for example. By the way, supposedly socialist Europe, after its experience with "the dole" in the early 1990s, is much more heard-hearted about these sorts of incentives than we are. Is there a better way? I've long played with the idea of limiting help by time rather than by income. That's how unemployment insurance works. We understand that replacing people's paycheck forever if they lose their job has bad incentive effects. Unemployment is understood as a temporary misfortune, and understanding the incentives, you get unemployment checks for a limited amount of time. Could not many other programs aimed at misfortune also be limited by time -- but then allow you to keep each extra dollar of earnings? Perhaps even unemployment should be a fixed amount of time, and you can keep receiving it for the full (normally) 26 weeks even if you get a job. Related: The Real Stakes of the Debt-Ceiling Fight

Primary Topic: Politics

Topics: Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Poverty/Crime

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