

Intelligence MEMOS



From: Paul Jenkins

To: Canada's Decision-Makers

Date: July 15, 2021

Re: **EARLY COVID LESSONS: MORE STRATEGIC THINKING AND LESS NOISE**

I have always believed a hallmark of Canada has been our ability to learn from our experiences, and mistakes.

Take our financial system. The Estey Inquiry into the collapse of two western banks in 1985 resulted in a major revamp of our federal financial regulatory regime that has stood us in good stead, most recently during the 2008-09 Global Financial Crisis and the COVID pandemic.

Likewise, the same can be said about the introduction of inflation targeting in 1991 after the ravaging inflationary years of the 1970s and 1980s. Only two, but two important, examples.

While not yet across the finish line, we are now at a breakout point in our pandemic battle, with first dose vaccination rates nearing 80 percent and second dose rates over 50 percent.

But it has been an uncertain and confusing path that has brought us to this point. With this uncertainty and confusion has come anger and pointed criticism.

Why so? Long-term care facilities were 'ring fenced' after the first wave, then a second wave still hit resulting in further deaths. Personal freedoms initially trumped government intervention in some parts of the country, then they did not. Lockdowns were imposed, then lifted, then quickly re-imposed. Consensus on opening schools was sought, then set aside. Vaccine rollout was on track, then it was not, then it was.

To be sure, circumstances can change quickly in a crisis, and policies and operations need to respond accordingly. We have all been on a steep learning curve.

Nonetheless, it is at times of great uncertainty that clear, consistent communication is **most in need**. Unfortunately, this has been lacking.

Two reasons stand out: first, a lack of strategic thinking and guidelines around which narratives can be built to inform Canadians; and second the 'noise' from many spokespersons has been deafening.

A fundamental premise of any strategy is knowing the goals you wish to achieve and developing a plan that involves an ability to make the trade-offs needed to achieve those goals.

Solving the pandemic is, in economic parlance, a collective action problem where all individuals are better off co-operating but where conflicting interests among individuals discourage joint action. Judgments and trade-offs therefore are needed to solve this dilemma, and only elected officials can make those calls – they cannot be outsourced.

That is why accountability is so important to our democratic system – enabling decision-making but also constraining it.

But what about the noise?

Misunderstood variations in judgments create what behavioural economist and Nobel Laureate Daniel Kahneman calls noisy systems in his [new book](#) with Olivier Sibony and Cass Sunstein.

We have heard mixed and conflicting messages from leaders. Variability in judgments of professionals has been another source of noise, as has at times shrill media coverage.

Fortunately, solving the first problem – a lack of strategic thinking and guidelines – can help mitigate the second problem – the noise.

Take just one example, but a critical one: the use of epidemiological-economic models as one source of guideline to aid decision-making and communications. When they first surfaced, their projections were not shared. Then when they were, they were presented without the appropriate context, creating more noise.

Models are poor masters but good servants. In other words, they are important tools, in this case, for [simulating a range](#) of possible health and economic interventions and outcomes. But any such exercise is a simplified description of cause and effect, with a wide confidence band.

The 'art' in model use, then, is knowing what issues any given model is designed to address and using the model in such a way as to extract the right insights.

It is the role of decision-makers to extract those insights and provide the context and usefulness of these types of tools. Simple, clear narratives cast in terms of strategic thinking is what was needed. For example, had the insights of these models to focus lockdowns on high-risk areas before Waves Two and Three been explained to Canadians in a narrative they could buy into, perhaps better execution of such a strategy would have occurred, and the need for full lockdowns avoided.

The job for decision-makers, difficult as it is in a time of crisis, is to get the balance right between expert opinion and calculated risks, and to communicate the reasoning behind their decisions.

Will our pandemic experience be another hallmark for Canada? It can, and it should be. There are many lessons to be learned. The cornerstone of those lessons, as in the past, will be framing the issue of possible future pandemics strategically – having a plan, build the institutional strength needed to support the plan, and for our leaders to communicate clearly and openly with Canadians, and in doing so hold themselves accountable.

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