

Interview with

## **Professors Anne Case and Angus Deaton on “Deaths of Despair”**

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Anne Case, Professor of Economics and Public Affairs Emeritus, Princeton University and Sir Angus Deaton, Professor of Economics and International Affairs Emeritus, Princeton University have been working for some time on the intriguing topic of “Deaths of Despair” and “hope to develop the

link between the deaths and the performance of the economy.”

Interview by Nasser Hanafy, communications officer in the IMF’s Communications Department

### **What are “deaths of despair” and why did you focus your research in this area?**

**Professor Case:** We use the shorthand “deaths of despair” to cover suicide and death from drug overdoses, alcoholic liver disease, and cirrhosis. We were drawn to study these as a group when we realized that mortality rates for these causes had been rising in the U.S. among whites in mid-life (ages 25-64), and that their increases taken together explained a large part of a more disturbing trend. That is, that after a century in which U.S. whites saw almost continuous declines in overall mortality, in the late 1990s mortality rates for those in midlife started to rise. This isn’t happening elsewhere in the rich world, and we wanted to understand why it was happening in the U.S.

**Professor Deaton:** The three causes of death clearly have much in common, that they involve self-harm, either in the short or long-run. And “despair” seemed to be a good word for the mental state behind such self-harm. The term has since gone viral, and people have sought to put all sorts of interpretations on it, but it is really just a catch-all term for those three causes of death.

**This work focuses on the U.S. Do you see similar patterns in other developed economies?**

**Professors Case and Deaton:** No, not really. Certainly, people die of these causes in other advanced countries, and in some of them, there are trends in one or more. There are a few cases where deaths of despair have been rising since 2000, Canada, Sweden, Australia, and Britain among them. But the size of the increase is very small compared with what has happened, and continues to happen, in the United States.

**What do your findings say about the future of capitalism?**

**Professor Case:** We are currently hard at work putting together the pieces here, and the role that the market may have played in what we document as the collapse of the white working class. It isn’t simply a story of economic decline, although we think the economy may play a starring role.

**Professor Deaton:** Deaths of despair are much more prevalent among people who do not have a four-year college degree. Extensive work by sociologists has shown similar bifurcations in other outcomes—divorce, out of wedlock childbearing, religiosity, political participation, and social isolation between those with and without a bachelor’s degree. Median real wages have been declining for half a century among those without a BA, so has labor force participation. Putting all of this together seems to argue that modern American capitalism has not been working for less educated Americans -the roughly two thirds of the population who do not have a BA. The outlook is deeply clouded for a system that so ill-serves the majority of the population.

**How is technology and digitalization influencing and shaping the debate around inequality?**

**Professor Case:** Technological change brings upheaval. It always has. While technological change has happened, and is continuing to happen throughout the rich world, we haven’t seen marked mortality increases in other countries. To the extent that changes in technology has caused

displacement, especially for those with less education, the regulatory policies, labor market policies, or social policies of these countries appear to be shock absorbers for that change. The U.S. is not among them.

**Professor Deaton:** Technology is clearly an important element of the story and it has been one of the main forces rewarding those who are more educated. Over the long run, returns to education have increased through what is referred to as skill-biased technical progress. But there is more to the inequality debate than this. The pulling away of the very top of the distribution owes little to education, and many people get rich through mechanisms that have little or even negative social value.

**“Inequality, Deaths of Despair, and the Future of Capitalism” is a topic that you have been researching for years. In 2020 Princeton University will publish a book with your findings on this topic. Without revealing too much, what new findings can readers expect in the book?**

**Professors Case and Deaton:** The book will be a consolidation and expansion of the work that we have already done. We hope to develop various historical parallels that we have not previously written about. And perhaps, most importantly, we hope to develop the link between the deaths and the performance of the economy. But we are afraid that you will have to wait and buy a copy!

