

# The winds of a 'New Jerusalem', but where are the umbrellas?

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In his annual Conservative Party conference virtual speech, Prime Minister Boris Johnson tacitly, admitted having got something wrong in the past. Suggesting that it was 20 years ago when 'people' stated that wind power "wouldn't pull the skin off a rice pudding", Johnson failed to mention that it was he who said this in 2013.

In his speech, Johnson committed to investment in offshore wind farms to, by 2030, allow the UK to become a "world leader in low-cost clean power generation". This, he asserted, would enable the UK to increase its wealth and be compared to Saudi Arabia with its reserves of 'black gold'; oil.

Johnson's intention that £160m be invested in manufacturing the next generation of turbines is sensible. They'd need to be capable of generating 40GW of power, a fourfold increase on what's currently available to. As the PM claimed, this would allow consumers, "without guilt", to consume power for every appliance including cars we'll increasingly drive especially, as it's speculated, Johnson will announce that the ban on sales of new petrol and diesel vehicles will be brought forward to 2030.

In a time of increasing concerns about employment, an upside of developing offshore wind farms is the creation of jobs. Downing Street's press office indicated that 60,000 workers would be required to manufacture the turbines as well within the supply-chain. It was also suggested that 2,000 construction jobs will be needed to erect the offshore wind farms.

It's safe to assume that very few who would argue against developing greener energy. However, whether low-cost and clean energy can be realised in a way that transforms the UK's fortunes is worthy of intense discussion. It's believed the PM's vision would require at least £50 billion of capital investment and a phenomenal number of turbines

to be produced and erected; on average one every weekday for the next ten years.

There's also a question of where such offshore windfarms should be located? As one analyst mused, what would happen if any are cited off the coast of Scotland and Wales should these countries decide they want to move towards full independence?

It's safe to assume that by 2030, energy production will radically alter to incorporate revised climate and carbon targets due for consideration at the next United Nations Climate Change Conference, COP26, to be held in Glasgow in November 2021.

Johnson, ever the optimist, wanted his speech to focus on a post-pandemic future allowing him to indulge in proclamations about how the UK can rediscover its economic prowess. Reference to Drake, Raleigh and Nelson and that wind "puffed the sails" of their ships and "propelled this country to commercial greatness" was undoubtedly intended to achieve this the objective.

Though Johnson could hardly avoid any acknowledgment of the current crisis caused by a global virus, he did so by emphasising the indomitable spirit of survival and recovery. Winston Churchill, the PM Johnson would most like to be favourably be compared to, used the rhetoric of sacrifice in defeating the Nazis so that this country remained free of tyrant and a sovereign nation.

Equally, in trying to compare the way in which this country has learnt lessons and recovered from previous major crises, because they're a "trigger for social and economic change", Johnson deliberately 'sugar-coated' his message. After all, this has served him well in the past.

Johnson clearly wanted to move on from a crisis that's utterly dominated his first year as PM and deflected his party from delivering on the promises made during a general election campaign that brought the Conservative Party its best result since 1987. Dealing with Covid-19 has caused economic consequences that has cast a shadow over what was, even prior to the health crisis, the hugely ambitious commitment to 'level up'.

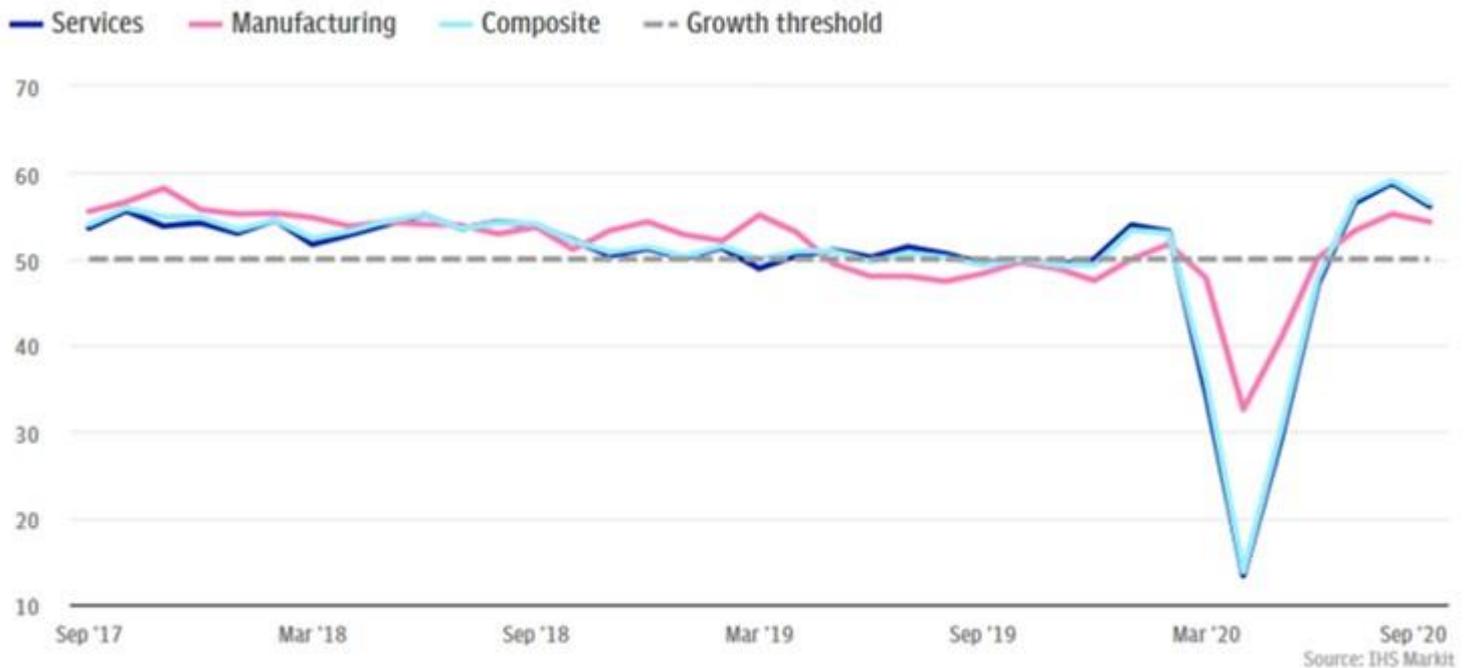
In many parts of the UK unemployment and long-term decline and deprivation have resulted in citizens feeling 'left behind'. This perception is believed to have been a major reason why many areas, despite receiving European Social Funding, voted to leave the EU in June 2016. Such voters responded to the call by Johnson to vote Conservative Party last December to "Get Brexit Done".

Johnson's use of the word "ructions" to refer to the impact of Covid-19 needs to be judged against an economy that's likely to falter in coming months and during which we see levels of unemployment not seen for a generation.

Johnson's commitments to, by 2030, increase home ownership through what will need to be a government-backed 95% mortgage scheme to assist young people in getting on the 'housing ladder', as well as solving the persistent problem of funding care homes, may be regarded as typical of a politician famous for grand pronouncements that are notoriously light on substance.

Latest data suggests that the next couple of months are likely to be extremely difficult. This will make delivery of spending commitments all even more challenging.

PMI (Purchasing Managers' Index) surveys carried out by IHS Markit show that though there was still growth in September, there's been a drop in the all-important services sector, worth almost 80% of the UK economy, from 58.8 in August to 56.1:



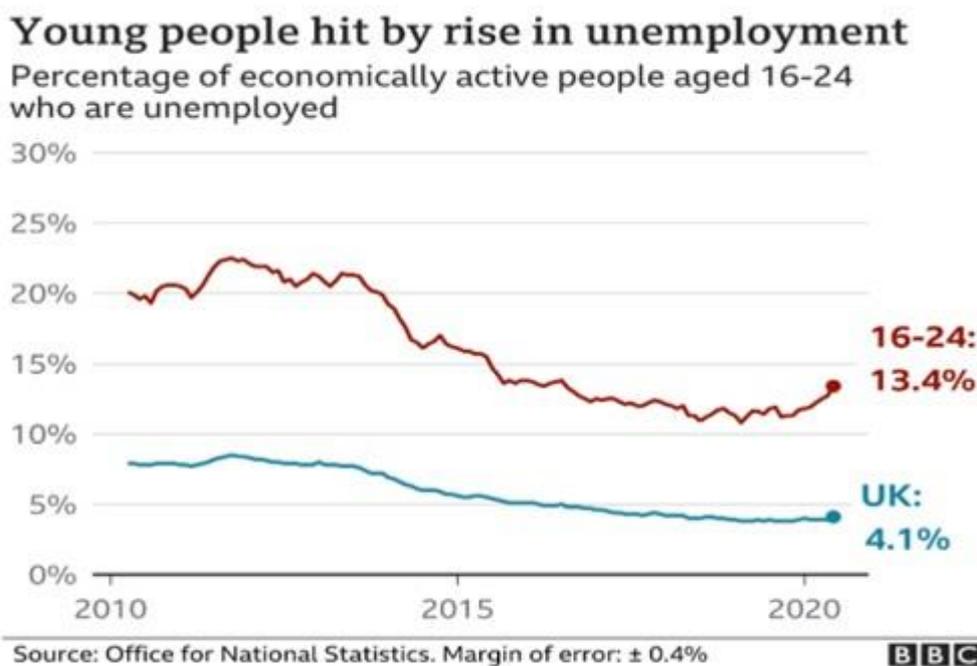
PMI shows that manufacturing dropped from 55.3 in August to 54.3 in September. The composite, because the economy is service-orientated, dropped from 59.1 in August to 56.5 in September.

What's causing concern for many firms, as well as economists, is that though all sectors will be affected by continuing uncertainty as well as ongoing and increased restrictions needed to deal with the virus, services, particularly hospitality, will be especially badly hit. Termination of the Coronavirus Job Protection Scheme (Furlough) at the end of October is likely to result in increased joblessness which consequentially negatively impacts on aggregate spending creating a vicious cycle of decline.

Rising unemployment is certain. As the [BBC reports](#), 498,000 redundancies have been "planned" since the crisis caused by Covid-19 began. The Bank of England has forecast an additional 2.5 million people out of work giving a rate of unemployment of 7.5%. However, this may be a good outcome.

The Office for Budget Responsibility (OBR), the government's spending 'watchdog', presented scenarios on unemployment due to Covid-19. Its most optimistic was that unemployment would peak at

9.7% this year and return to pre-crisis levels in 2022. However, its most pessimistic scenario is that unemployment peaks at 13.2% next year and even by 2024, when the next general election is due, is still 6.3%. Latest ONS (Office for National Statistics) data for national unemployment show it at 4.1%, which was a slight rise on the 3.9% that had existed, almost an historic low, for many months. However, and as the diagram starkly demonstrates, unemployment among those aged 16-24, currently 13.4%, is of profound concern.



That the young have been negatively affected by the need to shut businesses in which people interact, hospitality, is not surprising; those aged 16-24 are most likely to work in this sector. And as those in government, notably Chancellor Rishi Sunak know, continued restrictions and, possibly, another total closure of hospitality to deal with a second wave of Covid-19, will even higher cause unemployment among the young which adds to misery suffered.

Rapidly rising unemployment combined with a stagnating economy causes concern for any government. But this one won last December's election by promising miracles once Brexit was "done".

As negotiations between the UK and EU on a free trade agreement drag on without conclusion, there's concern within government – despite what's said by ministers – as well from business, about the

prospect of a 'no-deal' which would seriously undermine the economy and inevitably add to unemployment in key sectors such as manufacturing.

In his virtual conference speech, Boris Johnson made assertions as to how history and crises create a dynamic ensuring society learns and develops. He claimed his vision is a "new Jerusalem" for the UK post Covid-19.

Johnson's message was that learning is going on and, pointedly, the intention should be, rather than trying to return to 2019, "to do better". This is all very well but won't come as much consolation to those whose livelihoods are destroyed by the current crisis and, potentially, Brexit.

For such people, talk about potential offshore windfarms to transform the economy in 2030, appear irrelevant. Rather, many ask, where are the metaphorical 'umbrellas' needed to protect them and their families from the economic 'hard rain' that's inevitable in coming months?

**Dr. Steven McCabe is co-editor of *Brexit and Northern Ireland, Bordering on Confusion* (published by Bite-Sized Books, ISBN-13:978-1694447807), contributor to *Boris, Brexit and the Media* edited by Mair, Clark, Fowler, Snoddy and Tait (published by Abramis Academic Publishing, ISBN-13: 978-1845497644), *The Virus and the Media: How British Journalists Covered the Pandemic*, edited by Mair (published by Bite-Sized Books, ISBN-13: 979-8643725824), *The Wolves in the Forest: Tackling Inequality in the 21st Century* edited by Paul Hindley and Paul Hishman (published by Social Liberal Forum), *The Pandemic, Where Did We Go Wrong?* edited by John Mair (published by Bite-Sized Books, ISBN-13: 979-8665858326) and *English Regions After Brexit: Examining Potential Change through Devolved Power*, jointly edited with Beverley Nielsen (published by Bite-Sized Books, ISBN-13: 979-8666953099). His latest chapter, 'Shot by both sides – an examination of the challenges faced by the BBC during 'the troubles'' will be included in *BBC, A Winter of Discontent?* edited by John Mair and published by Bite-Sized Books.**