GOVERNING FOR THE FUTURE

Lessons in democracy and governance from Covid-19

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60 SECOND SUMMARY

1 In many areas, the UK's response to the pandemic have been hampered by internal inefficiencies in government.

2 These issues have been exacerbated by scandals and clandestine decision making during the pandemic, reducing public trust in governance in the UK.

3 Trust and transparency are not the only cause for concern: there has also been an absence of coordination and government systems have lacked the resilience needed to handle systemic challenges. Long-term failures in dealing with inequality and insecurity have also come to a head during the pandemic.

4 In response, the government should begin the process of a participatory national conversation on our response to Covid, along the lines of a deliberative assembly.

5 The UK government should opt for 'radical transparency' wherever possible, taking cues from countries internationally who have adopted similar approaches.

6 Measures should further be taken to rein-in lobbying and cronyism, such as tighter restrictions and a lobbying tax, the proceeds of which would go towards enhancing citizen participation in democracy in the UK.

BACKGROUND

The past year has demonstrated that, given the right motivation and desire, UK government and society can respond rapidly and decisively to a vital collective mission. In just a few weeks spanning March and April, Nightingale Hospitals were established across the country and the furlough, self-employment support and Business Interruption Loan schemes were implemented rapidly, bolstering critical care capacity and insulating millions of jobs from the initial shock of lockdown. Many public sector organisations – most notably the NHS – have proven their capacity to adapt and reprioritise resources and operations in the face of exceptional circumstances and the vaccine rollout has shown the long-term value of sustained, pre-emptive, mission-oriented R&D investment and the benefits of bringing together the government, civil servants, the NHS and other public bodies in policy design and implementation.

Where government has been unable or unwilling to act, community solidarity and professional dedication of key workers have picked up some of the slack, ensuring support, care and aid for millions across the country. At the local level, services have been transformed at an extraordinary pace and many councils have teamed up with

social sector organisations in new and novel ways, opening the door to more collaborative approaches to local governance in the future.

At the same time, however, severe shortcomings in the British model of democracy and governance have been revealed, with devastating consequences. The systems we rely on do not sufficiently safeguard our health, wellbeing and shared prosperity and, unless addressed, these shortcomings will continue to hamper the UK's response to system-level challenges in the coming decades.

The systemic challenges revealed by the pandemic have been multiple, complex and mutually reinforcing. However, a survey of countries that have been successful in responding to the pandemic has highlighted four primary causes for concern that can be addressed through a series of practical recommendations:

1) **Trust and transparency** - The pandemic has revealed the extent to which a baseline of political trust is an important component of social resilience and effective crisis response. Political trust in the UK was low at the start of the pandemic and there are signs it has deteriorated further.

2) **Coordinated governance** - UK public authorities have been weak at coordinating their action, resulting in a disjointed and inconsistent crisis response.

3) **System resilience** - The countries that have performed well have tended to have a high health system capacity, backed up by relatively strong social security systems and dependable supply chains for vital equipment. Meanwhile, brittle public systems, insufficient social security coverage and unreliable supply chains have undermined the UK's response.

4) **Inequality and insecurity** - The places and communities most impacted by Covid are those with higher levels of need. Furthermore, UK systems of social supports have been exposed as fragmented and insufficient.

In the remainder of this paper we will unpack these four systemic challenges and the interventions that we believe can support the UK's response to each. In the final section we offer recommendations for the UK government to improve governance in the UK. These recommendations are derived from past RSA research and a recent literature review of the countries that have at various times dealt most effectively with different aspects of the pandemic.[i]

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[i] This desk research focused primarily on South Korea, Taiwan, Vietnam, New Zealand and China, as well as Germany during the first wave of transmission.

KEY FINDINGS

Trust and transparency

Many of the countries that have responded most effectively to the pandemic either had high pre-existing levels of interpersonal and political trust, or have built up trust through effective crisis management and transparent communications. Without denying the importance of a healthy level of scrutiny and mistrust in a functioning democratic system, a more pervasive and generic cynicism, if it becomes widespread, can undermine the effectiveness and transparency of governance systems. More than 80% of the public in China and nearly 65% in South Korea said that they trust their government to take care of their health. Singaporean and Taiwanese governments have long commanded high levels of public trust and Vietnamese people have reported the highest level of trust for the government and media during the crisis.

By contrast, political trust in the UK was low at the start of the pandemic and further deteriorated through 2020. This has been reinforced by consistently opaque communications, including at times about the flexibility of lockdown rules, creating confusion. The format of government announcements has been inconsistent, and details have often been either prematurely leaked or published subsequent to announcements with unnecessary and preventable delay. The unwarranted optimism of many government statements has further reduced confidence.

Notwithstanding cultural and attitudinal differences relating to personal data usage, some of the more intrusive measures that have been important to successful track and trace systems around the world will only be tolerated in democracies where there relatively high levels of political trust and robust transparency requirements around data collection.

By contrast, lines of accountability in the UK have often been fairly unclear, due in large part to the regular reassignment of roles and responsibilities across government (particularly during the first lockdown) and the appointment of 'tsars' rather than ministers to lead important elements of the response.

We are also concerned that the 'closed door' approach to decision-making taken by many government departments will have further weakened the confidence of local councils and other important national and local institutions - such as, for instance, unions and educational institutions, which have been routinely excluded from the controversial - and ultimately indefensible - decisions made by DFE over exams and the return to school last summer.

Moves towards a more consultative ethos of governance will need to be accompanied by more stringent and transparent lobbying regulations. We are very concerned about a growing body of evidence and testimony

suggesting lack of competition, transparency and due process in vital matters of government procurement and commissioning, including in relation to the purchase of emergency healthcare equipment and vital public health services (such as the Test and Trace system). The perception of cronyism and corruption in government is reinforced by recent news about David Cameron's lobbying of ministers on behalf of Greensill Capital.

Building civil society and public trust in government will only be possible if government can itself, while adhering to principles of transparency and accountability, trust the public and other organisations to participate in the making and implementation of policy. However, while the Digital Minister of Taiwan, Audrey Tang, has argued that "the government should trust the citizens, the government should make itself transparent to the citizens", the UK government has repeatedly shown suspicion towards more participative and transparent approaches to governance.

Steps to building political and civic trust and participation in the UK:
- **The UK government should follow principles of 'radical transparency'** in its public communications, as showcased in Taiwan, where Audrey Tang records and transcribes all her meetings. By openly communicating the government's challenges, distributed actors can contribute to solutions (this has been especially true for Taiwan's civic tech sector).
- **All government departments should establish a more codified approach to stakeholder participation.** Formal department-led consultative forums, paired with ongoing opportunities for stakeholder feedback via technology-enabled comment and ideas platforms could help to create a more dynamic and inquisitive approach to policy-making, drawing on the approach taken in Taiwan and the online ideas platform employed in the first lockdown by the Scottish government. This could complement a shift to more transparent communications and data governance (as recommended above), while also enabling crisis interventions that are more receptive to different perspectives, motivations and forms of expertise.
- With the aim of building democratic trust and confidence, **the government should commission in the longer-term a large-scale, participatory national conversation** to surface people's experience of the pandemic, their anxieties and hopes for the future and their views on how democracy and political trust can be deepened in the future. In parallel, thematic assemblies should be convened to address key structural challenges that have been exposed by the pandemic – for instance, a People's Health and Social Care Commission designed to examine approaches to unlocking the long-term UK policy stasis on the future of social care and its relationship to the NHS.

Coordinated governance

We are concerned about the ability of different UK public authorities to coordinate their action around shared goals.

Unlike countries successful in their response, such as Taiwan, New Zealand, South Korea and Germany (during the first wave), where clearly established central-local integrated response mechanisms have helped to facilitate high levels of vertical and horizontal coordination between governance institutions, the UK struggled to establish and sustain a coherent response within and between tiers of governance.

A prime example was the system of test, trace and isolate. The national system overseen by Public Health England was inadequate once community transmission took hold. Once re-established, the system was contracted out to a services company but then, finally, was co-ordinated with local authority public health capacity. What remained was an inefficient hybrid of central and local systems.

Data has often been held in pockets and there has been a failure to share adequately, suggesting the focus from the start should have been on adequately resourcing existing local expertise and supplementing this with national co-ordination.

Furthermore, although messaging between the UK nations was initially well co-ordinated, this has broken down particularly from October onwards, driven in part by a decline in the frequency of intergovernmental meetings. Notwithstanding important justifications for national and regional divergence, forums for information sharing, constructive negotiation and, where necessary (for the sake of clarity, coherence or practicality) policy coordination, must be protected.

A common characteristic of the most successful aspects of the UK's response has been a consultative and coordinated approach to policymaking and implementation between government departments and tiers. The treasury worked closely with HMRC, as well as businesses and unions, in the design of the initial economic support packages. The vaccine rollout has similarly been enhanced and expedited due to the involvement of the NHS and the army in establishing and delivering the programme, alongside civil servants.

However, on many other issues, the coordination and integration in the UK system of governance has been highly defective. Examples include:

- **Deep issues of synchronisation between government departments.** This disjointedness has been particularly notable between the health and social care systems, where there has been an absence of clear 'dashboard', a model that could flag how decisions taken in one domain – for instance, to clear capacity within hospitals - might affect other aspects of the system such as in care homes. By contrast,

clear guidelines in Germany for the transfer of patients between hospitals and the care system is cited as a key part of its effective containment strategy among older and more vulnerable people during the first wave. Similarly, contradictions between the public health and economic functions of government have become more evident since last summer in debates about the public health impact of the Eat Out to Help Out scheme.

- **Poor communication around key decisions**. Central government choices have regularly come as a surprise to local and regional administrations, resulting in political standoffs that further undermine efforts at coordinated governance.

- **Insufficient harnessing of local emergency response capacity** and an absence of mechanisms through which local knowledge could inform the national response. Many localities have their own emergency planning teams and processes in place, some of which are regularly stress-tested. Many councils have autonomously activated these tried and tested control mechanisms with impressive results, but the UK government has failed to share resources or data with local government in order to mobilise, expand and coordinate this latent potential. The repercussions have become clear: as of mid-October, government data suggested the centralised system of track and trace was reaching only 54.3% of contacts within 24 hours. Local authorities, on the other hand, were reaching 97% of close contacts according to the Local Government Association.

Steps to alleviate these issues of governance in the UK:

- **The UK government should activate a well-resourced governance coordination mechanism** to (i) share information between tiers of government; (ii) facilitate processes of multi-level negotiation around key decisions; (iii) communicate decisions throughout the government and territory; and, where necessary, to (iv) broker mutual consent when disagreements arise. Once the public health crisis subsides, efforts should be made to reinforce and repurpose this intergovernmental infrastructure for a more integrated approach to recovery.

- **Mechanisms for cross-departmental coordination should be established or prepared for activation in times of need**. Health and social care must be recognised as intrinsically connected elements of the same system in policy-making and political regard. A greater degree of coordination should also be sought between SAGE and the 'economic' functions of government to balance and adjudicate between competing priorities during the 'long recovery' (previously these bodies have recommended inconsistent policies derived from separate forecasts and datasets). Notwithstanding the immediate trade-offs, economic success and public health both demand proactive management of the virus in the longer-term. Stronger bilateral coordination mechanisms should be established between key departments and a centralised committee, perhaps modelled on the cabinet committee deployed for Brexit preparations, should be activated as a priority in future crises.

- **A meaningful and comprehensive review should be conducted into which government functions are best performed at which geography**, based on a principle of subsidiarity. This should be upheld by

stronger civic governance mechanisms at a local level with national government providing legal, regulatory, resource and policy supports. These mechanisms could include more combined community budgets, coordinated services and supports, and aligned local economic development strategies.

- In places where the voluntary sector has grown or taken on new responsibilities during the pandemic, provisions could be made for an **inclusive and open dialogue about the appropriate roles of different local institutions in the future**, including the partnership structures, accountability mechanisms and hard/soft infrastructure that can enable a more pluralistic and collaborative ecosystem of local governance and service delivery.

System resilience

Perhaps most fundamentally of all, the pandemic has exposed an alarming lack of resilience in UK systems. As argued above, institutional siloes, political fragmentation, over-centralisation and low levels of civic trust have all contributed to this brittleness, but these governance shortcomings have been matched by persistent supply chain issues and severe weaknesses in the UK's health and social care systems.

The countries that have performed well have tended to have a high health system quality, backed up by relatively strong social care and security systems. Singapore and South Korea were both among the top three countries on the Health System Quality Index (last calculated in 2014). In the EU, Germany has the most hospital beds per 1,000 people, which has been a crucial factor in enabling a more measured approach to hospital discharge.

In the UK, by contrast, cuts to local government over the last decade have been severe and sustained and the government's long-term failure to design a viable model for funding social care left the system highly vulnerable before the crisis even hit. The UK's per capita bed count is among the lowest in the EU and despite a 2016 enquiry warning of a shortage of ventilators in the UK, health system capacity has continued to shrink under the weight of ongoing cuts to public services.

East Asian countries that suffered from MERS and/or SARS outbreaks took a different approach during low-demand periods, building national medical stockpiles, testing capacity and excess hospital capacity. They established local systems of production ready to be activated in an emergency, that have outperformed UK systems of production (of PPE, for instance) which were insufficiently dependable once global supply chains faltered.

Steps to building system resilience in the UK

- **Greater levels of excess capacity should be maintained in the NHS to reinforce the system against unforeseen demand surges.** This includes stockpiles of basic medical supplies. Circular and resilient supply chains should be established for essential items that help maintain public health during crisis. Production capacity should be established at the local or regional level, ready to be activated if necessary.
- **Government departments should keep a record of backup staff, recent leavers and trained volunteers who could be rapidly redeployed** to emergency services if and when this becomes necessary.
- **An urgent review of the global response to Covid and the strengths and weaknesses of UK governance in contrast with other approaches should be undertaken.** The purpose of this review is not simply to assign blame or even to conclude on how the UK response could have been more effective, important though that analysis is. Beyond retrospectively analysing the response, there is an urgent need to understand how the UK's governance is adapted to responding to other systemic challenges, such as climate change, which we know will require major shifts in governance, behaviour and democratic practice.
- **Projected future scenarios should be published for critical system level areas and be given the same governing significance as the annual Budget.** Political choices that emerge from this scenario planning process should be underpinned by wide public engagement, deep democracy and solidarity with future generations. A permanent body such as the Future Generations Commissioner in Wales could be established in the UK to lead this critical public dialogue about long-term resilience and intergenerational justice.

Inequality and insecurity

The pandemic has exposed and exacerbated growing levels of need, deprivation and inequality in the country. Government spending must be deployed strategically and far-sightedly to address these inequities. The places most impacted by Covid have been those with higher levels of need as measured by the Indices of Multiple Deprivation. These areas significantly intersect with ethnic minority communities' places of residence, forming one element of the disproportionate impact on minority communities through Covid (occupational structure is also likely to play a significant role).

The UK's fragmented system of social support has created new disparities and deepened old ones. Although the Government has managed to get critical support to employees, it has struggled to support those in 'non-standard' work: many self-employed workers have been ineligible for support. The response to Covid has shown systems that underpin earnings and provide a safety net, including Universal Credit and statutory sick pay, to be grossly insufficient and unevenly distributed.

Steps for addressing need and deprivation:

- New methodologies for public investment which have a better consideration of wider social and environmental benefit – as well as need - developed in place of the Treasury Green Book. Furthermore, to help decisively tackle place-based inequality over time, the existing cap on National Infrastructure Assessment proposals (1.2% of GDP) should be lifted to the EU average or higher.
- A basic income as a key component of a more empowering welfare system. As the pandemic has shown, we live in a world of multiple vulnerabilities, many of which are unseen and beyond our control. Our current means-tested welfare system is insufficient to protect us all against these vulnerabilities, and has left many people insecure, unprotected and unable to comply with social isolation guidelines during the pandemic. UBI, on the other hand, has the potential to eradicate destitution from the country entirely. It provides universal coverage and fairness and should be an important element of a more empowering welfare system that will secure the UK against future shocks.

NEXT STEPS

This short briefing has outlined some of the various ways in which governance could be improved in the UK. Among these are concrete changes that could be introduced today. As a priority, we are calling for:

1) **The UK government to commission a large-scale, participatory national conversation** to surface people's experience of the pandemic, their anxieties and hopes for the future and their views on how democracy and political trust can be deepened in the UK. In the future, thematic assemblies should be convened annually to address key structural challenges facing the country, ideally decided by the public through a digital voting platform.

2) **New and stronger lobbying regulations** to uphold principles of fairness, transparency and competition in government commissioning and procurement. The remit of the Office of the Registrar of Consultant Lobbyists (ORCL) should be expanded to include those lobbying on behalf of themselves or their employer and the register should monitor the lobbying of MPs and Ministers' special advisers, as well as Ministers. Following practice in the US, Canada and many other democratic regimes, the register should include the names of lobbyists, the topic of discussion, the expenditure on lobbying (including gifts) and information about lobbyists' past and current position(s) of employment. Public officials should be banned from receiving payment in return for lobbying and should regularly be required to declare potential conflicts of interest and gifts they have received. The ORCL should be given greater power to monitor behaviour, enforce lobbying rules and resolve any potential conflicts of interest in favour of the public interest.

3) **The UK government to introduce a 'lobbying tax'** to disincentivise large-scale corporate lobbying and to fund initiatives for more transparent and participatory governance. This tax should be progressive — as Elizabeth Warren suggested during the Democratic primaries — deducted from organisations and individuals based on

their annual lobbying expenditure above a certain threshold. Registered trade unions and charities should be exempt from this tax. The proceeds should go towards (i) funding ORCL's monitoring and enforcement efforts; (ii) funding annual citizen-led conventions on topics chosen by the public through a digital voting platform (see above); (iii) establishing a What Works Centre for public participation - a body tasked with researching best practice in the field of public engagement, advising the design and implementation of engagement projects, advocating greater use of deliberation and participation in policymaking and training a body of skilled process designers and facilitators in the UK.

4) As far as possible, **the UK government should follow principles of 'radical transparency'** in its public communications, drawing inspiration from Taiwan, where the Digital Minister Audrey Tang records and transcribes all her meetings and where anonymised data about local outbreaks and healthcare supplies is made public, allowing distributed actors to contribute ideas or develop digital software to support the pandemic response.

5) **Resource should be prioritised for new integration mechanisms to coordinate public authorities across government departments and the territory of the UK.** This should be followed by a meaningful and comprehensive review conducted into which government functions are best performed at which geography, with a presumption in favour of collaborative local governance paired with strong vertical coordination.

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Many of the lessons emerging from global responses to Covid-19 imply that governments' capacity to deal with crisis is significantly determined by the strength of relationships that exist within, between and beyond political institutions. A transparent and relational ethos of government based on principles of cooperation, accountability and participation will be integral to achieving a future in which system resilience is matched by ambitious reform. The recommendations we have set out in this briefing paper suggest how the UK government can begin to work towards this future.

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