Funding the Future

The government's policy might now be described as econo...

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I think that Phillip Inman successfully summarises reaction to Rishi Sunak's replacement job retention scheme when saying in The Observer:

The winter plan involves a switch from the furlough scheme to a much cheaper subsidy for part-time working. To the dismay of business leaders and unions, the subsidy has been so severely cut that it is unlikely to be taken up by many employers.

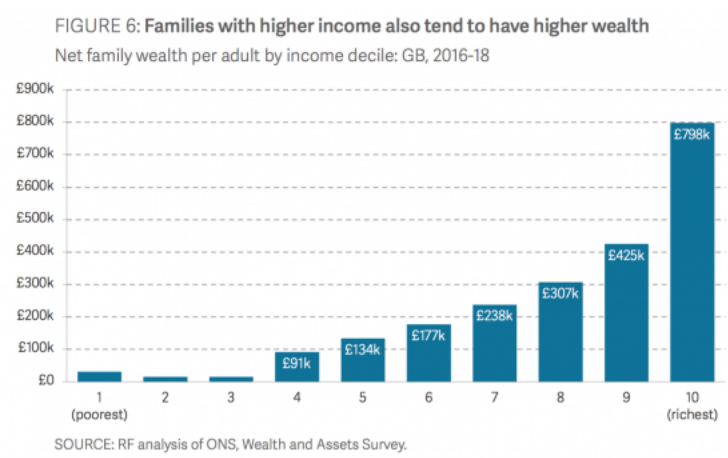
He added:

Unemployment will climb and poverty will suck in more families. Worse, at least for the spread of the virus, there was an absence of realistic protection for individuals who need to self-isolate — the sum remained at £500 for 14 days.

And he then noted:

No wonder the latest data on self-isolation from King's College London shows that only 18.2% of people reporting Covid symptoms stayed at home.

This is, of course, inevitable. Whilst those around the Prime Minister might think that having substantial savings as a buffer against unforeseen circumstances is commonplace, in society at large no such buffers exist, as the Resolution Foundation has shown:



Note that wealth as defined here includes both net property wealth and pension wealth. Much will then be highly illiquid at lower wealth levels, reducing its value in current circumstances.

What then is the consequence of Sunak's now very apparent plan to fail? It is not just the unemployment that Phillip Inman correctly notes is now certain, but all the follow on consequences, from failing to tackle coronavirus onwards.

We will have a health crisis. That will now take many forms: the pandemic is but one of the many issues that will emerge.

We have a jobs crisis already.

The crisis of corporate failure will begin as soon as the backlog of tax, rent, mortgage, loans and other deferred liabilities begins to fall due.

The long term risks of failing to invest in jobs now will soon become apparent.

But most of all, households unable to pay their bills will begin to face financial failure - in very large numbers, with untold human cost to come.

And still all Sunak cares about is trying to balance his books.

This is econocide: the deliberate destruction of economic well being to the point that it is life-threatening by a government. There is no other way to explain this now.