

90 percent of students were of one race or ethnicity (Government Accountability Office 2022). This is a troubling reality that severely challenges universities to devise curricular and student life programs that significantly bridge the deeply entrenched racial and economic gaps that students bring to their campuses.

The economic inequities that Daniels cites did not happen by accident. They have a long, extractive, and ugly history. Roommate assignments or other student programs are insufficient to close the racial, political, social, and economic gaps that exist on university campuses. The curriculum should embrace its truth-telling obligation and universities should vigorously resist any and all efforts underway in some states to erase this history—a history that is essential to what America is and what it hopes to become.

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Economics in America: An Immigrant Economist Explores the Land of Inequality. By Angus Deaton. Princeton: Princeton University Press, 2023. Pp. xiii, 256. \$24.95, cloth; \$24.95, e-book. ISBN 978–0–691–24762–5, cloth; 978–0–691–24785–4, e-book. (JEL A11, A14, B31, D63, I10, I30, J15)

The British journalist Alistair Cooke’s weekly radio broadcast, *Letter from America*, aired on the BBC from March 1946 until a month before Cooke’s death at 95 in 2004. The program, ostensibly aimed at listeners outside the United States,

was nonetheless an invaluable source of insight to Americans themselves on how the world saw them, from someone on the inside looking out. This book is Angus Deaton’s *Letter from Economics*.

Mixing memoir and manifesto, Deaton unflinchingly explores the folkways and habits of mind he sees in economics to an imagined audience of noneconomists. But like Cooke’s *Letter*, Deaton’s can and should be considered just as carefully—if not more so—by the insiders under observation as by the outsiders looking in. He traces his own journeys—from the United Kingdom to the United States, from brash young scholar to *éminence grise*, and from unapologetic Cambridge (UK) left-leaning meritocrat to increasingly skeptical iconoclast in his thinking—over nearly four decades, in a style that is conversational, nontechnical (there’s nary a table or graph to be seen), and alternately bemused or distressed by what he recounts. He is happy to name names, identify root causes of both the problems studied by economists and those embedded within the discipline, and let the chips fall where they may.

Deaton divides the book into short, topical chapters, weaving together his own life story (son of a Yorkshire coal miner, Cambridge educated, immigrant to the United States and Princeton, Nobel Prize winner) and his takes on the places where economics intersects with how the rest of the world lives their lives: the minimum wage, health care, inequality, meritocracy, price indices, and retirement. In several of these areas, Deaton himself has been a leading figure. For each, he lays out the issues at stake in terms comprehensible to a layperson, provides a balanced review of what the perspective of economics offers in the debate, and assesses why one side carries the day.

Despite the topical organization, throughout the book Deaton persistently addresses a much larger overarching problem, summarized near the start of chapter 5: “Many people today have lost faith in capitalism, as well as any faith or trust in economists, who are seen as its apologists. Did economics take a wrong turn?” (p. 90). In a nutshell, why does everyone out there hate us?

There are lessons both large and small in each of the topics he examines. But there is one thing to take away from all of them that leads Deaton to

his answer to this vexing question: “measurement neither can be nor ought ever to be freed of values” (p. 91). According to the author, this simple adage has been ignored for most of the time that economics has been a discipline distinct from moral philosophy or political economy.

This in turn reflects a conscious choice the field has made between two competing definitions of what should concern us. The first is attributed to Lionel Robbins (“the allocation of scarce resources among competing ends”), and the second to John Maynard Keynes (“how to combine three things: economic efficiency, social justice, and individual liberty”) (pp. 91–92). Deaton concurs with Amartya Sen that a definite wrong turn—perhaps “the original sin of economics” (my words, not Deaton’s or Sen’s)—was thinking that we were merely working through the simple maximization problem that the first definition entails when what society wants and needs from us is instead the second. Compounding this error, our work does not merely ignore the last two parts of Keynes’s description; rather, it implicates both justice and liberty but does so only surreptitiously.

What Deaton provides is far more than a rehash of the tired debate on the trade-offs between equity and efficiency. Rather, he offers his own unique insider/outsider perspective on what we actually do as economists, why we are so often vilified for that work, and what we can do better to return our field to a place of genuine engagement with and influence upon the vital problems we face as members of the wider world.

In the end, one can question the conclusions that Deaton draws from each of the topics he surveys. Any economist can quibble with what’s left out in a nontechnical account of some of the most contentious debates the field has faced. But what is impossible to ignore is the fundamental questions Deaton poses in what is in essence his *Letter from Economics*: Is that how the world sees us, and if our standing in the world’s eyes is so debased, how can we do better? He offers compelling answers that we ignore at our peril.

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*The Rise and Fall of the Neoliberal Order:
America and the World in the Free Market Era.*

By Gary Gerstle. New York: Oxford University Press, 2022. Pp. xii, 405. \$27.95, cloth. ISBN 978-0-19-751964-6, cloth; 978-0-19-751966-0, EPUB. (JEL D72, F02, F60, N40)

The very word “neoliberalism” induces eyerolls among most economists. Clearly it is a term preferred by humanists who found the math portion of the GRE challenging. Detractors argue that “neoliberalism” does not really exist and that those who use the word cannot even define it. Proponents might argue that neoliberalism is a useful periodization for organizing an emerging empirical literature in economics documenting the effects of various policy pivots toward open markets and post-fiscal redistribution (for example, Kuziemko, Longuet-Marx, and Naidu 2023). So, what *is* neoliberalism?

Gary Gerstle’s recent book offers a comprehensive answer, rooted in a panoramic view of American political history. Gerstle writes that a key neoliberal goal was “encasement” of the economy. This encasement is a commitment by the government to rules that facilitate market transactions, most prominently central bank policymaking, financial regulation, and international trade agreements. In the financial sector in particular, regulations that limited certain types of transactions or the trading of certain products were increasingly erased, deemed useless (or perhaps even harmful) given the assumed sophistication of traders and investors. In the domain of international trade, supranational institutions and agreements such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) removed trade policy from the discretion of national governments. A second innovation was extending market concepts and analogies into new domains—think school choice policies meant to create competition among principals and teachers and “marketplaces” where families could “shop” for health insurance. A third principle celebrated entrepreneurship, creativity, and spontaneity in market activity, both for its own sake and as the source of economic growth. Microfinance at home and abroad as a tool for economic development (as discussed by Lily Geismer’s book *Left Behind* (2022)) became a go-to neoliberal solution to poverty.

Gerstle argues that this new neoliberal regime came to power in the 1970s, replacing the