

## Letter from America —

## How many crises does it take...?

*In his latest Letter, Angus argues that it may take multiple crises to change 'a deeply broken economic and political system.'*

AMERICA IS FULL OF CHAOS AND UNCERTAINTY. There are both immediate and long-term threats. There is the virus, not under control, there are the continuing protests since the murder of George Floyd, and there is a looming election that could possibly end in violence. Under all of this is the climate catastrophe, with more hurricanes than ever before in the south and east and record temperatures and wildfires in the west. The consequences of none of these are easily predicted. Perhaps the end of times looks like this, or perhaps this is just the way that a democracy handles existential threats. The journalist Molly Ivins wrote that 'the best thing about democracy is that it is not neat, orderly, or quiet. It requires a certain relish for confusion.' Indeed.

### The threat from and to higher education

Colleges and universities are adding to the confusion, spreading the virus through attempted school college re-openings, many botched. There has been rapid refutation of the absurd idea, apparently widely held by univer-

sity administrators, that seventeen to twenty-two-year-olds, with less than fully-formed brains, would cease and desist from the very activities that bring them to college, which can perhaps be roughly summarized as giving each other Covid. Attending lectures is a secondary consideration, and while Zoom classes are disliked, so are many in-person classes. Several colleges have seen more than 1,000 infections — the University of Georgia had registered 3,045 as of September 10 — and the *New York Times*<sup>1</sup> has identified 61,000 additional cases since late August. College athletics — mainly football and basketball — bringing in around \$14 billion from unpaid players, a high proportion of whom are black<sup>2</sup>, and many colleges are desperately trying to keep their football (\$8.5 billion) seasons alive, in some cases in towns where elementary schools are closed. The schools themselves have no national set of guidelines or protocols, and whether and how to open schools has become politicized, with politicians, parents, teachers, and public health departments often at (loudly expressed) odds. Once again, we often

see the American trait of urging personal responsibility, but with no account for others; the governor of Iowa, Kim Reynolds, in the face of an uproar over Iowa State's decision to 'limit' the attendance at a football game to 25,000, told her audience<sup>3</sup> 'don't go if you don't think it's safe.' Like Mrs. Thatcher, Ms. Reynolds apparently does not believe in society. As the governor spoke, tests in the county were finding 27 per cent positive; the university, wiser than the governor, subsequently decided to play the game without spectators. Many colleges will find themselves with inadequate quarantine space, and will send their students home, compounding one bad decision with another, and spreading the virus. Colleges have become the Covid equivalent of 'measles parties.'

It is impossible to predict what will happen in the longer term; we do not know whether normal instruction will

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return next year, let alone in the spring. But it is clear that charging tens of thousands of dollars for Zoom classes is not viable for long, that many of the more than 300,000 Chinese students in the US are unlikely to return, and that many small

colleges, already financially strained, are likely to close permanently. I do not believe that the pandemic will be the agent of long-delayed but desirable changes in teaching methods, but the future of residential colleges is unclear, especially their prices — four years at Princeton currently costs \$293,800 — as well as the faculty salaries that they support.

### The Confederate insult

The Black Lives Matter movement has provoked a reckoning that is long overdue. That Confederate generals and leaders, many of whom owned and committed atrocities on their slaves, and all of whom committed treason, should be widely honored, with universities, streets, and schools named after them, is an appalling insult whose familiarity does nothing to excuse it. Isabel Wilkerson<sup>4</sup> has noted the comparison that today's Germany does not call its schools after the leaders of the Third Reich, many of whom learned their racism from the United States. Yet the history of how the Civil War was lost after it had

been seemingly won is neither widely known nor taught. The North abandoned reconstruction in the 1870s, leaving the defeated Confederates to replace slavery with Jim Crow, and to build monuments to honor their leaders. The Virginia Military Institute, the oldest state-supported military college in the US, did not admit blacks until 1968, and until a few years ago, required its students<sup>5</sup> — black and white — to salute a statue of Stonewall Jackson, a Confederate General, slave-owner, and erstwhile faculty member. In my own university, whose public policy school was named after Woodrow Wilson, few students (or faculty) knew much of Wilson's career, particularly its more shameful episodes. More than 200 Princeton faculty and researchers signed a widely discussed list of demands<sup>6</sup>, including discriminatory favorable employment terms for faculty of color (likely illegal) as well as a faculty committee to vet all research and writings to certify the absence of racism (certainly unwise). The Woodrow Wilson School (WWS), in which I productively and happily taught for more than three decades is now the Princeton School of Public and International Affairs (PSPIA), though we are warned not to attempt to pronounce its five-letter acronym.

### The plight of the less-skilled

Meanwhile, inequality proceeds apace. In our book<sup>7</sup>, Anne Case and I have documented the ever-widening divide between those with and without a college degree, in mortality, in morbidity, employment, earnings, and self-reported wellbeing. The Harvard political philosopher, Michael Sandel, argues that the college degree has now become a pre-condition for dignified work and social esteem<sup>8</sup>, so that the two thirds of the population without a bachelor's degree risk humiliation in an ever more unequal meritocracy. And all of this was before the pandemic. Today, employment in the pandemic follows parallel lines, with less-skilled Americans in hospitality and services suffering either job losses or direct health risks while the educated elite continue to work and be paid in safety. Infection-proofing the economy will bring more incentives for automation, for example by replacing cleaners by cleaning robots. Worse still will be the long run effects the children of the less-educated being less likely or less able to use or benefit from distance learning.

### ... and Congress's contribution?

After overcoming its usual disfunction to pass the \$3bn CARES act, which appears to have done an excellent (under the circumstances) job of preventing hunger and distress, as well as propping up large sections of the economy, Congress has currently returned to its more familiar gridlock, and seems unlikely to pass further assistance to those out of work, or to states whose budget shortfalls are threatening public service jobs. I had previously argued<sup>9</sup> that further relief would come when

the deaths moved out of blue states into red states, but I was wrong, and it is hard not to infer that, so long as the elite are not suffering, and as long as the stock-market remains airborne, our current political system will not help those in trouble. Many firms who were paid to hold on to employees will release them in October, temporary unemployment benefits and payments have ceased, and it would not be surprising to see food lines and a sharply contracting economy in another month, especially if the college incubators of COVID spread a new wave around the country. I hope that I am wrong. Perhaps there is hope in the idea that it will take multiple crises to change a deeply broken but well-defended economic and political system.

And finally, a *mea culpa*. In my last letter, I misidentified Kamala Harris' father. He is Donald Harris<sup>10</sup>, a development economist at Stanford, not (the late) John Harris<sup>11</sup> of Boston University. John Harris' paper with Michael Todaro on migration and development was in the top ten list of papers in the *American Economic Review's* first hundred years. I am grateful to Paul Glewwe for the correction.

#### Notes:

1. <https://www.nytimes.com/interactive/2020/us/covid-college-cases-tracker.html>
2. <https://www.nber.org/papers/w27734.pdf>
3. <https://www.cnn.com/2020/09/02/coronavirus-reynolds-defends-iowa-states-decision-to-host-fans-at-football-stadium.html>
4. <https://www.penguinrandomhouse.com/books/653196/caste-oprahs-book-club-by-isabel-wilkerson/#:~:text=Linking%20the%20caste%20systems%20of,bloodlines%2C%20stigma%2C%20and%20more>
5. <https://www.washingtonpost.com/history/2020/09/09/vmi-stonewall-jackson-statue/>
6. [https://docs.google.com/forms/d/e/1FAIpQLSfPmfeDKBi25\\_7rUTKkhZ3cyMICQicp05ReVaEbpEdYUckYIA/viewform](https://docs.google.com/forms/d/e/1FAIpQLSfPmfeDKBi25_7rUTKkhZ3cyMICQicp05ReVaEbpEdYUckYIA/viewform)
7. <https://deathsofdespair.princeton.edu/>
8. <https://us.macmillan.com/books/9780374289980>
9. <https://www.project-syndicate.org/commentary/us-connecticut-compromise-1987-and-failed-covid-response-by-angus-deaton-2020-07?barrier=accesspaylog>
10. [https://web.stanford.edu/~dharris/professional\\_career.htm](https://web.stanford.edu/~dharris/professional_career.htm)
11. <https://www.bu.edu/cas/remembering-economist-john-harris/>