POST-COVID

The Wages of American Political Decay

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The coronavirus is unlikely to clear the decks for long-term policy reforms. If anything, it may put them further out of reach.

In human history, national emergencies, whether caused by war, invasion, financial crisis, or an epidemic, have often been the occasions for major political reform. Political systems get "stuck" in situations where they desperately need reform, but are trapped in institutional arrangements that do not permit them to solve their problems. It takes a huge external shock to get people to recognize they have a common problem, and that extraordinary measures will be required to get out of it.

This is what happened during the Great Depression. The latter began in 1929 with the stock market crash. Many Americans continued to believe in the nostrums espoused by leaders like Herbert Hoover—that the country needed fiscal austerity and sound money to start growing again—until the banking crisis of 1931, which drove unemployment rates above 20 percent, and sparked business failures across the land. The direct result was the election of Franklin Roosevelt in 1932, along with Democratic majorities in both houses of Congress, which then allowed the New Deal to lay the foundations of the modern American welfare state.

Something similar could happen in 2020. Trump's efforts to downplay the crisis and his failure to take early protective measures like expanded testing have led to huge numbers of deaths and what looks to be a coming depression on a scale of the 1930s. At a moment when international cooperation was needed to meet a pandemic that didn't respect national boundaries, the United States has stepped away from any semblance of global leadership. A rational response to the crisis would be to throw the current team out and replace it with a more responsible and reassuring leadership, both domestically and internationally. The decks might then be clear for longer-term policy reforms, like the creation of a genuine universal health care system, reform of the inequities of our electoral system, and new international institutions to deal with future crises.

But while we may hope that this optimistic scenario may indeed play out, there are many reasons to think that it will not. Our problems are rooted in two structural conditions we find ourselves in, something that I have elsewhere described as political decay.

The first condition is the American system of checks and balances that distributes powers very broadly between the branches of government, and among the different levels (federal, state, and local) in a highly diverse society. These checks on power make tyranny less likely, but they also make the most routine decision-

making very difficult. Many of our institutional rules like the Electoral College are laid out in the Constitution, which is extremely difficult to amend when compared to other democratic constitutions.

This system of checks and balances was not an insuperable obstacle to decision-making through much of the 20th century, but it has become one due to the second structural condition, which is the extraordinarily high degree of political polarization that has emerged over the past two decades. This polarization has many causes, beginning with the Southern realignment beginning in the 1960s that sent many white voters into the Republican Party and minorities into the Democratic, as well as the emerging social divisions between large urban agglomerations and more rural areas. When combined with our system of checks and balances, polarization has led to political stasis where even things like annual budgets could not be passed by Congress.

This inability to get things done has in certain ways been a good thing in recent years. There are many actions that Donald Trump has threatened, like blocking Muslims from entering the United States, or building his border wall, that have been stopped by the courts or Congress. In the current COVID-19 crisis, American federalism has permitted governors of states like California or New York to take action in the absence of leadership from Washington.

In a perfect world, this unprecedented pandemic would have been an occasion for Americans to put aside their differences and rally around the flag, as the "pandemic as war" metaphors suggest. There was indeed bipartisan cooperation in passing the $2 trillion COVID-19 relief act. But overall, the pandemic has served to deepen polarization, and that is likely to get worse as time goes on.

From the beginning, there was a sharp partisan divide in how to interpret events. President Trump spent January and February minimizing the importance of the epidemic, claiming that it was under control and that it would disappear quickly. In this he was simply echoing legions of conservative commentators who decried the fake media panic and maintained that COVID-19 was no worse than the flu. Even when Trump pivoted to taking the disease seriously in mid-March, conservatives continued to attack public health experts like Anthony Fauci. As the economy deteriorated, they started to argue for a quick lifting of stay-at-home orders and a return to work. Liberals took the opposite position, emphasizing the need for medical expertise and pushing for stronger government interventions in ramping up testing, medical supplies, and the like.

The ground of the argument has now shifted to the manner and timing of the lifting of restrictions. Conservatives in many states have begun to mobilize to protest their state's lockdown orders in a manner reminiscent of the early days of the Tea Party, which grew in reaction to the 2008 financial crisis. Liberals, while not denying the importance of restoring the economy, have tended to urge continuing caution. President Trump made an extraordinary pivot from saying on one day that he wanted governors to make their own decisions as to when and how to reopen their states, to encouraging protesters to in effect disobey their governors if they felt the rules were too strict.

There are many things we still don't know about the disease, beginning with the degree of social distancing needed to keep infections under control over the long run. In a less polarized world, we should be making empirical judgments about this. If infection rates suddenly started to go up in states like Florida or countries like Sweden that didn't order early lockdowns, or if people attending an anti-lockdown rally fell victim to COVID-19 in large numbers, then we would have more information about the causal relationship between policies and outcomes. The converse is also true: If states or countries opening up early don't see a sudden rise in new infections, we may decide we erred on the side of excessive caution.

But there are many reasons why new evidence will not be analyzed impartially, with partisan politics standing at the top of the list. Existing divisions were doubtless made worse by the fact that there will be an election in November. The relaxed response of Trump and his supporters was driven by fears that the epidemic and economic collapse would hurt his electoral chances, while Democrats saw a huge vulnerability open up for the president. Many people on both sides were making judgments about what they genuinely believed to be in the public's best interest. But those judgments have increasingly come to be colored by another factor that belies rational explanation, which is cultural identity.

There is a quaint model of human cognition that is widely believed by many economists and earnest reformers, in which human beings take in empirical information about the world, make inferences from it, and come to preferences and choices based on careful examination of those facts. If people seem to be making wrong choices—for instance, if they are skeptical about climate change or believe that COVID-19 mortality rates are overstated—the reason is that they are receiving bad information (a.k.a. "fake news"), or that they are poorly educated and don't know how to critically analyze the information they get.

Both of these are obviously big problems. The internet is awash in bad information, conspiracy theories, and Russian bots seeking to manipulate people's views. The ability to critically analyze online information varies by age, with young people having grown up to be more skeptical of what they see on the internet than their grandparents who have had less experience.

But the problem with human cognition goes far deeper than this. Jonathan Haidt and other social psychologists have shown how people tend to begin with moral or political outcomes that they prefer, and to use their cognitive skills to defend those positions. This is where cultural identity comes into play: Where you stand on COVID-19 depends not on facts but on whether you see yourself as red or blue, and the desire to be part of that identity overrides even personal self-interest in health or safety. We have already seen a milder form of this in the opposition of working-class voters in the South to Obamacare, despite the fact that they were among the biggest beneficiaries of the program. Today, it takes the form of risking your life to take part in an anti-shutdown rally.

In this kind of atmosphere, providing better facts or encouraging better media literacy does not necessarily improve decision-making. Indeed, there are studies that show that with highly partisan people, having more facts and education actually makes them more partisan, because they are able to marshal more

information to defend positions they believed to be true to begin with. This is why fact-checking organizations like Snopes have been preaching to the choir, with little impact on people who really want to believe alternative narratives.

Demonstrating causality in social behavior has always been difficult, even for social scientists armed with high-powered statistical techniques. Many conservatives continue to argue even today that the epidemic has "only" killed some tens of thousands of people, which is comparable to other flu mortality rates and not worth the economic damage caused by shutdowns. Many states are finding they don't need as many ventilators as they thought, and are shipping them to other jurisdictions. Public health experts respond that the number of mortalities and infections would have been far higher had the shutdowns not happened, and hospitals became overwhelmed with patients. The problem is that you cannot prove a counterfactual, given the many other factors that may also explain the outcome. And in particular you cannot prove it to a committed partisan who wants to interpret outcomes in a certain way.

There are many reasons to think that the polarization will deepen as the crisis evolves. Americans are shifting rapidly from concern about the disease to concern about their jobs. At this point, it looks as if there will not be a sudden moment when things snap back to pre-COVID-19 times, but rather a prolonged period of experimentation, openings, and re-infections. This will generate huge arguments over how to interpret this experience in every state. Economic disputes over the government's extraordinary response to the pandemic, from the Fed's flooding of the economy with liquidity to the support pledged to businesses and workers, will start to displace arguments over public health. Policymakers will undertake huge discretionary choices with regard to who gets help and who does not. Transparency and accountability in this process are critical if money is to be distributed impartially, but this is an administration that has not been particularly known for either. All of this creates grounds for bitter partisan litigation and ill-will stretching indefinitely into the future.

The long-term consequences of the dual health and economic crises are impossible to foresee. No one after Sept. 11 foresaw the way that the Middle East would ultimately be transformed; nor did anyone anticipate that the 2008 financial crisis would give birth to global populism. Conspiracy theories were rife in the United States well before the crisis; as the stress and pain deepen, it is easy to imagine that new political movements and even religions will be spawned as a result.

It is entirely possible that the Democrats will come roaring back in November as voters tire of the current administration. But even if they do, they will inherit a country on its knees and bitterly divided along identity lines. In the good times prior to the crisis, the Trump Administration had built up a level of national debt not seen since the 2008 crisis, which has now suddenly been tripled. It is not just the next administration, but the next generation, that will have to live under this burden. The left wing of the Democratic Party was considering huge increases in

taxes to pay for ambitious new social programs like free college tuition and Medicare for all. These increases will now have to be directed at paying back the liabilities incurred in a single year fighting COVID-19.

If one looks at the different degrees of success of countries around the world fighting the pandemic, two factors emerge as critical. The first is the degree of state capacity at their disposal, which has to do with the numbers of health workers, emergency responders, infrastructure, and available resources. The second critical factor has to do with the degree of trust that citizens have in their government. All countries need to rely on a high degree of voluntary compliance with the state's rules, whether they are democratic or authoritarian. They are in big trouble if they have to rely on coercive enforcement, something American governors need to keep in mind. Germany and South Korea are democracies where this degree of trust exists, and they have outperformed many of their neighbors as a result.

The United States has a tremendous amount of state capacity, at federal, state, and local levels, even if a lot of it is being underutilized right now. What it does not have, unfortunately, is a high level of social or political trust. The bitter polarization that has overtaken the country remains America's biggest weakness, something that has been gleefully exploited by opponents like Russia. This polarization has increased dramatically during the Trump administration, and shows no sign of abating despite the common threat faced by all Americans. While one can imagine better and worse futures a year out, the United States will not be able to address its long-term problems unless the fundamental divide over cultural identities is somehow overcome.

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