

## IPS Research Seminar: Governance Frameworks and Capacity for Crisis Management in Singapore

By Xi Wenhan

### Introduction

The Institute of Policy Studies (IPS) held an online Research Seminar titled “Governance Frameworks and Capacity for Crisis Management in Singapore” on 3 March 2022 attended by 35 participants.

The moderator, Dr Gillian Koh, Deputy Director (Research) and Senior Research Fellow at IPS provided the context for the discussion — how Singapore had responded to the COVID-19 pandemic in comparison to other countries — and shared four questions to consider at the seminar. First, what were the governance frameworks and forms of state management that Singapore drew upon to manage the crisis? Second, what new governance modalities were developed to do so? Third, was the response effective? Fourth, what frameworks should be reinforced, modified, or replaced for Singapore to respond to future crises?

The speakers at the seminar were Dr Woo Jun Jie, Senior Research Fellow at the IPS; Ms Sumiko Tan, Executive Editor, *The Straits Times*; and, Associate Professor in Practice (A/P) Terence Ho from the Lee Kuan Yew School of Public Policy.

On the whole, it was recognised that the Singapore governance system had, from previous crises, developed the capacity to respond to the risks of a pandemic. It had also strengthened its system of crisis communications as the COVID-19 pandemic unfolded. There were areas of analytical and operational capacity that could be improved. Within government, there was a clear chain of command and yet flexibility in organising itself to respond to an evolving threat. Outside of government, at times it had not been clear why and how some decisions were made. On that point, Prime Minister (PM) Lee Hsien Loong said that while he kept himself well-informed, some decisions were taken on “gut feel”, with a preference to overreact than underreact. The pandemic had affected those in the lower socio-economic band more than others. Further thinking would be welcomed on how to strengthen the social compact across society, post-pandemic. Another area to explore is whether Singapore’s response to crises had strengthened civil society as much as it had strengthened the state.

### Speaker Presentations

What is the broad policy goal in responding to the COVID-19 pandemic or any crisis? Dr Woo Jun Jie proposed that the appropriate concept was not “resilience”, which might reproduce the

fragilities that had led to the disruptions already suffered. Instead, he preferred the concept of “robustness” where the country not only worked to weather the storm but also proactively did that in ways that strengthened its governance capacity.

Dr Woo listed four forms of governance or policy capacities to develop robustness in: fiscal, analytical, operational, and political capacities — and discussed how each of these played out in the government’s COVID-19 response. He cited where constraints to those capacities emerged too, such as those relating to analytical capacities as seen in the reversal on the decision of mask-wearing and the surprise, massive outbreak of COVID-19 in the foreign worker dorms. Dr Woo concluded by emphasising how it was important to allow for some “slack” by taking the “just in case” rather than the “just in time” approach to investing in such capacities to respond to future crises.

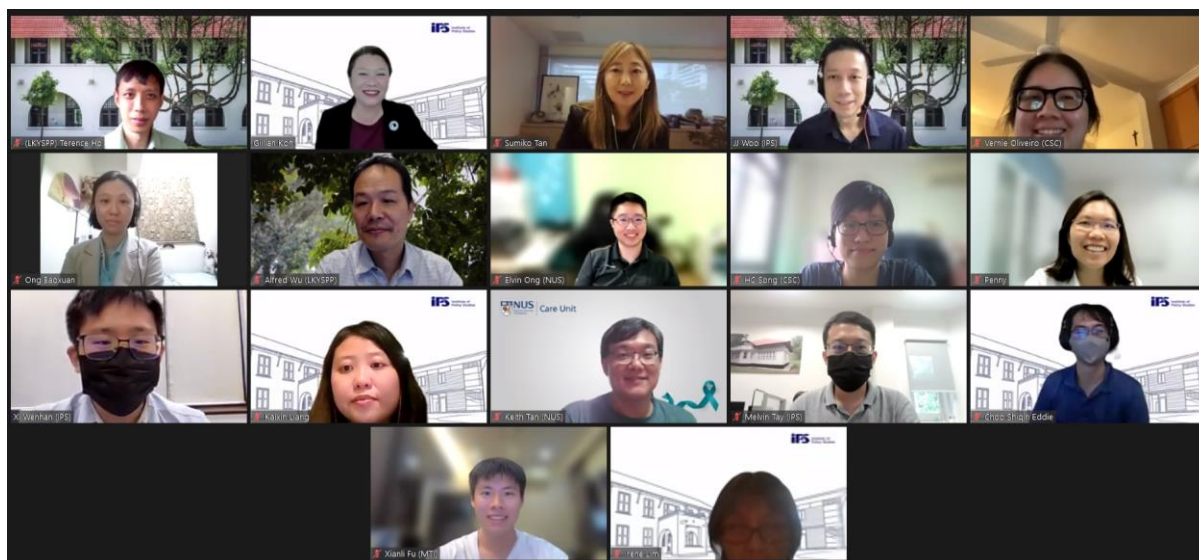
Next, Ms Sumiko Tan provided more insights on political and operational capacities informed by the coverage of the COVID-19 pandemic by her paper, and through writing and editing a book on it. On crisis communications, Ms Tan highlighted how the government developed regular media conferences to signal it was willing to be transparent about managing the crisis and how it valued the public’s trust. The establishment of the Multi-Ministry Task Force (MTF), the inclusion of the Director of Medical Services as an equal member of the MTF at media conferences, and having PM Lee address the nation at strategic points in the battle against COVID-19 reinforced this political capacity of the government.

On the aspect of operational capacity, Ms Tan emphasised how the chain of command in government was established not only to ensure clarity of the process of decision-making internally, but also flexibility in the management of the crisis. She highlighted that PM Lee said he was apprised of all the relevant data on the pandemic and its effects, but also how there was room for “gut-feel” in deciding how best to respond. Also, COVID-19 demonstrated that Singapore had learnt lessons from the 2003 SARS crisis and put in place the right facilities and legal frameworks like safe management measures to deal expeditiously with the next pandemic. In the same way, Singapore had ensured it had the financial resources in place, which allowed the country to enter into advanced purchase agreements to secure vaccines as soon as they were available in this COVID-19 crisis.

A/P Terence Ho focused his presentation on the socio-economic consequences and policy implications of the COVID-19 crisis. He began by analysing labour market outcomes in comparison to earlier crises, concluding that the adverse impact on the labour market resulting from COVID-19 was attenuated when compared with previous crises. This helped avoid economic scarring but was unfortunately unequal in its effect. To illustrate: The change in real gross monthly income from work between June 2019 and June 2020 was -0.3% at the median level of the resident population versus the even poorer -4.5% for those at the 20<sup>th</sup> percentile. Also, lower-income earners (with salaries of \$2 999 and below) reportedly accounted for more than half of those who suffered declines in incomes of 10 per cent and more, in May 2020, based on a study by DBS Bank.

A/P Ho then summarised Singapore’s COVID-19 approach, highlighting the principles of adaptability, striking a balance between protecting lives and livelihoods, allowing for “creative destruction” and a reallocation of resources as seen in Budget 2022 measures.

Talking through an overview of Singapore’s socio-economic system, he highlighted how it placed too much focus on personal effort too early in one’s life. He emphasised the effects of rising inequality and volatility, which strengthened the case for transfer payments to the low-waged and the need for greater social risk-pooling for retirement and health spending. A/P Ho said that in considering the policy agenda for the future, ideas such as unemployment insurance and a means-tested and permanent form of “social dividend” for all citizens, could be useful.



A photo from the online seminar. The seminar’s three panellists and moderator are in the top row, from left to right: A/P Terence Ho, Dr Gillian Koh, Ms Sumiko Tan, and Dr Woo Jun Jie.

## Discussion

### Risk

A participant asked what the pandemic indicated about Singapore’s relationship with “risk”. It was remarked that Singapore’s COVID-19 response — especially in the earlier phases of the pandemic — took a relatively cautious approach, choosing to preserve lives as the key priority; preferring to overreact than underreact. With the Jobs Credit Scheme, the government clearly signalled its priority of saving jobs even if it that might also keep “zombie companies” alive. Thereafter, with more clarity on the situation, the Singapore government took more calculated risks. This led to the transition to “living with COVID-19” from a “Zero COVID” approach.

Singapore’s small size meant that her appetite for risk was relatively low. It was a conflicted relationship — if the risk could be understood and measured, there would be greater comfort with it. If it had to do with “uncertainty”, there would be a greater problem with it.

In a post-COVID world, the country's analytical capacity had to be developed further to understand risk and plan appropriate responses. Yet, the balance between a pre-emptive approach and a reactive approach to risk had to be struck.

One key area where risk-taking applies would apply was “reopening”, post-COVID. Reaping opportunities entailed taking risks and bearing the resulting costs. As countries around the world emerged from COVID-19, Singapore could tap the opportunities that would arise like accelerating the adoption of digitalisation throughout the economy.

Singapore's broader goal would be to become a society that could actually thrive on uncertainty. There would be the tension to resolve: anti-fragility or robustness would rely on decentralisation and a strong civic space, but Singapore's crises responses thus far had reinforced the value of a strong state. Thus, a key area of research would be whether strong society and a strong state could coexist here.

### ***Decision-Making***

A question was raised about how the MTF made its decisions. The mechanisms of consensus, voting and political judgement were not clear to the public when decisions were presented to them. It was said that in general, consensus was reached within the MTF for the implementation of measures at the day-to-day level, but when it came to significant, strategic decisions — such as the implementation of the COVID-19 Circuit Breaker in 2020 — these were deliberated on by the Cabinet with the Prime Minister. The goal of the MTF seemed to be to maximise overall benefit to society, with “flexibility”, a key trait in operations amidst the ambiguity of the pandemic.

### ***Building Capacity***

The government had learnt from past crises to prepare for the next. The example of the Infectious Diseases Act was cited to illustrate how the government put legislation in place to build up the operational capacity for Singapore to respond to the next pandemic right after SARS. As it turned out, it was the current Minister for National Development, Mr Desmond Lee — who had been seconded from the Ministry of Law to the Ministry of Health when he was still a civil servant -- to work on this piece of legislation.

As Singapore recovered from COVID-19, the national reserves would have to be replaced to ensure there was the fiscal capacity to respond to future crises. While Singapore pursued more equitable growth, this fiscal imperative could only be achieved under the conditions of absolute growth which is critical for Singapore to work towards.

Also, achieving both a strong state and strong society would require the development of political and social capacity. Governance and the effects of inequality had to be monitored closely to ensure greater social solidarity which would promote the growth of a strong Singaporean society.

### ***Nature of COVID-19 Recovery***

Singapore would have to take calculated risks in its reopening and ensure economic competitiveness. A more disciplined, tapering-down of government support for business has begun, compared with process of recovery after the Global Financial Crisis of 2008. The government seemed prepared to catalyse the strengthening of firms while allowing for the process of “creative destruction” to take place among others.

A K-shaped recovery had spurred considerations of inequality and measures to address that. There could be an even more equitable tax structure than what has been introduced through Budget 2022 but the development of fiscal policy would likely be “evolutionary rather than revolutionary”.

Thus, important questions to revisit at the next seminar would be: Has the government responded in ways that have strengthened society? Have we seen society, not just government, grow stronger simultaneously as a result of the COVID-19 pandemic?

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*If you have comments or feedback, please email [ips.update@nus.edu.sg](mailto:ips.update@nus.edu.sg)*



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