

Pandemic is opportunity for businesses to transform, collaborate

It could prompt closer scrutiny of firms' contributions to society and sustainability, says expert

Grace Ho
Senior Political Correspondent

The Covid-19 pandemic has been challenging for businesses and governments, but it is also a good opportunity for businesses to transform and collaborate, said analysts.

Professor Lutfey Siddiqi, visiting practice professor at the London School of Economics, said Covid-19 could prompt closer scrutiny of companies' sustainability and their contributions to society.

Speaking at a webinar organised by the National University of Singapore (NUS) Business School on the topic "The Pandemic Test – Has Governance Failed Us?" yesterday, Prof Siddiqi said expectations are high that firms, which have benefited from generous government as-

sistance handed out in recent months, will do more to address sustainability and inequality issues.

"Environmental, social and governance issues will come a lot more into the mainstream when we talk about the viability of an investment," he said.

Companies will also have to rethink traditional approaches to productivity, he added.

"When you aim for extreme efficiency, you get supply chains that can break very easily when there is a structural shock. So there's more of a realisation now that a bit of inefficiency may not be a bad thing."

The pandemic could also spark greater collaboration among competitors.

He cited tech firms Apple and Google, which worked together to come up with a contact tracing application; and medical device manufacturer Medtronic, which has shared product designs for its ventilators on an open source basis.

Associate Professor Lawrence Loh, director of the Centre for Governance, Institutions and Organisa-

EXTREME EFFICIENCY'S FLAW

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PROFESSOR LUTFEY SIDDIQI, visiting practice professor at the London School of Economics, on companies having to rethink traditional approaches to productivity.

tions at NUS, said institutional responses to the pandemic raise questions of whether Western-style governance has failed.

He noted the success of Asian countries such as Vietnam and China in containing the coronavirus compared with the United States, which has seen over 1.3 million infected cases and more than 80,000 deaths.

But this is not the time to play the blame game, Prof Loh said.

Using the analogy of an impending plane crash, he asked: "Should we be quarrelling over where the plane came from, or be more concerned about where it is going to land? How Covid-19 ends is more important than how it started."

While direct government support is helpful, this cannot be for the long term and companies must innovate and transform, he added.

Prof Siddiqi said the scale of the crisis had brought together policymakers on both sides of the political divide, in a constructive and pragmatic way.

In this regard, Singapore practises a mix of free market forces and interventionist policies, he said, citing government subsidies and training support given to mid-career professionals.

"There is this attitude (by Singapore) towards skills development in a crisis, so that one can come out the other side in a reshaped economy.

"All the political taboos are now being broken. We are seeing governments give cash transfers in a more generalised manner, and a finite form of universal basic income in countries such as Canada. These are extraordinary times."

graceho@sph.com.sg