

## Panel Discussion: Transition to the New Normal

With Mr Philip Ong, Dr Thia Jang Ping, Mr Peter Lim, and Dr Robyn Mildon

2 August 2021

**Mr Philip Ong** is Deputy Secretary for the Ministry of Culture, Community and Youth. Prior to his current appointment, Mr Ong served in the Public Service Division in the Prime Minister's Office, the Ministry of Manpower, the Ministry of Education, the Ministry of Defence, the Ministry of Environment and Water Resources, and the National Research Foundation.

**Dr Thia Jang Ping**, Lead Economist and Manager of the Economics Department at the Asian Infrastructure Investment Bank (AIIB). The department is responsible for economic analysis at AIIB, including macroeconomics monitoring, review of project economics, as well as supporting sector and investment strategies at the Bank. Prior to joining AIIB, Jang Ping was with the Ministry of Finance and the Ministry of Trade and Industry in Singapore.

**Mr Peter Lim** is Director of Fiscal Policy at the Ministry of Finance. Prior to that, he served as Special Assistant to the Deputy Prime Minister and Co-ordinating Minister for Economic and Social Policies. He was also a Deputy Director at the National Population and Talent Division.

**Dr Robyn Mildon** is founding Executive Director of the Centre for Evidence and Implementation, which is a global social purpose organisation spanning across 8 countries. She is also an Adjunct Associate Professor at Monash University, a Visiting Professor at the Yong Loo Lin School of Medicine, National University of Singapore, Co-Director of Behavioural and Implementation Science Interventions and Chair of the Evidence and Implementation Summit 2021.

### OPENING REMARKS by MR PHILIP ONG

- Mr Philip Ong stated that COVID-19 has reshaped all our lives, forced societies to reconsider their values and is changing the way that people think about governments, economics and values. The pandemic has shown us the strength of collective action. Countries with higher levels of social cohesion and trust, good public institutions, and a respect for expertise and regulations did better.
- He also highlighted that the pandemic has exposed the structural weaknesses in societies. It exacerbated health and economic inequalities within countries and between them. In addition, economic hardship, insecurity and isolation have affected the physical and mental health of millions of people.
- Unless our societies operate in a fundamentally different way, we cannot overcome pandemics or other escalating crises that we inevitably will face in the future (e.g. climate change). He emphasised the need for a different operating system instead of just going back to business as usual post-COVID-19.
- By increasing our awareness of the importance of community and of growing inequality, the pandemic has triggered discussions on shifts towards greater inclusion and lower tolerance for inequality that could result in a new social contract. Referencing Minouche Shafik's work, this new social contract could be based on three broad principles
  - 1) Everyone should be guaranteed the minimum that is required to live a decent life.
  - 2) Everyone should be expected to contribute as much as they can and be given the maximum opportunities to do so.
  - 3) Sharing the provision of minimum protections around some risks such as sickness, unemployment and old age by societies, rather than asking individuals, families or employers to carry them alone.

- Mr Ong acknowledged that this represented a radical change. The task on hand was turning the reactive responses to health and economic emergencies into a proactive set of policies and actions, and stronger social norms around solidarity, to create a more inclusive and sustainable society for the future.

### ADAPTING TO REALITIES AND UNCERTAINTIES by DR THIA JANG PING

- Dr Thia shared that COVID-19 brought about constant change in both narratives and reality. For example:
  - 1) When the pandemic first hit, it was theorised that advanced economies would be more impacted than emerging economies, since the latter had younger populations who would be less affected by the virus. However, new variants and uneven distribution of vaccines have changed the predictions. Countries who successfully contained the virus in 2020 and performed well economically are now struggling as much with new surges.
  - 2) The world has witnessed unprecedented monetary easing that has large spill-over effects on emerging markets, that are now able to borrow at a lower cost than pre-COVID despite higher debt levels and economic uncertainty.
- In addition, policymakers have had to deal with wide ranging and often conflicting signals, creating cognitive dissonance. Some examples highlighted were:
  - 1) Many countries experienced much improvement in their macro matrices despite being very hardly hit by COVID-19. Bangladesh's and Pakistan's forex reserve hit record highs in 2021 due to remittances.
  - 2) Global trade has rebounded strongly but shipping prices (trade cost) seem unusually stressed. Is this a signal of stress or a trade boom?
  - 3) Other signals have also been affected, such as housing prices, inflation and stock markets.
- He shared that under these circumstances, when there is no consensus even among experts, it was a challenge to rely on these signals to make informed policy decisions. In addition, once policymakers target a certain signal (e.g. cooling measures on housing prices), it is no longer reflecting the true underlying economic conditions and hence stops being a good measure.
- Dr Thia highlighted policymakers must thus possess mental preparedness and adaptability to deal with these continuous radical uncertainties. Cognitive dissonance can create biases and lead to easy-to-understand but incorrect actions.
- Policymakers need to:
  - 1) Understand that realities are very messy and there is no simple solution
  - 2) Pay attention to multiple narratives, scenarios
  - 3) Embrace adaptability from individual to organisation level
  - 4) Most importantly, move away from "No U-Turn" (NUT) mindset, which locks policymakers in promises that may have become incorrect or irrelevant in the face of the new circumstances (e.g. new variant)

### STRATEGIES GOING FORWARD FOR PUBLIC SERVICE by PETER LIM

- Mr Lim said that COVID-19 started as a public health crisis that has also become an economic crisis. Fortunately, it has not moved to a financial one.
- Reaching a new normal will take some time. Globally, it might take three to five years for the public health crisis to subdue. Economically, the effects might last for five to ten years for many countries, including those in the region. The fiscal and debt effects might stay with us for at least one or two more decades. In transiting to the new normal, public officers should focus on three areas:

### 1. Dealing with fragility

- COVID-19 has exasperated pre-COVID-19 trends on everything such as productivity, equality, climate change, geopolitical issues.
- Domestically, Singapore will feel these effects to a smaller extent, but we need to be mindful of global outcomes since we are a small and open economy.
- Public officers have to pay attention to fragility as the pandemic has been the largest inequality driver of our time and we should be prepared for more surprises down the road. We will thus need to actively build connections to understand the increasingly complex world and have a deeper appreciation of the inter-connectedness of our society.
- We need to converse with more people both within our own organisation and outside. If possible, we should take on volunteering work to appreciate the different dimensions of managing COVID-19 on the ground and to see first-hand how our society is evolving.

### 2. Dealing with duality of short-term vs. long-term

- While Singapore has managed the short-term outcomes of the pandemic relatively well, we should equally prioritise future strategies and prepare society to adapt to these changes.
- This is especially since all the future trends (in technology, supply chain, geopolitical) are moving ahead at a pace that is faster than expected due to COVID-19.

### 3. Focus on more intrinsic values

- During the crisis, intrinsic and longer-term issues such as climate change, have become more visible and prominent.
- In transiting to the new normal, we need to rethink the culture of our organisations, and do more soul searching on our roles and missions in the society. We need clarity on these intrinsic values in order to serve Singaporeans better in a more complex and fragile world.

## IMPLEMENTATION SCIENCE IN POST-COVID-19 by DR ROBYN MILTON

- Dr Milton spoke about implementation science, which studies how to implement and sustain change after an intervention is implemented. Usually this includes looking at the whole environment and organisations within which the intervention is taking place.
- In this context, Dr Milton highlighted key insights from implementation science that would help in policymaking:
  1. No one size fits all. For example, we need to use many ways to get the message out and sustain its effectiveness. People have different needs for information and policymakers need to address these differing needs.
  2. Implementation strategy is very important to address the challenge of “how to sustain changes”. These strategies need to be trialled rapidly to sieve out the ones that work. In addition, collaboration among a group with diverse background and skillsets is important to prevent biases and group thinking.
  3. Context is king. Systems always trumps programmes and interventions. For an intervention to be successful long-term, we either have to adjust the intervention to suit the current system or we have to tweak the system to be supportive of the intervention. The upfront cost of setting up the right context might be high, but if we are not paying attention to this, there will be no change in the long-run.

4. Rubbish data leads to rubbish decision making. We need to be pragmatic but effective. We should not waste our resources with collecting data that will not be used. This would put off people from collecting and using data effectively.
- Speed has always been very important for the Singapore public service, but it has taken on heightened importance during COVID-19. Policymakers can overcome this challenge by working concurrently on planning and implementation. However, we should not compromise on the aspect of implementation science to ensure that policies meet their intended objectives on the ground.

## DISCUSSION POINTS DURING Q&A SESSION

### How do we address groupthink?

- When groupthink exists, group decisions tend to only reflect the perspectives of the senior team members. Junior team members might feel intimidated about speaking up, and hence their perspectives would be missing.
- We should strike a balance between efficiency and considering everybody's views in decision making.
- Some ways to address groupthink include:
  - a) Letting the junior team members speak first. Having the most senior team member speak first sets a tone and other members may not voice up their different point of view.
  - b) Having private bilateral conversations with stakeholders first, rather than group meetings where power relations may dominate.
  - c) Creating an organisational culture where the literature of groupthink reduction can be part of regular reading.
  - d) Getting good facilitators for group meetings. In research studies conducted through randomised controlled trials (RCTs), teams with good meeting facilitators can bring about better outcomes compared to those without.
  - e) Grounding decisions with good data, rather than unsubstantiated opinions.

### Can solutions from behavioural insights (BI) address weightier issues like inequality and climate change?

- Nudges should only be used to augment policy decisions, not to replace them. For example, a carbon tax supplemented with nudges could amplify further the effects of carbon taxing. However, a nudge should not substitute or replace tough decisions of changing incentive structures or regulation (e.g. the decision to implement carbon tax). Policymakers also need to watch out for feedback loops, especially the behavioural norms that have been shaped by certain policy decisions.
- In addition, it is important to note that nudges form only a part of Behavioural Insights (BI) research. Over the years, BI research has contributed to addressing issues such as AIDS, racism and mental health. Implementation science, which is closely related to BI, has also shed light on organisational and systems change for better implementation outcomes.
- However, policy makers have largely not adopted them due to a lack of awareness and contextual differences. More can be done to bridge the gap between BI research and policy practice.

### How should we optimise the use of data without falling into decision paralysis?

- Data is not the sole factor for good decision making. Norms, values and experience of decision makers are also critical. Data, when used, should be valid, reliable and relevant to the context.

- Data availability is not a huge issue in Singapore. The more pressing issues are whether we have the systems and intelligence to make hypotheses about the data, identify linkages across them and decide on what to do in urgent cases when there is a lack of data.
- In general, there are two types of decision makers in policy making – those who decide quickly without conducting substantial studies and those that take a much longer time to evaluate and make a decision. The former needs to think harder about how to incorporate more data in their decision making, while the latter needs to learn how to work quickly without perfect availability of data in more urgent situations.

**How can we address inequality especially with the current opportunity for a social reset?**

- Inequality is a deeply structural global issue. It is not only about unequal wages but also about unequal opportunities. Other than inequality itself, policymakers should also look at social mobility and growth. Globally, many countries are struggling to improve in these areas.
- Fundamentally, policymakers and society need to recognise that a social reset includes trade-offs and accept them if they want change. For example, a more equal society would entail higher-priced goods and services.

**What are the changes from COVID-19 we should normalise post COVID-19?**

- Stay home if you are sick. Coming to work when you are sick is not only individually unproductive, but it also affects the team's productivity when you infect others.
- Outcome-focused work should remain, with working-from-home arrangements remaining available as an option for more flexibility.
- The openness and willingness to debate and be nimble in action.
- Whole of society working together, bringing about change to improve lives for everyone.