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GROCERIES

STOP  
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SOCIAL  
DISTANCING  
IN  
PLACE

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# THE Economics OF Goodness

COVID-19 AND ITS IMPLICATIONS FOR

RELIGIOUS GROUPS, INDIVIDUALS, AND SOCIETY

**A** number of years ago I was invited by a global corporation to participate in a daylong meeting. The subject was the future. It was attended by leading economists and futurists and a handful of corporate leaders. Candidly, I felt a little awkward even being there. The meeting was held on the top floor of a building overlooking New York Harbor. The Statue of Liberty was in the distance.

ILLUSTRATIONS BY LUCY KIRK

The moderator started the meeting by describing a hypothetical scenario. “Pretend,” he said, “that the year is 2015.” (This was in 1999.) He said, “Think as though you are looking back over the last 15 years. What would the most surprising thing be that happened during that period of time?” One of the participants began to respond with some smart thoughts about the future. A banker spoke of the paperless currency systems that would begin to emerge. An oil executive talked about tensions in the Middle East. A technologist began to talk about faraway reaches of digitalization.

I was feeling this growing pressure that I needed something cogent to say. But in the final analysis, diversion seemed like the best strategy for me in that setting. So I said this: “Since we are all reflecting on the future, I am going to tell you who won the 2015 Nobel Prize in Economics. The big surprise is not who won. The big surprise is that the Nobel Prize in Economics was not won by an economist; it was won by a sociologist who advanced a new economic theory called the economics of goodness.

“It is a simple but a powerful idea. Every nation or state has economic assets that produce wealth. It may be minerals. It may be a seaport. It could be a favorable climate. But there is a universal asset according to this economics of goodness that has immense value, and it is inherent in any community that will use it. It is the power to simply do the right thing, voluntarily.

“Let me illustrate,” I said. “Imagine the economic heft of a nation or a state or a community free of drug or substance abuse. Healthcare costs would plummet, worker productivity would skyrocket, families that had been torn apart by abuse and financial hardship wrought by substance abuse would remain together. Social welfare roles would fall, there would be fewer children who

needed protective care, there would be less violence, and society would build and maintain fewer prisons. Imagine the power of a nation that was able to invest all of those resources in education or in investment or in research. Such a place would prosper.”

For a moment, there was silence. And then a surprise. One of the participants practically shouted at me, “What do you mean by ‘goodness?’” He said, “You’re turning this into some kind of religious discussion.”

Before I could respond, a very well-known economist beat me to it. “Not true,” he said. “I’m an atheist. And this isn’t about religion. It is about human behavior and the predictability of its consequences. People who work hard do better than slackers. Those who are honest get in less trouble than those who cheat. People who are kind have more friends than those who are cruel. Communities where people serve one another and care for each other are safer than those where that’s not true.” I have to say that may be the first time I ever said amen to an atheist.

But the economics of goodness applies to individuals as well as nations. People who work hard, who are honest, and who are reliable have a better chance of success than those who don’t do those things.

There is an interesting postscript to the story. As I said, that happened in 1999. It got to be 2015. I started thinking, *I wonder who actually won the Nobel Prize in 2015?* Well, it turns out it was not a sociologist—I got that wrong—nor was it awarded for the economics of goodness. The prize was awarded to esteemed Princeton economist Angus Deaton. However, his contribution is certainly in the neighborhood. Dr. Deaton was recognized with the Nobel Prize for his analysis of consumption, poverty, and welfare. In essence, Dr. Deaton was awarded the Nobel Prize in Economics for demonstrating, empirically, that human behavior and economics are linked.

The economics of goodness is not a new idea. And it is not simply about money. Willingly doing the right thing produces superior outcomes.

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## Facing Pandemic Disease

Currently, communities throughout the world are struggling to prevail over COVID-19. We are all learning about pandemic disease. It is not so new to me.

Unexpectedly in my life, the subject of pandemics played an important role in my career. About four months into my service as the secretary of Health and Human Services in the United States, I was invited to attend an emergency meeting with the Centers for Disease Control and Prevention, the agency within the United States that tracks infectious disease. It was explained to me that scientists around the world were concerned about the emergence of an influenza virus with what they referred to as pandemic potential. The scientific name was H5N1. They explained that the virus was actually carried by birds and that it had mutated sufficiently so that this bird virus had now infected people. Sixty percent of the people who got the virus died. The worry was that the virus might mutate further and begin to transmit itself from person to person instead of just bird to person. And when that happened, if it went person to person, it would qualify as a pandemic because it would spread across the earth.

Before that meeting, I have to say I am not sure I had given the idea of pandemic disease much thought. And my questions to them that day might have reflected that, because the next morning a young colleague of mine came into my office carrying a book named *The Great Influenza*, a history of pandemic disease and particularly a history of the pandemic of 1918, the last pandemic that was anywhere near the scale of what we are dealing with with COVID-19.

As he set it on my desk, he said, “You need to understand this.”

The following weekend I began to read the book. Reading the book generated in me an awareness of disease and what a profound shaper of history it is.

At that time, it was my job to assess the readiness of the United States in such a situation. It was clear to me that the United States was not prepared, nor were any other countries around the world. As this H5N1 virus continued to spread, our government appropriated billions of dollars. I spent much of the next three years leading a focused effort to develop a pandemic response plan. Fortunately, the H5N1 virus did not become a pandemic, but the experience caused me to study pandemics throughout history. I became intimately acquainted with the way pandemics unfold and the way they reshape the economies and the sociology and even the politics of the world—something that we are now all experiencing firsthand.

While there are many similarities between COVID-19 and other world-changing pandemics in the past, one difference that we should all recognize is the existence of the communication technology that we have today. In 1918, during the last global pandemic of this proportion, the world did not have the capacity to communicate instantly like we do today. Consequently, there has never been a civilization as capable of taking action during a pandemic as the one that we live in.

For at least the last century, the idea that we would practice what we now all know to be social distancing has been a well-established practice in preventing the spread of disease. But modern communication has allowed countries all over the world to deploy social distancing at a scale that has never been undertaken before. Across the world countries have gone into conditions ranging from lockdown to simple isolation. Schools have been closed; churches, businesses, and governments have been shut down; travel has been stopped; traditions have been set aside—not just for a few days but for months. What has occurred is unprecedented in health history. Nations have done this because history has taught them that, if they allow the spread of this virus to happen in an uninterrupted way, the virus will take hundreds of millions of lives across the globe.



### Dealing with Pandemic Side Effects

While there is hope and optimism that modern science will develop a vaccine or other medical solutions, right now social distancing—which we are all practicing by virtue of our holding this meeting the way we are today—is the only medical intervention that we have. The good news is that it appears our social distancing tactics are effective. While still devastating, millions of lives have likely been saved by this quite remarkable and unprecedented action.

The hard news is that the medical intervention of social distancing is like most medical interventions: it has side effects. Like most of you, I know someone who has a chronic condition that creates a lot of pain. Their doctor has provided a medical intervention—medicine for the pain. But the medicine comes with a warning: Use this too long or use too much of it, and there can be side effects that have the potential to be equally harmful to the condition being treated. The cost could be just as high, but in a different way. In other words, there is a limit to how much of this intervention you can use.

While COVID-19 is a chronic situation, social distancing is the equivalent of a medical intervention. And like other medical interventions, it has to come with a warning: You can only do this for so long or you can only use this so much because the side effects can be harmful, just like the virus, but in a different way. We are living with the side effects of social distancing now: Millions of jobs have been lost. Economies have plummeted. Months of isolation have started to take a psychological toll on people and their families. Food supplies in our just-in-time economy have begun to fray. And we all feel this. While we are grateful for the technology that allows us to come together like this, we are getting Zoom fatigue.

This is particularly true for those who are most vulnerable. I have parents who are squarely in the population that we all know now to be most at risk. My father is 91; my mother is 88. And while they both have health limitations, they are able to live full and fulfilling lives—very active lives. But as a family, we have done all we can to protect them. I have become

what they refer to as the social distancing police. It is because I love them. It is because I want them to be safe. But the side effects are taking over; they are a little tired of this.

My father called me on the phone. “Mike,” he said, “I just want you to know I swam the moat.” He didn’t have to explain; I knew exactly what he meant. He couldn’t take it anymore, and he had left the house to go to the office. He wanted to have a little change in scene. But it was a symbol to me: we are all feeling like we want to swim the moat.

But coronavirus is still with us; COVID-19 is still a grave threat. As countries all over the world open up, it is clear that biology is still going to play out and that we are only at the beginning of this. It is very likely that we will begin and continue to see flare-ups, and the flare-ups will become hotspots. It is a reminder that most pandemics have a second or a third wave that is even more virulent than the first. So we have this dilemma: the medical intervention that we have—and that we have practiced before and that has worked—has side effects. And those side effects have been devastating. Most people just don’t see how we can lock down like we did before.

Up to this point, our medical countermeasures have been group behaviors to a large degree orchestrated by government action. Businesses, schools, and churches, as I have said, have closed. Travel has been stopped. Events have been canceled. These are all group behaviors. We are moving rapidly now into a period in which these group behaviors are going to be less possible to sustain. A combination of economic limits and

human impatience will begin to limit them. We are trying to learn what we can do safely and what we can’t. I have had the experience of walking across a frozen lake. I recall having stepped onto the ice not knowing how thin or thick it was, walking a few steps, and listening for cracking sounds. When I couldn’t hear cracking, I moved forward. We are all going through the health equivalent of that right now.

A political debate has emerged between those who support opening up and those who would be more restrained. It is happening in every jurisdiction and in every country throughout the world in one form or another. People see this differently. They have different priorities. They have different circumstances. They have different tolerances for risk. A person who is 90 and has a lung condition sees it much differently than a 25-year-old. This demonstrates why it is difficult in many jurisdictions for this to simply be a one-size-fits-all approach.

We are now beginning to rely on individual behaviors to combat this pandemic. I am talking about whether people are willing to comport to a handful of very simple behaviors that we have all learned before—behaviors like washing our hands. These are simple things that will create an ability for us to be safe, and we have the ability to communicate them widely and ubiquitously, a capacity that wasn’t there before. So will we wash our hands frequently? Are we willing to stand at a distance and limit our interactions with others as much as possible? We now know much more about the way the virus is spread. Are we willing to wear a face covering in certain situations? Will we individually and collectively begin to govern our activities in ways that will produce good outcomes? That is the question—will we? It is clear that individuals, families, and entities in nations that succeed at these practices will have better outcomes than those that don’t. These outcomes will be reflected in their health, their happiness, and yes, their economic well-being. The economics of goodness will play out here too.

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## Reshaping Character and Changing Hearts

This conference is a review of the status of religious freedom around the world. It would be important for me to provide a reminder that governments are designed in a way as to compel group behaviors. Whether in the case of a pandemic or any other human endeavor, the use of secular laws to change individual behaviors will always have side effects and unintended consequences. Governments change behavior by edict. Communities of faith, however, attempt to change behavior by changing hearts. When a heart changes, nations change. While a nation may be defined by geographic borders, it is measured by the aggregation of what is in people's hearts.

The COVID-19 pandemic, like other pandemics, has revealed some of our civilization's greatest flaws. It has heightened awareness of social inequities that exist. The suffering and death that have disproportionately been present are based often on economic status or on race. This is not a physiological phenomenon; it is a sociological phenomenon. COVID-19 is affecting these cohorts differently because they have less access to health care and nutrition.

In recent days we have seen sad examples in which the force of law has been used in ways that are simply wrong. Once again, there are evident racial minorities that are falling victim in vast disproportion. We see inequities and hardship inflicted upon LGBT communities. These are events that simply reflect on us as a society. We have to ask, Are these events simply a reflection of institutions that have gone wrong? Or do they reflect a flaw in our collective character?

These events have caused me to reflect on the status of my heart, and I suspect they have caused you to reflect on yours as well. How do we fix these things? Is there a need for government action? Yes, but governments have not proven to be particularly good at repairing character or changing individual behaviors. Reshaping character is about changing hearts. As a public official, it became very clear to me that people respond more rapidly to requests and suggestions from those to whom they pay devotion, tithes, and offerings than from entities that demand their taxes. Governments are increasingly willing to adopt laws that either deliberately limit religious freedom or create a side effect with the same outcome. The economics of goodness will exact a profound price when this occurs.

Those who are attending this meeting are guardians of religious freedom around the world. And I thank you for that. Let us all keep that stewardship. Our aspiration for a healthy and prosperous society depends on it. [cm](#)



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