

It's not a matter of what your government can do for you

Responding to COVID-19

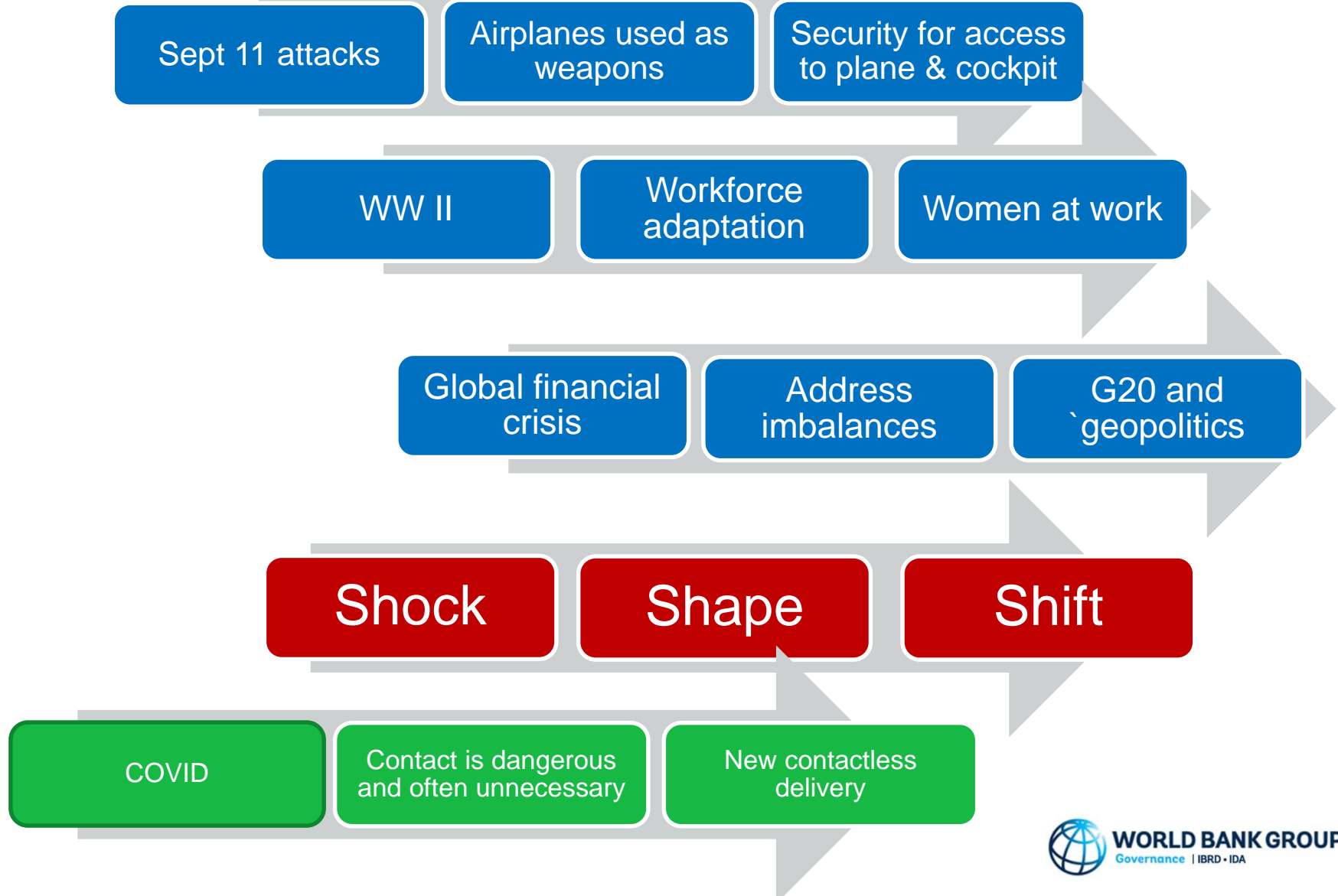
Jim Brumby, Senior Adviser, The World Bank Group

APPC Webinar #1, September 15, 2020

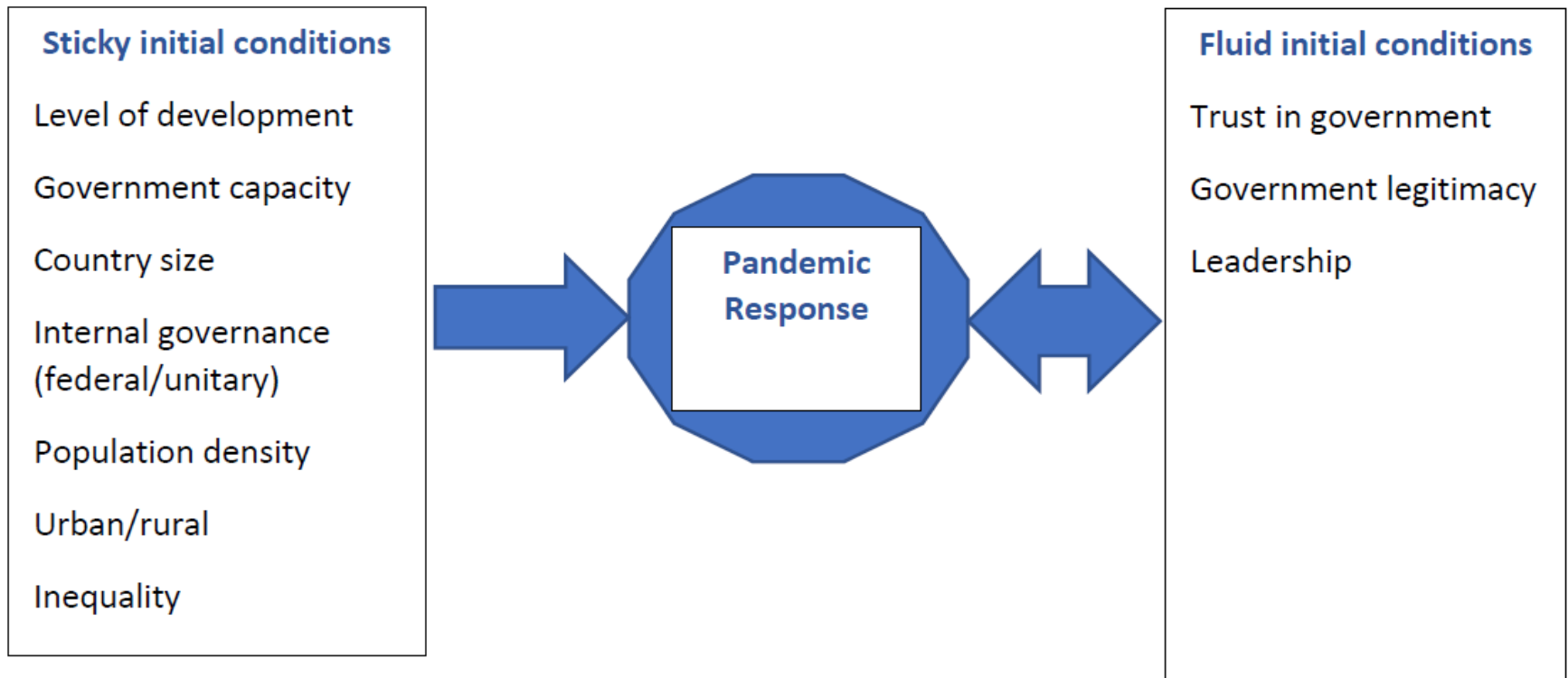


Don't look back

Crisis begets new knowledge begets change



Context matters for shock, shape, shift



Initial approach of 'Fire, Ready, Aim'

A new normal; or continued abnormal

1. Co-ordination and control redesigned
 - Steering, co-ordination and specialization
2. Services and payment re-imagined
 - Contactless delivery and payment
3. Fiscal reset; rethinking with resilience
 - More active management of stocks
4. Geopolitics redefined
 - From post-GFC world to post-pandemic world
5. Transparency reshaped
 - Non-traditional sources may empower citizens further

COVID effects on government reform still unfolding

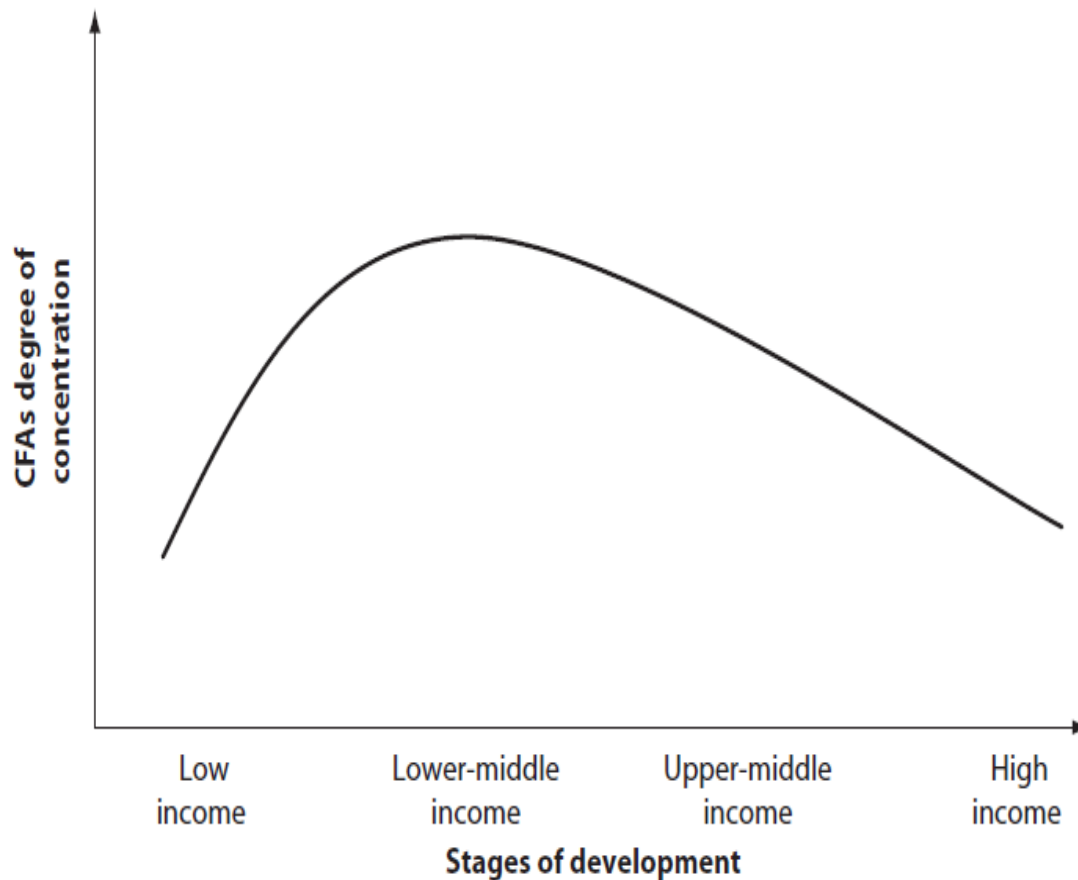
- Organization
- Human resources management
- Public financial management

Unevenness prevails

- Connectedness & access
- Consistency
- Complexity
- Climate
- Corruption

‘Resilience’ but non-linearities abound

Countries concentrate functions, then specialize



Source: World Bank data.

Initial co-ordination is achieved through concentration of functions in fewer agencies

As countries develop, fragmentation can occur through specialization

Fragmentation puts pressure on co-ordination at the center of government

Pressure at the center of government

Functions	Forms
1. Policy Setting and Decision-making (e.g. establishing Command Centers, etc.)	<p>Republic of Korea. Establishment of the Central Disaster and Safety Countermeasures Headquarters (CDSCHQ), headed by the PM.</p> <p>Vietnam. Establishment of a National Steering Committee (NSC) headed by a Deputy PM. The steering committee includes Ministry of Health, Ministries of Communications, Finance, Transportation, Public Security, Industry and Trade, and Defense.</p> <p>Kyrgyz Republic. Operational Headquarters chaired by the Prime Minister is established to combat the spread of coronavirus infection and eliminate its consequences on the territory of the Kyrgyz Republic.</p>
2. Operational Coordination (e.g. oversight of action plans, mobilization, financing and interagency coordination)	<p>Uruguay: Activation of the Coronavirus National Plan: The Plan defines a national response framework to respond to the outbreak, promotes interagency coordination to respond, maintains a flow of trusted and expedient information, and regulates actions and procedures to be adopted at every outbreak stage.</p> <p>Cameroon: Development of a comprehensive multi-sectoral response plan to COVID-19 (Plan de Riposte sanitaire, d'adaptation et de soutien socio-economique) coordinated by Ministry of Economy and Planning.</p> <p>Djibouti: Establishment of a COVID-19 Emergency and Solidarity Fund to ensure transparency in the collection of domestic resources and the execution of the expenditure related to the COVID-19.</p>
3. Information Gathering and M&E (e.g. dashboards and monitoring routines)	<p>Brazil: An "Inter-secretariat Data Committee" was established and developed a detailed Risk Matrix, a public Data Dashboard with live updates, and a comprehensive and evidence-based strategy for reopening economic activities.</p>
4. Communication (e.g., press briefings, media campaigns)	<p>Montenegro: A dedicated government portal with real-time data on COVID-19 outbreak, relevant news, social distancing guidelines and government measures taken, and enabling collection of donations.</p>

	Low Government Capacity	High Government Capacity
Small states	<u>SIMPLE horizontal coordination</u> (e.g. Kyrgyz Republic)	<u>FIT-FOR-PURPOSE: emphasize HORIZONTAL coordination</u> (e.g. New Zealand)
Large states	<u>FIT-FOR-PURPOSE: emphasize VERTICAL coordination</u> (e.g., India; Pakistan)	<u>COMPLEX: both vertical and horizontal coordination</u> (e.g. Australia)

Socially distanced delivery; contactless payment

Confluence of factors...

- Fiscal pressure
- Physical and handling distancing
- GovTech and digital reform match

But also...

- Power of non-traditional information sources

- Delivery is embracing new delivery methods

- Government monopoly on some forms of information directly challenged

- Public sector jobs systematically affected by threat of virus contagion

	High Public Purpose	Low Public Purpose	Difference
Teamwork	12.7	9.7	3.0
Customer	28.0	25.1	3.0
Physical presence	15.4	11.4	4.0
Communication	31.9	29.2	2.7
Affected	46.0	39.1	6.9

Criteria	Description
Viral contagion risk rating	Overall risk factors (3) High; (2) Medium; (1) Low as a composite of the following five factors
Employee – employee proximity	Staff working side-by-side in confined space
Employee-client proximity	Staff and clients interacting at short distance
Client – client proximity	Clients mingle side by side
Materials shared handling	Surfaces are commonly touched/handled
Shared airspace	There is a low level of ventilation
GovTech match	The degree to which the service would be amenable to GovTech style reforms

	Low virus contagion risk (<2)	High viral contagion risk (2 or >2)
Low suitability for GovTech reforms (<2)	Public parks	Primary schooling; pre-school; tertiary schooling (accommodation); public hospitals; police on the beat
High suitability for GovTech reforms (2 or >2)	Tertiary schooling (tuition); Parliament; public works; disposition taking	Tax admin; one-stop-shops; low risk prisoners; immigration at airports; police stations; DMV and other licensing; customs; employment services; airports; train stations; secondary schooling; immigration foreign office; public transportation; voting; center of government; courts

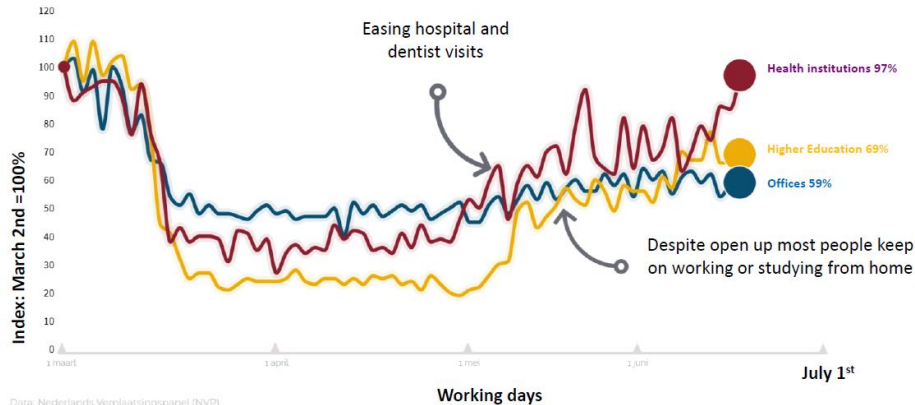
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Singapore goes contactless

Cash is Not Accepted

The Netherlands

Our working week has completely changed

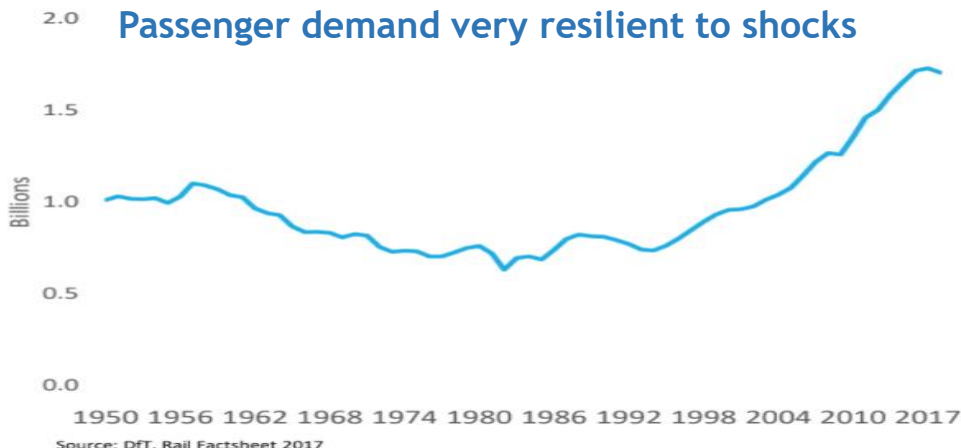


Data: Nederlands Verplaatsingspanel (NVP)



The UK

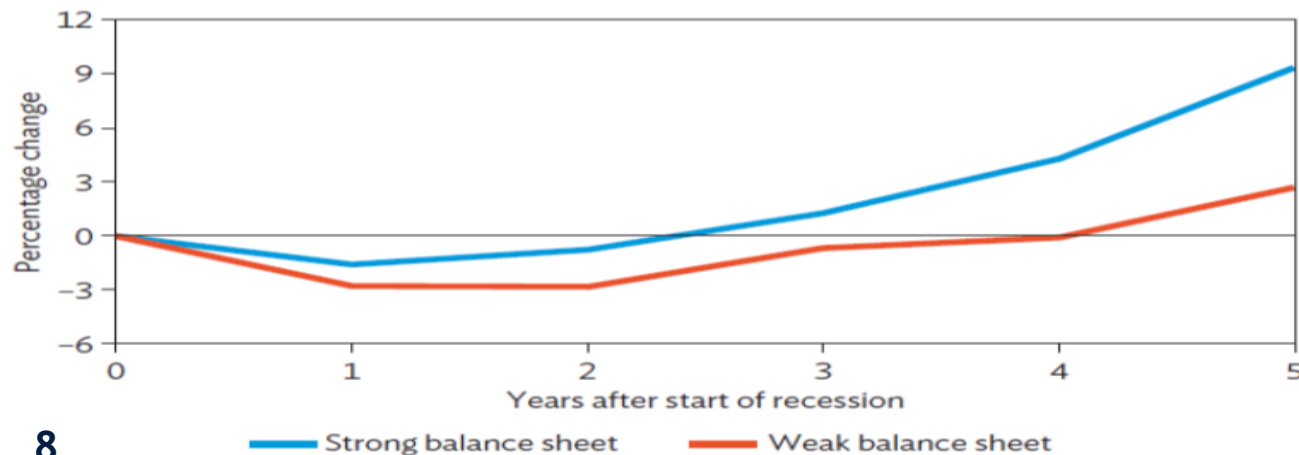
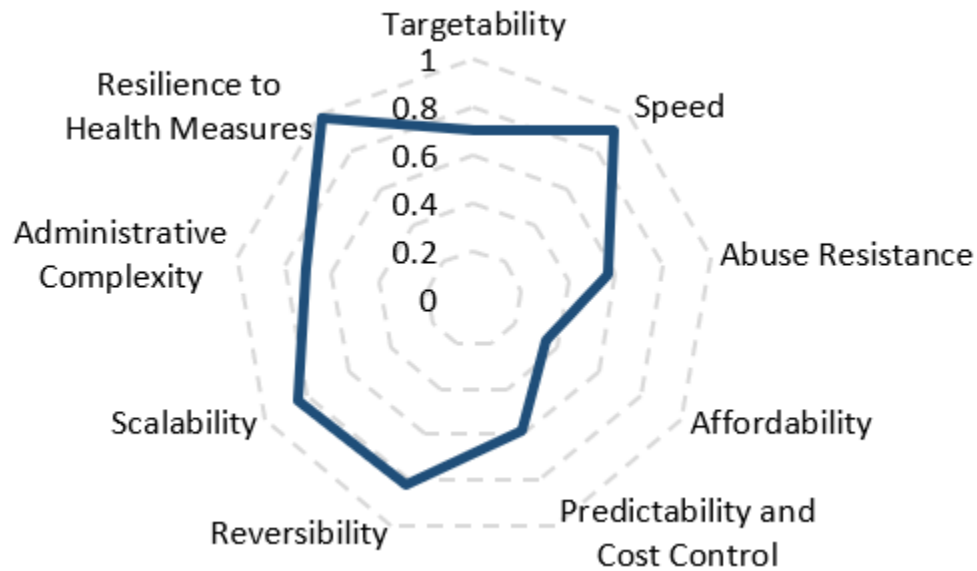
Passenger demand very resilient to shocks



Transport may not revert to the mean

- Past major disruption has not had adverse long run consequences
- Scale is unlike anything seen before
- Social distancing cuts public transport, capacity is constrained, and unit costs increased
- Has the image of public transport as a safe mode been permanently damaged?
- Advances in telecommunications have not previously reduced travel and may even have increased it
- But are the alternatives to travel so attractive and so little known before the pandemic that this time will be different?

Fiscal: from Fire, Aim, Ready to Ready, Aim, Fire



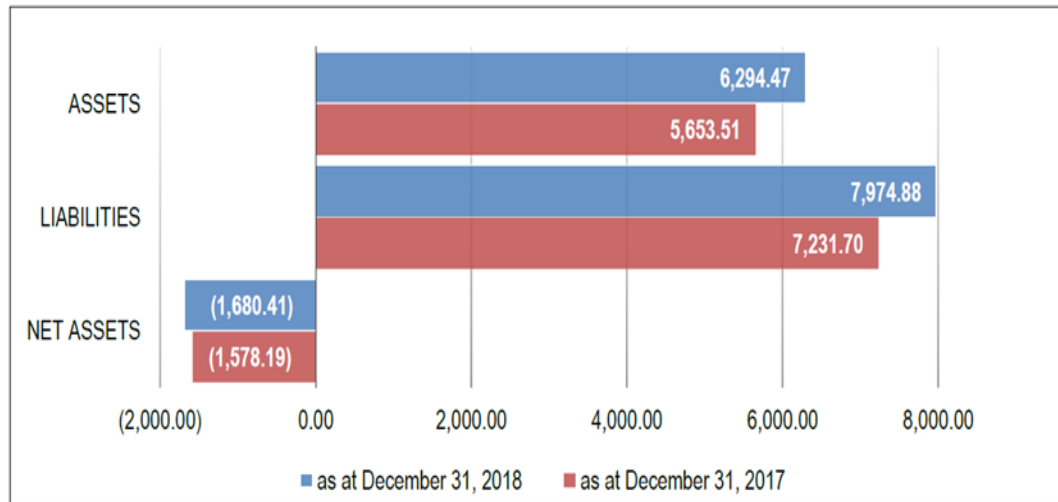
COVID has reinforced that shocks interrupt flows

Fiscal resilience requires stocks or buffers

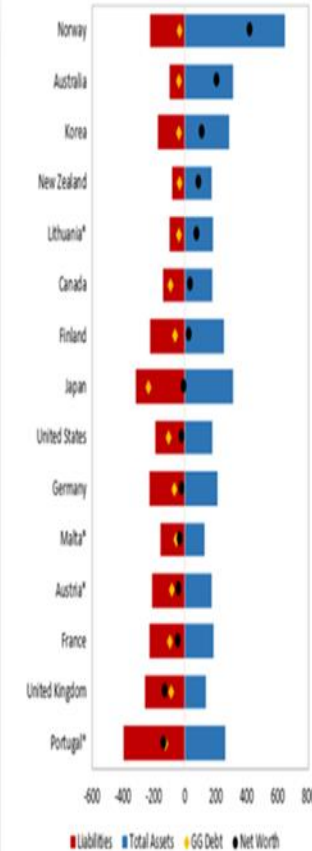
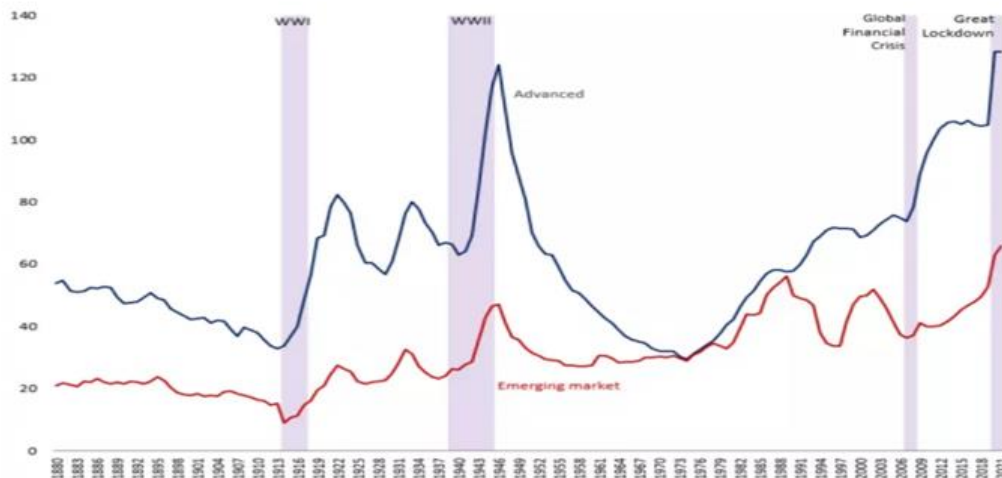
Stocks will be larger coming out of COVID, on both asset and liabilities

This may propel a more active balance sheet approach to fiscal policy

Global shift to accruals will help resilience

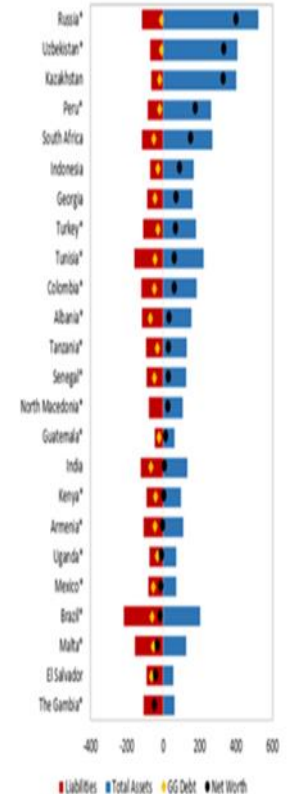


Global public debt is projected to reach 101.5 percent of global GDP in 2020 – the highest level ever. (percent of GDP)



Source: IMF staff estimates.

Notes: Data for shared countries is based on a single year of data, in most cases compiled as part of a Fiscal Transparency Evaluation: Austria, 2015; Lithuania, 2017; Malta, 2014; Portugal, 2012.



Source: IMF staff estimates.

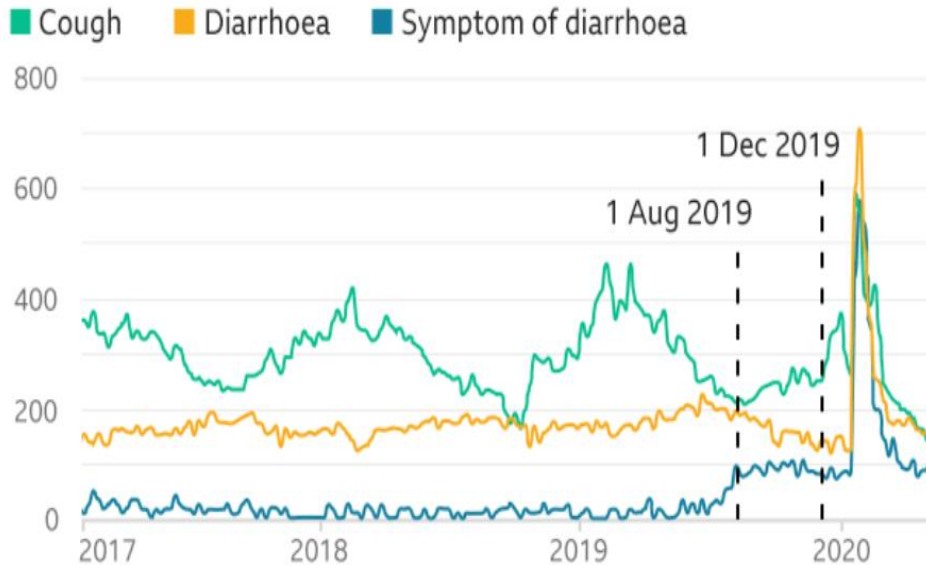
Notes: Data for shared countries is based on a single year of data, in most cases compiled as part of a Fiscal Transparency Evaluation: Albania, 2012; Armenia, 2014; Brazil, 2014; Colombia, 2014; The Gambia, 2014; Guatemala, 2014; Kenya, 2012; Malta, 2014; Mexico, 2014; North Macedonia, 2014; Peru, 2012; Russia, 2012; Senegal, 2014; Tanzania, 2014; Tunisia, 2012; Turkey, 2012; Uganda, 2013; Uzbekistan, 2014.

Spillovers from reset geopolitics



Government information to be challenged

Internet searches



Source: Baidu

BBC

New powerful sources of data

- Human mobility data
- Satellite data
- Crowdsourced user data
- Transactions data
- Text mining and data fusion
- Widely distributed 'power of one'
- *Bottom up 'tacit' knowledge made available to challenge the narrative*
- *Communitarianism maybe a result*
- *Determining and protecting access*

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Cellphones



Satellite images



COVID: a profound reshaping and shifting

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FROM

- An overloaded COG that juggles and shifts
- A focus on financial flows
- Face-to-face and cash
- Post GFC world order; the rise of the G20 and mutuality
- Government knows most
- Global cities, big offices and the power of one for one

TO

- A COG that steers and co-ordinates specialized agencies
- A focus on stocks as well as flows
- Contactless and traceable
- Post COVID world order; the limits to the G20 and drive for 'decoupling'
- Together, we can know more
- Communities, satellites and the potential power of one for all

Counteracting unevenness in impact; assisting those most adversely affected