

## **A New Year, Time for a New Approach?**

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Entering the new year, we reflect on what's not been done and tend to resolve to improve. Unfortunately, our ability to stick to promises is often undermined by willpower and, too often, events over which we have no control.

Though the last two years have been dominated by the impact of the pandemic, on the basis of latest data, though it appears the current variant of coronavirus, Omicron, is highly infectious, its impact in terms of health is not as serious as previous version. However, though it's too early to declare the pandemic is over, it's to be hoped we're seeing the beginning of the end.

Nevertheless, what we're currently seeing is Omicron spreading at a phenomenal rate which, because of the need to isolate, means many organisations are struggling to cope in delivering normal service. According to latest government data for the UK, 13,641,520 individuals have tested positive for Covid-19, the daily total announced yesterday was a record 218,724 cases and there are 14,126 patients in hospital, 883 of whom are in 'ventilation beds' (Government, 2022).

Arguably, though long-term impact of Covid-19 on the health of some of infected, 'Long Covid', is not yet fully understood, one statistic which is stark is the number who've died within 28 days of testing positive, 148,941 (ibid). Though there's debate about the real number who've died – early cases were not captured by testing – the government's own dashboard shows that the number for those with a death certificate shows Covid-19 as the cause is 172,657.

Depending on the outcome of the public inquiry Boris Johnson announced last month, to be Chaired by Baroness Heather Hallett and commencing this Spring (Government, 2021), perceived wisdom suggests he's likely to be criticised for not having acted with sufficient urgency in early stages of the pandemic. Whether he's correct to ride his luck in not introducing restrictions to deal with Omicron remains to be seen. Some believe he could be caught out which will be to our collective cost (Nuki, 2022).

It is against this background that political debate continues to be played out.

For Boris Johnson there's a very definite sense that he's on 'borrowed time' (Ponsonby, 2021). Following the debacle created by his ill-advised intervention in the Owen Paterson affair many believe he's pretty close to having exhausted goodwill within the party.

Though Johnson's proved to be an escape artist from sticky situations par excellence in the past, there are still ongoing issues and investigations into his conduct which many with the Conservative Party fear will prove difficult to explain to voters. Opinion polls, especially in former Labour seats won in December 2019, increasingly believe promises made in the 2019 Tory manifesto are unlikely to be delivered.

Brexit and changes to trading relationships with the EU, were concluded over a year ago. This, potential voters were informed, would herald a new era of freedom and ability to create deals with countries outside of the EU. Businesses to enjoy new opportunities. The reality is that trade has declined.

In a Times analysis of the coming year, the impact of trade resulting from Brexit is considered (Nachiappan and Fletcher, 2022). John Van Reenen, professor at the London School of Economics, who's quoted, contends Brexit continues to be "an ongoing disaster". Reenen believes that the

effect of continuing regulatory divergence from EU rules, cited by advocates of leave as holding businesses back because of unnecessary bureaucracy, will mean trade with the trading bloc will keep falling which, in turn, will cause a decline in living standards.

As Nachiappan and Fletcher make clear, any notion there might be a trade deal with the United States is now seen by the economist consulted as very unlikely this year (ibid). Indeed, they quote Ross Walker, co-head of global economics at NatWest who argues that even if a deal with the US was to be possible, its terms “would be far more favourable to the US than the UK”.

Walker goes further in stressing that whatever may have been promised, as to the prowess the UK would enjoy from being free of the EU and its rules so detested by leavers, “The painful post-Brexit realpolitik is that the UK will have precious little leverage in negotiating with much larger trade partners.”

Global Britain may be a neat aspirational slogan but means nothing to those whose jobs may be at risk of having lost trade to the EU. Though Boris Johnson’s government may point to falling unemployment as a positive indicator that the economy is robust and recovering well from the largest quarterly decline since the Great Frost of the early eighteenth century, many suggest that this masks problems elsewhere.

Though predictions that unemployment would rise to levels comparable to that experienced in the 1980s, these proved wide of the mark. Even the end of furlough, widely considered by many to be opening of the dam of job losses, did not produce the apocalypse suggested. That stated, the ongoing prevalence of Omicron is producing a dreadful toll on sectors dependent on free movement of people.

Nonetheless, unemployment at just over four percent, though suggesting an economy in rude health, must be judged in comparison to the fact that sectors such as food production, hospitality and social continue to experience shortages of labour, skilled or otherwise. Wages have risen in such sectors, a positive outcome of leaving the EU, claim Brexiters.

Any worker whose wages have risen may believe they are better off. However, as they may be experiencing, increases in wages usually result in higher prices charged to customers. This translates into an increase in inflation which, currently 5.1%, and predicted to rise even higher in coming months, means that unless workers are receiving increases of well in excess of five percent, spending power declines and they become poorer.

More hikes in the base rate, very likely in coming months, will pile pressure on families with loans, those with mortgages (particularly coming to the end of a fixed rate) and businesses.

Accordingly, as Boris Johnson will undoubtedly be aware, the promise that by electing him as PM in December 2019, in order to get Brexit ‘done’, thus making people better off is not likely to be experienced by large swathes of voters in the coming year (and possibly beyond). As many query, against such a background, how will ‘levelling-up’ be achieved (Borrett, 2021)?

So far, levelling-up is, as was many questioned when it was announced two years ago, is proving amorphous and imprecise. Though the White Paper that’s been prepared by secretary for housing, communities and levelling up, Michael Gove, is eagerly awaited. However, rumours of conflict with chancellor Rishi Sunak, over the availability of funding don’t bode well for those expecting to see anything really significant before the next election (Zeffman, 2022).

If Johnson is not already feeling pressure caused by the pandemic as well as contenders wishing to usurp him as leader, he now faces a revitalised Labour Party which opinion polls show is developing a healthy lead. Though Labour leader Sir Keir Starmer has been criticised for his party's somewhat lacklustre performance until recently, if this lead is sustained until the next election, the Conservatives Party will lose a majority of the 'red wall' seats that gave it such a thumping majority.

In his speech in Birmingham on Tuesday, Starmer sought to emphasise his credibility as a serious threat to Johnson by stressing the three parts of a "contract". These parts are security, prosperity and respect. In what was an assured speech, Starmer addressed all of the key issues that are likely impact on voters in coming months; cost of living, rising crime and the need to feel proud of being British.

Though Starmer understands that Brexit is still a toxic issue, he recognises the economic problems which Johnson's dreadfully poor deal has inflicted on the UK's businesses and ability to conduct trade. Starmer, recognising Birmingham to be a city with a long tradition of manufacturing, explicitly referred to the shame his father experienced working in a factory.

Intrinsic to any UK recovery, I'd suggest, is a renaissance in manufacturing of the products we need. In stating that prosperity must be based on "an industrial strategy to improve our productivity to ensure we Buy, Make and Sell more in Britain and to revive the places that made Britain wealthy", indicates Starmer appreciates the importance of creating well-paid and secure jobs.

Such jobs are most desperately needed in the parts of the country considered by local citizens to be 'left behind'. These are the regions in which manufacturing suffered in the 1980s due to Margaret Thatcher's election promise in May 1979 to make industry more competitive. The consequence was vast job losses in such areas from which recovery has been patchy. These are the places in which levelling-up is intended to assist.

Unfortunately, people have grown tired of promises which, as Boris Johnson has shown since becoming PM, can be effortlessly dispensed with if political expediency requires this. Starmer's promises, his contract is intended to persuade voters there's a better future under Labour. However, though made earnestly, he'll need to do a great deal more work to ensure a people who have become jaded and cynical are convinced.

What people appear to feel is that lack honesty and integrity by a political leader is no impediment to securing power, quite the contrary. What they have also experienced is that neat sound bites become meaningless if they don't translate to genuine change for the better.

Thus, as Starmer will be well aware, many families are struggling. They recognise that 'Global Britain' means very little to them if they cannot feed themselves, heat their homes, or feel frightened of crime and being attacked. Starmer surely appreciates voters have become deeply sceptical of claims by politicians they're selflessly working in the interests of the country. There have been too many examples, most particularly during the pandemic, of using the power of office to reward well-placed friends in business with extremely lucrative contracts with little or, often, no scrutiny.

Strauss and Romei (2022) assert continued political uncertainty, as well as the impact of Brexit, will undermine UK recovery this year. What seems clear is that, for the sake of collective well-being and the economy, a new approach to British politics is urgently needed.

For a start, political leaders need to demonstrate commitment to keeping promises and being willing to be honest about the implications of decisions taken and policies implemented.

It's not too much to expect, is it?

Happy New Year.

**Dr. Steven McCabe is co-editor of *Exploring the Green Economy, Issues, Challenge and Benefits* (ISBN-13 979-8532032347) and companion text, *Green Manufacturing, What this involves and how to achieve success* (ISBN-13 979-8751284619), both recently published by Bite-Sized Books. He is working on a text examining how to solve Britain's house price problem to be published in early 2022. His chapter, 'AI Promised You a Miracle – Life Under 'Greased Piglet' Johnson', is included in *Populism and the Media* (ISBN-13 978-1845497859), edited by Mair, Clark, Fowler, Snoddy and Tait and published by Abramis Academic.**