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Government in a post-pandemic World



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As national crises abate we often are left with more government. It happened following the Great Depression and after the more recent Great Recession. That is why it is not too early to start the discussion about government's role once the Covid-19 crisis has passed.

The pandemic has encouraged those who believe greater government oversight is the panacea for all problems large and small. New York Times reporter Jeremy Peters voiced this opinion on a recent episode of the PBS show Washington Week, asserting that "small-government, free-market conservatism has really no role in this type of environment." He then proclaimed that "free-market conservatism right now is on life support."

Obituaries for free-markets are not new. But such anti-market beliefs are gaining momentum. A recent Wall Street Journal/NBC News poll found that two-thirds of those surveyed — regardless of political party — approved the government's expanded role during the Covid-19 crisis. Coming out of the Great Recession in 2009, confidence in government intervention was split; a quarter of Republicans surveyed supported a larger role for government compared with almost

four-fifths of Democrats.

The push to nationalize health care even more in the United States, to make it look more like that of Canada or England or Sweden, is accelerating. This raises a question: Would we be better off? One way to answer that is to see how countries with more extensive government control of the economy and more nationalized health care systems are handling the coronavirus outbreak. If bigger is better, shouldn't we see, for example, fewer deaths related to Covid-19?

I conducted an unscientific but informative test to address that question. I took the 35 countries that comprise the Organization for Economic Cooperation and Development (OECD) as my sample. I then ranked the countries by Covid-19 related deaths per million population using a recent update. Iceland was best with 2 deaths per million; Belgium worst with 585 deaths per million. The average death rate for the top 10 countries is 4.5. For those in the bottom 10, the average is 265.5 deaths. (The United States, with 154 deaths per million, ranked 26th.)

I used each country's most recent economic freedom ranking, as measured by the Fraser Institute to gauge government's presence in the economy. The more intrusive is government the lower a country's ranking. So how have big government countries fared thus far in the pandemic?

For the 10 OECD countries with the fewest Covid-19 related deaths, the freedom

ranking was 24. The average freedom ranking was 30 for the 10 countries with the most deaths. Essentially, no significant difference. This suggests that more intrusive and bigger government has not produced a major reduction in virus-related death rates.

The World Health Organization (WHO) ranked health care systems in 2010. Countries judged to have superior health-care systems were those with more government oversight. Using the WHO ranking as a proxy for how nationalized the health care system is, what's the track record for countries with more nationalized health care systems?

The WHO ranking for the 10 countries with the lowest death rates averaged 33. For the 10 countries with the highest coronavirus death rates, the average WHO ranking was 18. In other words, countries with more nationalized health care systems have, on average, been less successful in protecting residents from dying from the coronavirus.

As we slog our way through yet another national crisis, the principles of small-government, free-market conservatism will be tested as never before. The evidence just doesn't support the view that a larger, more intrusive government would solve the ills we confront.

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