NSF Award in Social, Behavioral and Economic Sciences

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- **Project:** CAREER: Tax Progressivity and American Political Economy
- **Start Date:** September 1, 2009
- **Total Award Amount:** $409,314

**How the results of this project will benefit society:**
The United States is the only advanced industrial country without publicly financed national health care or compulsory national health insurance, it has a public welfare state that is one of the smallest in the western world, and consequently there is more poverty and economic vulnerability in the U.S. than in other wealthy countries. But most people are surprised to learn that the U.S. also has the most progressive tax system of the advanced industrial countries. In recent years, scholars have questioned whether one explains the other: whether the relatively more progressive tax system, established during the first half of the 20th century, constrained the development of the welfare state over the second half of the century. The relationship between the progressivity of the tax system and the extensiveness of the welfare state holds for other countries as well. The research will clarify aspects of American and comparative political economy related to taxation, and will inform debate over the feasibility and desirability of introducing a national-level consumption tax in the U.S. The summer institutes will offer graduate students from other universities training in fiscal sociology.

**How this project will work:**
The principal investigator will complete a comparative historical analysis to trace the roots of this paradox and to examine the role of taxation in the development of the American economy. The education component includes working with a team of graduate and undergraduate student research assistants and training a wider group of fiscal sociology scholars. The latter will be accomplished through workshops held over five years in conjunction with the Social Science History Association annual conference.

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**The problem the project is trying to solve:**
Recent scholarship is showing an inverse correlation between tax progressivity and welfare effort across the advanced industrial world. But scholars remain divided as to the meaning of this inverse correlation, and no one has traced its history either in the United States or any other country. In this project the principal investigator will assess several hypotheses designed to explain this inverse correlation between the progressivity of the tax system and the capacity of the welfare state.