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## **The INSS “Corona Cabinet”: Principal Insights from Simulation #2**

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**On Thursday, April 23, 2020, INSS conducted a second simulation of a “Corona Cabinet.” The discussion dealt with the exit strategy from the crisis and the steps that should be taken to return Israel’s economy and society to their routine. The principal insights that emerged from the simulation include the need to integrate management of the healthcare, economic, and social risks; an understanding of how the “Corona Cabinet” should operate and the need to establish a professional “corona staff”; the importance of differentiation as an organizing idea for reopening the economy and the crucial issue of testing to allow the realization of this idea; the way to return the education system to regular activity; the need to prepare for scenarios of deteriorating security; the importance of strategic communication, transparency, and public trust; and issues of learning and maximization of opportunities.**

### **The Scenario**

The simulation referred to the start of May 2020, when according to the scenario there is a relatively moderate rise in the number of seriously ill corona patients and the number of deaths. According to the scenario, the rise is due to the relaxation of restrictions by the government and only partial compliance by the public with the lockdown announced for Independence Day. Some 900,000 remain registered unemployed (about 200,000 returned to work following the eased restrictions), about 200,000 self-employed remain without work, and there is a cumulative drop of some 70 billion shekels in GDP. The scenario also included a considerable rise in the numbers seeking mental health aid, as well as rockets fired by Islamic Jihad from the Gaza Strip on the day before the simulation.

### **Participants**

Participants in the simulation, which was moderated by Brig. Gen. (ret.) Itai Brun, included Maj. Gen. (ret.) Amos Yadlin in the role of Prime Minister; Brig. Gen. (res.) Udi Dekel as head of the National Security Council; Prof. Gili Regev-Yochay as Health Minister; Prof. Yifat Bitton as Minister of Labor, Social Affairs, and Social Services; Yossi Kucik as Minister of Finance; Michal Cohen as Minister of Education; Brig. Gen. (res.) Assaf Orion as Minister of Defense; and Col. (res.) Adv. Pnina Sharvit Baruch as the Attorney General. Other participants, in the roles of advisors to the Cabinet were: former Chief of Staff Gadi Eisenkot; Prof. Shuki Shemer; Prof. Mordechai Shani; Prof. Manuel Trajtenberg; Maj.

Gen. (ret.) Yossi Baidatz; Brig. Gen. (ret.) Dr. Meir Elran; and Brig. Gen. (ret.) Dr. Sasson Hadad.

What follows are the principal insights that emerged from the simulation.

### **Strategic Rationale and Decision Making Process**

The exit from the lockdown must be planned, coordinated, and integrative. Israel’s strategic objective must be to restore the economy to full operation with smart management of healthcare, economic, and societal risks. Therefore, handling the crisis requires simultaneous management of three safety margins, namely: (1) maintaining significant distance from collapse of the health system; (2) preventing economic collapse; (3) stemming the erosion of social resilience.

At the political level, decision making must be led by a “Corona Cabinet” comprising relevant ministers, headed by the Prime Minister. The complexity of the crisis also demands a specific professional entity (“corona staff”) that reports to the Cabinet, with responsibility for strategic planning as well as for data collection, research, policy recommendations, and verification of the implementation of decisions (see Manuel Trajtenberg, *INSS Insight* No. 1302, April 16, 2020).

### **Differentiation**

Restoring the economy to full operation must occur differentially, according to geographic criteria, vulnerability to the coronavirus (age and underlying chronic medical conditions), and contribution to GDP and employment. The next stages of the exit strategy must be announced to the public at least three days in advance, to enable it to make preparations and to reduce uncertainty. The differential exit must be managed dynamically with respect to outbreak hotspots and the ability to act quickly to define “red” neighborhoods and cities based on how they respond to directives.

### **Importance of Testing**

The scope of testing is the key to a differential exit from the lockdown. Locating cases of infection, closing the circle (technologically) in minimum time, and quarantining the contacts of infected people are conditions for success. From the start of the crisis the testing process has encountered problems, so that even today the number of tests is still limited and estimates of new cases are not reliable (they are highly dependent on the number of tests and epidemiological data). The objective should be at least 30,000 reliable tests each day. If the Ministry of Health is unable to meet this challenge, the effort must be handed over to the security establishment.

### **The Healthcare Aspect**

The most reliable graph for risk management and decision making is the graph of seriously ill and patients on ventilators, which is not affected by the number of tests. The underlying assumption of the simulation was that Israel will soon have 3000 ventilators. If so, a situation of 1200 patients on ventilation requires a return to a full lockdown. At present it appears that Israel is nowhere near that number, so continuing the relaxation of the lockdown is in order. The success of the next steps very much depends on the public's cooperation and its willingness to follow the rules of hygiene, wear masks, and continue practices of social distancing. If the number of patients on ventilation rises to 500, the policy of jumpstarting the economy and managing the health risk must be reviewed.

The return to full economic activity can clearly lead to a temporary rise in morbidity. This would be the result of government decisions and must not be confused with the need to prepare for a further wave of the pandemic that could occur in the winter of 2021 along with the annual outbreak of the flu. The corona staff must set up a team charged with preparations for winter 2021.

### **The Economic Aspect**

The various graphs charting the healthcare system testify to control of the saturation, namely, blocking exponential spread of the infection. Thus, it is possible to decide on further relaxation of the economic restrictions: in the first stage, 75 percent of the economy resumes activity (including small businesses and stores on the open streets) as well as parts of the education system. In the second stage, if there is no dangerous rise in morbidity, it will be possible to return to full economic activity, including the reopening of the entire education system as well as entertainment and leisure venues. The rules of social distancing must still be observed.

Further deterioration of macroeconomic parameters must be prevented. The objective should be to keep the decline in GDP to 7 percent. The dangerous scenario that must be avoided unequivocally is a drop of 15 percent in GDP, which would mean a loss of resources to support the business sector and welfare services. The employment objective is to reduce the number of unemployed to half a million over the next month and to 300,000 by the end of the year. A special team must examine the assistance required by the aviation, tourism, hospitality, leisure, and entertainment industries, which will likely return to full activity at a later stage.

### **The Societal Aspect**

A plan must be prepared for a safety net for crisis victims. They are found in the weaker segments of society, but also in the large group of the self-employed and people working in the aviation, hospitality, culture, leisure, events, and entertainment sectors. In addition,

a special team should be set up to examine ways to help the older population, which in any case will be the last to be released from the lockdown.

Ways must be found to remove restrictions that do not reduce morbidity but affect public trust and the willingness to comply with instructions – including the ban on going out to sports activities more than 500 meters from home (in practice, the government has already lifted this restriction).

### **The Education System**

The education system should resume activity, including the immediate continuation of special needs students returning to suitable learning frameworks. Grades 11 and 12 must also return to school in order to prepare for the matriculation exams. Thereafter, pre-school and grades 1-3 should reopen, with strict enforcement of limited numbers of children in classrooms – learning in small groups or in shifts (morning/afternoon or different days of the week). For the remaining classes a model that combines classroom learning (in small groups or shifts) with remote learning is required.

The vast uncertainty makes it essential to monitor all the implications of reopening the education system for the health of students and their families.

The corona staff must set up a team to plan the coming school year, integrating remote learning mechanisms based on the lessons learned from recent experience. The summer vacation can be used to bridge any gaps and try out the new learning format.

### **The Security Aspect**

Israel may be challenged and required to take action against familiar threats, such as rocket fire from the Gaza Strip, as well as new threats. It is vital to maintain awareness and a response to the security threats, without diverting attention from the corona crisis. Threats and incitement demand a response, but not in a way that leads to escalation or hampers regional efforts to deal with the pandemic. In general, the security establishment must be prepared to respond to scenarios in which Israel’s enemies try to confront it with new challenges, including force buildup under cover of the corona crisis. Specifically, it is important to monitor the progress of the precision weapons project and possible advances in the Iranian nuclear program.

### **Information, Transparency, and Public Trust**

A professional, respected spokesperson must be appointed to coordinate all aspects of the information effort at the national level. Public trust is the key to a successful exit from the lockdown, particularly if circumstances subsequently require a return to the lockdown. It is therefore vital to limit uncertainty and give businesses, social organizations, educational

institutions, and households the ability to plan in advance. The public must be informed at least three days prior to every change in policy.

Full transparency regarding the facts and the decision making process is essential. The considerations, data, and metrics must be defined and made transparent, so that the public can also review and critique government policy. The coronavirus is not a rational, learning enemy and there is no need to hide anything from the public. On the contrary – transparency and public trust are vital to the success of the next moves in the process.

### **Data, Learning, and Maximization of Opportunities**

Dealing with the coronavirus requires learning on the ground, flexible thinking, and decision making processes that combine mechanisms of doubt and argument. It is particularly important to adopt a methodical and comprehensive investigative process, and to derive ongoing lessons from outcomes in other countries (particularly countries with characteristics similar to Israel).

The corona staff must ensure that the data are analyzed by the country’s experts, based on cutting edge advanced processing technological capabilities. Better understanding of the causes of severe illness and death is needed. It is also important to develop an index for public compliance with the guidelines and understand the factors and reasons for non-compliance.

At the same time, a special team must be set up to identify opportunities, so that Israel can maximize its relative advantages, globally and regionally. Such opportunities, for example, could be in the field of regional cooperation, exploitation of the adversary’s developing weaknesses, contact with Diaspora Jewry, and technological applications and tools that Israel has developed during the crisis.

### **Conclusion**

Strategic decisions taken by the government during the crisis were correct for their time and today allow Israel to start, gradually and differentially, returning the economy to normal, full operation. The coronavirus will continue to exist for some time, as society assumes the role of “living in the presence of corona.” This challenge means that courageous decisions will be necessary in the coming months, based on professional quality analysis of reliable data and ongoing learning. At the same time, the current situation means that Israel can also turn its attention to the identification and maximization of opportunities presented by the crisis in various fields.