

COVID-19: The Shape of Governance to Come

COVID-19 has led to an unprecedented shock that, apart from having deadly consequences, is giving rise to several governance challenges, both between and within countries.

Firstly, the epidemic poses an international coordination challenge that is particularly relevant in the context of the European Union. At the beginning of the crisis, the countries that were initially affected probably reacted too late and inefficiently. If one country had reacted early, it would have generated major benefits for all the others; however, the government and economy of that country alone would have absorbed the economic and election costs associated with its response. Perhaps if there had been an international pandemic relief fund, the countries that were affected first could have acted quickly without fear of incurring disproportionate costs, and this would have slowed down and dampened the spread of the virus. Had this happened, everyone – both the financing countries and the recipient countries – would have benefited, given the highly contagious nature of the virus, which has spread rapidly throughout Europe. But without this prevention measure, and now that COVID-19 has triggered an emergency across the whole continent, we have witnessed extraordinary incidents within the EU, such as France's seizure of a stock of masks from a Swedish producer that was headed for Spain, amid widespread shortages.

However, despite the obvious benefits of international coordination due to the externalities of the pandemic across countries, there are also clear benefits of a more decentralized approach, given that the response can be tailored to the information and the needs of each territory. For these reasons, it is important to understand how the COVID-19 crisis is changing citizens' preferences with respect to transferring sovereignty to the European Union. In a recent study conducted with Francesc Amat, Albert Falcó-Gimeno and Jordi Muñoz, we answer this question through a survey conducted in the first week of confinement (20 - 28 March). The sample is nationally representative, such that the respondents' age, gender, autonomous community and educational level were in accordance with the Spanish average.

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To study the effects of the COVID-19 crisis, we randomly asked the respondents the same questions, but with reference to different global challenges that raise similar dilemmas in terms of international coordination, such as climate change and international terrorism. Specifically, we asked the respondents which level of government they would prefer to manage the crisis. The results in Figure 1 show that the citizens favour a national response to tackle COVID-19, much more so than other global challenges, and that they are not particularly inclined to hand more power to the EU to deal with it. This is consistent with the response to the crisis so far, given that there has been a lack of coordination at European level.

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We also asked them, if they were handed €1000, how much they would apportion to the fight against COVID-19 in different parts of the world. The results show that they would allocate around €500 to the fight against COVID-19 if it were destined for their autonomous community or the country as a whole, while they would allocate just €400 euros if it were destined for the EU as a whole, and €300 if it were destined for Asia. These results reveal a national bias in the citizens' welfare priorities, a common finding that has shown an upward trend in recent years in several European countries and the United States.

However, beyond citizens' preferred level of government when it comes to managing the crisis, COVID-19 is giving rise to major dilemmas concerning the management approach adopted by each country. The first dilemma again relates to externalities and coordination in social distancing. The highly contagious nature of the virus means that individual actions have a significant impact on the lives of others. Ensuring that infections evolve evenly over time is critical to the health system's ability to minimize the damage of the epidemic, an objective that requires social distancing. One solution to such coordination problems is based on trust between citizens and public institutions, so that social distancing based on reciprocity and cooperation is carried out voluntarily and with civic-mindedness. This was the chosen path in Sweden, for example. Without closing any restaurants, parks or hair salons, barely imposing any fines and issuing guidelines rather than laws, Sweden has managed to keep its death rate in line with that of other countries, with a lower economic and social cost. In a recent article in the New York Times¹, several experts and witnesses attributed the success of this model to the high level of trust and reciprocity between citizens and institutions in Sweden. In many countries, however, the conditions and social capital required for such a response are non-existent or have deteriorated in recent years, especially as a consequence of the Great Recession. The alternative to civic cooperation is coercion, which presents citizens and governments with a difficult choice between individual freedoms and health.

¹ 'Life Has to Go On': How Sweden Has Faced the Virus Without a Lockdown. NYT, 28/4/2020. <https://www.nytimes.com/2020/04/28/world/europe/sweden-coronavirus-herd-immunity.html>

The respondents are willing to sacrifice more individual freedoms to fight against COVID-19 than against other global challenges, and are more committed to discipline and authority than cooperation

Our study analysed the preferences of citizens in the face of this dilemma. On the one hand, we studied their assessment of the freedom/effectiveness dilemma in the fight against COVID-19 compared to the fight against climate change and terrorism, which involve very similar dilemmas. The results, shown in Figure 2, show that Spaniards are much more willing to sacrifice individual freedoms and rally around strong leadership to cope with COVID-19, compared to other global challenges.

We conducted an additional experiment within the survey that involved randomly asking respondents to what extent they agree with the statement that they must cooperate to overcome the COVID-19 crisis, or to what extent they believe with the statement that they should show discipline. The results show that respondents who were randomly asked about discipline tended to agree with the statement to a much greater extent.

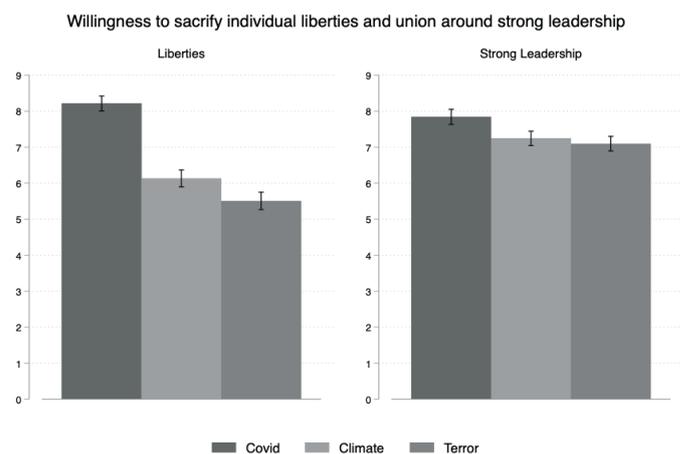
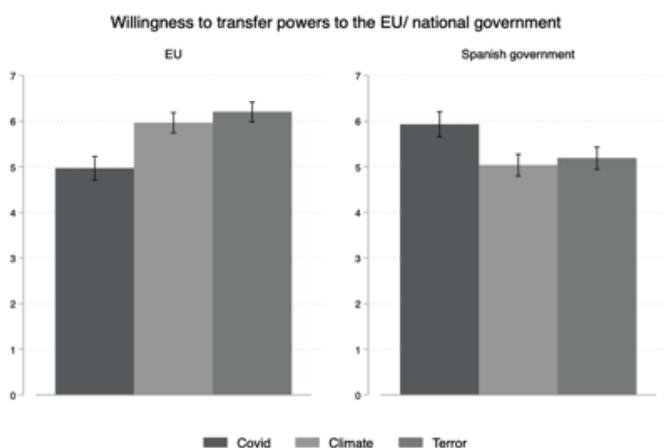
Another interesting variable that emerged in the survey was individual exposure to the virus; in other words, whether or not respondents knew someone who had contracted it. This allowed us to study the correlation between direct exposure to the virus and the preferences of citizens. It is important to highlight that this is a simple correlation; the profile of citizens who contract the virus is unlikely to be random. However, we sought to make statistical adjustments to minimize these biases. The results show that respondents with direct exposure to the virus presented significantly lower levels of trust in both EU and Spanish state institutions. In addition, they expressed significantly greater support for more authoritarian policies that sacrifice individual freedoms to fight the virus. It is interesting to compare these results with a recent study by Aassve and co-authors (2020), who studied the effects of the 1918 Spanish flu on social trust. In their study, they obtained data from the General Social Study, a representative survey of the US population. The study looked at the children of immigrants from countries that were heavily affected by the Spanish

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flu, and their findings indicate that the pandemic had a strong negative effect on social trust. These results are significant because social trust, which our findings indicate is also falling in the context of the COVID-19 crisis, is a major determinant of economic growth, given that it creates a favourable environment for economic transactions and social interaction in general and makes the civic response to collective action problems such as social distancing more difficult.

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Finally, the COVID-19 crisis highlights a governance-related dilemma that has been discussed at length in recent years, in the aftermath of the Great Recession, and that pits technocracy as a model of government against more ideological policies. In recent years, there has been a growing trend among populist parties, which have enjoyed great electoral success, to reject technocracy outright and to counter it with other political, identifying and ideological values. The COVID-19 crisis is interesting in this regard, because it has brought experts back to the forefront. An important point, at least in the first phase of the pandemic, is that the type of specialist knowledge required relates not so much to economics as to healthcare and public health management. In addition to the survey and corresponding experiments carried out at the end of March, we also had access to data from a survey on technocratic preferences conducted in January among the same participants. This allowed us to observe how the preferences of a group of citizens had evolved in the space of just two months,



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when it would be reasonable to assume that the emergence of COVID-19 was the most important factor in influencing their preferences.

Our findings show that preferences for technocratic governance have increased as a result of the pandemic. In particular, the likelihood of people to prefer experts over politicians, to want politicians to design policies based on technical criteria and to vote for politicians because of their management capabilities has risen substantially. Furthermore, it is interesting to observe how these changes are particularly pronounced among individuals exposed directly to the virus and individuals who tend to be better informed about politics and public issues. We also observed an important change in the qualities most favoured in politicians; capability and readiness are valued way above honesty and proximity. Therefore, it seems that the pandemic has underscored the value of technical knowledge, at least in the field of healthcare. It would obviously be interesting to find out how much these preferences for technocratic governance have also increased in relation to questions that explicitly refer to other areas of public policy, especially economic policy.

Finally, it is important to highlight that a large proportion of the results of our study were based on a survey carried out at the end of March, and that

we are undergoing a period of rapidly changing circumstances. Only time will tell how the pandemic will shape citizens' preferences. For this reason, the survey has been designed so that the respondents will be re-interviewed at the end of May, when the initial measures to ease the confinement will already have been implemented. However, this shift in preferences – which is reflected largely in the policies deployed by governments, primarily in Spain of course, but also in other countries – may have consequences in the long term. This is especially relevant to the restrictions on individual freedoms and the emergency powers that the central government may deploy. Experience tells us that once certain measures have been put in place, it is difficult to backtrack. Thus, it is important that liberal democracies and their social agents scrutinize the actions of governments that use COVID-19 as an opportunity to seize excessive powers, especially when it comes to decisions that would be difficult to reverse.

References

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