

COVID-19 Policy Brief - 02

Collaboration in a Crisis:

A Memo from COVID-19

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Collaboration in a Crisis: A Memo from COVID-19



As the novel coronavirus (COVID-19) pandemic spread across the world, commentators deliberated: Is this the end of globalization as we know it?¹

The fact that the virus is transmitted through human contact, combined with the ease of modern travel, quickly turned COVID-19 into an international crisis. In the short-term, this led to border closures and physical distancing orders.

The long-term impacts this pandemic will have on integration are unknown. Globalization had been in retreat for years prior to the crisis, with trade declining as a proportion of global economic output, the rise of populist governments, and a gradual tightening of national borders. COVID-19 has provoked an impulse to pull integration back further and given fodder to those willing to leverage the crisis to advance a nationalist political agenda.

At the same time, COVID-19 is amplifying the essential nature of cooperation, both within and across countries, and the need for institutions that enable it. While global trade and investment patterns will undoubtedly shift in response, and internal relationships may be re-examined, the pandemic presents an invaluable opportunity to drive deeper collaboration. Here is why.

¹ The Agenda with Steve Paikin. April 1, 2020. "Will COVID-19 End Globalization?" <https://www.tvoo.org/transcript/2610037/will-covid-19-end-globalization>.



As much as the pandemic has revealed the costs of integration, it has also underscored its value. Throughout the crisis, there have been countless examples of collaboration, from sharing information to pooling resources to mitigate the economic and social fallout.

Consider the public health response, in which an unprecedented volume of data was shared across organizations and jurisdictions to track the outbreak and allow experts to provide evidence-based recommendations at a time when disinformation could be catastrophic. One example of information sharing at a large scale is the *COVID-19 Open Research Dataset*, an open-source collection of data shared between medical practitioners and researchers around the world. Within Canada, the Canadian Institute for Health Information *created a webpage* that aggregates information about hospital beds, intensive care units, ventilators, the distribution of health-care workers, and more. The federal government has also partnered with Thrive Health, a software company based in Vancouver, to provide Canadians with up-to-date information on the pandemic.²

Collaboration has been just as critical to ongoing efforts to finding a vaccine. After a Chinese scientist published the genomic sequencing of COVID-19, scientists everywhere began working towards the shared goal of a vaccine.

The New York Times reports: “Never before... have so many experts in so many countries focused simultaneously on a single scientific quest with so much urgency, exchanging information as it becomes available and launching clinical trials that rely on laboratories and hospitals from around the world.”³

This unprecedented global coordination and cooperation was recently formalized with the announcement of a new initiative led by the world leaders of approximately 40 countries, including Canada, who pledged money to a multi-billion dollar fund to develop a vaccine and support research into the diagnosis and treatment of COVID-19.

In Ontario, businesses have worked hand-in-hand with the public sector to supply critical products and services, including ventilators, personal protective equipment, virtual mental health services, and technology support. The provincial government began to solicit solutions from organizations through its *Ontario Together* website, and offered funding to support those response efforts, while the federal government undertook a similar initiative. In partnership with the Province, the Ontario Centres of Excellence established the *COVID-19 Collaboration Platform*, a tool to help innovators come together to address essential product and service gaps related to COVID-19.

Public-private collaboration has also been important to designing effective support programs that will help businesses and workers weather the economic disruption of COVID-19. Early on, the business community’s advocacy with government led to an increase in the federal wage subsidy from 10 to 75 percent and later to a reduction in the eligibility threshold. Federal officials also worked closely with Canada’s big banks to defer mortgage payments and offer small businesses access to additional capital.

Coordination is on display within the public sector as well. Canada’s three tiers of governments have aligned their responses in what some have deemed a rare show of bipartisanship. The same can be said for the deep relationship between the Canadian and US governments, which allowed both to close their borders to limit international transmission.

² Sarah Turnbull. 2020. “Feds launch ‘Canada COVID-19’ app to educate on coronavirus.” CTV News. <https://www.ctvnews.ca/health/coronavirus/feds-launch-canada-covid-19-app-to-educate-on-coronavirus-1.4877932>.

³ Michael Barbaro. April 1, 2020. “The Race for a Vaccine.” The Daily (Podcast by The New York Times). <https://www.nytimes.com/2020/04/01/podcasts/the-daily/coronavirus-vaccine.html?showTranscript=1>.



Equally important, the present crisis has highlighted how damaging it would be to attempt to unravel the many close international relationships on which most countries depend. The US administration's attempt to prevent manufacturing giant 3M from exporting face masks manufactured in the United States is case in point. Experts were quick to note that this could backfire, both because other countries would stop exporting to US, and because 3M's supply chain crosses both sides of the border.⁴

Discouragingly, the U.S. government has not acted alone in this regard; by mid-March, 54 governments implemented COVID-19-related export restrictions on medical supplies.⁵ While the intention behind these policies has often been to stockpile supplies and protect citizens, they have had unintended consequences. Given the highly integrated nature of global supply chains, export restrictions from one jurisdiction can hamper the production of exports in other countries, triggering a series of events that reduces the global supply of critical medical supplies that are in high demand. Simply put, the interconnected nature of the global economy means it is neither pragmatic nor prudent for countries to move towards self-reliance.

Perhaps nowhere is this truer than in Ontario, where economic growth is contingent on harmonious global trading relationships through which we can export and import liberally. The COVID-19 crisis has underscored the importance of well-functioning global supply chains Ontario relies upon for food, health care supplies, and domestic manufacturing. While international law does allow governments to restrict trade in times of crises, consideration must be given towards the irreparable harm those restrictions may inflict on global relationships, in addition to the added costs and inefficiencies countries will bear.

Ultimately, it is in Canada's interest to avoid the contagious spread of trade protection policies and this will require a coordinated, proactive global commitment among world leaders. For guidance, look no further than the response of G-20 countries and emerging economies in the wake of the 2008 financial crisis who made and largely fulfilled the following pledge:

*"We underscore the critical importance of rejecting protectionism and turning inward in times of financial certainty...we will refrain from raising new barriers to investment or trade in goods in services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports."*⁶

⁴ Ana Swanson, Zolan Kanno-Youngs and Maggie Haberman. April 3, 2020. "Trump Seeks to Block 3M Mask Exports and Grab Masks From Its Overseas Customers." The New York Times. <https://www.nytimes.com/2020/04/03/us/politics/coronavirus-trump-3m-masks.html>.

⁵ The Conference Board of Canada. 2020. COVID-19 Global Supply Chain Disruptions A Catalyst for Long-Term Changes? https://www.conferenceboard.ca/temp/dbf3fc19-3132-4858-98d1-26ef6bbaf4fa/10693_Issue-Briefing-COVID-19-Supply-Chain-Disruptions.pdf

⁶ International Chamber of Commerce. 2008. "ICC Chairman hails G20 leaders rejection of protectionism and commitment to conclude WTO's Doha Development Agenda." <https://iccwbo.org/media-wall/news-speeches/icc-chairman-hails-g20-leaders-rejection-of-protectionism-and-commitment-to-conclude-wtos-doha-development-agenda/>.

Where Do We Go From Here?



While the COVID-19 pandemic has illustrated the need for collaboration, it is not the first crisis to deliver this message. The Great Recession, the 9/11 terrorist attacks, the 2008 financial crisis, and the fight against Ebola were all fairly recent testimonies to the value of concerted responses. Still, the unprecedented nature of the present pandemic seems to be provoking a similarly unprecedented level of collaboration that surpasses other modern examples.

There is something about the urgency of a crisis that shatters the usual barriers to effective collaboration. In large part, incentives are aligned, party politics are put aside, and resource constraints become of secondary importance.

A crisis also exposes the types of systems needed to facilitate collaboration; both the infrastructure and the softer ingredients such as mutual trust and understanding. For example, sharing data efficiently requires integrated information management systems and interoperable standards, two areas of weakness in Ontario's health care system. Strong networks and open lines of communication are also necessary. It is no coincidence that chambers of commerce, boards of trade, industry associations, labour unions, professional societies, and other organizations focused on cultivating relationships within and between communities have formed an integral part of the COVID-19 response.

In the coming weeks and months, the unprecedented scale of collaboration witnessed during the early stages of the pandemic will be tested. Until now, federal and provincial governments have largely been on the same page. What will happen to that camaraderie as certain jurisdictions begin to ease restrictions ahead of others? As provincial governments

contemplate strategies to ease public health measures, cooperation among all orders of government will be required to avoid confusion for businesses who operate across multiple provinces. In absence of this, we risk a situation in which businesses in similar situations receive dissimilar treatment. Companies will need to navigate a business environment where public health rules differ by province, leading to safety concerns for employees and increased legal risks. Further, if provinces lift restrictions for businesses at dramatically different rates, it could have unintended consequences for interprovincial trade.

Managing the interprovincial and intra-provincial movement of goods and people will require a renewed focus on collaboration to avoid jeopardizing the progress already made. The importance of maintaining an open economy is only heightened when considered against the backdrop of growing protectionist policies abroad. Greater emphasis must be placed on ensuring that, as a mid-sized economy, provincial governments make concerted, coordinated attempts to reduce internal barriers to trade rather than erect new ones.

Similarly, as governments shift their focus from immediate relief to longer-term stimulus, will the conversation be characterized by compromise or competition? Recovery will ultimately be quicker and less painful if there is a mutual effort to channel resources where they will have the biggest impact.

The federal government has willingly taken on a series of roles typically outside its jurisdiction or purview to provide urgent relief to Canadians, including welfare-style income support through the Canada Emergency Relief Benefit and support for students through the Canada Emergency

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Student Benefit.⁷ In the past, federal and provincial governments have clashed over questions of jurisdiction, and municipalities (at least in Ontario) have lamented the gradual downloading of responsibilities without corresponding fiscal tools to appropriately support new obligations. When the crisis ends, difficult decisions will need to be made about jurisdictional duties and financial support within the federation, and it remains to be seen whether partisan friction or a search for consensus will dominate the debate.

We hope one lasting takeaway from this crisis is that the capacity for collaboration is essential but not guaranteed. Governments need to make sustained efforts to maintain global ties, just as public- and private-sector stakeholders within countries must prioritize partnership-building. Aligning incentives requires resources but, above all, a commitment from all sides to converge around mutually beneficial terms of engagement. Partnerships that have worked well should be championed, with their impact widely broadcasted, and information should be shared about the models that work so that others can replicate them at a diminishing cost.

When the next crisis arrives – whether it is a pandemic, financial crisis, or war – we will again rely on the same structures of collaboration prominent today. Yet, collaboration is just as important in times of peace, when it quietly leads to innovation, cost-efficiencies, and better outcomes. In fact, no issue is best addressed unilaterally, be it workforce development, climate change, healthcare reform, or housing. Absent collaboration, any attempt at policymaking risks failing from the start or existing precariously as a house of cards.

In sum, the COVID-19 pandemic will end, but the impetus to collaborate should not die with it. To echo the words of Winston Churchill:

“Never let a good crisis go to waste.”

⁷ Alex Usher. 2020. “Post-COVID Fiscal Rebalancing.” Higher Education Strategy Associates. <http://higherstrategy.com/post-covid-fiscal-rebalancing/>.



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