

# Letter from America —

## A president and a prophet: changing minds, or not

*In this, his latest letter from the USA, Angus Deaton of Princeton University examines the contrasting reactions to recent radical suggestions on two sensitive issues — the underrepresentation of women in science and strategies to combat world poverty.*

**S**INCE THE BEGINNING OF THE YEAR, two continuing debates have generated a great deal of entertainment (or outrage, depending on your position) not only among economists, but among the public at large, in the US and internationally. The economics journals, as is inevitable given their publication delays and esoteric focus, have predictably played no part. (Why can't economics emulate medicine which has journals that debate current issues, as well as being repositories of knowledge?)

### A shortage of women in science

The first debate, which has been widely internationally publicized, began when Larry Summers, President of Harvard University suggested, at a (closed) National Bureau of Economic Research meeting in mid-January, that the relative scarcity of women faculty in science and engineering in top universities reflected, in part, gender differences in the distribution of intrinsic aptitude. Summers listed this possibility as less important than supply factors, that fewer women than men are prepared to make the sacrifice required for the long and intense 'high-powered' jobs. And although he did not deny the effects of socialization and discrimination, he tentatively assigned them less importance than the distribution of intrinsic aptitude. His argument was entirely about variances, not means. If the variance of some relevant aptitude is smaller in women than in men, while the means are the same, as is the case in many other biological and psychological traits, and if top academics are selected from those who are four or five standard deviations above the mean, then the ratio of men to women will be very large. So the argument was not that women are less able than men at science and engineering, but that talented women are less able than talented men, at least in science and engineering. Summers' lunchtime speech reads like the transcript of a typical economics seminar; the argument is speculative, intelligent, and quite likely wrong. While it was certainly unwise for a President of Harvard to say such things, it is hard not to agree with Gary Becker's assessment that 'It is an excellent and balanced statement that should not cause offence to any thinking person, even though some might legitimately disagree.'

### The reluctance to listen

People have been doing exactly that ever since, and usually not 'legitimately', or at least not in a way that addresses the argument. At the meeting itself, Nancy Hopkins, a biologist at MIT, walked out and was quoted by the *Boston Globe* as saying that if she hadn't left 'I would've either blacked out or thrown up'. Almost all of the reporting in the press, including the best newspapers, is either unable or unwilling to distinguish between a variance and a mean, and Summers continues ERE to be reported as having attributed the small number of senior women academics in science and engineering to something between 'innate differences', and 'genetic inferiority', both of which are regularly interpreted as implying that women are, on average, less able than men. An open letter by the Presidents of Princeton, MIT, and Stanford, two of whom are distinguished female scientists, took the almost unprecedented step of criticizing a fellow university president by name, but also criticized any speculation about innate differences on the grounds that it was likely to discourage women from becoming scientists. (The letter also argued for equal opportunities for women, not as a right, but on the mercantilist grounds that the nation needs their skills to compete with other nations that are doing better, an odd argument for universities whose graduate students are increasingly drawn from those other nations.) The National Organization of Women called for Summers' resignation for his 'public demonstration of sexism and ignorance'.

### The resistance of popular prejudice

Summers' great sin, of course, was to challenge the argument that gender discrepancies are entirely due to socialization and discrimination, a fact that is firmly established, socially if not scientifically. Summers underwent what Judge Posner aptly described as a 'humiliating course of communist-style re-education, involving repeated and increasingly abject confessions, self-criticism, and promises to reform', but this did not save him from a vote of no-confidence by the faculty at Harvard, who for good measure, explicitly expressed regret for his speech by a margin of nearly 2 to 1. It is hard not to believe that, by that time, Summers himself would have heartily supported the motion. As I argued in my letter of a year ago (*Unequal treatment, unequal incomes, and race*), there is almost no room in American academic discussion to challenge

the orthodoxy that blacks have worse health than whites because of discrimination by white doctors, though here the argument is about differences in healthcare, not innate differences in a predisposition to health. Similarly, there is no challenging the orthodoxy about women, and certainly not by the president of a major university.

## Relieving world poverty

At the same time, a fine argument has blown up between Jeff Sachs of Columbia and the UN Millennium Project, on the one hand, and Bill Easterly, formerly of the World Bank and now at New York University, on the other. Sachs' book *An End to Poverty*, laying out his vision and plan for implementing his title, was reviewed by Easterly in the *Washington Post* (didn't economics journals used to carry important and timely reviews?). Easterly's review, which was sympathetic to the moral force of Sachs concern and sensitive to his inspiring rhetoric, nevertheless criticized him for unwarranted utopianism, for 1950s and 60s-style development planning, for 'mind-numbing technical jargon', and for believing that large-scale crash programs by outsiders could do much about poverty in other countries. This drew a vituperative, contemptuous, and *ad hominem* counterblast from Sachs, and a wonderfully funny counter-counterblast from Easterly which began 'at least he didn't mention my bald spot'. Easterly has a new book in press, *The White Man's Burden* (carried by the same publishers as *An End to Poverty*) that, as its title suggests, draws parallels between current poverty reduction efforts and nineteenth century colonialism. Sachs' book is an extraordinary document. It is part autobiography, covering Sachs' previous successful and unsuccessful ('if only they had listened') attempts to save the world, and part a plan for elimination of world poverty that is both grandiose and detailed. It takes the reader back to the days of Walt Rostow and Ragnar Nurkse, when we thought that a 'big push' was needed to launch countries into sustained economic growth, and it certainly owes nothing to the development economics of the last twenty or thirty years. Even so, and as is the case when listening to Sachs in person, it is hard not to be carried away by the imperative to do something. In a final inspirational chapter, Sachs notes that while many people doubt that his vision can be implemented, that is also what they told Mahatma Gandhi, Nelson Mandela, and Martin Luther King.

This is all great circus. As Easterly makes fun of Sachs for associating with such distinguished (if recently minted) economists as Bono and Angelina Jolie, Sachs continually rises beyond (if not above) the caricatures. In mid-September MTV showed a video 'The diary of Angelina Jolie and Dr Sachs in Africa', prompting speculation in the blogosphere that Sachs has better watch out, not only for Easterly, but also for Brad Pitt. On September 11<sup>th</sup>, the National Cathedral in Washington held a day of reflection on global poverty, during which, between morning and afternoon worship, there was a free public lecture by 'A prophet for the economic possibilities for the poor', Dr Jeffrey Sachs. More serious is the question of who is winning the debate. The idea that foreign aid is of little use, or even pernicious, was long the preserve of the far right, who clearly cared little about poverty, global or national.

## Signs of serious debate

Easterly has opened up new space for the argument that it is possible to care, but also to believe that aid doesn't work. And while it is hard to judge for sure, my sense is that this idea, unlike the variance of intrinsic aptitudes, or health care and mortality, is making real progress, at least in the US. The Bush administration has long sympathized with Easterly's position on aid, and Sachs appears to have a powerful new enemy in the recently appointed US Ambassador to the United Nations, John Bolton. But there has also been support from much more surprising quarters. In particular, Nancy Birdsall, the President of the staunchly centrist Center for Global Development, a pro-development think-tank in Washington, recently coauthored an article in *Foreign Affairs* (with Dani Rodrik of Harvard and Arvind Subramanian of the IMF) arguing that both aid and trade reform can play, at best, a small role in reducing world poverty. This is an enormous change in position for a group that has long advocated debt forgiveness, and other pro-development policies, and is an important sign of the way that the wind is blowing. Certainly, these ideas about aid, unlike ideas about gender and race, are being widely and intelligently discussed in ways that are likely to change minds.

### Notes:

A transcript of Summers' remarks can be found at <http://www.president.harvard.edu/speeches/2005/nber.html>

The comments by Gary Becker and Judge Posner can be found on their joint blog at <http://www.becker-posner-blog.com/>

The Oxford Institute for Economic Policy (OXONIA) will host on Wednesday October 26 the 2005 OXONIA Inaugural Lecture on:

## Deficits, Debt and the Dollar

by

Mr. Martin Wolf

(Chief Economics Commentator, *Financial Times*)

The Lecture is part of OXONIA's research programme "Improving Macroeconomic Performance". The Oxford Institute for Economic Policy (OXONIA) is an independent and non-profit organisation. It provides a global forum for engaging a broad consortium of those in the public policy community into the analysis, discussion, and dissemination of policy issues, with the aim of encompassing innovative academic research into the broad public policy framework. Subscription to the Institute is free and open to everyone.

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