

The government has to act on a Covid lockdown today. By...

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I posted this thread on Twitter this morning:

I have already suggested in a blog post written this morning that today is pivotal to what happens in 2022, and maybe beyond. Whether the government decides to lock down today will have a massive impact on lives lost to Covid in 2022, and to the economy. A thread to explain.....

First, to look at the data and why I am so worried [*it could be worth reading my blog post on this*](#), written today.

If that is too long to read the summary is hospital admissions are likely to be between 3,000 and 6,000 a day in spring 2022 and deaths could be between 1,000 and 3,000 a day. These are sober scientific warnings. The high end assumes no new restrictions.

Government scientists are calling for lockdown now. I accept their advice. Responsible people would. I would like to presume we have a responsible government, although there is scant evidence to support that. But what of the economic consequences? That is my concern.

Even in the best current scenario government advisers are forecasting this will be the worst phase of Covid to date. It will be much worse than last year. In the worst case it is catastrophic.

And remember that even though most people will not need hospitalisation and most won't die, millions will be ill. At any point in time in the months to come vast numbers of people will be off sick. There is no point pretending otherwise now. We know that this is going to happen.

In that situation to pretend that life can go on as normal is absurd. It can't. It won't. And very sick people, and their frightened carers, will not let that happen. We have to be

realistic about this.

So far what the evidence shows is that the government has not responded in any appropriate way to this crisis. Despite the predictability of this wave (and more to follow) they have not got a plan for this moment. They declared 'freedom' and washed their hands of responsibility.

So, what to do? First, declare lockdowns. Close hospitality. Require very limited bubbles. Close all hospitality. Close all non-essential shops. Close schools and universities. Require working from home. We have to do this.

The requirement is because a) we have to protect people b) we have to protect the NHS c) we have to protect essential economic services from the utilities to food supply. We cannot do that unless everything else closes down.

But then what? Economic support does have to follow. First and foremost, furlough has to return. But this time there has to be fraud detection built in, whilst support has to go to the 3 million who lost out last time. They cannot lose again.

Second, the social safety net has to be raised. The £20 universal credit payment has to be restored. Other protections have to be delivered to protect those unable to meet bills.

Third, small business loans have to be available again, but once more with anti-fraud measures built in. Proper checks have to be made this time. It would really not be hard to do given how bad the checks were last time.

Fourth, the Bank of England has to indicate its support for the economy. Its recent interest rate increase has to be reversed as a clear signal of that. Negative rates may need to be considered.

Fifth, QE has to return, but only as a short term measure. We cannot fuel inequality with QE as the benefit of it goes mainly to the wealthy. What this means is that the consequences of permanent QE have to be planned for. So far we pretend it will go away, and it won't.

Sixth, emergency tax measures are required, targeted wholly at the wealthy to ensure maximum recovery of QE funds injected into the economy and to mitigate risks of inflation, especially in asset prices.

Seventh, longer term plans need to be drawn up. We need (in no particular order):
- A permanent vaccination service
- A significant increase in NHS capacity
- Investment in ventilation and filtration throughout the economy (a precursor for the investment funded by QE to come)

- A national investment bank to better direct QE into the economy in the long term

~~economic reporting needs to change to recognise the fact
An end to Bank of England independence~~

~~- A job guarantee
- An extended social security system
- A mass education programme on Why we need all this - starting in schools but extending to any and every available media
- Preparation for the environmental change transition to come~~

In other words, the short term measures that we know did work are required again, but the idea that this time we will go back to what some hanker after and which they call 'normal' has to end. It no longer exists. We have to rethink how we live.

This happened after the crisis of WW2. Churchill came out of that war wanting to recreate the 30s. That desire was resoundingly rejected for three reasons.

First, because people had suffered enough. It seems we have not reached that point as yet, but at some time in 2022 we will have done.

Second, because the 30s economy Churchill wanted back now looked as though it created the crisis that had been suffered, just as it is now clear that Tory austerity created so much of the risk that we will now face in the weeks to come, by almost halving NHS capacity, for example.

Third, because alternative visions were available. They had been made during the war. The welfare state was the way forward.

I do, however, accept that this is where current hope fails, as yet. MMT makes alternative visions possible, but few have grabbed the consequences as yet.

In Labour, the SNP and LibDems there still remains a profoundly uncomfortable dedication to market-based dogmas. The social foundation of the society we need to build afresh cannot be built on that failed dogma. So there is still work to do.

But in the short term government has to go back into tackling this crisis. It can, and must do that, and then say that the costs will never be repaid because there will be no one to repay it to. The Bank of England can and will pay. And the nation owns that bank.

After that it is beholden on all with something to contribute to say 'no more' and that, whichever country of the Union we are in, that now is the time for something different and we will never go back again.

Saying that, acting as if that is true, and working to achieve that change has to be the basis for our hope in the months to come. Cling to it, please.

We are all going to need hope, starting with the probably vain one that the government might still do the right thing today.

But if they don't and won't act we have to act is if a better world is possible. It only is if we make it. That is what progressive politics and economics is all about. It's time for both to deliver. Nothing less will do.