WTH are deaths of despair? Nobel Prize winner Sir Angus Deaton on the other epidemic

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Danielle Pletka: Hi, I'm Danielle Pletka.

Marc Thiessen: And I'm Marc Thiessen.

Danielle Pletka: Welcome to our podcast, What the Hell Is Going On? Marc, what the hell is going on now?

Marc Thiessen: We're talking about deaths of despair.

Danielle Pletka: Oh, that's cheerful.

Marc Thiessen: Well, you're right, it's not cheerful, Dany. I mean, look, we are now experiencing the worst economic devastation since the Great Depression. We have more than 33 million Americans, in six weeks, who've gone on unemployment. The brunt of that damage is not being borne by the elites, who work in the information economy and who can telework and do everything by Zoom. It's being borne by those at the middle and the bottom of the economic ladder. For what Trump called the forgotten Americans. People, who were finally doing better under him for a while, and now, all of a sudden, that progress has been wiped out.

Danielle Pletka: The phrase, deaths of despair, that we're using, comes from this new book out by Anne Case and Angus Deaton, two economists from Princeton University. It was actually Dr. Case who coined this term, deaths of despair, in talking about people who've really lost all hope. I think that our image of the Depression is one where we see people walking across the dust bowl with all their family belongings on the back of a cart and their ragged children, the iconic photos of this. We tend not to think of the Modern Age that way because people aren't on their carts, they're not out walking the streets.

Danielle Pletka: But, at the same time, even before COVID, even before the lockdown, there were these ghost towns where there once was a plant and now there isn't one. Where people once had jobs and communities, and there isn't one anymore. These people, as it's been, I think, very well documented, are dying younger and younger of disease, of drug addiction, of alcoholism, of all of these byproducts and, of course, of suicide. These are all these deaths of despair.

Marc Thiessen: So, we have this preexisting epidemic because it really had reached epidemic proportions where the number of people... what economists call excess deaths, due

to these deaths of despair. People either committing suicide or slowly committing suicide through opioids, through drugs, through liver disease and other ailments that come from that. Now we've overlaid this new epidemic on top of it, and overlaid on top of that, a government mandated recession, where we have told these people, "You can't work, you can't support your family, you can't have the dignity of work anymore because, for the sake of everybody else, you have to stay home." This could fuel deaths of despair if it goes too long.

Danielle Pletka: I think it's already gone on too long. You know, in a rare moment of beautiful harmony, you and I have talked about the fact that there's so much derision in the public square for people who are out protesting against this. I'm totally willing-

Marc Thiessen: Yeah. "Look at those people. They're not social distancing. They're not wearing their masks."

Danielle Pletka: ... "Those bumpkins."

Marc Thiessen: "Those bumpkins," exactly.

Danielle Pletka: I'm perfectly willing to believe that there are those among them who are conspiracy theorists and those among them who are wrong. On the other hand, there are plenty, I'm sure the majority among them, who need the work.

Marc Thiessen: Exactly.

Danielle Pletka: This is the thing. AEI has, I think, done amazing work in this space. Our own current president, Robert Doar, but our previous president also, Arthur Brooks, on the dignity of work and how poverty doesn't need to be a trap for people. People who don't work and who are getting that 600 bucks extra, guess what, that's not changing your life.

Marc Thiessen: No.

Danielle Pletka: That's not doing things, and they want to work.

Marc Thiessen: No, that's exactly right, and this is something that Arthur wrote a lot about, is that just having more social welfare doesn't solve the problem because that $600 extra of unemployment, yeah, you need it in order to get through the lockdown. But it's not giving you the happiness and the satisfaction of serving your family, serving your community, doing meaningful work. What Arthur called earned success. Slowly, over a long period of time, we have been robbing a whole community of Americans of earned success, and now this pandemic and sort of the lockdown Nazis, who say we have to stay closed until there's a vaccine, practically.

Danielle Pletka: Well, that's the California position.

Marc Thiessen: It's like they are robbing people of earned success. I think this is going to have a political ramification because what you're seeing is... already before the last election, when Donald Trump was elected, there was a whole community of Americans who felt that political parties, on both sides, were not listening to them, and they elected Donald Trump. Now, you've got these lines drawn, where these Americans are basically being pushed by the elites out of their jobs and say, "You

can't work, and if you want to go back to work, and if you want to open the store where you worked in, and you want to start serving customers, you're actually endangering all of us." It's just-

Danielle Pletka: All of us fancy people, who wish we were out being served by you.

Marc Thiessen: ... All of us fancy people, who wish we... please... we'll just order in. Well, good for you, I'm glad you have money to order in. Lots of people don't have money to put food on their tables.

Danielle Pletka: No, and I think that, again, not only do people, who are living by the sweat of their brow in whatever of these walks of life, deserve respect, not contempt, and deserve consideration. I'm really happy to see that there are governors who don't have the unbelievable self-regard of our friend in the Michigan governor seat-

Marc Thiessen: You mean our next vice president?

Danielle Pletka: ... Oh, god. And actually want to consider this, actually are thinking about it because it's not just Republican governors who are considering this. I think that there are plenty of Democratic governors who recognize that we've passed a tipping point, and that the moment has come when in fact we need to care about the damage that is being inflicted, not by the disease, but by the lockdown. We can be smart, but we don't have to be totalitarian in our treatment of this disease.

Marc Thiessen: There are all sorts of costs, especially in these vulnerable communities, to the lockdown. You have people who are not getting cancer treatment. I think a 18% decrease in the number of people going in for chemotherapy. You have people who are not getting their high blood pressure treated. They're not getting their substance abuse treated. All these people are in medically vulnerable and economically vulnerable communities.

Marc Thiessen: Here's the thing, Dany, we just had Avik Roy on the podcast, talking about how hard it is to develop a vaccine, how hard it is to even develop an effective treatment. What if we don't get a vaccine anytime soon? What if we don't get a really good treatment? Are these people supposed to stay out of work indefinitely?

Danielle Pletka: Apparently. Apparently they are. I think there are people... look, the governor of California just shut down the University of California system for the fall.

Marc Thiessen: That's insane.

Danielle Pletka: That's how I feel. Now, again, that's affecting... but, you know there are tons of-

Marc Thiessen: That's affecting the elites.

Danielle Pletka: ... but, no, it's not just affecting... it's, I'm sorry, it's janitors, it's food workers-

Marc Thiessen: Yep, you're right.

Danielle Pletka: ... it's the people who maintain the buildings, it's this entire community of people, and I know because I see this at Georgetown where I teach. They're getting

furloughed. Not because the people at Georgetown are mean or cheap or rotten, but because they don't have the money coming in, so they can't spend it. All of this has ripple effects on people that I think that these absolutists can't appreciate. I have very little doubt that this concept of deaths of despair, that the despair-o-meter, if you want to call it that, is going to go up in the coming months. The question for me, and this is for you, is what's that going to mean for Donald Trump?

Marc Thiessen: Oh, well, that's an interesting topic. I mean, I think that it's going to fuel populism. We're seeing, like never before, a division between the elites and the working class in this country. I think you're going to see a lot of working class Americans who said, "You didn't listen to me before Donald Trump was elected, when I said to you that my factory in my town is closed and you've been shipping my jobs to China, and I can't get a job, and I can't feed my family. And then I sent Donald Trump to the White House, and now you're telling me that I can't work, again. And when I tell you that I'm suffering, you're not listening, you're mocking me for it." I think there's a palpable feeling, in a large sector of the country, that the people in New York City and in Los Angeles and San Francisco and Washington, D.C. don't get what's happening in Arkansas and Kentucky and Mississippi and West Virginia and Michigan and Ohio, in these communities of despair. Well, let's talk to somebody who is an expert on deaths of despair.

Danielle Pletka: Sir Angus Deaton, who, with Dr. Anne Case, is the author of the book that we have been discussing, "Deaths of Despair and the Future of Capitalism," is a senior scholar, and the Dwight D. Eisenhower professor of economics and international affairs, emeritus at the Woodrow Wilson School at Princeton University. He's also emeritus in the economics department. He's the 2015 Nobel Prize winner in economics.

Marc Thiessen: Our first Nobel Prize winner on the podcast.

Danielle Pletka: Marc's still waiting for his Nobel Prize, people. It's a complete delight to have him on, and we hope that not only will you buy the book, but you'll enjoy the discussion.

Marc Thiessen: Well, Sir Angus, welcome to the podcast.

Angus Deaton: Thank you. It's very nice to be here.

Marc Thiessen: So, even before the coronavirus struck, we had an epidemic going on in this country of deaths of despair. You've noted that in 2018, there were 158,000 deaths of despair, which is double the amount of COVID deaths we've had so far. Could you first start by explaining to our audience what are deaths of despair, and tell us about this epidemic?

Angus Deaton: That's a good place to start. Deaths of despair was actually a term invented by Anne, somewhere after we wrote the first paper, to describe the leading causes of death that we had been finding, which was this big increase in three causes of death: Suicides, alcoholic liver disease, and drug overdoses. These three causes together, we just christened deaths of despair, and the term was to sort of pick up the idea of somehow that these are all a bit like suicide, in that like suicide themselves, they're brought on by your own hand. And there's a feeling that in order to die from any one of these three things, you must be in despair.

Angus Deaton: So, that's sort of where the term came from. It was not any technical link to any finite measure of despair. As you said, there were 158,000 of those in 2018, which is the last year we have data for. In what you might call normal times, if you go back to the mid-90s, before this epidemic started, there were about 60,000 a year. So, this is like 100,000 extra deaths of despair that we've got no business seeing.

Danielle Pletka: Marc mentioned this 158,000 sort of excess or deaths of despair. You used a phrase that I thought was something that people can really identify with, which is "the equivalent of three fully loaded Boeing 737 MAX jets falling out of the sky every day for a year." When you think about it that way, it becomes all the more horrifying. Talk a little bit about where you think this has come from. Why are so many dying of despair?

Angus Deaton: Anne Case's and my book, "Deaths of Despair and the Future of Capitalism," is sort of about that. So, it's good to think about the other things that go with that. One of the things we discovered very early on was that this rise in deaths of despair was among people without a four-year BA. There's a little bit among people with a BA, but it's almost exclusively among people without a four-year BA. So, that's your first clue. The second clue is that bad things are happening to people without a BA in lots and lots of other ways.

Angus Deaton: For instance, their pain levels are rising, their depression levels are rising, loneliness is rising, they have increasing numbers of people who have difficulty socializing or difficulty working. Their marriage rate has continued to drop. That doesn't mean that they're not living together and having children, so there's been a soaring increase in the number of children born out of wedlock. People are not going to church anymore. They don't belong to unions anymore, which were a very important part of the social fabric. In Bob Putnam's "Bowling Alone," the guy who was bowling alone was bowling in a union hall.

Angus Deaton: What we think is behind this is a slow disintegration, over half a century or so, of the life that supported work and family and religion and everything else for people without a four-year BA. We've valorized the BA. So, you've got this educated elite, which is only a third of the population. The other two-thirds are suffering in these awful ways.

Marc Thiessen: So, it's interesting because the COVID epidemic, or pandemic, is hitting this group particularly hard because the BA crowd, the educated third, most, or many of them, can telework and they're in the information economy. Whereas the people who you're describing, who you're talking about, who are suffering these deaths of despair, are the ones who are working manual labor jobs that you can't do over the internet, you can't do it on Zoom. Talk about, a little bit, about how this community is being impacted by the COVID pandemic.

Angus Deaton: Well, that's exactly right. You know, it's not a perfect match, but it's a pretty good match. So, these educated elite that I talked about are all Zooming and talking to each other. What's more is we're not taking any risks because we only go out rarely, we wear masks, and we're still being paid. Whereas the people without the BAs are the people who are manning the grocery stores or womanning the grocery stores, who are driving the buses. A lot of them are working in hospitals, for instance. So, they're on the frontline of the healthcare crisis.

Angus Deaton: The other part, of course, is that they're not just risking their lives, the ones that are in

the inessential services, like waiters, like a lot of retail, people who are in retail, nonessential retail, have also lost their livelihoods or have risk of losing their livelihoods. Though, so far, the state has done a pretty good job of trying to compensate these people and make sure they don't run out of money.

Angus Deaton: The COVID has sort of made it worse for these groups. Not that we think... you know, deaths of despair is something that happened over a very long time. They don't respond quickly to unemployment. So, we're not expecting a huge increase in deaths of despair, but life has gotten worse for the same people that we talk about in the book.

Marc Thiessen: As you've pointed out, the despair, it's not just a financial issue. There's dignity in work, right? So, when you're pushed out of your job, you're not just losing the paycheck that can be made up by government welfare or by government support, you're losing the dignity of work and your purpose in the community and your purpose in life. Doesn't that have an impact on despair?

Angus Deaton: Yeah, absolutely. You summarized it as well or better than I could. We don't think the thing that's causing people to kill themselves or to be susceptible to being pressured to take opioids or pain rising is because their wages went down, or even that they lost their job. It's because this whole dignity of work is lost, the community is disintegrating around them. The wages and jobs are the fuel, if you like, or the foundation, if you like, for that sort of working life for people without a four-year degree, and that is going away. Then, the knock-on effects are what's really troubling people.

Angus Deaton: I mean, one story we told at the beginning, and I think it's still a very powerful one, is if you think of some guy in his 50s. He may have had two or three kids, but none of them live with him because he had them with different women, and they're all living with different men and other partnerships. You get into your 50s and your midlife, you're beginning to see that your life doesn't last forever, and you are completely denied this family life, which is such a source of strength for all of us.

Danielle Pletka: You have a marvelous sentence, "Destroy work and, in the end, working-class life cannot survive." It is sort of integral to that life. When you take out the additional things you're talking about, family, community, religion, people begin to lose the anchor, just as cities have lost their anchor. Why, though, do you think this is affecting whites or non-Hispanic whites so much more?

Angus Deaton: Well, we tell that story in the book and, actually, we think it happened to blacks first. So, it's not like the whites are on the frontline. It's just the system is slowly shedding the least educated. In the '60s and '70s, when the first wave of globalization hit, and the inner city factories and manufacturing declined, you've got this crisis in the black community, which there's extensive literature on, and it looks... it's not identical, but, in many respects, it's what's happening to less educated whites today. So, it's sort of like the other shoe dropping. It's not that blacks are exempt from this. It's that they got it first, and now it's moving up from the least skilled, who were the blacks, many of whom had migrated from the South, where very many of them were not very well educated, and moved up to people with a high school degree.

Danielle Pletka: Okay. Now, one thing that is confusing to me, and here's where you're going to hear me having been educated by our scholar and colleague, Nick Eberstadt, is this doesn't affect Hispanics in the same way that it affects blacks and it affects whites,

even at similar income levels. So, if you look at New York and you look at other places, you really don't see these sort of communities of despair. Do you have a theory about why that might be?

Angus Deaton: Well, we spent some time thinking about that. First of all, I think it's a mistake to think of Hispanics in the same way that you think of non-Hispanic whites and non-Hispanic blacks. They come from all sorts of different places, and it's not a single group by any manner of means. Mexicans are different from people who came from Spain, they're different from people who came from Argentina or Guatemala or Cuba. Most scholars who write about Hispanics separate out these groups pretty carefully. What's worse, there are lots of puzzles about them. I mean, they're much worse off than whites, they have longer life expectancy than whites.

Danielle Pletka: Right.

Angus Deaton: Many of them are actually immigrants or they're first or second generation immigrants. So, there's just a very different sort of community and a very heterogeneous community, which we spent some time thinking about following that up, and you can't really get a handle on it. It didn't seem useful. We had similar problems with American Indians and Alaska Natives, which is just impossible to tell what's happening.

Marc Thiessen: So, one of the things you've mentioned, which is really interesting, is that despite the fact that we might see an increase in suicide and deaths of despair, mortality during the pandemic is actually probably going to decrease. Explain that.

Angus Deaton: Well, probably is a bit stronger than I would make it. The recession that's being induced now is different from any other recession that we've ever seen in history. So, everybody wants to look and make predictions, but I think that's really very hard. Having said that, you can look at other recessions. Even during the Great Depression in the US, life expectancy went up and was at a local high in the worst years of the Great Depression. Similar evidence has come from many other countries around the world and many other recessions. Spain, which was terribly, badly hit by the Great Recession... what was it? Something like 40% unemployed or something. Life expectancy rose quite rapidly all through that period.

Angus Deaton: You might think that's weird. How could that possibly happen? It's true that suicides tend to go up in recessions, but remember, suicides are only 2% of all deaths, and there's a lot of other deaths out there, many of which don't go up during a recession, or actually go down during a recession. So, just think of the last two months, think of the reduction in road traffic, for instance.

Danielle Pletka: Yeah.

Angus Deaton: A lot of road traffic accidents, a lot of accidents on building sites. Construction hasn't stopped, but a lot of it has slowed down. So, the people that used to fill the hospitals in New York were, in many cases, accident victims, and there have been very few of them over the last two months.

Marc Thiessen: You also talk about the phenomenon of what you call harvesting. Can you explain that a little bit because we've heard a lot about how, okay, so we've got something like 80,000 COVID deaths right now. Many of those, you would suggest, would've

happened anyway, they just happened sooner.

Angus Deaton: Right. Well, first of all, let me disown any ownership in the term harvesting.

Marc Thiessen: Okay.

Angus Deaton: It's a standard term among demographers. It's a horrible term.

Angus Deaton: Right. So, what tends to happen is if you have a lot of very frail, elderly people, and something bad like this comes along, then their mortality, their death gets advanced compared with where it would otherwise be. So, instead of dying in May next year, they die in May this year, or something of the sort. That's sort of what's called harvesting. It has the effect that just as mortality goes up this year, then if it has the effect of a lot of people, who were close to death anyway, dying, then those people are not available to die again next year. So, that's what they call harvesting. I mean, you've picked the fruit, so next year, the fruit is not there. You know, when the deadly reaper comes back next year, there's nothing in the fields for the deadly reaper to reap.

Angus Deaton: So, we spend, sometimes, hundreds of millions of dollars getting a drug that will get a cancer victim to live for another few months. So, harvesting people is not a good idea.

Marc Thiessen: No.

Danielle Pletka: No, no, that's very fair.

Angus Deaton: It's something that really does hurt people, and the tragedies in the state where I live, in New Jersey, half of the people who've died are in elder care nursing homes. One has to remember that these are people, and people who would have lived longer, and who don't get that, and their relatives don't get it. Life years have been taken away from them. We all die in the end.

Danielle Pletka: Well, that's true. Neither Marc nor I can argue with that. You brought up Spain, but I wanted to ask you about the UK, because there's a not dissimilar phenomenon of deaths of despair happening there, according to just some of the reading I was doing. Is there a parallel?

Angus Deaton: Well, that's something they worry about a lot, and whenever I go there, I'm peppered with that question. You do see an increase in deaths of despair in Britain. If you plot it, it looks pretty bad, rising over time. But then if you put it on the same graph as the US, you'd say, "Well, that's really very small." One place where it's not very small is Scotland, where I grew up. There's a very large number of drug deaths there, this sort of trainspotting phenomenon, if you want.

Danielle Pletka: What accounts for the Scotland anomaly?

Angus Deaton: Well, one of the things that gives one cause to worry in Britain is that there's been a very long period of median wage stagnation in Britain, now about 15 years, which is historically unprecedented. Now, there's nothing like you see in the US. So, that would tell a story, which is these less educated people here have done very badly for close on 70 years now. In Britain, it's only 15 years, but you've got it coming. So,

that's the story you can tell. It's obviously a worrisome story for them. They don't have some of the things that we have here though, which make it much worse here.

Danielle Pletka: Well, what I was going to ask you though, is, obviously, one of the big things that you and Dr. Case focused on is this question of the American health system and healthcare. Of course, in the UK, they have the National Health Service. If you pinpoint that as a major driver of some of these problems, why is there a differential when in fact they have the National Health in Scotland as they do in England?

Angus Deaton: Well, it's important... we say a major driver. We don't say the major driver. So, we're not denying the problems that globalization and automation have caused for less educated workers in America. Those are real. And less educated workers all around the rich world are facing those. The reason we focus on healthcare, and its extraordinary financial burden on people, is because it's a self-inflicted wound. I believe in globalization. I believe in technical change. Those are the roots of our future prosperity. That is what's brought us prosperity in the past, and they'll bring us prosperity in the future if we let them.

Angus Deaton: But this healthcare system, this enormously strangling beast, I mean, we call it a cancer, Warren Buffet called it a tapeworm on society, is just sucking the blood... it's taking a wrecking ball to the labor market. It's not the only thing that's taking a wrecking ball to the labor market, but this is something that we're doing to ourselves. We didn't have to do this.

Marc Thiessen: So, let's talk a little bit about globalization because, I mean, here, at AEI, we're supporters of free trade and all the rest. But a mistake free traders make when they talk about the free trade system is okay, we've got a trade deal, there's no net job loss, right? The reason there's no net job loss is because yeah, a bunch of manufacturing jobs are lost, but then we bring in these higher paying information age jobs that are better, so we're actually doing better. Well, if you're living in Lordstown, Ohio, there's a net job loss. And if you're living in these communities of despair, there's a net job loss.

Marc Thiessen: It seems to be similar with the pandemic, where we might have a reduction in mortality overall because people aren't dying on the highways, and people aren't having workplace accidents, and because of the harvesting and all that, but there's this community of people who are absolutely getting devastated by the lockdown. Is that a fair analogy?

Angus Deaton: Yep. Yeah, absolutely. What you say about globalization too, you put it in terms of place, Lordstown. But you could also put it in terms of education. I mean, these people who don't have a four-year degree are the people whose jobs are going away. And the people who have the four-year degree, are the people who are benefiting from globalization and getting all these new jobs. So, it's not, again, a perfect match, but it certainly works that way.

Angus Deaton: I'm worried that post-COVID there's going to be more of this. I mean, tele everything, e everything is going to be advanced more rapidly than it would be otherwise. That's good for educated people who can write that code, who can sit behind their screens, who are computer literate. And it's good for retailers that sell at a distance, like Amazon and Walmart. It's not so good for the other ones, where a lot of these people work.

Marc Thiessen: Well, let's talk a little bit about how globalization is going to be impacted by COVID and what impact it's going to have on this community because, on one hand, you've pointed out that there's going to be a pullback from globalization because of national security, that we found we're too dependent on China for a lot of our supply chains and for critical equipment, and there's going to be a drive to bring back some of that manufacturing here to the US. But, at the same time, you've got these trends of artificial intelligence and automation that are pushing the less educated working class out of work. How do you see that all playing out?

Angus Deaton: Well, I think what you said is right, that the national security issue is a serious one. That we had been de-globalization long before COVID, ever since the Great Recession, so this is sort of accelerating a trend. China is perhaps a little different from the rest of the world because relationships between China and the US are deteriorating very rapidly. So, I'm sure that there's going to be some de-globalization, some disruption of supply chains, maybe some jobs will come back here, but it's not clear they'll go back to less educated workers as opposed to robots.

Angus Deaton: But there's one thing that worries me, and some people have been talking about this, like Penny Goldberg, who used to be at the World Bank and is now at Yale. This is a pandemic. It's a very special situation. Normally, if you have a local event, like a hurricane or an earthquake or something, you actually want multiple supply chains all around the world because people may be able to help you from lots of different places. Even in Europe, it seems like the Germans, who were not so deeply affected by COVID, were very effective at shipping PPE and medical equipment to Italy and to other countries. So, we certainly don't want to go into anything like autarchy. That would be a real… and would make us less secure. I mean, I think security means multiple sources of supply, not bringing it all back home.

Danielle Pletka: So, what your book describes somehow comes together with, for example, the work that Charles Murray has done on "Coming Apart," on the great gulf that has opened up between the poor and the rich, between different classes and races, and the challenge there.

Danielle Pletka: As we look at the death rate increasing in this population, these deaths of despair going up, all of these 737s coming down, we see that more and more Americans are getting handouts. 50% of Americans, by the calculations done by our scholars, are on some form of government assistance. Some very minor, but some form of government assistance, which obviously is a huge cost to the budget. But it also takes away from their need to work, in a very European-like way.

Danielle Pletka: Now, people like Bernie Sanders and Alexandria Ocasio-Cortez look at this and they say, "That's why we need nationalized health. That's why we need universal education. That's why we need to look more like…" what they think Sweden looks like, which it doesn't. That doesn't seem to be your answer. What is the answer.

Angus Deaton: That's a lot of questions.

Danielle Pletka: Yeah, I know. I'm sorry. I looked up and we have like three minutes left, and I thought, "Dammit, I'm going to get them all in there."

Angus Deaton: I'm not sure we want to look like Sweden with all its COVID deaths, for sure. We're not in favor of constructing Swedish-type… actually, I don't think Swedish is a

socialist society, but I don't think we... we're certainly not in favor of... we don't think capitalism has failed in America. But there are parts of it that are working very, very badly. And a lot of things you talked about, I mean, these healthcare costs are just devastating jobs for people. That's one of the reasons why so many of them are on government support. It's a completely crazy system to finance. First of all, it's outrageous that it costs so much. The waste in healthcare is more than the total amount we spend on the military.

Angus Deaton: A lot of the budget problems in Washington and a lot of everything else would just go away if healthcare costs the same as it costs somewhere else. And we'd get a lot more people back into work. So, that's one of the reason we focus on healthcare because that's a doable thing, and it's one of the things that's just making life so much worse for so many people and killing jobs. It's like a $10 increase in the minimum wage. Everybody talks about what a terrible disaster that would be, or some don't, but there's a huge debate about that, but very little debate about the $10 an hour that healthcare is costing workers.

Marc Thiessen: That's really interesting. Exit question from me. One of the drivers of Donald Trump's election were the people who are the victims of the deaths of despair.

Angus Deaton: Absolutely.

Marc Thiessen: Working class community that basically said, "The politicians in both parties, the establishments of both parties are not listening to me, they're not hearing my suffering, they don't understand what I'm going through, and we're going to send a disruptor into Washington to shake things up on both sides." That's happened. You talk about how the deaths of despair are not linked to business cycles, which I'm sure is true. But these people have been caught in a wave in the last eight years.

Marc Thiessen: Under the Obama administration, after the 2008 financial crisis, we lost something like 200,000 manufacturing jobs that left the country. Then, Trump came in, elected by these people, and we have gained before the pandemic, 500,000 manufacturing jobs. For the first time after a long period of time, wages for those people at the bottom of the spectrum were rising faster than for the rest of the country. And then the pandemic came in and just wiped out all that progress. What is that-

Angus Deaton: It wasn't so great, though. The wages had risen, but if you take people without a four-year degree, they're still lower than they were any time during the 90s-

Marc Thiessen: ... Sure.

Angus Deaton: ... or any time during the 80s, and so on.

Marc Thiessen: But the trend was finally moving in the right direction after moving in the wrong direction.

Angus Deaton: ... Well, I'm not sure because if you look at that over the last 50 years, the trend is down, and nothing that's happened in the last 10 years upsets that. We were just on an upswing from a terrible recession. So, we'll never know the answer to that now because we've got the pandemic.

Marc Thiessen: What does it do to this community to have been suffering so much after that recession, then finally starting to seem like there was a light at the end of the tunnel, and then the light is gone?

Angus Deaton: I think it's worse than that, actually. I think the disrespect, the lack of dignity, the fact that we valorize the four-year BA over everything else, while only a third of the population has a four-year BA. The fact that the Democratic Party gave up on the working class and became a coalition of minorities and the educated elite, while the Republican Party is largely seen as a party of business. Where does that leave those people? That's two-thirds of the population. This trouble is not going to go away.

Marc Thiessen: Yeah.

Angus Deaton: And I think it's the COVID and the consequences, the long-term consequences of the COVID are going to make it much worse. We somehow have got to change our education system so that it doesn't work for only the third of the population that go to college. We've got to restore dignity and work to people who don't go to college, as well as making it easier for more people to go to college.

Danielle Pletka: Absolutely fascinating. Sir Angus, thank you so much. First of all, everybody, "Deaths of Despair and the Future of Capitalism" by Anne Case and Angus Deaton is out. It's really worth a good, solid read. I think everybody will find it, as you said, accessible and enlightening. Thank you so much for being with us.

Angus Deaton: Thank you for having me on. I appreciate the chance.

Danielle Pletka: Well, that was a marvelous discussion.

Marc Thiessen: We now know why he has a Nobel Prize and we don't.

Danielle Pletka: Among the many reasons we don't have a Nobel Prize, but that will be remedied soon. So, one of the things that has stayed with me is this sort of weird European, American divide. Why is it that in Europe, where, as best I can tell, nobody works... no, no, that's not fair. But lots and lots of people don't work. In Spain, in Italy, in Greece, you have tons and tons and tons of people who are underemployed or unemployed or live in the gray economy, and they are not dying of despair. Is it just because they have nationalized health? I mean, it can't be the case in Italy because the health system there is an abomination. And if that's the case, how do we not become those countries?

Marc Thiessen: No, exactly. And it's interesting because when Sir Angus lays out the causes for deaths of despair, they're loss of work, loss of community, destruction of the family, marriage falling apart, lack of religiosity, all those things. All those things are happening in Europe on steroids. Right? I mean, Europe is more secular than we are. They have lower fertility rates than we do. So, a lot of the drivers of deaths of despair here exist even more so in Europe, and yet they don't have the same rates that we do.

Danielle Pletka: They don't have the same drug addiction rates, I mean, not everywhere, although, as he noted, in Scotland, that's starting to look very problematic. I don't know. You know what I ask myself? Is whether the great thing about being an American is also what's causing this, which is that, at the end of the day, America is an unbelievably

productive country.

Marc Thiessen: Yes.

Danielle Pletka: Americans... why are we here? We came here to get rid of the strictures of King George.

Marc Thiessen: Yes.

Danielle Pletka: We came to worship as we pleased, we came to work as we pleased, and the country has really been proud of its innovation, of its productivity. The reason we are the richest country in the world and have remained atop for close to a century is because of the American people.

Marc Thiessen: Oh, I think that's absolutely true. I mean, if you think about who came here, it was the people who looked at their condition and said, "I'm going to get up and get on a ship and use all my savings to cross an ocean and risk it all on a dream, and in a place where I can work and where the class restrictions to advancement aren't there and where the economic restrictions aren't there."

Marc Thiessen: We got the cream of the crop in America. Americans want to work. Americans believe that work has dignity. So, I think that the loss of work is particularly devastating and, I don't know if you can prove it scientifically or economically, but I feel like the loss of work in America is a particularly hurt-

Danielle Pletka: ... Humiliating.

Marc Thiessen: ... Humiliating. People want to have dignity. This is the problem I have with the Democrat's solution. So, they got a new COVID bill up that's never going to pass.

Danielle Pletka: The three trillion dollar bill.

Marc Thiessen: The three trillion dollar... and it's got extended unemployment benefits until January. Right now, we have stores that are trying to open up. They can't get workers because the unemployment is more generous than what they can offer. One of the big problems with the welfare state in this country is that it's reducing incentives for work.

Marc Thiessen: Robert Doar, our president, when he was... he ran the welfare agency in New York City. One of the things that he really implemented was work requirements for welfare. That welfare is supposed to be a temporary help for you until you can get on your feet and get a job because ultimately that's where people find their happiness, their satisfaction in life, is from working.

Danielle Pletka: No, it's funny, you reminded me of something that European friends always say to me, which is that Americans, when they meet each other, you know, "How do you do?" Dah, dah, dah. And their next question is, "What do you do?"

Marc Thiessen: Yes.

Danielle Pletka: Right? I mean, and that's true.

Marc Thiessen: Because we're so wrapped up in our identity of what we do.

Danielle Pletka: And there's certainly room for lots and lots of other things. Culture and so much more and family and everything.

Marc Thiessen: Yes.

Danielle Pletka: But it is very much a part of our national identity, and it's going to take a lot to change that. It is really interesting that the Democratic Party has become the party that defends the idea that this isn't a working man's nation.

Marc Thiessen: Yeah. Well, it's interesting because the Democrats... one of the phrases that really rankles me is, "Well, these people are just in dead-end jobs."

Danielle Pletka: That's the quote I was looking for. I was looking for a quote while you were droning on about something, and that was it. "All of these people in dead-end jobs." No job is-

Marc Thiessen: You just needed to ask me.

Danielle Pletka: ... No job... Of course, my partisan quote machine, Marc Thiessen.

Marc Thiessen: Yes, exactly. But, I mean, there's no such thing as a dead-end job. If you're bringing a paycheck home and you're supporting your family and you're contributing to your community... a lot of the jobs that people on the left tend to dismiss as dead-end jobs, guess what? We're so grateful for those people today because they're the ones in the grocery stores, who are working behind that screen to make sure that we have all of our supplies, and that-

Danielle Pletka: People who are picking up your garbage.

Marc Thiessen: ... People who are picking up your garbage, people who are delivering your food, people who are producing the toilet paper. I hope maybe one side effect of this pandemic will be a renewed respect and just banishing forever this phrase, dead-end job.

Danielle Pletka: No, I agree with you wholeheartedly about that. It always reminds me of the beautiful story that Arthur Brooks told repeatedly, that I know if he's listening to this, he'll laugh too, about something called the Doe Fund in New York, a wonderful organization that helps ex-felons find jobs. He told the story of this one guy who, through the Doe Fund, had found work as an exterminator, and got this call from his boss saying, "I need you to come out and deal with," I don't know, "an infestation of bedbugs." He turned to Arthur with joy on his face and said, "Nobody's ever said that to me before. 'I need you.'" It brings a tear to my... even when I'm telling it, and I'm probably butchering it to no end-

Marc Thiessen: Nope, that's it.

Danielle Pletka: ... but that is exactly right. People want to be needed. They don't just want to be needed by their mom or their dad or their kids or their spouse or their pastor-

Marc Thiessen: By the community.

Danielle Pletka: ... They want to be needed by their community.

Marc Thiessen: Yep. No, that's exactly right. I tell you, the longer we push these people out of work and insist that they can't go to their jobs and that they're-

Danielle Pletka: And that we ignore their despair.

Marc Thiessen: ... and ignore their despair, and basically tell them, "No, we really don't need you that much. Your job is not essential."

Danielle Pletka: Right.

Marc Thiessen: You know what? Every job is essential. Every job is essential because it's essential to that person, it's essential to the community, and it's essential to their families. We've just got to stop treating these people like they're some sort of uneducated bums who want to infect everybody. These people who are protesting are crying out and saying, "This lockdown is killing us. It is killing us, and it's killing our families, and it's killing our communities, and we can't go on forever like this." I think we need to listen to them instead of dismissing them.

Danielle Pletka: We certainly need to respect their point of view. You may not agree with everything that you read in the "Deaths of Despair" by Anne Case and Angus Deaton, but you will certainly learn a lot. So, we commend the book to you. It was really terrific having him on.

Marc Thiessen: We're looking forward to the day when you're listening to this podcast on your way back to work.

Danielle Pletka: Amen to that. Take care, everyone.

Marc Thiessen: Bye.