

People's Covid Inquiry February-June 2021

Witness Statement

Professor Jonathan Portes

This witness moved back from Session 9

**Session 8: 2 June 2021 Impact on the population | 2 | Families, NHS staff,
mental health**

STATEMENT

I (name) Professor Jonathan Portes

Job title/ role Professor of Economics and Public Policy, King's College London

will say as follows: _____

1. I make this statement for the purposes of the People's Covid Inquiry, which is to be held on 2 June 2021
2. I am able to attend and give evidence.
3. What is your job/ role/ occupation – how long doing this for/ brief summary of background/ experience - if possible, attach CV to statement

I began my career at HM Treasury in 1987, and spent most of my career as a civil servant, serving as Chief Economist at the Department for Work and Pensions from 2002 to 2008 and Chief Economist at the Cabinet Office from 2008 to 2011. I led the Cabinet Office's economic analysis and economic policy work during the financial crisis and on the G20 London Summit in April 2009. From 2011 to 2015, I was Director of the National Institute of Economic and Social Research

Jonathan is a Senior Fellow of the Economic and Social Research Council's "UK in a Changing Europe" initiative, based at King's, which promotes high quality research into the complex and changing relationship between the UK and the European Union. My current research concentrates on issues related to immigration and labour mobility, both within the European Union and outside; and the economic implications of Brexit. Other research interests include labour markets, fiscal policy, social security and welfare, and the use of evaluation and evidence in public policy.

4. What is your connection/ interest/ background/ experience relevant to the pandemic in England?

I have written a number of articles and analyses of the economic impacts of the pandemic, and the interaction between economic policy and wider issues. I also convene an undergraduate course at King's entitled "The Political Economy of a Pandemic" which examines the pandemic from a number of perspectives.

5. How are you able to assist the Inquiry – what is your expertise/ knowledge/ specialism?

Economics and economic policy-making.

6. What in your view were the original vision and principles underpinning the NHS?

Tony O'Sullivan has discussed with you the particular areas we would like you to answer question on (see letter) but in case you might like to see the general questions for Session 8 I have added these at the end of the statement.

Your evidence

We strongly welcome your preferred contribution - to focus on the economics of policies adopted to address the crisis. Could we also have your view on the interaction between economic and health policies (are there trade-offs and if so what are they? How did the policy process work to integrate the two, or not?')

(i) To what degree was the vast amount of public expenditure during the pandemic used appropriately to achieve the end point of controlling the virus:

- a. Were the investments in income support (including support to isolate) and support to various sectors appropriate. What were the deficiencies
- b. The investment to fund the development of vaccine and in the procurement of vaccines has been relatively more successful – though the Government has simply failed to fund primary care and public health for the costs of the work including volunteer labour. I hope you would be in agreement.
- c. What can you say about the effectiveness of procurement of PPE and other necessary equipment and supplies? Did the system provide value for money?
- d. On the system for testing, tracking and tracing was set up anew rather than using the vestigial public health laboratory service. Was this a good use of public money? Did central government policy to bypass public health, primary care, local authorities, NHS and university labs and other resources pay off?

e. The impact of the decision not to resource isolation and quarantine for those testing positive and their contacts

(ii) The broader economic issues and a critique of the government's argument – balancing the needs of the economy and of health – where they put the economy first and have come under great pressure to continue to do so – in the face of other countries' experience, suppressing the virus and controlling the pandemic much better, with a more favourable outcome for the economy, education, etc.

(iii) Your assessment of the degree to which we get poorer economic performance, VFM, outcomes where there is cronyism – where good governance and good outcomes overlap.

(iv) And if there is time for you to think ahead to post-Covid, or indeed living with Covid, your thoughts on what future policy should aim to achieve. We are coming from a commitment to publicly funded, provided, managed health services publicly accountable and would support this policy direction for social care too. Your views would be valuable.

Please outline your testimony below and/or attach references, articles, reports which will provide the panel with relevant information.

References

Please give full url in text rather than creating hyperlinks if you need to illustrate a point, thank or list references at the end. If there are a particular pages of the article or report that is most relevant to the Panel, it would be helpful if you could indicate those. Thank you.

My key arguments have been set out in a number of articles. In particular, I have argued the following:

- 1. There was no crude “trade-off” between the economy and health outcomes. Two days after lockdown began, I wrote:**

“The idea that the way to minimise the economic damage is to remove the restrictions before they’ve done their job – definitively suppressing the spread of the virus – is a terrible one.

Does anyone believe that, whatever the government said, we could get back to “normal”, or something close to it, any time soon? If we were all allowed to return to work, many or most of us would, quite rationally, choose not to, for fear of catching the virus. And if, as the scientists predict, the result of loosening the restrictions was an acceleration in infections, then pretty soon many firms would simply stop functioning, as workers became sick, or had to stay at home to look after family members.

More broadly, restoring the economy to normal requires, above all, confidence. Amid continuing uncertainty both about their own finances and the wider economy, households won't spend and businesses won't invest. And that simply isn't going to happen until the spread of the diseases has been contained.

So there is no tradeoff here. Health and economic considerations point in exactly the same direction in the short term. Do whatever it takes – and whatever it costs – and do it now, in the interests both of our health and our collective wealth.”

<https://www.theguardian.com/commentisfree/2020/mar/25/there-is-no-trade-off-between-the-economy-and-health>

2. That government should do “whatever it takes” in terms of public spending to address the economic and social consequences of the pandemic, and in particular to minimise long-term economic damage, and that concerns over the level of the debt and deficit were misplaced, certainly in the short term.

<https://www.kcl.ac.uk/news/more-austerity-is-the-wrong-response-to-the-coronavirus-crisis>

3. That austerity, and in particular underfunding of the NHS/social care, benefit cuts, and cuts to local authority spending increased the UK’s vulnerability to the pandemic and partly accounts for the highly unequal impacts of the pandemic (by income/class, geography, and ethnicity)

<https://www.prospectmagazine.co.uk/economics-and-finance/and-so-the-appalling-human-consequences-of-the-austerity-experiment-become-clear-george-osborne-economy-coronavirus-covid-19-recession>

4. That the furlough scheme and related schemes were broadly well designed and appropriate, but that policy would have to adapt as we emerged from the pandemic

<https://www.prospectmagazine.co.uk/economics-and-finance/coronavirus-covid-19-job-retention-scheme-work-exit-strategy-economy>

5. That making policy during the pandemic required not just good economic and epidemiological analysis, but that the two should be properly joined up and considered together, not separately

<https://campaignforsocialscience.org.uk/news/economics-and-epidemiology-in-the-time-of-coronavirus/>

6. That the government’s refusal to increase sick pay was highly damaging both in economic and health terms

<https://www.independent.co.uk/news/business/comment/sick-pay-statutory-coronavirus-test-trace-isolate-economy-b1637873.html>

7. That post-pandemic economic policy required a number of radical measures, including reforms to employment law and practice, and greater devolution

<https://bylinetimes.com/2021/03/17/the-1945-moment-boris-johnson-should-follow-biden-not-cameron-and-osborne/>

I confirm that the opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.

Jonathan Portes

29.05.21

SIGNED

DATE

Please return to inquiry@keepournhpublic.com

Thank you
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