

A Perfect Storm?

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A 'perfect storm' is assumed to be based on a confluence of weather conditions especially dramatic and dangerous. It's also assumed to be fairly recent. However, the Oxford English Dictionary includes reference to the expression as long ago as 1718. William Makepeace Thackeray uses the expression 'perfect storm' in his highly entertaining 1848 novel *Vanity Fair*. Nonetheless, contemporary use of the expression 'perfect storm' is taken to mean a set of events producing the worse possible outcome.

Arguably, the characteristic Boris Johnson normally exudes in industrial quantities, is optimism. Johnson's 'brand' is deliberately based on a combination of brio and making pronouncements intended to be crowd-pleasing or, as many contend, are 'off-the-cuff' and a way of getting him through the immediate crisis. Worrying about how rash promises can actually be delivered can wait and, ideally, be sorted out by flunkies with better possession and understanding of salient details and/or facts.

Whatever criticisms made against him throughout his career, Johnson's haphazard and plucky/cheeky chap approach has, largely worked to his advantage. He possesses indefatigability that amazed those who worked with him as well as an inimitable spirit of bouncing back from failures, lapses and, as it's argued, sheer incompetence.

That is until now.

One of the more phrases banded about during the general election campaign last year was the intention of the Conservative Party that, were it to be elected, it would 'level up'. This objective, it was stressed, would reduce regional inequality through publicly-funded infrastructure as well as stimulating investment in sectors providing much-needed jobs.

The areas in which levelling-up was to occur, northern constituencies, had suffered decline in the de-industrialisation of the 1980s. This caused inhabitants to feel 'left-behind' and is cited as a reason such areas voted to leave the EU. It is notable that in constituencies Labour once believed themselves invulnerable, Conservative MPs were elected in December.

Brexit changed everything.

2020 was meant to be the beginning of a new age of 'greatness' in this country. Newly installed Chancellor Rishi Sunak – who'd replaced Sajid Javid when he refused to allow interference in the treasury by Johnson's chief advisor Dominic Cummings – in March dedicated what seemed at the time to be phenomenal amounts to fulfilling the commitment to level up.

However, as Sunak admitted at the time, and now realises only too well, the not insignificant matter of the global pandemic that is Covid-19 was likely to add to the public spending bill. Some six months on, we know the costs of dealing with Covid-19 are likely to be so eye-wateringly expensive as to make intentions to level seem even more unattainable than they already were. Indeed, as critics suggested when the promise to level up was made, they are seen as patently un-costed promises made to seduce voters whose support would ensure sufficient Conservative MPs to "Get Brexit Done."

Almost ten months since December's election, it can only be speculated what Johnson thinks when he surveys the unfolding disaster that Covid-19 is causing. That it's already been necessary to spend over £190 billion – that's £190,000,000,000 – dealing with a pandemic that was hoped to be temporary will be a sobering thought.

Matters won't improve anytime soon. Covid-19 looks like it will be a threat for many, many months ahead and will, as the IFS (Institute of Fiscal Studies) contend, mean that this government not be in a position in the years ahead to dedicate the investment in public services and levelling up that was regarded as essential in last December's election and the months following it.

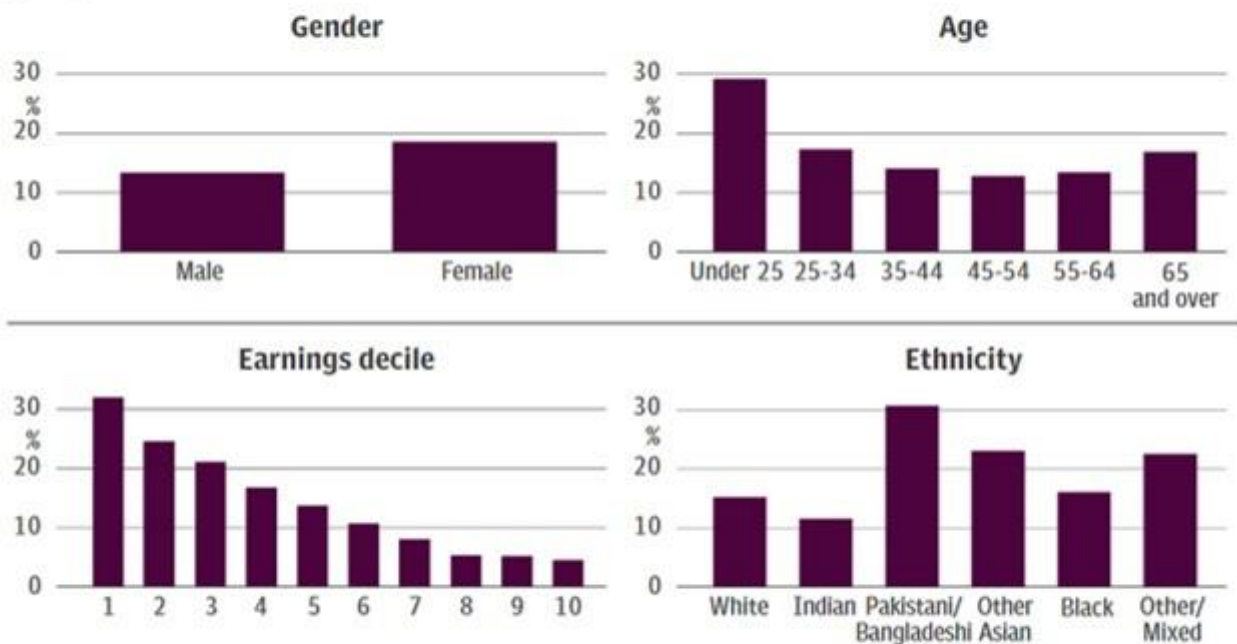
[Telegraph economic editors](#), Tom Rees and Russell Lynch, in their article 'The Great Covid Divide is making a mockery of PM's pledge to

‘level up’, present analysis of the difficulties confronting this government in dealing with the impact of a pandemic we’d not even heard of until January this year.

Rees and Lynch believe there are key issues, already in existence before the emergence of Covid-19, but which have been exacerbated by the impact of the virus. Inequality is one. Those already worst off in this country, the young, females and those from ethnic minorities, are likely to suffer if, as is expected, unemployment rises significantly when the furlough initiative ends on 31st October.

Workers in the shutdown sectors of the economy are disproportionately young, female, from poorer households and from ethnic minorities

Share of workers in shutdown sectors by socio-demographic and socio-economic group



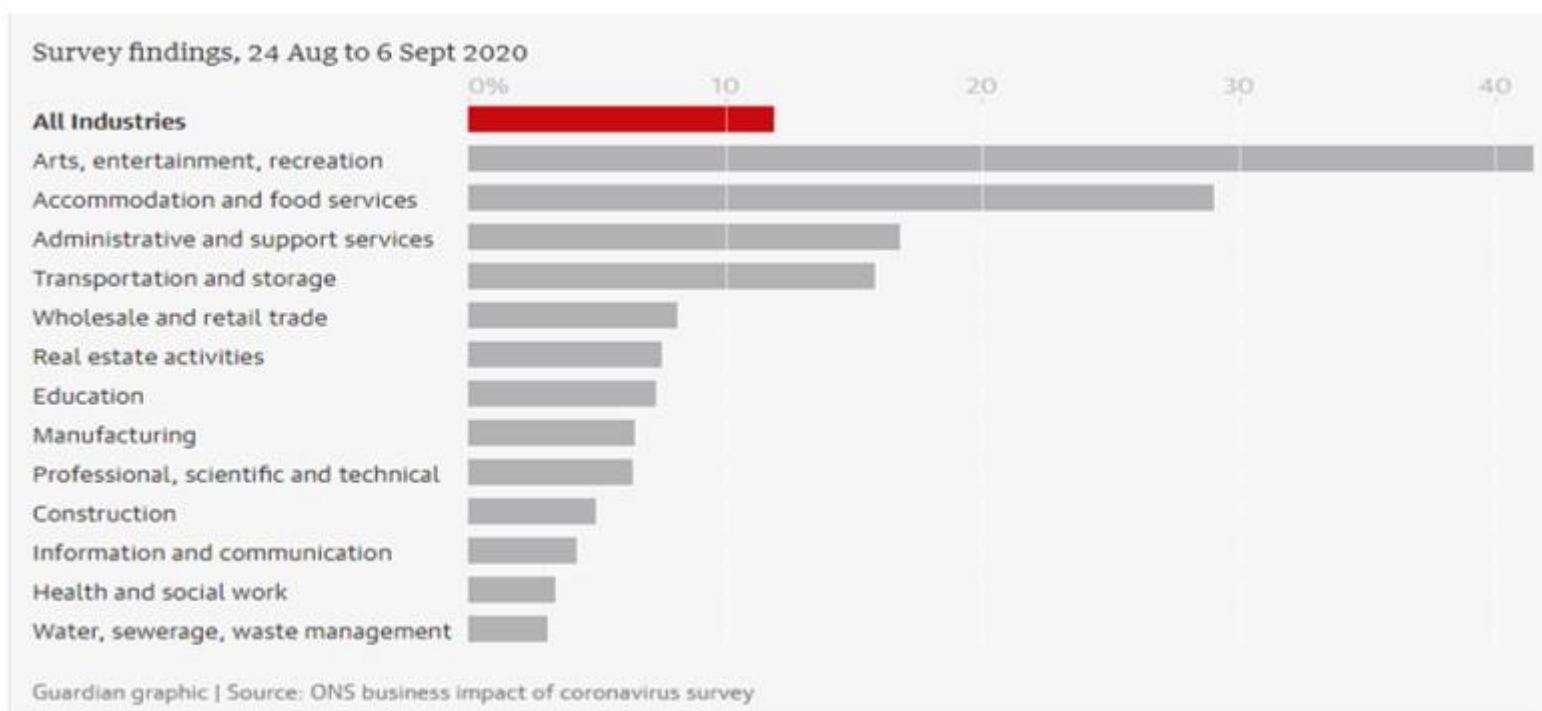
SOURCE: INSTITUTE FOR FISCAL STUDIES/ NUFFIELD FOUNDATION/ LABOUR FORCE SURVEY

Originally published in *The Telegraph*

Furlough will be replaced by measures that many economists consider to inadequate to save the jobs of many of those who work in sectors hardest hit by Covid-19; hospitality, retail and leisure. Latest data from the Office for National Statistics (ONS) shows that about 12% of workers were still on furlough (down from a high of 30%) in

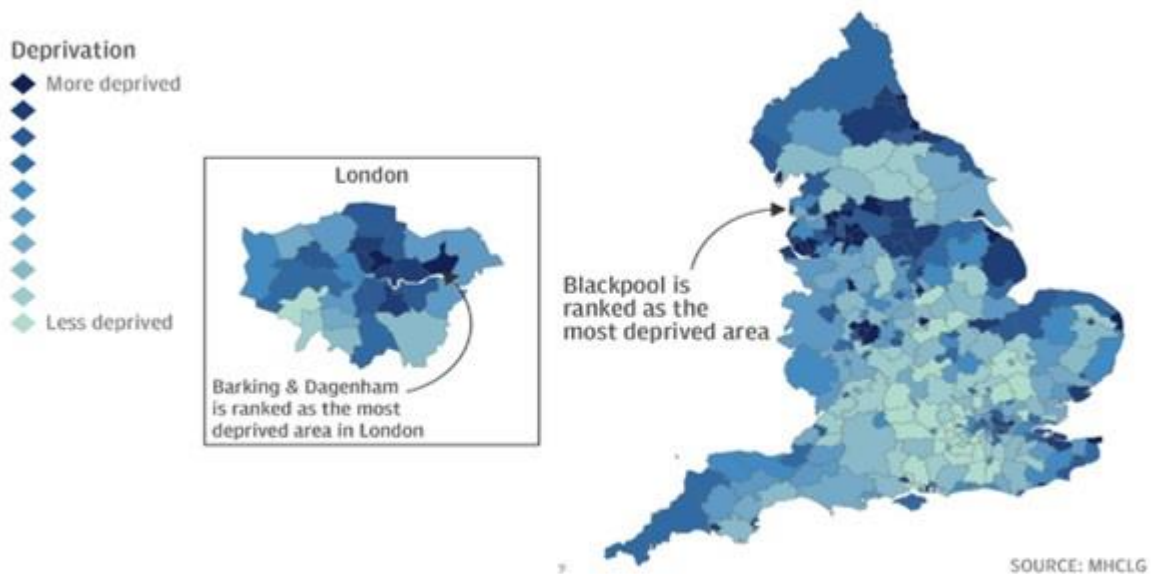
early September; probably at least three million. A concern is that a significant proportion of such workers may lose their jobs in the coming weeks which will cause a spike in unemployment. The Office for Budget Responsibility speculate we may see a rate of over 10%.

Such concern is increased by the breakdown of sectors in which workers remained furloughed. Over 40% of those employed in the arts, entertainment and recreation are still furloughed. The situation for workers in the hospitality sector, hotels, pubs, cafes and restaurants is better though still worrying at just under 30%.



Perhaps the greatest area of concern to the current government is in how it can deal with what is referred to as the 'north-south divide'. As Rees and Lynch report, according to New Economics Foundation, workers outside London have experienced a fall in hours worked twice that of those in London. Any increases in unemployment, they believe, are likely to add to the woes of areas already considered "jobless hotspots", particularly in the north of England. As the diagram below demonstrates, poverty and inequality is far more likely to be experienced in the north of England than the south:

The UK continues to struggle with poverty and inequality
Index of Multiple Deprivation rank based on average deprivation score



Originally published in *The Telegraph*

Notwithstanding any financial constraints, as Chris Giles reports in the [Financial Times](#), the Centre for Cities believes the government is likely to face difficulties in delivering levelling up because it has not actually “defined what it meant by the phrase and still thought it could direct the policy from Whitehall.”

Rees and Lynch consider the plight of those born since the 1980s. As the IFS identify, this is the first generation to be poorer than those born a decade earlier and less likely to own a house (40%) than those born in the 1970s (55%). According to Rees and Lynch, “The young have been trapped in rental properties by a housing market inflated by policymakers, are burdened with a pile of student debt and face a more insecure jobs market.”

Many commentators see financial and political danger to the increasing generational divide. Liz Emerson, co-founder of the Intergenerational Foundation, argues that tax policy should be more balanced to avoid the young being expected to “foot the bill for the economic carnage” of Covid-19 that has negatively impacted them so disproportionately.

It is against a background of increasing employment, a shrinking economy, the continuing threat of Covid-19, not to mention the impact of whatever free trade agreement (or not) emerges, that PM Johnson and Chancellor Sunak must attempt to make key decisions about what can realistically be achieved in the future.

Most particularly, how can initiatives intended to reduce inequality and produce levelling up be funded?

Increased taxation is possible but there remains the problem of wealth being concentrated among those who are already reasonably well off who tend to be older. Many have become wealthy through property embedding the dynamic which excludes the next generation.

However, as the Conservatives will be acutely aware, having promised to achieve Brexit, level up and, notably, protect the 'triple lock' on state pensions as well as not raise taxes, it is in something of a quandary. If the political objective of pleasing most of the people, most of the time is a perpetual challenge, in the current climate it appears nigh on impossible.

Perhaps Johnson, whose well-publicised unhappiness as to the intense time and financial pressures that being PM requires, feels that he's been caught in a perfect storm from which there is no escape? His abiding optimism no longer provides the shield against opprobrium it once did.

As some commentators, based on 'well-placed sources' have speculated recently, Johnson, whose health following being struck down by Covid-19 is still an issue of concern (see Tim Shipman in [The Sunday Times](#) and Kevin Maguire in the [New Statesman](#)), may decide it's all too much for him and quit the job he's spent his adult life trying to attain.

In the very peculiar times we're experiencing, it would not come as a surprise.

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.