

# Hope, the best thing we possess

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Frodo: *“I wish none of this had happened.”*

Gandalf: *“So do all who live to see such times, but that is not for them to decide. All we have to decide is what to do with the time that is given to us.”* J.R.R. Tolkien, *The Lord of the Rings*

In the current crisis it's good to engage in a bit of escapism. As in the *Lord of the Rings* trilogy, we know that good will, despite the many setbacks that are suffered by the fellowship in their quest to destroy the ring of evil, good will eventually triumph. Tolkien, like all great storytellers, recognised the power of hope.

The news at present is dreadful in pretty much every sense. At the time of writing Prime Minister Boris Johnson, having succumbed to Covid-19, lies in hospital in intensive care. Though no different to the many thousands who've been hospitalised with this dreadful virus, the fact that someone as high profile as Johnson, a reasonably fit 55 year old can be struck down in this way tells us how potentially dangerous Covid-19 is.

Covid-19, first identified in December 2019 in Wuhan, the capital of China's Hubei province, and not previously encountered, has demonstrated that in a 'joined-up' world that relies on efficient communication, travel and seamless supply-chains is extremely vulnerable to a virus that is highly contagious. This has allowed Covid-19 to spread across the globe, following the ancient westwards 'silk road' path, relentlessly.

News from China in January indicated that the majority of those infected with Covid-19 would suffer symptoms not dissimilar to a cold or flu and, after a week or so, fully recover. Common symptoms included fever, cough and shortness of breath as well as fatigue, muscle pain, diarrhoea, sore throat, loss of smell and abdominal pain.

Worryingly, China reported that a small percentage of those affected, particularly among the old and those with underlying health issues, figure of 5-6% was widely quoted, suffered severe respiratory problems requiring admittance to intensive care units (ICUs) and mechanical support of ventilation to their lungs. Though too early to state with any certainty what the mortality rate of Covid-19 will be, it is estimated that 1-2% of those infected progress to viral pneumonia and multi-organ failure resulting in death.

What has terrified all governments is the prospect of a virus such as Covid-19 that, potentially, could infect the vast majority of the population and, on the assumption of 5% requiring hospitalisation, would result in health care systems being overwhelmed. Though the number of hospital beds available varies considerably, especially in ICUs, no country could cope with the sudden influx of many thousands requiring emergency respiration.

An acute lack of ability to cope with vastly increased numbers of those most severely affected with Covid-19 has been the primary reason why almost every government has introduced measures such as requiring citizens to stay at home and maintain a distance from others. The explicit intention being to 'flatten the curve' of the rate infection.

What is undoubtedly true is that the economic costs of the need to 'flatten the curve' will prove eye-wateringly expensive. According to the Centre for Economics and Business Research the economy is losing £2.4 billion a day.

Though a few sectors will gain as a result of current crisis, notably healthcare, pharmaceuticals and food retail, the remainder are suffering drops in production that prior to Covid-19, would be considered catastrophic. David Smith in his [Sunday Times](#) column 'Despatches from an economy at two-thirds of normal' provided a list of such losses:

- 14% in agriculture
- 60% in mining and quarrying,
- 69% in manufacturing
- 10% in electricity and gas supply, 50% in construction
- 58% in wholesale and retail

- 39% in transport
- 79% in accommodation and food services,
- 7% in information and communication
- 18% in finance and insurance
- 20% in real estate
- 10% in professional and scientific activities
- 46% in education and 81% in arts, entertainment and education

Smith reckons that in aggregate the economy has suffered drop of almost a third in GDP. Whatever the actual figure turns out to be, hopefully not quite as dreadful at the 31% Smith has calculated, it tells us that the impact of attempting to check Covid-19 will come at a heavy price.

We know that the costs of paying people to stay at home in preference to being laid off or made unemployed is going to be hefty. According to the Institute for Financial Studies the £55 billion in borrowing that was predicted in the budget by Rishi Sunak only a few weeks ago will now be increased by at least £122 billion to stand at £177 billion. And there is no reason why in the absence of an exit strategy to believe that this sum will not increase.

Some big names have already proved to be casualties of Covid-19. Though the likes of Laura Ashley, Debenhams were already in pretty dire shape, the effect of closures of all but essential retail outlets, has proved to be shattering to what is known as 'footfall'. As analysis by data company Springboard indicates, those visiting high streets stores has, unsurprisingly, effectively dropped off a cliff; 81.4% last week.

As we are discovering, there are many large companies who are claiming that a protracted continuation of lockdown will drain their reserves to the point that, unless they are able to secure additional lending, they will run out of money. A number of airlines including, notably Virgin and EasyJet as well as companies engaged in travel and leisure may be forced into administration.

Short-term measures to slow the rate of infection pose the serious danger of putting the economy of this country, like many other developed countries into a 'tail-spin' from which any recovery

becomes all the more difficult. This is why many are asking, not unreasonably, what is the exit strategy from the current measures?

Crucially, in the absence of the development of a vaccine it will be impossible to do anything to stop infections entirely. Whatever some, including President Trump, may suggest, hydroxychloroquine, used to prevent and treat malaria in some parts of the world, has not been clinically tested.

Continued infection, albeit at a reduced rate is something we may have to get used to. Death resulting from Covid-19 may become, very sadly, an everyday occurrence like, for example cancer or from accidents on our roads.

One hope is that, as economic data coming from China suggests, the crisis we experience may be 'V' shaped; you enter fast and recover equally rapidly. This would avoid the threat of a short-term crisis becoming a long-term depression in which unemployment stays doggedly high and the economy continues deflating like a balloon.

Assuming that we could return to the level of employment that existed before the current crisis, it's calculated that an additional increase in the tax rate of one penny raises £4.5 billion. This would mean it would take 27 years to pay off the increased debt that has been incurred as a consequence of Covid-19.

In order to pay off the debt and continue to improve the parts of the country 'left behind', it's essential we achieve as full a recovery as soon as is practically possible. However, the reality is that it's any recovery will not be as immediate as a V shaped curve; the upturn being much less steep. This would be preferable to the 'bathtub' which would represent depression.

The government will surely be aware that expectations should be based on what's realistic so as to avoid a 'W' whereby any putative recovery is undone by a return in increased infections.

What is absolutely critical is deft judgement and care in interpreting the data; something that one or two world leaders seem incapable or unwilling to engage in. Boris Johnson's hospitalisation as a

consequence of Covid-19 though not entirely helpful should not undermine the ability of the government to operate effectively.

Subsequent to the current crisis it behoves the governments of all developed countries to consider how to collectively deal with the impact across the globe; most especially in those nations without sufficient resources to deal with the economic impact of Covid-19.

The result of the Great Depression in America in the early 1930s, directly or otherwise, led to the rise of the Nazi regimen under Hitler in Germany. It's incumbent to ensure that the crisis create by Covid-19 does not lead to similar poverty that, inevitably, leads to discontent and the seduction of simplistic solutions that result in additional misery and utter catastrophe for millions.

Rather, as the leader in [\*The Financial Times\*](#) on Saturday, 'Virus lays bare the frailty of the social contract', contends, the leaders who won the second world war, even whilst hostilities continued, planned for a better world afterwards.

This included the Atlantic Charter in 1941 that led to the eventual creation of the United Nations and the Beveridge Report in the UK in 1942 that laid the foundations to the universal welfare state and, of course, National Health Service (NHS) so fundamental to the current fight against Covid-19. *The Financial Times* concludes, "Beyond the [ongoing] public health war, true leaders will mobilise now to win the peace."

Tolkien's *The Lord of the Rings* was magnificently adapted to film by director Peter Jackson. *The Shawshank Redemption* provides some evocative cinematic lines. One, in particular involves a conversation between 'Red' and hero Andy Dufresne who's been wrongly convicted of the murder of his wife and her lover. Red suggests to Dufresne that "hope is a dangerous thing my friend, it can kill a man..."

Dufresne's rely to Red that "Hope is a good thing. Maybe even the best of things and good things never die" is an excellent way to conclude this blog.

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