

## *INSS Insight* No. 1277, March 20, 2020 **The Corona Epidemic: Systemic Challenges for Israel**

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Israel is in a state of emergency: schools are closed, businesses are shut, and people continue to lose their source of income. Optimal handling of this dramatic challenge demands a combined strategy. The primary thrust, prevention, protection, and containment, must be complemented by a strategy to promote societal resilience as the secondary effort. The former is intended to block or slow the spread of the disease, while the latter is designed to ensure functional continuity, so as to enable the threatened national system to bounce back afterwards. This combined strategy allows the construction of the essential pillars to cope with the emergency successfully. The strategy must include efforts to disseminate knowledge and credible information about the situation, strengthen public trust, devolve authority, encourage civic involvement, and mobilize the IDF to provide logistical and other types of support to the health system and civilians.

On March 11, 2020 the spread of the coronavirus led the World Health Organization to announce a "pandemic." In Israel, the emerging challenges to personal, social, and national security prompted the government to approve emergency regulations. The number of Israelis infected with the virus and those who are required to self-quarantine continues to rise. The national economy has already suffered immediate damage, and the potential long term injury is a cause for serious concern. All this comes against a background of profound uncertainty about the future. Centralized management of the emergency by the government and the stringent policy imposed on citizens reflect the official assessment that the spread of the virus can at least be tempered by containment measures.

The use of physical protective means reflects Israel's frequent practice of "building a wall," more commonly used in dealing with security threats. But the "wall model" does not provide a total solution, and certainly not a hermetic one, in the face of severe, dynamic, and unfamiliar disturbances caused by humans (terror) or nature (tsunami or epidemic). Walls and rigid defenses cannot be the only strategy for coping with a severe threat, and certainly not in the case of the present disruption, which is widespread, ongoing, and damaging on many fronts. This realization demands the rapid adoption of an integrated strategy designed to maintain a reasonable standard of functional continuity at civil and

national levels. The aim is not just to maintain a minimal fabric of life, but later, when the immediate threat has passed, to facilitate the system's bouncing back toward recovery as expeditiously as possible. When formulating and implementing such an integrated strategy, designed to enhance national resilience, several aspects must be addressed.

The economic challenge: Israel was hit with the emergency when its economy demonstrated strong, positive growth, debt/product, and unemployment indexes. However, the government has no approved budget and the deficit is larger than planned. The main financial damage will likely be manifested in a drop in productivity due to reduction in demand and the fall of financial markets. These are expected to be the outcome of restrictions on labor, the shutdown in the tourism industry, limited public transportation, the closure of the education system and of non-essential services, and above all the ongoing halt of large parts of the economy. Growth of domestic product will diminish, and could even be negative. Households will lose earning power, and the Israeli capital market, like the global market, will be hit with sharp declines that hurt pension funds, advanced study funds, and investment opportunities.

In order to limit the financial damage, the Israeli government must build on the robust starting point, and increase the budget and the deficit to a considerable extent and allocate the necessary budgets for health services, while protecting the national economy. This policy must focus on the business sector and on households, to prevent their collapse and enable them to weather the most difficult time with loans, deferral of payments, and assistance for families in need. In addition, a monetary policy is required that will include reduction in interest rates, plus the purchase of state bonds by the state in order to encourage the capital market. These steps demand budget approval and strong government intervention in the economy, with rapid legislation. A functioning government is needed, one that can do what is necessary while attending to the resilience of Israel's social fabric.

Knowledge and dissemination of information: While some suggest that the public should not be overwhelmed with too much information about the threat and its consequences, in order to avoid panic that can lead to dysfunction, research shows that information has a positive effect on the public's capacity to cope with threats in times of emergency. Knowledge helps people by giving them a greater feeling of control. It is a difficult challenge to find the right balance between two vectors: endless broadcasts that expose the public to repetitive discussions that can well weaken the peoples' resilience, and the sense of control that can be reinforced by prime time broadcasts in which the Prime Minister provides guidelines and (at least partial) explanations of steps taken by the government (even though in Israel's current political situation, these near-daily appearances by the Prime Minister may cause much uneasiness). Trust and credibility: In an emergency that is characterized by deep uncertainty and the spread of false information, it is important to provide regular updates and guidelines from authorized sources that are perceived by the public as credible and accurate, in order to maintain public discipline. However, to achieve public trust, particularly during an ongoing political crisis and when social solidarity is shaky, politicians must overcome two obstacles: the first is the highly heterogeneous fabric of Israeli society, including many who have little trust in the state and its leadership, and the second is the spread of "fake news" on social media. A February 2020 survey by the Gertner Institute for Epidemiology and Health Policy Research found that the public does not question rumors – "fake news" (76 percent of respondents said that they did not try to refute or verify rumors). When asked "Did you believe the rumors?" the responses were fairly evenly divided, and hence the huge potential for public confusion over the reliability of information to which it is exposed. A trusted leadership, which can clearly distinguish between the epidemic and politics, will ensure public attention and positive response.

Decentralized leadership: To date, the emergency in Israel has been addressed by a centralized "top down" approach by the Prime Minister with a high personal profile, accompanied by the Ministry of Health and its agencies and the Finance Ministry. However, in this peculiar situation there is a need for more decentralized leadership and action that involves a variety of elements across the state system. Regarding "lateral cooperation," government ministries should be more involved in managing the emergency and in the national decision making processes. Past decisions by the government imposed overall responsibility for preparations for emergencies – including civilian ones – on the Minister of Defense, who is in charge of the Emergency Economy Committee (which includes the directors general of the ministries and other agencies). The responsibility of this Committee is to monitor the problematic issues and formulate solutions based on models prepared in advance. The Committee starts operating once the government decrees its activation period. The announcement itself has no budgetary significance: its purpose is to assure an orderly functional procedure to enable state agencies to resolve lateral problems collaboratively in the system. This mechanism should be invoked in managing the emergency.

At the same time, it is important to create a leadership that can foster partnerships between various elements in the state system to provide synergetic solutions. "Longitudinal cooperation" is achieved by the parallel activation of bottom-up systems, including organizations from civil society, volunteers, and experts on relevant matters. Local authorities can also contribute given their familiarity with the specific needs and resources of their populations, and this can be leveraged to provide suitable local solutions, e.g., the distribution of essentials, local information, assistance for local businesses, and communal activities to reduce stress and anxiety.

Civilian involvement: Civilians are not a passive element subject to directions, digital monitoring, and police supervision. Studies indicate that civilian involvement in emergencies strengthens their resilience and their ability to cope. The Gertner survey showed that while most of the public (76 percent) will comply with instructions to remain in voluntary quarantine, there is no certainty over the response of the remaining quarter. Public involvement is important, not only at the level of personal resilience, but also to help recruit others for the collective effort to stop the spread of the virus, thus improving functional continuity.

Involvement of the military: It is vital to involve the IDF in the national effort. During emergencies, the military is a significant national asset. On March 10, 2020 a process began to call up some of the reserves for tasks such as preparing an information plan for the Home Front Command (HFC), providing added human resources for Magen David Adom, and making preparations to provide shelter for the growing number of sick persons. As the virus spreads, the IDF, with the HFC, will be called on for more help. Although the defined mission of the HFC relates to war and security emergencies, it is widely deployed in the civilian domain, and the Minister of Defense has the authority to recruit it to assist in times of civil emergencies. The IDF has already begun the necessary preparations for such a contingency.

Israel's concept of crisis management must also take into account the "day after," when the entire national system and the economy will have to recover as rapidly as possible. The government is acting correctly to stop the spread of the virus, but more is necessary. In this context we recommend the following measures:

- At the economic level, significantly increase the budget and the deficit in order to protect the business sector and private households, including a reduction in interest rates and the initiated acquisition of government bonds.
- Find the balance between a flood of information over the various channels that overwhelm the public and can harm resilience, and the credible and reliable information that can strengthen the public's sense of control.
- Construct a leadership that can build partnerships and create synergy to manage the emergency; involve government ministries in more decision making and crisis management; avoid harmful competition between the National Security Council, which oversees inter-ministerial coordination, and the Emergency Economy Committee, which operates in the Ministry of Defense.
- Encourage public involvement, not only as a means of reinforcing individual resilience, but also as a contribution to the collective effort to halt the spread of the virus.

- It is vital to involve the army in the national effort, in line with the pace and scope of the epidemic, including through direct and broad assistance in the operation of essential systems and the provision of help to civilians. This should be done under careful civilian supervision by the state leadership.
- The Prime Minister and other politicians are responsible for making a sharp distinction between the public health campaign and the political environment.

Implementation of these recommendations, alongside construction of a systemic organizational infrastructure to manage the corona crisis, will improve the chances of containing the spread of the virus in a way that will facilitate a rapid bouncing back and national recovery in spite of the gravity of the challenge. An informed and adequate approach to severe emergency could also help the nation to shore up societal resilience.