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Now is the time for governments, the private sector and civil society to develop governance approaches for exiting the corona crisis.

A column by Rolf Alter

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**EXIT STRATEGY from COVID19 - First step, the transition**

Time to move on?

Despite continuous warnings that the visibility on the further course of the Corona virus remains weak and unprecedented government decisions about massive lifelines for locked down OECD economies, the public de-

bate for a rebalancing of policy priorities is in full swing: is it time to “re-open for business” and return to our normal lives?

Previously diverse views on the appropriate strategy of fighting the virus have now concurred globally by and large on lock downs of citizen. Focusing on flattening the curve of infections over time will keep healthcare systems operating. To avoid the collapse of economic life governments basically opted for raising public debt, spending money and increasing liquidity in support of the private sector and employees.

Of course, no government can force people to stay in their homes forever. No one can finance the soaring health costs forever. No one can put large parts of the economy in an artificial coma forever. So, how long will current policies last?

The answer depends on the underlying EXIT strategy.

Calling now already for the development of recovery plans at national and supranational level for post corona times makes utter sense. Overcoming the type of economic breakdown which is now projected – anything between 5 and 10 percent negative growth of GDP for 2020 for most countries – will indeed require some serious efforts of preparation by governments, parliaments, social partners and stakeholders of civil society.

However, those calls risk missing the critical challenge of how first to get to the other side of the river. What is required urgently, is a strategy for managing the transition from today’s crisis management to reconstruction and recovery. It is obvious that this strategy will be complex and requires immediate attention as it is to address the whole range of health, economic and societal concerns in a comprehensive and coherent way.

Where do we stand today?

For the time being, many governments are in dramatic crisis management mode as far as public health is concerned. The lack of awareness and preparedness of national risk management for a “black swan” accumulated over the past go way beyond low levels of resilience. On the economic side, many paradigms and principles held until very recently without any room for questioning have been thrown overboard, again with no time for questioning. Balanced budgets? Debt limits? Bailouts? As remarkable as the speed of leaving yesterday’s beliefs behind, was the absence of substantive demo-cratic parliamentary debate about the policy responses so far, not to speak of failing to listen to the voices of civil society.

These experiences can be expected to have significant consequences for the transition period. Four issues stand out.

Trust in government and society

Formulating a credible and effective strategy for the transition will be delicate, both politically and technically. Having declared war on the virus and no definite peace in sight, leaders will want to avoid declaring capitulation, in the interest of maintaining trust in democracy's stability and capacity to act. Fortunately, this ambition is aligned with the interest of leaders in their own political future.

While uncertainties about the course of the pandemic persist, embarking on any process of transition must be based on evidence and experts. What exactly will trigger and guide any rebalancing is going to be an issue of political judgment which science cannot replace.

Political responsibility for the course of action also includes achieving a fine balance between encouragement of citizens and business for a new beginning and precaution in the face of unforeseen setbacks on the way to recovery. Whether waves of infection and their varying degrees of confinement can be managed, and tracking apps be used will depend to quite some degree on the confidence of citizens in government.

Calling again on national unity may no longer work as at times of crisis management. Diverse economic and societal interest will resurface making approval of measures of transition conditional on how they are perceived to be dealt with. Once general confinements are over, top down orders are no longer working during transition either. Leadership qualities will be indispensable, but so will reopening the space for democratic process and institutions. Civil society will reclaim its space too, both contributing to overcoming the obstacles to successful transition, but also as watchdog of political decision making and management.

### Solidarity in transition to a new world

Solidarity which political leaders have solicited extensively in their discourse to mobilize citizens and business until now will need to be kept very much in mind of governments when defining the pathway of transition and the plans of recovery. Many citizens will request fairness in sacrifices and opportunities for the weak and the strong, across all frontlines of the war from medical staff to the cashier in supermarkets, and among generations. Zero tolerance for profiteering, fraud and corruption will be another imperative of public action. Inclusive societies must become more than a slogan.

### Responsible business conduct

For business, reopening means of course the renewed chance for competition for markets and customers of goods and services. Their effective contributions to capacity-building and innovation of the health sector will be watched closely, from closing gaps in the supply of urgently needed medical machines, safety outfits or facilities to speeding up the search for treatment and immunization. Beyond health, their performance and atti-

tudes during the transition period will certainly influence the design of the rules of the new game of post-corona economy. Even previously adamant political leaders in favor of markets and a restrained role for government refer these days to an increased role for the public sector where for example health should no longer be open to the private sector. Some also see more economic independence and sovereignty becoming critical qualities of national economies.

### Europe as the relevant policy unit

For countries in Europe, the space to operate the transition must be European. Physical and economic survival of the EU depends on mobilizing the full potential of the ingenuity, capacities and assets of more than 400 mill people with high levels of education and a remarkable track record of prosperity and peace. Valuing diversity and solidarity cannot be limited to governments and business, it will have to apply also to citizens and civil society to ensure that Europe's voice and experience become part of the global recovery and renewal from the pandemic.

### Towards a better future?

A well thought through and well-handled transition as the first step of the exit from the pandemic might offer the prospect of a brighter future. Despite many shortcomings, the governance capacities deployed and displayed during the current period of crisis management are promising indications for the ability to reform and rebuild our societies and economies. The recovery will show whether we actually draw on these lessons and seize the opportunities to deliver on solidarity, fairness and trust. Climate change could be the next candidate to demonstrate our new won experiences and insights of this unprecedented crisis.

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