### The Virus and Lockdown: The Devil and the Deep Blue Sea

### 19 April 2020

Peter Lloyd and Michael Blakemore

Disclaimer:

The views in this paper are personal views of the authors, and are not representative of any organisations to which they are affiliated.

https://www.peter-lloyd.co.uk/papers-and-blogs/

## Contents

1.0	Locking Down	1
1.1	"Stay home, save the NHS, save lives"	1
1.2	Thinking about exiting from lockdown	
2.0	A Blunt Instrument with Differential Impact	4
2.1	Closing the schools and colleges	4
2.2	Job and income losses	
2.3	Social order	7
3.0	Geography: Placing the Pressure Points	9
3.1	The geography of contagion	9
3.2	The experience of lockdown in deprived places	
4.0	Recovering toward the longer term	
4.1	A complex, dynamic system hard to control	11
4.2	Waiting for the techno-fix	
4.3	Imagining the outline of a new future	12
4.3.1	Addressing Inequality	13
4.3.2	Valuing the public service	13
4.4	Rethinking what the public values	

## **1.0 Locking Down**

#### 1.1 "Stay home, save the NHS, save lives"

Late in March 2020, and in response to the spread of the COVID-19 virus as a global pandemic, the UK was placed in a lockdown. The ever-repeated mantra of the UK lockdown was to "*stay home; save the NHS; save lives*". By avoiding the National Health Service (NHS) becoming overwhelmed by a sudden peak of demand, the aim has been to 'flatten the curve' and to hope that deaths - forecast by some models to be as high as half a million (if no action was taken) and 250,000 (if only vulnerable people were isolated) - would be reduced to 20,000<sup>1</sup>.

Lockdown requires people to contribute by self-isolation and social distancing. In the enforcement of this, the Government passed legislation giving itself powers that months before would have been criticised as those of a police state. Decisions were taken to halt activities such as face-to-face education, non-essential retail and business activities (unless they could be undertaken via the internet), socialisation, routine travel, routine healthcare and planned non-urgent operations. The speed at which the lockdown was enforced meant that overnight what had been the previous 'normal' was over – things would probably never be the same again.

The first few weeks of lockdown mainly focused on enacting the process, such as finding ways to continue some schooling via the internet, ways to keep essential foodstuffs supply chains operational, new ways of buying food (social distancing when shopping and only if it could not be undertaken via ecommerce) and defining what was essential (clothes shops were not, but off-licences were).

In parallel with lockdown, the government moved to increase NHS capacity. This involved dramatic levels of investment such as the thousands of beds created in temporary Nightingale Hospitals<sup>2</sup>, immediately releasing the NHS from its historic "overspending" with *"£13.4 billion debt that will be written off to support the NHS in its response to coronavirus (COVID-19) and ensure long-term financial sustainability*"<sup>3</sup>, and sending a strong message for citizens not to contact the emergency health lines unless necessary<sup>4</sup>.

A significant conditioning variable in all this is that coronavirus hit the UK at the end of a decade of costsaving measures that reduced health service capacity to levels that were challenging even for 'normal' service. Earlier recommendations for the NHS to have some spare capacity against risk were clearly set out by the NHS *Institute for Innovation and Improvement* in 2005 and reaffirmed in 2017:

"plan average capacity at 80–85% of the normal fluctuation in demand. This ensures that queues and waiting lists rarely build up and that there is the flexibility to cope with unexpected demand instantly".<sup>5</sup>

<sup>3</sup> Having bludgeoned the NHS about this debt during the years of austerity!

https://www.gov.uk/government/publications/nhs-debt-write-off-regional-breakdown

<sup>&</sup>lt;sup>1</sup> <u>https://www.bbc.co.uk/news/health-51979654</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.england.nhs.uk/2020/04/nhs-steps-up-coronavirus-fight-with-two-more-nightingale-hospitals/</u>

<sup>&</sup>lt;sup>4</sup> Not everything, however, has led to a rational outcome, and there is now concern that "*close to half the beds in some English hospitals are lying empty in a sign that people may be failing to seek help for other life-threatening conditions during the coronavirus pandemic*". <u>https://www.ft.com/content/d5ac0a79-6647-4f49-bb64-d1cc66362043</u> <sup>5</sup> <u>https://www.england.nhs.uk/improvement-hub/wp-content/uploads/sites/44/2017/11/ILG-2.2-Matching-Capacity-and-Demand.pdf</u>

Instead, a plethora of real-life documentaries of hospitals in crisis showed that 100% (the ceiling value) seems more likely to have been the actual norm<sup>6</sup>. If action had been taken in line with the recommendation, we would have still been facing lockdown – but perhaps of a different scale/duration. The need for what the government claims is a 'Herculean' effort to source basic PPE (Personal Protective Equipment<sup>7</sup>) would also have been less dramatic<sup>8</sup>.

There is a lesson here. The financialisation of a vital public service asset prioritised cost-savings over service delivery (hence the progressively extended waiting times in emergency departments<sup>9</sup>) and it ignored the recommendations of sensible risk management. It critically weakened the ability of the health system to respond to COVID-19. Not just the NHS, but health and social care generally and the entire social welfare system have been presented with the most severe challenge in their history after a decade when the resource needed was sacrificed on the altar of a centrally imposed policy of austerity.

#### 1.2 Thinking about exiting from lockdown

At the time lockdown was enforced, there was no plan in place for an exit from the process. This is not surprising, since the path of the pandemic, the death rates (age-specific, health-specific, or spatially specific in crowded cities) was unknown. Since then, there have been many more critical indicators to inform government, such as the trend in infections and deaths and front-line information on whether the National Health Service (NHS) can actually cope with the hospitalisation demands of seriously ill patients. This has not been a trouble-free process<sup>10</sup>.

After three weeks of the first lockdown phase – where the contract with the population was to act together to 'flatten the curve' of contagion, the government line was that is too early to think about lifting lockdown, and a further three weeks were specified (16<sup>th</sup> April). The new contract is that we should accept it is too early to release the constraints and that a second wave would be likely if people do not comply. A YouGov poll after the announcement confirmed that virtually the entire population agreed that it was the right thing to do<sup>11</sup>.

The process of planning to exit from lockdown, for politicians, must be almost as terrifying as the virus itself. Lockdown was a reaction to extraordinary external circumstances beyond the control of the nation state. The unlocking process, by contrast, is where the government has to make decisions about acting - not just about contagion, NHS pressures and deaths - but about the economy, the public finances, wider health

<sup>9</sup> <u>https://www.kingsfund.org.uk/projects/urgent-emergency-care/urgent-and-emergency-care-mythbusters#waiting-times-in-recent-years</u>

<sup>&</sup>lt;sup>6</sup> Germany, by contrast, has been criticised in the past for an 'oversupply' of hospitals, but this is now being seen as an unintended benefit: "A recent survey by the OECD found that before the crisis Germany had 33.9 intensive care beds per 100,000 people, compared with 9.7 in Spain and 8.6 in Italy." <u>https://www.ft.com/content/d979c0e9-4806-4852-a49a-bbffa9cecfe6</u>

 <sup>&</sup>lt;sup>7</sup> For example, see "*The NHS workers wearing bin bags as protection*" <u>https://www.bbc.co.uk/news/health-52145140</u>
 <sup>8</sup> Analysis of official financial data suggests £325m was wiped off the value of the Department of <u>Health</u> and Social Care (DHSC) emergency stockpile, reducing it from £831m in 2013 under the Conservative-led coalition government to £506m by March last year. <u>https://www.theguardian.com/world/2020/apr/12/revealed-value-of-uk-pandemic-stockpile-fell-by-40-in-six-years</u>

<sup>&</sup>lt;sup>10</sup> It took until the weekend of April 12 for the media to be sensitised to the high death rates in care homes ("*the government confirmed there had been virus outbreaks at more than 2,000 care homes in England*"<sup>10</sup>), and for official death statistics to show clearly that COVID-19 was the cause of death. Up to that point, the government had only been counting deaths recorded in hospitals.

<sup>&</sup>lt;sup>11</sup> <u>https://yougov.co.uk/topics/politics/survey-results/daily/2020/04/16/73305/1</u>

and social care issues and the personal and social costs to people of the loss of their normal freedoms. There would be enormous political implications if the process should turn out to be a disaster.

The key strategic questions for government are, of course, when, and how to begin to lift lockdown, and in what order to do it? In respect of the first we are still waiting for clear evidence of the flattening of the curve; but Ministers are already actively managing expectations toward the longer term. On 16<sup>th</sup> April, for example, Health Minister Nadine Dorries demanded that: *"Journalists should stop asking about an 'exit strategy." There is only one way we can 'exit' full lockdown and that is when we have a vaccine"*<sup>12</sup>. Questions about a strategy for how to ease the lockdown seem for the moment to be in abeyance as far as government is concerned – just don't ask about an exit strategy.

Regardless of when it takes place, this is exactly the time to be thinking about how to go about lifting the policy. Not least, there is need for a careful examination of where the damage of lockdown is at its most extreme and how its duration will produce pressure points demanding a response. As this paper goes on to show, the social and spatial impact of lockdown is and will be hugely variable. We are not 'all in this together'. Some people will be only marginally affected but some will be brought to the *margins of survival*. Even if lockdown has to go on for epidemiological reasons, it is surely right to bring into the debate wider considerations about its impact – not just about epidemiology or even the economy and the public finances. The position here is that we should take the trouble to find out if there is the threat of a social 'breaking point' for a significant proportion of the population if the lockdown policy goes on too long.

Why this is important is because lockdown in the UK is being projected onto a highly unequal set of base conditions. The starting point for the pandemic event was, for many, *already precarious* with little in the way of resilience to absorb any loss of income however small. For those who can live through lockdown still on something like a full wage and still paying the bills, there may be an absorbable effect. For those who have no job, no savings, rent property and have to travel to get to work, lockdown will be traumatic and life changing. The Chancellor has moved quickly to put in place a safety net, and this is to be applauded. But, from the starting point we had when COVID-19 hit, there is a dangerously high level of vulnerability for a substantial share of the population should we be faced with a long-duration lockdown.

The concern is not just about income and indebtedness. There is concern that the sheer weight and uncertainty of the event itself – difficult for all but especially for those with 'money troubles' - will see a rise in stress disorders and wider mental health problems<sup>13</sup>, putting yet more pressure on over-stretched services<sup>14</sup>. Concerns are already being raised about the situation of children<sup>15</sup>. School and college closures for a long time disrupting the entire pattern of home life can fracture family relations. We hear already of rising domestic violence and pressure on refuge facilities<sup>16</sup>. While the temptation is to look away, 'do the time' and hope for the best, it is surely wrong not to be thinking about, and, asking questions about how factors such as these will play into a strategy for lifting lockdown. In what follows we explore some of the issues.

<sup>&</sup>lt;sup>12</sup> <u>https://news.sky.com/story/coronavirus-no-exit-to-full-lockdown-until-theres-a-vaccine-says-health-minister-11973906</u>

<sup>&</sup>lt;sup>13</sup> <u>https://www.bbc.co.uk/news/uk-52258217</u> and <u>https://www.thelancet.com/pdfs/journals/lanpsy/PIIS2215-0366(20)30168-1.pdf</u>

<sup>&</sup>lt;sup>14</sup> <u>https://doi.org/10.1016/S2352-4642(20)30109-7</u> A survey of young people aged up to 25 and with mental health issues found "26% said they were unable to access mental health support; peer support groups and face-to-face services have been cancelled, and support by phone or online can be challenging for some young people".
<sup>15</sup> https://www.thelancet.com/journals/lanchi/article/PIIS2352-4642(20)30109-7/fulltext

<sup>&</sup>lt;sup>16</sup> <u>https://www.theguardian.com/society/2020/apr/12/domestic-violence-surges-seven-hundred-per-cent-uk-</u>

coronavirus and https://www.theguardian.com/society/2020/apr/15/domestic-abuse-killings-more-than-double-amidcovid-19-lockdown

# 2.0 A Blunt Instrument with Differential Impact

#### 2.1 Closing the schools and colleges

One of the most dramatic aspects of lockdown has been the suspension of all conventional place-based education from kindergartens to universities. Educators worldwide have considerable concerns about the impact of the pandemic on a loss of learning<sup>17</sup>. Some countries are moving already to re-open their schools. Denmark reopened kindergartens and schools on April 15<sup>18</sup>, and children in Norway will also be returning to kindergartens<sup>19</sup>. The debate on re-opening schools as part of a strategy for ending the lockdown is, however, only just beginning to emerge in the UK, for example with the new leader of the Opposition, Sir Keir Starmer<sup>20</sup>, prompting the Government to communicate a strategy and nurseries in Wales warning that up to 90% of them are in financial distress and that many may not be able to reopen<sup>21</sup>.

Lockdown has impacted massively on young people. For those whose examinations have been cancelled, their life goals have suddenly been rendered uncertain. For those for whom the social life outside the home is 'life', particularly the older teenagers, the order not to leave the house will be extremely limiting. This is much more than a debate about shutting down the education system itself with its longer-term effects on children and society. Going to school or college and the behaviours and social relations that surround it is a fundamental pillar of a nation's daily life. Home and family life and relations are strongly pivoted around children and young people. Even short-term disruption can have significant impact..

In the UK context, all these aspects of nationwide educational lockdown are being projected onto a *differential landscape of inequality*. Restricting children of all ages to the confines of their home potentially for months will have a strong impact on them but also on their parents and guardians in the pressure-cooker of the home space. But this will be made significantly worse by situations of crowding<sup>22</sup> and deprivation and where the struggle to put food on the table demands that parents have to find work. In October 2019 before the pandemic hit, the Children's Commissioner or England was already telling us that:

"There are around **4 million children in the UK growing up in poverty**. And those poverty rates have risen for every type of working family – lone-parent or couple families, families with full and part-time employment and families with different numbers of adults in work".

Lockdown will already be thrusting yet more children into poverty as their families struggle<sup>23</sup>. Free school meals normally provide an escape valve for children in this situation, giving them at least one good meal a day. Set this against a report on April 15 that "*Many families of children eligible for free school meals are having to wait up to a week for supermarket vouchers, despite an upgrade to the website responsible for delivering them*"<sup>24</sup>. School also aims to place children in a secure and positive environment. Locking these

<sup>&</sup>lt;sup>17</sup> Global concern from educators was evidenced in a two-day Salzburg Global online Seminar "*Education Disrupted, Education Reimagined*" April 15-16<sup>17</sup> with over 5,000 participants were registered as participants.

<sup>&</sup>lt;sup>18</sup> <u>https://edition.cnn.com/2020/04/17/europe/denmark-coronavirus-first-school-intl/index.html</u>

<sup>&</sup>lt;sup>19</sup> <u>https://edition.cnn.com/2020/04/11/health/european-countries-reopening-coronavirus-intl/index.html</u>

<sup>&</sup>lt;sup>20</sup> <u>https://www.theguardian.com/world/2020/apr/15/keir-starmer-calls-for-ministers-to-set-out-plans-to-end-coronavirus-lockdown</u>

<sup>&</sup>lt;sup>21</sup> <u>https://www.bbc.co.uk/news/uk-wales-52330712</u>

<sup>&</sup>lt;sup>22</sup> <u>https://www.theguardian.com/world/2020/apr/12/virus-hitting-hardest-modern-equivalent-victorian-slums</u>

<sup>&</sup>lt;sup>23</sup> Government has made some limited provision for this in its current planning – but where is a fast acceleration in the numbers of children falling into poverty (1.4 million people were forced onto Universal Credit claims just in a four week period<sup>23</sup>) much more needs to be done.

<sup>&</sup>lt;sup>24</sup> <u>https://www.bbc.co.uk/news/education-52283067</u>

children in and away from the support the school can give them has huge potential implications, both short and long term, for their mental and physical health<sup>25</sup>. On top of all this there will be significant and as yet unknown impacts from the disengagement of a whole cohort of children for what might be as long as one third of the school year<sup>26</sup>.

This differential experience arising from school and college closure will not only be highly variable from household to household, but it will map differentially across the occupational class divide, across differential family composition, cultural and ethnic group and across place and space. The Social Mobility Foundation observes that: "*Polling shows 40 per cent of children on low incomes do not have a quiet place to study. Better-off families are three times as likely to use private tutors during school shut-down*<sup>27</sup>." The home school learning option will be available only to a part of the population. Both children and families need to have some voice in the wider debate about the effects of lockdown and the strategy for lifting it. For however long the policy lasts, we should also be hearing much more about creative measures for children to be supported – especially those in deprived homes and neighbourhoods.

#### 2.2 Job and income losses

By income group and occupation, the effects of lockdown vary enormously. Around 50 percent of those in the higher income brackets can work from home<sup>28</sup> as compared with 10 percent of those on low incomes. It is clear where the biggest hit of lockdown will land, particularly on those lower income earners who cannot work from home, Beyond the core of the defined "essential services" they are the ones most affected by the shutdown of certain sectors (cafes and restaurants and the high streets generally) and most exposed to the health risks of delivering services in others (food retail and home care). Many have either fallen through the net of the support schemes or are waiting for the benefit system to respond.

"More than 3 million people in Britain are going hungry because of the coronavirus crisis, according to new research showing that stark drops in income have pushed many families into poverty during the lockdown"<sup>29</sup>.

Those at the top of the salaries/savings ladder, still remaining fully employed, or being 'furloughed' (and receiving 80% of their wage/salary), may well be able to absorb the impact in the short term. Many of them will, however, be seriously concerned about what happens when things start up again and when the state subsidy drops out – again a subject for some early strategic thinking. The Office for Budget Responsibility report<sup>30</sup> of 14<sup>th</sup> April will offer them little comfort with a forecast of a dramatic fall in output and a massive rise in unemployment over the next two quarters<sup>31</sup>. Corporate planners are no doubt already being called upon to advise their Boards of Directors about the likely scale of business when lockdown is lifted and how they should adjust their staffing profiles to the new conditions. It is to be hoped that somewhere in

<sup>&</sup>lt;sup>25</sup> <u>https://www.newscientist.com/article/mg24532773-000-covid-19-we-can-ward-off-some-of-the-negative-impacts-on-children/</u>

<sup>&</sup>lt;sup>26</sup> This is a global concern, for example articulated in New Zealand

https://www.rnz.co.nz/news/national/413842/covid-19-longer-lockdown-could-harm-education-principals

<sup>&</sup>lt;sup>27</sup> <u>https://www.socialmobility.org.uk/2020/04/department-for-opportunities-warns-educational-divide-set-to-widen-during-epidemic/</u>

<sup>&</sup>lt;sup>28</sup><u>https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronav</u> <u>irusandhomeworkingintheuklabourmarket/2019</u>

<sup>&</sup>lt;sup>29</sup> <u>https://www.ft.com/content/e5061be6-2978-4c0b-aa68-f372a2526826</u>

<sup>&</sup>lt;sup>30</sup> <u>https://obr.uk/coronavirus-reference-scenario/</u>

<sup>&</sup>lt;sup>31</sup> A recent report suggests that we may be facing the loss of 6.5 million jobs

https://www.theguardian.com/world/2020/apr/19/nearly-seven-million-jobs-at-risk-if-lockdown-lasts-for-months

government work is already being commissioned to recover the lessons from programmes that helped to cope with high unemployment in the late 1970s and early 1980s<sup>32</sup>.

The sudden shift from job retention to redundancy for many people whose jobs were assured at the start of lockdown will see the damage from the pandemic impacting on people whose ex ante expectations allowed them to take on significant household and mortgage debt<sup>33</sup>. The financial resilience of this group is likely to be extremely sensitive to the duration of lockdown. The Chancellor of the Exchequer will then have a particularly difficult decision to make about the post-lockdown transition, and about how far into the future the job retention subsidy can reasonably last.

For those on lower pay levels, the effect of the Job Retention Scheme will be variable as a share of their overall normal earnings down the scale. How it impacts them – as for their better paid colleagues – will depend on their level of savings and degree of indebtedness (financial resilience). To the government's credit, the regulation does allow for people on part time, agency, flexible and zero hours contracts to benefit from the scheme. However, this is where even a 20% income drop will tend to hurt most. The same will be true of some, if not all, sole traders for whom there is also government support – but they may have to pay their bills for as much as two months before the cash flows in. Many sole traders who qualify will be seeking support from Universal Credit in the interim.

Those normally at the very bottom of the labour market will have been much less able to build up financial resilience and may quickly descend into poverty. Younger workers, those leaving education and entering the labour market, have been most likely to lose their jobs in this crisis. For the young starting out there will be a high price to pay - thrusting many of them into a situation where they need (if they can) to return to the family home. After lockdown they will be seeking to find work against a rapid rise in general unemployment. Yet again, lessons of the 1980s about how to absorb the young into work or additional skills and learning will need to be re-examined against the current situation.

Research carried out by Kings College and Ipsos Mori (April 9) noted that while the policy of lockdown was broadly accepted, there were clear discriminatory impacts:

"Half of those surveyed (49%) said they had felt more anxious and depressed than normal. Over a third (38%) said they were having trouble sleeping and more than a fifth of people (22%) said they were already facing significant money problems or were almost certain to do so in the near future. Among workers, 16% said they had either already lost their job or were very likely to do so in the near future"<sup>34</sup>.

Our earlier paper<sup>35</sup> showed that zero-hour contacts, short-time working, and non-standard forms of labour contracting were fast becoming the norm for *up to a third* of those in work in England. So, the most damaging short-term impact of the lockdown measures will affect a considerable proportion of the employed

 <sup>&</sup>lt;sup>32</sup> The Active Labour Market Policies (ALMP) of the EU – especially following the economic shock of the collapse of East Germany might offer some creative policy ideas. (See <a href="http://www.oecd.org/employment/activation.htm">http://www.oecd.org/employment/activation.htm</a>)
 <sup>33</sup> The Financial Conduct Authority (FCA) moved on 17<sup>th</sup> April to help borrowers who are experiencing money problems asking motor finance firms to grant a three-month freeze and firms specialising in rent-to-own, buy-now-pay-later and pawnbroking loans to delay repayments. <a href="https://www.bbc.co.uk/news/business-52321723">https://www.bbc.co.uk/news/business-52321723</a>
 <sup>34</sup> <a href="https://www.bbc.co.uk/news/uk-52228169">https://www.bbc.co.uk/news/business-52321723</a>

<sup>&</sup>lt;sup>35</sup> Lloyd, Peter, and Michael Blakemore. (2020). A World Transformed: Connectivity, Speed, Threats and Vulnerability. Peter Lloyd Associates, [Published March 31, 2020], [Cited April 5, 2020]. <u>https://www.peter-lloyd.co.uk/papers-and-blogs/</u>

workforce. The numbers of self-employed<sup>36</sup> (many of them after severance from their employers post-2008) will boost the proportion in difficult circumstances. The higher earners in the "furloughed" group may not be faced with immediate problems but anxiety about their future prospects will be widespread. It is absolutely clear that a *very substantial share of the working population is* more vulnerable than ever before to shocks of any kind<sup>37</sup>. More than this since average wages have been flat since 2008 there has been little opportunity for most people to build up any substantial form of financial resilience<sup>38</sup>.

Consequently, and despite the Chancellor's significant and welcome efforts, many will find themselves in serious difficulties very quickly. Not least this is because large numbers were in a precarious situation before the virus hit.

"30 percent of workers don't feel like they earn enough to maintain a decent standard of living (up from 26 percent in 2017). Almost one in four workers sometimes have trouble meeting their basic living costs because of income volatility (24 percent, up from 19 percent in 2017). Moreover, a significant number of workers lack financial resilience – 36 percent would struggle to pay an unexpected bill of £100; 59% would struggle to pay an unexpected bill of £500. A further 45 percent don't expect to have enough in savings and pensions to maintain a decent living of living in retirement. While 32 percent are concerned about their levels of debt" (Wallace Stevens, RSA 2018<sup>39</sup>)

No doubt these figures quoted above from 2018 considerably underestimate the current position.

#### 2.3 Social order

As we have suggested, loss of income on lockdown has the potential to take a substantial part of the population below the threshold of survival very quickly - this was reflected in the high number of new universal benefit claims we noted earlier. Week by week the position of these people will worsen against a situation where savings and borrowing will not cover bills. There were reports of more extreme effects of this in Italy, where people in the south of the country – the poorest region – were already finding themselves unable to put food on the table for their children. This created an opportunity for organised crime groups to become distributors of food<sup>40</sup>. There were also reports of mass refusals to pay at supermarkets and some looting<sup>41</sup>.

<sup>&</sup>lt;sup>36</sup> And the self-employed have been much less well treated in the UK in response to the economic shutdown: *Coronavirus: Self-employed bailout 'problematic'* <u>https://www.bbc.co.uk/news/business-52021299</u> This seems strange given the 2019 Conservative Party Manifesto which stated that they are the political party "*to encourage the millions of British businesses that create the wealth of the nation – especially small businesses, family firms and the self-employed*" <u>https://assets-global.website-</u>

<sup>&</sup>lt;u>files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba\_Conservative%202019%20Manifesto.pdf</u> (page 25). It took until March 26 for the Government to come up with a response support the self-employed. <sup>37</sup> <u>https://www.politico.eu/article/coronavirus-pandemic-leaves-gig-economy-workers-exposed/</u>

<sup>&</sup>lt;sup>38</sup> "15% of Brits have no savings at all And one in three Brits has less than £1,500 in savings". <u>https://www.finder.com/uk/saving-statistics</u>

<sup>&</sup>lt;sup>39</sup> <u>https://www.thersa.org/globalassets/pdfs/reports/economic-insecurity-21st-century-safety-net-report.pdf</u> An updated version can be found in <u>https://www.thersa.org/discover/publications-and-articles/rsa-</u> blogs/2019/08/economic-safety-net

<sup>&</sup>lt;sup>40</sup> https://www.theguardian.com/world/2020/apr/10/mafia-distributes-food-to-italys-struggling-residents

<sup>&</sup>lt;sup>41</sup> <u>https://www.theguardian.com/world/2020/apr/01/singing-stops-italy-fear-social-unrest-mount-coronavirus-lockdown</u>

The longer the lockdown lasts there is a risk that these sorts of manifestations of anger and despair could appear in the UK as "*stark drops in income have pushed many families into poverty during the lockdown*"<sup>42</sup>. So, lockdown, while effective at minimising contagion, has a social as well as economic breaking point. There comes a stage at which it is not socially - as well as economically - sustainable and in democratic societies the sorts of controlling measures possible in China are not available. The willingness of people to trust government and accede to the regulations is critical as is the sensitivity with which the policies are enforced by the police.

Poverty and social stress must, therefore, be factors in the development of a strategy to end the lockdown phase. It is not just a matter of health, economy and the public finances. It is also about avoiding the most extreme manifestations of the lockdown on those segments of society that are already disadvantaged. While there is, as yet, no sign of significant unrest in the UK three weeks into lockdown, it would be unwise to be too complacent that it could not happen here<sup>43</sup>.

<sup>&</sup>lt;sup>42</sup> <u>https://www.ft.com/content/e5061be6-2978-4c0b-aa68-f372a2526826</u>

<sup>&</sup>lt;sup>43</sup> The United Nations is worried about this risk on a global scale: <u>https://metro.co.uk/2020/04/10/world-peace-risk-coronavirus-bring-social-unrest-violence-12537515/</u>

#### 3.1 The geography of contagion

There is, of course, a geography to the pandemic. The centres of contagion are the core cities – London, Birmingham, Manchester, Liverpool, Leeds, Newcastle, Cardiff and Belfast. Outside this urbanised core, the case numbers fall off in concert with the density of population and the intensity of and propensity for inter-person interaction. The incidence of new cases flows spatially over time, but in uncertain ways. As there were early indications around April 14 that London's case rates were slowing, rates were rising in Newcastle and the North East. This shows the difficulty of predicting regional demand for hospital beds. The Nightingale Hospital in Docklands had spare capacity over Easter, with reports that only 19 out of the 4,000 beds were occupied<sup>44</sup>.

Against this variable map of the state of ongoing contagion, the geographical frame for the policy of lockdown is spatially *uniform*. Every part of the UK is addressed with the same legal force. The reasons for this are clear and the rationale for the policy is generally accepted. However, as previous sections of the paper have set out, the economic and social reality on the ground onto which both variable pandemic and uniform lockdown are projected is complex and intricately differentiated. From place to place – regions; localities; neighbourhoods – the traumatic effects of COVID-19 and lockdown in combination are experienced in vastly different ways with different levels of disruption.

#### 3.2 The experience of lockdown in deprived places

The spaces and places of the UK, like the individuals and groups that work and live in them, were already differentially positioned to respond before the pandemic and lockdown hit. Some were well off and some were poor. Some had low population densities; some high. Some were well endowed with private gardens and green spaces; some were not. Some were private car dominated, while some relied on public transport (here those who rely totally on public transport are - along with those who drive buses or staff trains - much more disadvantaged and further exposed to the virus than those who can get into their own car and drive to a shop or go to work<sup>45</sup>).

A uniform policy of lockdown is playing out variably across all this. Locality, place and community with all its intricate differentiation is where the virus and lockdown effects are being lived out daily. A significant concern must be for the most deprived places - against a background context where they were already "left behind" or on the margins. Currently silent, these places will have to be woken up again as lockdown is lifted and the prospects going forward will be even worse than they were before.

Lockdown is, then, being deployed onto pre-existing *mosaic of spatial inequality*. Professor Gabriel Scally, president of epidemiology at the Royal Society of Medicine, expresses this concern, declaring that the virus spreads through overcrowded housing because it passed easily between people living in close proximity and sharing facilities such as toilets and kitchens: *"Houses in multiple occupation must be in the same* 

<sup>&</sup>lt;sup>44</sup> <u>https://uk.news.yahoo.com/nhs-nightingale-coronavirus-easter-084502055.html</u>

<sup>&</sup>lt;sup>45</sup> <u>https://www.intelligenttransport.com/topic\_hub/covid-19-transport-news-analysis/</u>

category as care homes because of the sheer press of people," he said. "I have no doubt that these kinds of overcrowded conditions are tremendously potent in spreading the virus.<sup>46</sup>".

It is not hard to imagine for places like this what the outfall of lockdown and the recession that follows it might be. They are, as we have just heard, the places that were likely to have suffered the worst effects of the pandemic. They are places where there is likely to be a preponderance of those BAME groups where it has recently been noticed that infection rates for COVID-19 are far higher than the average expectation. They are the places where resilience (to a wide variety of challenges) is likely to be at its lowest.

Perhaps in the major cities, lifting the lockdown might well see a relatively quick response. The concern is, however, that for many of the most marginal among the older industrial towns and the non-city (rural, small town and seaside resort) deprived places a significant part of what was lost will not come back. It is interesting to look back to a Guardian op ed written by Chakraborty only seven months ago about the state of these deprived places:

"Public parks are disappearing. Playgrounds are being sold off. High streets are fast turning to desert. These trends are national, but their greatest force is felt in the poorest towns and suburbs, the most remote parts of the countryside, where there isn't the footfall to lure in the businesses or household wealth to save the local boozer" <sup>47</sup>.

An earlier paper also written before the pandemic (Lloyd 2019), added the following about the prospects they already faced:

"The income multipliers to sustain businesses and jobs in the local shopping street and service trades will respond to the financial pressures that come from flat wages and indebtedness. Added to the effects of a decade of UK, government-imposed, austerity on the Local Authorities and Public Services generally, these private sector trends have produced a double-sided negative stimulus."<sup>48</sup>

The complexities of choosing not just when but *where* best to lift different aspects of the current policy will be enormous. It is essential that a more local perspective be added to the debate and that the necessity to have a blunt national lever pulled centrally for an emergency situation does not follow through to a centralised view of the transition and restoration phases of the recovery. Regional and local voices will be vitally needed if these policies are to be sensitively applied.

<sup>46</sup> <u>https://www.theguardian.com/world/2020/apr/12/virus-hitting-hardest-modern-equivalent-victorian-slums</u>

<sup>47</sup> <u>https://www.theguardian.com/commentisfree/2019/aug/14/britain-social-infrastructure-money-national-grid</u>
 <sup>48</sup> <u>https://www.peter-</u>

<u>lloyd.co.uk/app/download/5810221400/Work+and+Employment+in+the+Information+Economy+Deep+Transformations+with+Polarising+Spatial+Outcomes.pdf</u>

#### 4.1 A complex, dynamic system hard to control

As the pandemic reduces in impact (we cannot realistically consider that it will be over within a year, and the World Health Organisation predicts more outbreaks<sup>49</sup>) many things will not be the same again. There are lessons to be learned from the events but perhaps the most prominent among them is that we are more exposed to risk as humanity and society than we have been in recent memory. Our earlier paper explored this in some detail. It is not just that everyone has been badly shaken by an event so few knew (or acknowledged) was possible, it is that a system that has been collectively constructed over the last four decades has generated forces that are difficult for most people to understand.

This has happened twice in just over a decade. The economic crash of 2008 - though less catastrophic – was a lesson of the same order. The banking crisis of 2008 caught even the financial players themselves completely unawares and struggling to understand what had happened. For most people, the workings of the global economic and financial system are opaque at best.

Facing this, the economic theories that have so dominated politics, societies, and our individual lives have been found seriously wanting. In particular, the idea that leaving it to a free-ranging global financial sector and to market forces will produce the best possible outcomes has foundered on the rock of hard reality. The Neoliberal system was already failing on its own terms, but a virus pandemic has exposed just how vulnerable it has made us all as individuals and as social beings to uncontrolled events.

It speaks volumes that in order to suppress a contagious and dangerous infection, governments had to halt global interaction and force the people to give up their ability to come together face-to-face as social human beings. Despite (or perhaps even because of) the current awesome technical prowess, there is a need to reconsider what really matters, rather than chasing the dragon of individual consumer satisfaction and finance-led pressure for continuing GDP growth.

In respect of coronavirus per se, while there were warnings of the threat of global pandemic, there was little understanding of the speed and scale of the contagion, or of the ability of the virus to penetrate the entire global system so fast and so comprehensively. The lesson to be learned is of the absence of controlling mechanisms for a globalised, hypermobile dynamic system that was built to satisfy the needs and wants of the consumer society and of finance capital. It has needed near-total shutdown and the direct action of the nation states to rein in the pandemic.

The price we are paying is enormous and we are nowhere near knowing what the system will look like at the end of the event. This is surely the time to be asking the big questions about what we want for society and for humanity while we have been shocked into a pause in the system to which we have become so willingly enslaved.

<sup>49</sup> https://uk.news.yahoo.com/coronavirus-second-wave-covid-19-135341831.html

#### 4.2 Waiting for the techno-fix

The hope is of course that technology will once again come to our rescue in the form of a vaccine or a tracking system that will allow us to shut down contagion. Indeed, we have to hope that this is so, and the UK Government briefing of 17 April focused strongly on developing a vaccine:

"Scientists at the University of Oxford say they should have at least a million doses of a coronavirus vaccine by September this year. The UK government, which is backing the project, said there were "no guarantees" and it was not possible to put a date on a vaccine" [BUT] "Most experts still estimate it will take 12 to 18 months to develop and manufacture a vaccine"<sup>50</sup>.

However, as noted above, the time delay in getting us to that point where a vaccine is available has the potential to undermine the economy and the social order and bring some parts of it to a breaking point. This is not just a national issue but an international one. The virus risks having a cataclysmic impact in Africa and the developing world generally where countries often have fragile health systems<sup>51</sup> and where systems are likely to fall short in the reporting of outbreaks and deaths<sup>52</sup>.

The combination of the hyper-speed contagion of COVID-19, the critical need to resume economic activity to avoid a catastrophic collapse of economies, and the fact that a vaccine could be up to a year away from mass production and distribution, faces governments with a terrifying dilemma. There will probably be a technofix - but will it arrive at the time and at the scale necessary to avoid economic and social breakdown in some of the more vulnerable contexts internationally, nationally and locally?

#### 4.3 Imagining the outline of a new future

On 31 January 2020, the UK Prime Minister addressed the nation, at this time blissfully unaware of the viral hurricane approaching the country. With some terribly unfortunate foresight about a "breaking" national drama, he said:

"This is the moment when the dawn breaks and the curtain goes up on a new act in our great national drama ... This is the moment when we really begin to unite and level up ... We will spread hope and opportunity to every part of the UK."<sup>53</sup>

The policy debate then was about the UK having left the European Union and of 'levelling up' the regions of the North, of HS2 and Heathrow expansion. Now, facing certain recession or even depression, all look like sideshows when contrasted with the prospects we face going forward. While the sheer size of the task ahead can look daunting, it is vital to begin a new debate about the future by acknowledging that there have been major structural issues that should have been addressed before the pandemic arrived.

As we have tried to show in this paper, the growth of inequality is more than just a threat to those who suffer it, it has been allowed to grow to become a threat to economic and social stability. The virus event – still in its early stages – has revealed to us just how close we have become to allowing a substantial proportion of the UK population to lack the resilience to resist an external shock. As researchers communicated on April 15:

<sup>&</sup>lt;sup>50</sup> https://www.bbc.co.uk/news/health-52329659

<sup>&</sup>lt;sup>51</sup> <u>https://www.weforum.org/agenda/2020/04/africa-covid-19-time-bomb-defuse/</u>

<sup>&</sup>lt;sup>52</sup> <u>https://www.africanews.com/2020/04/14/coronavirus-africa-update-on-the-ongoing-novel-coronavirus-covid-19-global-epidemic-brief-13/</u>

<sup>&</sup>lt;sup>53</sup> <u>https://www.gov.uk/government/speeches/pm-address-to-the-nation-31-january-2020</u>

"The social distancing and isolation associated with COVID-19 policy has had substantial negative impacts on the mental health and wellbeing of the UK public within a short time of policy implementation. It has disproportionately negatively affected those in low-paid or precarious employment<sup>\*54</sup>.

#### 4.3.1 Addressing Inequality

The UK entered the present crisis with very high levels of inequality in the distribution of wealth and income – across the population and across its regions<sup>55</sup>. No act of deliberate thought or policy directly willed it to be this way. The globalised economic system of recent decades followed its "natural" pathway by making inequality an emergent feature. It involved the inexorable rise of the precarious, globalised labour market with its low wages, insecurity and lack of protection against risk for those participating in it. While employment numbers in recent years were on the rise and unemployment falling, the positive news about the rise masked how vulnerable the new forms of work made those people who took on the jobs.

While this was happening, the state focused its attention on economic efficiency. The undermining of the NHS was (as we have seen) one outcome. The year-on-year reduction of funding for those public and welfare services with a responsibility for the disadvantaged was another. The Local Authorities (now granted a total of £3.2 billion to cope by April 18<sup>56</sup>) have been in the forefront of the cuts for a decade – producing in the poorest areas those place-based outcomes that were described by Chakraborty earlier. Resilience to shock was stripped away across the board, and we now have to cope with the consequences.

In imagining a new future, it is surely unthinkable that society and economy could simply return to the previous path. The dangers are too great, and the government has found itself having quickly to put back a proportion the public resources that were stripped, just to respond to the emergency. The disciplines of the public finances that drove policy for the public sector for a decade were swept away overnight to cope with the situation. But as we see with the NHS, the human, institutional and material capacity to respond is simply not there, and resilience will take time to rebuild. Lifting lockdown will not be sufficient to put things right.

A strategy for ending lockdown needs to acknowledge that, in respect of the likely position of the most vulnerable, there is an urgent need for a new overall policy. Debate on some form of Universal Basic Income<sup>57</sup> (UBI) can form part of this. The first step should, however, be to act quickly to ensure the well-being of those hardest hit,

Delays of any kind could have dire consequences for a nation that had 4 million children in poverty even before the pandemic arrived. Now, while we wait for the contagion to ease, is the time to move the national debate from when lockdown will end to *'what do we need to do most urgently and for whom?'* as the recovery phase starts.

#### 4.3.2 Valuing the public service

For a decade, cost efficiency overrode quality of service outcomes for people as the standard for the public services. The workers – by far the highest cost component in the delivery of that service – had to fight hard over that time to maintain levels of pay appropriate to their skills and to the value of their contribution. Of

<sup>&</sup>lt;sup>54</sup> <u>https://doi.org/10.1101/2020.04.10.20061267</u>

<sup>&</sup>lt;sup>55</sup> <u>https://www.equalitytrust.org.uk/scale-economic-inequality-uk</u>

<sup>&</sup>lt;sup>56</sup> <u>https://news.sky.com/story/coronavirus-councils-in-england-given-an-extra-1-6bn-to-tackle-covid-19-crisis-11975203</u>

<sup>&</sup>lt;sup>57</sup> https://www.ft.com/content/21672cd6-6ce4-11ea-9bca-bf503995cd6f

course, that value is widely recognised and across the country people (even the Prime Minister) clap each Thursday to acknowledge the enormity of contribution of 'key workers'. The loss of the capacity to respond we talked about in the previous section is essentially a shortage of people as much as beds and PPE. In October 2019 there were 43,000 unfilled nurse vacancies<sup>58</sup>.

Since such a high proportion of the NHS workforce was sourced for decades from the EU and overseas, we should not find ourselves surprised at the cultural variety of the people we applaud. Brexit and immigration policy at national level have had a role to play in determining capacity. Vacancies and staff shortages arose as part of the adjustment process immediately before the pandemic arrived. The effective dismembering, de-staffing and re-positioning of public health in our society has come back to haunt the nation, and that must surely be the justification for a rapid re-think.

Outside the NHS in the social care and social welfare economy more generally, privatisation and the absence of established wage bargaining systems have seen pay held close to (or in many cases below) the National Living Wage. Public attitudes about this being to do with low skill are hopefully undergoing a sea change at the moment. Privatisation and the disaggregation of provision in non-NHS care has seen efficiency and productivity (narrowly defined) keep wages levels close to the minimum. Even with this, however, the private-for-profit and charitable providers in the sector struggle for survival against austerity-constrained Local Authority payments for care packages and care homes<sup>59</sup>.

The Local Authorities have taken the brunt of public sector expenditure cuts. Apart from their role in delivering health and social care outside the NHS, they have the wider remit for the support of the communities they serve. Increasingly over the decade they have been forced back to the delivery mainly of the services they are mandated to provide. Local economic development, supporting the built environment, investment to create jobs and the maintenance of the high streets among other things has been cut to the bone. Going forward, the potential impact of months of lost business and the acceleration of already visible trends in the retail sector will need to be managed if we are not to hear more talk of the "places left behind".

#### 4.4 Rethinking what the public values

One of the opportunities arising from the COVID-19 pandemic is an opportunity to hold a national conversation about the balance between the public and the private sector in national life. This debate over the last four decades has been focused on – "*what adds best value in the public sphere and how most efficiently to deliver it*?" Privatisation and efficient financial management have dominated the conversation. But, people may now be ready to talk about the bigger question – "*what do they really value and how should the public sphere play a role in its delivery*?"

This is the sort of serious – post-crisis - debate that took place at the close of WW2 with the foundation of the NHS, the 1944 Education Act and the Town and Country Planning Acts<sup>60</sup>. *Security against systemic shocks* would probably rank high on today's agenda for the – "*what do we value?*" - debate. With the experience of lockdown fresh in the mind, perhaps, the debate should also ask "*where should cooperation,* 

<sup>&</sup>lt;sup>58</sup> <u>https://www.nursingtimes.net/news/workforce/nhs-nurse-vacancies-in-england-rise-to-more-than-43000-08-10-</u>2019/

<sup>59</sup> https://www.ft.com/content/952317a6-36c1-11ea-a6d3-9a26f8c3cba4

<sup>&</sup>lt;sup>60</sup> https://www.nationalarchives.gov.uk/cabinetpapers/themes/land-use-planning.htm

*sharing and equity rank in the national value system?*". Both questions would naturally raise issues of trust. Trust in government and trust in each other, at a time when trust in our politicians is very low - at 14%<sup>61</sup>.

Establishing "what the public values" is, of course, the ultimate contested terrain of politics. People vote for the parties that meet their perspectives on what values are to be privileged and how they are to be promoted and achieved. This debate will come in time. But, what has been set out above is an invitation to use the present necessary, but overwhelming, disruption in national life to think carefully as citizens about where we are and how we have come to be here.

There is a need to think and a time to do. It is quite wrong to suggest that 'thinking about the lifting of lockdown' is something to be set aside. Accepting that the '*when*' of lifting it may be about epidemiology, the "*what shall things look like afterwards and what do we need to think about doing?*" is a task for now and for every moment we can use at present.

<sup>&</sup>lt;sup>61</sup> <u>https://www.ipsos.com/ipsos-mori/en-uk/trust-politicians-falls-sending-them-spiralling-back-bottom-ipsos-mori-veracity-index</u>