Crisis Management, Policy Reform, and Institutions: The Social Policy Response to COVID-19 in Australia

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Social policy represents a critical dimension of the governmental response to COVID-19. This article analyses the Australian response, which was radical in that it signalled an unprecedented policy turnaround towards welfare generosity and the almost total relaxation of conditionality. It was also surprising because it was introduced by a conservative, anti-welfarist government. The principal argument is that, though the generosity was temporary, it should be understood simultaneously by reference to institutional change and institutional tradition. The 'change' element was shaped by the urgency and scale of the crisis, which indicated an institutional 'critical juncture'. This provided a 'window of opportunity' for reform, which would otherwise be closed. 'Tradition' was reflected in the nation's federalist conventions, which partially steered the response. The central implication for other countries is that, amid the uncertainty of a crisis, governments need to consider change within the bounds of their traditional institutions when introducing welfare reform.

Keywords: Policy crises, crisis management, policy responses to COVID-19, COVID-19 and social policies, crises and the welfare state.

Introduction

COVID-19 is primarily a public health crisis, but national and sub-national government responses have engaged a range of policy areas outside of health. Social policy has been at the centre. OECD countries have introduced a range of generic welfare measures aimed at keeping economies afloat. These include: taxation relief; changes in employment, incorporating increased leave entitlements and sick pay, and 'short-time work compensation'; wage subsidies for the employers of those workers who have been kept on; enhancements in social security payments and arrangements for those who are not employed; and assistance with necessities such as utility bills and food provision through direct cash payments or voucher systems (Capano *et al.*, 2020; Béland *et al.*, 2021).

Responses implemented in Australia, the country in focus in this article, are important to consider in the international context. Though tapered back as employing organisations opened up and social distancing requirements have been relaxed, Australian social policies were significant for two main reasons. First, they indicated a major policy turnaround in the

direction of welfare generosity and the relaxation of conditionality. Though other countries have taken similar measures (Moreira and Hick, 2021), the generosity of Australia's social policy response, though temporary, represents a relatively profound reversal of previous policy (Wilson, 2020). As detailed below, the JobSeeker payment effectively doubled unemployment benefits at a time of massively increased unemployment, and supplementary payments to other beneficiaries were also historically high-level. The benefit increases, together with the job subsidy scheme, demonstrated that it is entirely possible to build a comprehensive welfare state in Australia if and where sufficient political will is present. The same broader set of national institutions that served welfare state beneficiaries relatively well in the height of the pandemic also guided a national health response that has been lauded as highly successful (O'Sullivan *et al.*, 2020); though the social policies were mainly instituted and delivered by the federal government as consistent with the Constitution.

In the face of mass job loss during periods of major mobility restrictions – 'lockdowns' as they are often called – the Australian government introduced significant social security benefit increases for those without jobs, and sizeable wage subsidies for employers to pass on to workers who have been kept on. Both sets of reforms were surprisingly generous (Wilson, 2020), especially given that Australia's benefits were traditionally low by OECD standards, and that its welfare programs had always been very tightly targeted (Whiteford, 2019). The relaxation of 'mutual obligation' requirements for beneficiaries in the face of new unemployment was also noteworthy, given the increasingly punitive character of the welfare state over the two decades before the pandemic (Mendes, 2019). In addition, it is worth considering that all of the country's reforms were introduced by a conservative government, which was otherwise antithetical to welfare generosity (Ramia, 2020b).

The objective of this article is primarily to analyse and to account for the temporary turnaround. First, it examines social policy changes in Australia in response to pandemic conditions. Second, it explains the relative generosity of the response, and draws implications for other countries. The principal argument is that, though the generosity was novel and surprising – which needs to be explained by reference to institutional *change* – it is not fully understood unless institutional *tradition* is simultaneously considered. The change element was shaped by the urgency and the scale of the crisis, which indicated what institutionalist scholars (Lipset and Rokkan, 1967; Capoccia and Kelemen, 2007) call a 'critical juncture'. This provided a 'window of opportunity' for major changes in policy agenda-setting, which would otherwise be closed (Kingdon, 1984). However, the element of institutional 'tradition' was equally important, as characteristics of the nation's long-standing model of federalist policy making also partially shaped the response. The central implication for other countries is that, amid the shock and novelty of the pandemic, governments need to consider change within the bounds of their traditional institutions when introducing welfare reform. Particularly in crisis conditions such as those associated with COVID-19, there is little time or opportunity for new institutions to be invented in order to channel policy; and adaptation is the most appropriate path forward.

The first section of the article reviews understandings of crises and crisis responses in the policy studies literature, and discusses the importance of institutions and institutional change in the crisis context. The second section explores the development of the COVID-19 crisis in Australia, and the main social policy responses to it. The third section discusses both the crisis-related and the institutional factors which have shaped the Australian response. The fourth and final section discusses the implications of the Australian analysis for other countries.

Crises, governmental responses, and institutions

COVID-19 fits comfortably within the definition of a crisis. Crises shatter peace and/or social order (Boin *et al.*, 2016). They are extraordinary events or episodes, or a series of them, which cause societies to re-imagine their dominant assumptions and 'ways of working'. There is ambiguity in conceptualising, naming and coming to terms with them politically (Boin *et al.*, 2018; McConnell, 2020). As well as lives, crises can threaten property, markets, political careers, public services, and policy agendas (McConnell, 2003: 363). Generic government responses to crises can include: strategic evasion or crisis non-recognition; laying blame partially or fully with non-government interests; actions to symbolise crisis control; the establishment of public inquiries; attempts to isolate the voices of interests critical to government; creating a new government agency specifically to deal with the problem; using or mis-using evidence, especially through government-controlled statistics; and attempting to either centralise or decentralise the handling of a crisis (McConnell, 2003). Decentralised responses pre-suppose the need for high levels of cooperation across the various affected institutions. As discussed in the penultimate section of the article, the Australian social policy response combined several of these measures.

Taken collectively, crisis responses tend to be political and administrative, rather than related directly to the substance of policies. The connection between crises and individual *policy* responses is thus indirect. It needs a conduit. The linkage-point is provided by institutions. The new-institutionalist literature is more commonly utilised to explain incremental change, through the 'historical-institutionalist' strand, which dates back as a distinctive research tradition at least to the early 1990s (Steinmo *et al.*, 1992; see also, for example: Hall and Taylor, 1996; Streeck and Thelen, 2005; Capano and Howlett, 2009; Mahoney and Thelen, 2010). The most common institutions of interest tend not to be at the macro level, such as entire nations or economies, and not at the level of the individual. Rather, historical institutionalism engages with change in 'meso-level' institutions, such as those of employment and the welfare state. And the change usually relates to longer-term evolutionary development (Mahoney and Thelen, 2010; Ramia, 2020a), which is often necessary in order to demonstrate significant change patterns over time.

In the context of crises, however, including those that remain ongoing, timeframes for response can be too short for longer-term appraisal (Boin *et al.*, 2018). Crises represent what institutionalist scholars refer to as 'critical junctures' (Lipset and Rokkan, 1967; Capoccia and Kelemen, 2007), which open up 'windows of opportunity' for change in a policy agenda (Kingdon, 1984). They are those moments when permissive conditions create the context for a new policy direction to be taken; and for major change to be politically palatable. Critical junctures constitute the intellectual territory between 'path dependency', which leads policy to stay largely within the bounds of historical continuum, and 'exogenous shock', which is created by unprecedented conditions (Stark, 2017). This is the terrain that the current article treads, given its argument that social policy responses to COVID-19 in Australia are explicable by reference simultaneously to change and to path dependence. As discussed in the remainder of the analysis, the response has been facilitated by, and encased within, the traditional politics of federalism; which has shaped the welfare state since its earliest days (Castles and Uhr, 2005; Ramia, 2020a).

The COVID-19 crisis and the social policy response in Australia

Social distancing and enforced lockdowns were phased in gradually in Australia from mid-March 2020, with the public officially told on the 29th of that month to stay at home, except for movement for essential tasks such as food shopping or being tested for the virus (Tetlow et *al.*, 2020). While the outbreak was contained and the infection incidence curve was 'flattened' to allow hospitals the capacity to cope with new patients – and this was relatively successful from the health perspective – the social costs were profound. The immediate economic contraction and job–loss occurred at a speed and magnitude unprecedented in the country's modern history (Biddle *et al.*, 2020; Coates *et al.*, 2020). Within weeks of the introduction of public health restrictions an estimated 594,300 Australians had lost their job. The number of underemployed increased by 603,300, to a record high of 1.8 million people, and 489,800 people exited the labour force. This represented the biggest drop in participation rates since the collection of national employment statistics began (ABS, 2020a; Hayne, 2020a).

To put the scale of the crisis into focus, at the low-point stage in the pandemic, an estimated one-third of the Australian labour force became reliant on government income support: 12 per cent (1.6 million people) were receiving unemployment benefits, up from 6 per cent prior to the pandemic; and 21 per cent (3.5 million people) were being supported by wage subsidies (Tetlow *et al.*, 2020). A recession followed, with the nation's Reserve Bank forecasting that the unemployment rate would reach close to 10 per cent, or 1.4 million unemployed by the end of the year (RBA, 2020), while some economists predicted a figure of anywhere between 14 and 26 per cent, which would lead to 1.9 to 3.4 million people out of work (Coates *et al.*, 2020). The worst predictions did not materialise, and the high-point in official unemployment was reached in July, when it was 7.5 per cent (ABS, 2020b). It is worth repeating, however, that crises are more about perception than reality (McConnell, 2003); and the perception is revealed as much by the dire predictions as the reality that emerged in relation to the scale of unemployment.

The temporary rise of a more generous welfare state

At the beginning of the national lockdown, the country's Liberal-National (conservative) Coalition Government[1] surprised its critics and supporters alike by abandoning its 'ideological constraints'. It did so in pursuing a rapid and unprecedented expansion of the welfare state (Spies-Butcher, 2020; Wilson, 2020). Discarding its neoliberal political leanings and, in particular, its longstanding commitment to 'return the budget to surplus' (Mendes, 2019; Stilwell, 2020), the Government adopted a package of Keynesian stimulus spending measures, including increases in social security payments.

These were rolled out in just sixteen days within the month of March in 2020 (Peetz *et al.*, 2020). On the 12th of March, the Government commenced with a conventional stimulus program of two one-off $750 payments, a 'Coronavirus Supplement', to existing social security recipients (Australian Government, 2020a). This was followed by the temporary doubling of unemployment benefits, which was renamed the 'JobSeeker' payment, initially announced for a six-month period. Finally, a temporary wage subsidy, called the 'JobKeeper' payment, was introduced to incentivise employers to retain their employees rather than lay them off.

The two policy measures, JobSeeker and JobKeeper, formed the centrepiece of the Australian Government's social policy response.

'JobSeeker' for the unemployed

The JobSeeker program was announced on 22 March 2020. It is an income support measure which the Government said would 'supercharge' the safety net for those left unemployed or underemployed by the crisis (Prime Minister of Australia, 2020a; 2020b). Specifically, the program included: the renaming of 'Newstart Allowance' to JobSeeker Payment; the doubling of the payment through a $550 per fortnight Coronavirus Supplement for an initial six-month period, until 24 September 2020, then reduced to $250 per fortnight from 25 September until 31 December 2020; the waiving of the assets test and the waiting periods; the acceleration and streamlining of the payment process; and the suspension of 'mutual obligation' requirements, which ordinarily require benefit recipients to participate in increasingly punitive, 'active' job search and training activities (Australian Government, 2020b, paras. 24, 2; Klapdor, 2020). With the exception of the name change, Prime Minister Scott Morrison stressed that these measures were 'temporary', not 'structural'; designed to 'cushion the blow' and 'build a bridge to the recovery on the other side' of the crisis (Prime Minister of Australia, 2020b).

However, it is worth considering the turnaround in approach (Wilson, 2020). A highly selective, residual, low-level unemployment benefit was significantly boosted in terms of real money value, and rendered all but universal, with conditionality suspended. Before the introduction of the Supplement, the JobSeeker rate was set at $559 per fortnight, which is equivalent to $40 a day. This is well below the poverty line (O'Neil and Gobbett, 2019). Traditional champions of social security adequacy, such as the Australian Council of Social Service and the Australian Greens, have long advocated for a major increase in the JobSeeker payment (then called NewStart), arguing that the low rate is inadequate to cover basic living costs, and is a key cause of poverty in Australia. In recent times, however, there has been a growing call across the ideological spectrum for an increase to the base rate of JobSeeker (Henriques-Gomes, 2019). Even the original architect of the privatisation of employment services and the Work-for-the-Dole scheme, former Prime Minister John Howard, has supported increasing the JobSeeker rate (Duncan, 2018). After being scaled back, it is now only slightly improved on its pre-pandemic level, with the ceasing of Coronavirus Supplement and with mutual obligation and full conditionality re-introduced (Services Australia, 2021).

'JobKeeper' and employment

The JobKeeper program, announced on 30 March 2020, represented an unprecedented wage subsidy, which was implemented to maintain the link between employers and employees and to protect the economy from widespread labour shedding (Prime Minister of Australia, 2020c; Wilson, 2020). In its original form it provided eligible employers with a payment of $1,500 per fortnight for every eligible employee retained during the crisis, even if they had been stood down (Prime Minister of Australia, 2020c). It is important to note that this was in essence a fortnightly payment by government. In June, following a three-month review of JobKeeper, the Government announced that the

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payment would be extended until 28 March 2021, with the payment rate reduced to $1,200 per fortnight from 28 September 2020; and to $1,000 per fortnight from 4 January 2021, with lower payment rates applying for those working fewer than twenty hours per week (Australian Government, 2020c). The final JobKeeper payment was in March 2021. While precarious workers in general were the worst affected by the crisis, JobKeeper had implications for all employees who were in receipt of it. That is an estimated 21 per cent of the Australian workforce. In addition, as part of the JobKeeper package, the Government temporarily amended the *Fair Work Act* – the central legislative instrument which regulates the industrial relations system – in a manner that provided employers with greater power to vary their employees' working hours, their duties, and the location of their work. Employees could also be directed to take annual leave (Tham, 2020). Further, and to the concern of trade unions (Kaine, 2020; Peetz *et al.*, 2020), the *Fair Work Act* was also temporarily amended to allow employers to give their workers as little as one day's notice to vote on variations to enterprise agreements, rather than the more customary week.

Gaps: quarantine, aged care, public housing, and temporary visa holders

Despite the generous response in relation to the nation's permanent residents and formal citizens, there have been policy omissions. As Bromfield and McConnell (2020) argue, Australia can only claim a 'precarious success' in policy terms. By late June 2020, the State of Victoria had experienced a resurgence in cases, 'more than doubling Australia's total count [of COVID-19 cases] within a month, to more than 20,000 . . . and 200 deaths' (Duckett and Stobart, 2020a: para 2). Problems emerged in the Victorian Government's hotel quarantine program which led to a second wave. Unlike other States, Victoria had relied on precariously employed, private security guards in overseeing compliance, rather than police or defence force personnel. In addition, the federal and Victorian governments failed to protect vulnerable sections of the population – notably those in aged care but also in public housing – and neglected to support insecure workers who would find it difficult to self-isolate and generally had no sick leave entitlements to rely on (Duckett and Stobart, 2020a).

In addition, a key feature of JobKeeper is the 'one in, all in' principle (Frydenberg, 2020), which the Prime Minister had been keen to emphasise during the announcement of the policy:

> Our JobKeeper plan sees every Australian worker the same way, no matter what you earn. There is not more support for some than there is for others. That is not the Australian way. If one person falls on a hard time, if anyone falls on a hard time, it's the same hard time. We're all in this together. That's what's fair. That's what's Australian (Prime Minister of Australia, 2020d, para. 9).

This portrayal of togetherness, however, masked the fact that 2.1 million people – mostly precarious workers – were ineligible for JobKeeper (and JobSeeker) from its inception. This included over 1 million short-term casual workers. The excluded were those casuals employed for less than twelve months (Cassells and Duncan, 2020), and 1.1 million temporary visa holders who were working (Robertson, 2020b). The latter category included refugees, migrant workers and international students.

Shaping the response

Australia's social policy response to COVID-19 was shaped by two main factors. The first was the urgency of the crisis situation, which facilitated the institutional change pattern underpinning the major increase in welfare generosity. The second is the longstanding federal institutional framework governing the welfare state. In what follows we demonstrate that historical-institutionalist thinking explains and links both aspects: the change and the tradition. An understanding of the policy context is vital.

COVID-19 had an uncertain starting point, and its end-point is indefinite. Though it was declared a pandemic on the 10th of March 2020 by the WHO (2020), its sources remain contested, and the *sense* of crisis did not have a widely agreed-upon start date; though it was fast-moving. It is highly uncertain when the crisis will end, whether in popular or individual perception, or in objective reality. It is 'slow burning' ('t Hart and Boin, 2001), especially in the sense that it introduced temporal uncertainty (Boin *et al.*, 2018: 30-31). In responding to crises, governments must consider the substance of the changes they introduce, and they need to assess carefully *when* to respond. In doing so, they may profit by taking swift, strong and decisive action to symbolise crisis control. One determining factor behind the surprise element in the handling of COVID-19 – the swift, strong and decisive response – lay in the Prime Minister's handling of catastrophic nationwide bushfires, which caused a separate national crisis as recently as the previous Summer. That was fresh in the minds of the voting public. The fires peaked in December 2019 and January 2020 – during the Australian Summer – just as COVID-19 was taking hold in China. As the fires burned out of control, largely overwhelming State government resources, the Prime Minister refused to intervene because technically the responsibility for firefighting rested mainly with individual States (Albeck-Ripka *et al.*, 2020). His perceived mishandling of that crisis sparked widespread public anger and backlash (Walter, 2020), including a delay in coordinating a national response, a failure to listen to expert advice, communication breakdowns between the federal and State governments, and a preoccupation with partisan messaging.

In addition to what, before the crisis, would have been viewed as unforeseeable policy change, crises can also prompt special inquiries (McConnell, 2003). This is even where the government of the day may not benefit politically from them. Since the onset of the crisis the government has faced pressure to forgo its undertaking that the increase in JobSeeker be temporary, and instead make it permanent (Hayne, 2020b; Whiteford, 2020). Advocacy for this coincided with the release of a Green-Labor-dominated Senate inquiry into the adequacy of JobSeeker and similar welfare payments (Commonwealth of Australia, 2020). The Committee's report found that insufficient income support payments entrench disadvantage, and resulted in poverty, precarious living conditions, barriers to employment, housing stress, homelessness, food insecurity, and poor mental and physical health outcomes (Commonwealth of Australia, 2020). As has been clear even to parts of the federal public service – such as the Workplace Gender Equality Agency – these and other socio-economic ills have fallen disproportionately on women, and on workers in highly feminised industries such as hospitality and the health and social care sectors (WGEA, 2020). The Senate Committee provided twenty-seven recommendations, one of which advised that, 'once the Coronavirus Supplement is phased out, the Australian Government [should] increase the JobSeeker Payment, Youth Allowance and Parenting Payment rates to ensure that all eligible recipients do not live in poverty' (Commonwealth

of Australia, 2020: xv). The government, on the other hand, consistently pointed out that social security increases were not permanent.

The severity of the crisis and the government's strategy of atoning for the mishandling of the bushfires combined to provide a 'critical juncture' (Lipset and Rokkan, 1967; Capoccia and Kelemen, 2007) for policy makers. The timing and the political and economic conditions were conducive to policy reform. As Kingdon (1984) argued in a still-influential agenda-setting framework, a 'window of opportunity' was created for an unprecedented approach to policy-making. In addition to change in substantive policies, the government undertook change to the institutions which determine policy, including the welfare state. In line with crisis management theory (McConnell, 2003), it created two new agencies. The first and most important was the 'National Cabinet', which was established on the 13th of March 2020 and remains in operation at the time of writing. Consisting mainly of the Prime Minister and the State Premiers, the new 'Cabinet' was not a Cabinet in the conventional sense of a collective of a government's most important Ministers. It is not as direct in its effect on enacted policies. Rather, it is at its core an 'executive-federalist' body (Menzies, 2020) established to respond to the pandemic; a policy discussion forum, but a formal structure containing federal and State government representation. The second agency created in response to the crisis was the National COVID-19 Coordination Commission, which brings evidence and data to the National Cabinet to inform collaborative decision making (Menzies, 2020; Moloney and Moloney, 2020).

The establishment of the agencies speaks to the third major characteristic of crisis management in: the tendency either to predominantly centralise or decentralise governmental control (McConnell, 2003). Conceptually it is here that the crisis response meets path dependency – an institutionalist concept – in the need for 'crisis coordination' (Boin *et al.*, 2018). This is a process represented by 'vertical and horizontal cooperation', typically engaging a 'governance network' formation (Ramia *et al.*, 2018). Australia's National Cabinet was partially derived from the concept of its predecessor body, the 'Council of Australian Governments' (COAG), which was significantly larger in its membership and more embedded in traditional federalist governance than is the National Cabinet. The functioning and composition of the National Cabinet, however, are tailored for crisis coordination purposes (Fenna, 2020), being advised and supported by the pre-existing Australian Health Protection Principal Committee (AHPPC), which included the State-based Chief Health Officers and the National COVID-19 Coordination Commission.

The importance of federalist institutions has never been absent from the formulation and implementation of Australia's social policies. In general, federalist policy making systems tend to push policy makers toward decentralised, necessarily collaborative solutions to crises. To be sure, Australia's federation has been 'centralising' through the course of history (Phillimore and Fenna, 2017), not least to facilitate wider provision of social protections nationwide; especially after World War II when the welfare state was being expanded (Castles and Uhr, 2005). Over time, as supported by High Court decisions, many responsibilities transitioned from the State to federal levels, and the power of the latter increased and expanded (Kewley, 1973; Watts, 1987; Ramia, 2020a: 108–109). Yet federalism also means a share of responsibilities for sub-national governments. Outside of social policy, despite the generally 'centralising' tendency, it is Australia's States and Territories that have primary responsibility for managing crises, including pandemics. Each has its own public health Act and emergency management Act (Fenna, 2020; Parliament of Victoria, 2020).

The States operate the public hospitals, government schools, and the police and emergency services. They also have primary jurisdiction over domestic borders and public health and safety – both of which have been central to the COVID-19 response – as well as criminal and civil law, and the licensing and regulation of businesses, facilities and services at risk of contagion (Duckett and Stobart, 2020b; Fenna, 2020; Tulich *et al.*, 2020). Australia's management of COVID-19 has necessarily involved an intricate intergovernmental collaboration institutionally. This undergirds the social policy response, which has been substantially more federal than State. Limited food and accommodation assistance measures for temporary visa holders stand as exceptions. They have been offered by State governments in collaboration with local governments and NGOs (Coleman, 2020). In those areas, in contrast to the prominent examples of the JobSeeker and JobKeeper schemes, the federal sphere has provided little cooperation.

Conclusion, and implications for other countries

There are some overriding, somewhat predictable similarities in government responses to COVID-19 in many parts of the world (Moreira and Hick, 2021). The most common measures have involved: the declaration of states of emergency; external travel restrictions; the creation of new or specialist health facilities; quarantining and isolation; tracking and widespread testing; public awareness campaigns; curfews; restrictions on mass gatherings; the closure of workplaces, schools and universities; and internal travel restrictions (Capano *et al.*, 2020). In addition, global and regional policy 'trackers', of which there are now many (Oxford Supertracker, 2020), confirm that most 'social and employment' policies involve measures designed to boost and protect employment while compensating those who have lost jobs, and demand-stimulus measures designed to minimise the economic downturn. These are policy programs to respond directly to the crisis, and most are new and specific to COVID-19. In general they were not introduced in non-crisis times. What makes Australia's response significant in the international context, however, is the scale of the policy turnaround in the direction of generosity, especially given that the government in power is a conservative coalition with an increasing anti-welfarist policy agenda (Wilson, 2020).

In combination with the surprise element that the crisis presented the government, it is equally important to recognise that, to a large extent, Australia's existing institutions have been used to channel policy reform. The same set of institutions that served well those who are workers and those who for whatever reason are not employed also guided a national health response that has been lauded internationally as highly successful (O'Sullivan *et al.*, 2020). That is, there was an imperfect match, but a connection, between the substantive policy changes introduced and the institutional framework which channels their introduction. This kind of relative policy-institution compatibility is likely to be of benefit in other countries. Equally, however, crises can expose the shortcomings of existing institutions, and matching policy with institutions may not meet with success in every nation. To be sure, researchers need to examine the particularities of national institutional arrangements, and the circumstances of the crisis, before over-assuming the wider cross-national applicability of reforms. Just as institutions reveal the need to consider path dependency, they also expose institutional weaknesses.

Though Australia's federal structure served Australia well, such a structure does not guarantee effective national management of COVID-19. The specific characteristics of

federal systems also shape response possibilities (Rocco *et al.*, 2020). Whereas Australia has been a centralising federation over time, the United States, for example, has a more devolved system (Kettl, 2016). In Australia, a parliamentary-federal system, there are well established laws and conventions that control and equalise revenue-sharing arrangements. The US, on the other hand, has a federal-presidential system, where the two main levels of government share revenues on a conditional and program-specific basis (Downey and Myers, 2020). This encourages intergovernmental and partisan conflict over which States have their funding requests and requirements approved, and which have theirs declined. Vertical and horizontal collaboration are challenged. An Australian-style response – combining federalism in the health measures with federal government leading the way in social security payments and incentives to employers to continue to pay workers – was never on the cards for the US under the Trump Administration. It remains to be seen how much of an improvement the new Biden Administration is able to make, principally through its new policy package (Russonello, 2021; The Guardian, 2021); the centrepiece of which is a one-off injection of $1400 into low-income households and extends the applicability of a wide range of welfare payments, and offers tax credits and care subsidies.

Under President Trump the US saw an active federal level of government which introduced a raft of mainly, necessarily decentralised responses to COVID-19. The most significant relate to: business loans; the public, means-tested Medicaid scheme; the unemployment insurance system; and nutrition and various other emergency measures (Kettl, 2020). However, the US federal system has fostered major conflict between State and federal governments, which disallowed an Australian-style response. This pre-existing institutional factor has combined with political problems in and around the Whitehouse to produce a relative policy paralysis. The problems have included the need for, and the predominance of, intergovernmental lobbying and political favouritism based on which side of politics dominates each level of government and the Congress. This combined with the complex intergovernmental funding requirements and information-sharing challenges to cause delayed and sometimes ineffective policy implementation. More importantly, federalist problems have translated to a poor public health record in the management of COVID-19. As Rocco *et al.* (2020: 472) argue, 'federalism as it exists in the United States has inhibited the country's response to the economic crisis caused by COVID-19'. Importantly, however, as the same authors point out, '[t]his is not because of any generic characteristics of federalism'. Most of the identified problems are specific to the US, and most of them stem from long-established political structures. The simple lesson for policy makers – in social policy as in other areas – is that federal political systems vary in the number and severity of the policy challenges they present, and the overall effectiveness of the pandemic-preparedness they offer. Regardless, and most importantly for this analysis, a knowledge of traditional institutions is an important prerequisite to conceiving of a successful response.

Relative success of the kind that Australia has experienced, has also been seen in unitarist systems such as New Zealand. While the Australian case is an example of a federal system, which necessarily leans towards the coordination of responsibilities between and among States and the feral sphere of government, New Zealand provides an example of a highly centralised response regime. Its public health, economic and social policies share overriding similarities with those of Australia (Jamieson, 2020; Robertson, 2020a), but the governance of the response was markedly different.

New Zealand adopted an 'all-of government' approach – more often labelled 'whole-of-government' or 'joined-up government'. It established a centralised National Crisis Management Centre (NCMC), which represents a more 'horizontal', rather than 'vertical' (or intergovernmental), coordination mechanism. The NCMC was to act within the framework of the New Zealand Coordinated Incident Management System, a national framework for coordinated emergency responses across responding agencies (Bromfield and McConnell, 2020: 13). While on the surface such initiatives may resemble Australian measures (Wilson, 2020), it is worth noting that in New Zealand there are no internal borders and no level of government legally or politically empowered to realistically challenge the prerogative of the national level. The New Zealand Prime Minister, Jacinda Ardern, has been able to act with a relatively unquestioned form of centralised authority. She and her Cabinet took action early and decisively to establish a COVID-19 'elimination' strategy, which was pursued with relative success, like Australia's, but channelled exclusively by and through a unitarist state.

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Note

1 Despite its name, Australia's Liberal Party represents the conservative side of politics, and it has been in a long-term coalition with the National Party, which represents regional, rural and remote communities.

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