

Is the pandemic really a 'Wake Up Call' for the West?

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Covid-19 has stress-tested government quality and many Western states have been found wanting. So conclude John Micklethwait and Adrian Wooldridge in their new book, *The Wake Up Call*.

An uncontroversial observation, some might say. But the pair review the cross-country wreckage to try to identify lessons from the successful and unsuccessful countries. Their conclusion: the better public health outcomes of East Asia highlight the legacy of a key Western failure (especially in Britain and the US) — decades of not taking government seriously.

The supposed glory days of good government through the 1960s gave way to left-wing overreach in the 70s and neoliberal overreach in the 80s and 90s. The consequence of both has been crowdout and underinvestment in core government functions and ineffective, low quality leadership. The pair want the pandemic to wake us from this stupor, encouraging meaningful reform to refocus the state and measures to raise the prestige of public service itself.

As a libertarian, I'm predisposed to believe this year's deaths and economic carnage land at the feet of useless, overbearing Western governments. I'm currently writing my own book that touches on the failures of politicians to think like economists through this crisis and have criticised how the growing scope of the state may have crowded out focus on core activity, such as infectious disease control, while highlighting how more specific government failures have made things worse.

But while there have been plenty of mistakes of competence and calculation, Micklethwait and Wooldridge's book unwittingly highlights the difficulty of finding readily generalisable big picture conclusions for why some states have performed better than others. At times, we almost face a tautology:

"Why did some countries do well with Covid-19?"

"Because they have more effective governments!"

"How do we know they have more effective governments?"

"Because they did well with Covid-19!"

The problem any analysis seeking "lessons" about government from this episode faces is that simple correlation analysis finds no relationship between deaths/population and either government size, health-to-GDP spending, measures of government effectiveness, measures of state capacity, pandemic preparedness, recent fiscal policy, or inequality—the favoured metrics of many commentators (see my <u>Twitter thread here</u>)

Micklethwait and Wooldridge hold up East Asian states, for example, which have indeed enjoyed much lower death rates and have much to admire more broadly. Yet it seems a stretch to imply, as they do, that features of their governments — such as being unencumbered by large welfare states and granting higher status to public officials — explains their good Covid performance more than, say, having had recent experience with SARS and MERS. Especially because such a theory cannot account for the relative success of, say, Germany, let alone Greece.

"Three things stand out among the failures: a complete lack of urgency; an inability to organise testing and protective equipment; and dysfunctional politics," Micklethwait and Wooldridge muse—a very US-UK centred view that perhaps also incorporates Brazil and Belgium. But there was no reason to expect that Greece, Australia, and Poland would be coping a lot better with Covid-19 than Sweden and Switzerland, given the relative stability of the latter group's politics. So, what are the implications?

What Micklethwait and Wooldridge want to imply is that the structural problems associated with Western governments (being outdated, overstretched, captured by vested interests and the elderly, and more) contributed to the lack of focus on the matter at hand.

But though they are surely right to say the mistakes made would have been likely under whoever was leader, it's a bit much to suggest these problems stem from insufficient focus on pandemics. "Exams for governments are not unlike those of students: those who have put in the work and taken the subject seriously tend to do best," they claim. Yet the US and UK were actually <u>heralded by technocrats</u> as best prepared for a respiratory pandemic *before* Covid hit, while Greece and New Zealand were marked poorly. Britain, in particular, followed the advice of its SAGE committee closely in the early pandemic days — a degree of technocratic capture with seemingly terrible consequences.

To reiterate, there were clearly major *government* failures in testing, communication, advice, the quality of the test-and-trace systems, PPE, and care homes. The authors are right that some of these problems arose because of too much centralisation in government and the perverse incentives of politics. But with a new pathogen there are all sorts of uncertainties and country-specific factors that affect the spread too, including demographics, population density, social networks, transport links, experience with previous viruses, and where the virus was seeded. Wooldridge and Micklethwait underplay these factors, attributing too much to central government mistakes alone.

In doing so, they unfortunately join everyone from *The Guardian*'s comment pages through to the growing "national conservative" movement in telling us that the pandemic proves the need for the sorts of policies they already wanted. In the context of the authors' fear that populists and demagogues will just blame China, or simply demand *more* government, their book is better understood as a defence of *The Economist* vision of the state—of a centrist, fiscally conservative, socially liberal, internationalist, technocratic government.

That's a perfectly respectable worldview, and there's plenty in it to agree with. They do a good job of piercing the false promise of the extremes of left and right. But their proposed "reforms," outlined through the American lens of an imaginary president Bill Lincoln (William Gladstone meets Abe), include carbon taxes, re-orientating welfare away from the old, compulsory national service, higher pay for politicians, localising power and police reform.

Some of these are good ideas; some bad. Yet most of their policy lessons seem as tendentious as blaming 'austerity' or inequality for our current plight.

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