POLICY BRIEF

Pandemic and the Economy – A Pandemic-Resilient Society.

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Executive statement

On 5 May 2023, the World Health Organisation (WHO) declared the end of the Public Health Emergency of International Concern (PHEIC) for COVID-19. It is important to learn lessons from our experience, including the management shifting from pandemic to endemic. It is the time to create the foundations for a pandemic resilient society, in order to avoid similar health and economic catastrophes for the next time around. Building a pandemic resilient society requires sustainable, long-term financing and resilience requires an inter-sectorial dialogue within society across different sectors, not only within the health sector. This paper provides policy recommendations and a set of good practices to implement structures for a pandemic-resilient society.

Key messages and recommendations

It is not possible to efficiently tackle a pandemic by purely reactive measures – a resilient society requires: **Prevention** to avoid escalation and **preparedness** to have an adequate response capacity to be ready for the worst case. Prevention and preparedness capacities must be built in times of peace, otherwise the response will be inadequate or fail when the crisis hits.

- *The investment case for pandemic preparedness: Health security is economic security.* To ensure long-term financial resources and build capacity, capability and resilience, public health agencies need to make the investment case for pandemic prevention, preparedness, and response (PPPR). This means highlighting the direct and indirect financial benefits of PPPR programs. In the optimal case, these programs are multipurpose investments, i.e., they not only yield a return when a pandemic hits, but also in the here and now.
- *The Whole-of-Society approach: Inter-sectoral dialogue and collective decision making.* Public health agencies should collaborate and coordinate with every part of government, as well as every part of society, including the private sector. As every part of society is affected by a pandemic, it is necessary to include all stakeholders in PPPR decision-making and planning.
- *No-one-left-behind: Inclusivity for an equitable pandemic-resilient society.* Countries should support underserved communities or else a society cannot be pandemic resilient. During a pandemic, the most vulnerable members of society very often shoulder the largest economic pain as well as the highest health impacts.
- *Communication: The foundation of pandemic prevention, preparedness, and response (PPPR).* Effective communication plays a crucial role in all aspects of PPPR, from making the investment case to communicating with the population. Stakeholders should adopt communication strategies that support a transparent decision-making process and maintain trust in the system and authorities.

Introduction

The COVID-19 pandemic is one of the largest public health emergencies in recent history. A large amount of resources have been allocated to combat the health and economic fallout. As the disease is becoming endemic, the attention of policy makers tends to shift towards other issues, creating a risk of falling into a panic-then-neglect cycle. To build a pandemic resilient society, it is necessary to create mechanisms and long-term sustainable preparedness policies with the necessary long term financing plans to avoid this trap. A pandemic resilient society requires many puzzle pieces to be in place[1]. As the pandemic has

[1] For a comprehensive review on community resilience, see https://pubmed.ncbi.nlm.nih.gov/29188132/. Many of their points will be addressed within this paper.

taught us, the economy and health are interlinked such that neither can be dealt with separately – "*no health, no wealth*". A Whole-of-Society, intersectoral approach is needed for pandemic preparedness to be effective.

From left to right: Amb Toru MORIKAWA, ASEF; Prof Mika SALMINEN, THL; H.E. Ms Annika SAARIKKO, Government of Finland; H.E. Mr FUJIMURA Kazuhiro, Embassy of Japan in Finland; and Dr Taneli PUUMALAINEN, STM

"A resilient society is one that is governed by the rule of law. One that has a reliable and functional political system: One in which a free media shares up-to-date and reliable information. One in which citizens trust the authorities and one another. One in which different groups work well together, and society is prepared for any eventuality.

[…] Faith in the future and in one's own opportunities to be heard is a vital element of resilience, both on the level of the individual and on the level of society as a whole."

H.E. Ms Annika SAARIKKO,
Minister of Finance (caretaker government), Finland

6-7 June 2023, Helsinki, Finland

"Pandemic and the Economy 2023: A Pandemic-Resilient Society" Conference

The Asia-Europe Foundation Public Health Network (ASEF PHN), the Finnish Institute for Health and Welfare (THL), and the Ministry of Social Affairs and Health of Finland organised a conference bringing together senior officials from the public health sector and non- health sectors involved in the COVID-19 response in respective countries across Asia and Europe, as well as experts from academia and NGOs.

The purpose of the meeting was to create a multisectoral dialogue between public health and non-health sectors by sharing lessons on how to deal with the public health vs the economy trade-off, to generate suggestions for policy actions in building a pandemic resilient society, and to address the role of the health sector in creating better intersectoral and international collaboration. The event is a follow-up on the roundtable webinar "Pandemic and the Economy – Investment for the Future", organised by ASEF PHN in 2021[2].

Recommendations from the conference

The panel discussions and group work generated four key recommendations for achieving a pandemic-resilient society. While we acknowledge the importance of international mechanisms, such as a pandemic treaty and the Financial Intermediary Funds (FIFs), the conference intentionally focused on domestic PPPR, aiming to support country-level capacity building, such as better cross-sectoral coordination mechanisms.

Recommendation 1: Health security and economic security are closely interrelated – Make the investment case for pandemic preparedness.

Public health and the economy are inseparably linked, and health effects on the economy vary across the different phases of the pandemic. During the early stages of the pandemic, a consensus was reached

[2] See https://asef.org/projects/pandemic-and-the-economy-investment-for-the-future/ and the policy brief https://asef.org/wp-content/uploads/2021/03/ASEFPHN_Pandemic-and-Economy-Webinar-Policy-Brief.pdf

that prioritising health outcomes would also lead to optimal economic results, i.e., minimising GDP loss. For example, a scenario study by the Finnish government showed that Finland's strict non-pharmaceutical interventions from the get-go yielded the highest GDP and lowest unemployment in the short term due to avoiding the negative social and health effects of widespread disease transmission in a situation of major uncertainty[3]. In other words, strict health measures seemed to be an optimal economic policy in the early stages of a pandemic, especially if the full spectrum of the disease severity is unclear and there appears to be a need to protect the near-term capacity of the healthcare system.

The picture is more complicated in the longer term – when governments intervened heavily to support the economy, the negative fallouts were delayed. As time goes on and the health situation improves, the economic damage becomes more visible. There is an open question about how long the budgetary authorities will be able to justify spending on pandemic preparedness when other pressures begin to arise while the pandemic fades from the public's consciousness, leading to the ***Panic-then-Neglect Cycle***. When the memories of the pandemic fade, the need for pandemic preparedness becomes less obvious, and health security becomes less of a budgetary priority. This is especially true for countries relying on financing their budgets via debt issuance. To avoid the Panic-then-Neglect Cycle, it is therefore important to justify the need for long-term recurring financing of health security measures aimed at prevention and preparedness. In other words, Public health officials need to be able to **make the investment case for pandemic preparedness**. This section aims to provide public health officials with the tools to make such cases.

Short-term investment vs long-term investment: Time Inconsistency

> *[What is time inconsistency?] Time inconsistency describes the desire of institutions to spend too many resources in the short-term rather than on long-term projects, while in hindsight regretting having done so. For the case of securing funding for pandemic preparedness, the obstacles faced may include budgetary authorities being tempted to spend money on projects that show an immediate return, rather than something that will only be useful at an unknown point in time.*

To be able to make a compelling argument, one needs to understand the fundamental problem with long-term budget allocations: Time inconsistency (refer to the explanation above). Several solutions to the time inconsistency problem have been developed in the economic literature, which can be adapted to overcome the time inconsistency dilemma in public health. On an institutional level, a public health authority can be designed to either have an **independent objective function**; the right to **independently implement policy instruments** depending on an objective agreed with the government; or be given **longer term financing horizons**. These solutions might require a redesign of existing or creation of new public health institutions.

More practically, the public health officials must be **clear about the trade-offs** faced in the financial decision making. These trade-offs can be between non-health portions of the budget and the public health portions, or even within the health portion of the budget itself. For this purpose, a Health Security Financing Assessment (HSFA)[4] can be utilised to discover where these trade-offs lie and where the sources of the funds come from. Not all budget allocations are trade-offs, some of them can be framed as **multi-purpose investments** and communicated to the budgetary authority as such. The task of the

[3] See https://valtioneuvosto.fi/en/-/10616/government-discusses-scenarios-examining-the-social-and-economic-impacts-of-the-covid-19-epidemic
[4] Example from Viet Nam: Vietnam-Health-Security-Financing-Assessment.pdf (worldbank.org)

public health official is then to convince the budget holders at all levels that an investment in pandemic preparedness not only pays off when a pandemic hits, but yields returns in the here and now. An example of a multipurpose investment would be a vaccination infrastructure, that provides annual flu shots, but can also be utilised during a pandemic. Similarly, data streams can be utilised to model ongoing disease challenges and then be pivoted towards a pandemic threat.

Persuasive Health Security Financing Arguments

The classic way of arguing in public health is by explaining how a policy increases quality- or disability-adjusted life years. By using how much money a policy returns for each unit invested, one can widen the horizon to think about the problem. For example, an investment in a vaccination program relieves pressure on the general health care system and thus saves the taxpayer money, i.e., an immediate, **direct return** on our investment. Furthermore, one can advertise **indirect** knock-on effects, e.g., by pointing out that workers who are vaccinated against flu require a lower number of sick days per year, increasing average worker productivity. Similar arguments can be made for the evaluation of a disease surveillance system. Making a persuasive financial argument requires public health authorities to work closely with economists or even the creation of economic units within the public health authority.

Action points for the recommendation 1:

- ⇨ Frame Health Security as a financial investment.
- ⇨ Think about the data and arguments used when making the investment case.
- ⇨ Find multipurpose investment opportunities.
- ⇨ Understand the health-related financial sources and flows within budgets and society using a Health Security Financing Assessment.
- ⇨ Involve economists when making the investment case to budgetary authorities.

Recommendation 2: The Whole-of-Society approach that supports Inter-sectoral dialogue and collective decision making is essential for a pandemic resilient society.

The interconnectedness of health and the economy requires health crises to be tackled in a Whole-of-Society (WoS) approach[5]. The WoS approach is an implementation of collective consequence assessment and decision-making as well as better inter-governmental and societal coordination. The goal is to achieve a more balanced outcome. Communication will be easier as the outcome is usually not one-sided. The entire collective decision-making process must be transparent and well communicated, in order to not erode the trust of the population in the authorities.

Regionality

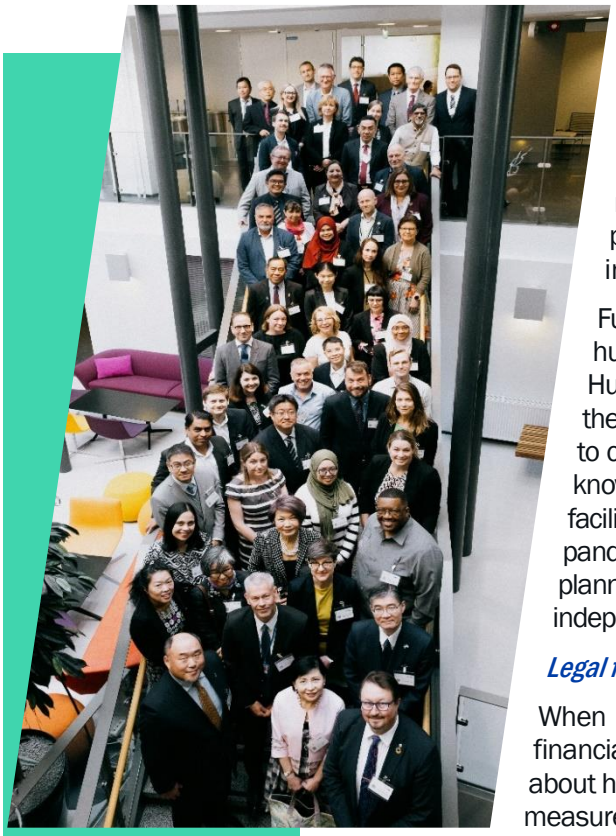
A crucial aspect of the WoS approach is the coordination between the central government and regional administrations. A coordination between central and regional government is imperative as most economic interventions during a pandemic, like tax relief or direct subsidies, are organised centrally. Health interventions on the other hand mostly do need to be managed by local authorities. It is a challenge to find the right level of delegation.

Targeted Economic Intervention

Business sectors can also experience different levels of economic impact. If the badly hit sectors are a significant part of the country's overall economy, targeted interventions can help to avert some of the damage. A typical example is the hospitality sector, essential for a country like Thailand, who implemented a sandbox strategy in tourist areas, to allow the tourist industry to re-open earlier, isolated from the rest

[5] For general guidelines for a WoS approach, see https://www.oecd-ilibrary.org/sites/b3090ab7-en/index.html?itemId=/content/component/b3090ab7-en - chapter-d1e6753

of society; a strategy requiring a high degree of coordination. Another example is Greece's opening of tourist flows depending on the disease prevalence in the origin country.



Institutional aspects

To bring the WoS approach together, institutions need to be in place to facilitate the coordination of all the sectors; to create necessary infrastructure, resources, and stockpiling capacity; and to create the much-needed centralised data streams. As mentioned in the previous section, these institutions need to be designed in a way that avoids time inconsistencies.

Furthermore, these institutions are the main guardians of the human capital and knowledge that are being built up right now. Human capital refers not only to the direct personnel involved in the pandemic preparedness, but also to the ability of the system to create surge capacity during a crisis. With the preservation of knowledge, we also touch on another aspect institutions can facilitate, the systematic learning of lessons from previous pandemics. To be able to freely examine previous pandemic planning efforts, the institutions need a certain amount of independence, such that they can learn from the mistakes made.

Legal framework

When implementing the WoS approach, it is not only about financial resources directed towards pandemic resilience, but also about having the legal framework in place, allowing health security measures to be implemented when needed, without having to wait for the legal procedures to shift into gear. This requires the public health sector to engage with policy and legal processes, residing in other parts of government.

Additionally, international cooperation is needed throughout all levels of the management structure. Human capital is especially relevant in evaluating the lessons from other countries, as these need the local context to be adopted in the home country. Established international frameworks and tools to implement guidelines[6] need to be integrated on an institutional level. To make the WoS approach effective, it has to be trained, using scenario-based simulation exercises in peace time, while preserving lessons learnt from the COVID-19 pandemic. The necessary institutional muscle memory needs to be built to ensure a fast implementation when the crisis hits.

Action points for the recommendation 2:

- ⇨ Use a Whole-of-Society approach, balancing the needs of all groups in society.
- ⇨ Develop new sources of early data (including from the private sector) and digitize healthcare.
- ⇨ Learn from failures and use that knowledge for PPPR policy and practice.
- ⇨ Governments should maintain knowledge, understanding, experience, skills, and the capacity to adapt and rapidly respond to public health emergencies and pandemics.
- ⇨ Integrate private sector resources in the pandemic response.
- ⇨ Undertake regular scenario-based simulation exercises to test PPPR strategies.

[6] See for example the WHO guidelines for influenza pandemics: https://www.who.int/publications/i/item/9789241547680

Recommendation 3: An inclusive society, leaving no one behind, leads to a pandemic-resilient society.

The latest pandemic made it very clear that the health and economic impacts of a pandemic are not evenly distributed amongst society's subpopulations. While the Whole-of-Society approach is aiming at integrating every part of society, achieving equitable health and economic outcomes have become special challenges during the pandemic. The most vulnerable and underserved parts of society warrant special attention as they continue to experience some of the greatest negative health and economic impacts from the pandemic, e.g., underserved people frequently work in essential jobs with high contact rates. Therefore, by specifically addressing underserved communities, a pandemic-resilient society is easier to achieve.

Action points for the recommendation 3:

- Improve general health care infrastructure – aim towards Universal Health Coverage (UHC).
- Understand the needs of vulnerable/underserved parts of society and ensure these needs are met in PPPR strategies.
- Build relationships and create channels of communication with underserved communities before a pandemic.
- Remember that no one is safe until everyone is safe.

Recommendation 4: Communication is the foundation of pandemic prevention, preparedness, and response (PPPR)

The topic of communication comes up within each of the other recommendation chapters so frequently that it warrants its own section. Public health authorities need to provide **transparency** about their decision-making process to assure all relevant stakeholders are accounted for as part of building **trust** in authorities. Another part of building trust is the need to be clear about the **division of labour** between expert/scientific evaluation and political decision-making. If these two roles get confused and the scientists or politicians interfere in each other's sphere of responsibility, the population might lose trust in the decision-making process. This is especially relevant as the population must be brought along on the journey towards a pandemic resilient society. On that path, the focus of the policy maker shifts from early pandemic response measures to establishing long-term structures. For example, Singapore communicates uncertainty by setting out a **roadmap** with specific time horizons.

The communicator matters!

The correct communicator matters when communicating with the wider public. Communicators need to be experts in the issues they are presenting and be able to communicate clearly in languages people understand, explaining technical terms and concepts in ways that people can relate to, without over-simplifying. Again, the division of labour between experts and political decision makers needs to be emphasized.

Action points for the recommendation 4:

- Be transparent about the decision-making process.
- Communicate uncertainty with transparent roadmaps.
- Select a suitable communicator – training might be required.
- Use appropriate, contemporary communication channels.

Acknowledgements

We would like to thank all participants of the conference for their valuable contributions. We hope that this paper does their efforts justice. We want to especially thank H.E. Ms Annika SAARIKKO for the insightful keynote speech and Dr Fergus CUMMING for the supplementary reading as linked below.

Supplementary reading

The Case for Investment in Pandemic Preparedness

The accompanying article by Dr Fergus CUMMING, "*The Case for Investment in Pandemic Preparedness*", outlines some of the reasons why it is often difficult to invest in pandemic preparedness activities by exploring the drivers of short-termism. The article also explores some of the solutions that have been proposed in non-public health sectors and suggests how they might be applied to public health. In the second part of the article, Dr CUMMING suggests three tangible actions public health authorities can do to make their case for longer-term investment convincing to budget holders.

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