<u>How relevant is economics during a pandemic and in what way might economists make things better?</u>

Economics is characterised as a social science concerned with the production, distribution and consumption of goods and services, studying the rationalisation behind the decisions surrounding the allocation of resources made by individuals, businesses and governments. It is built on the assumption that decision-makers are acting to seek the most optimal utility level, with the medium of economics being the determinator for the methods that yield the most fruitful results.

Pandemics tangibly incur severe economic damage on both a macroeconomic and microeconomic scale. Examples of this include the COVID-19 pandemic driving the FTSE to drop by 14.3% in 2020, 7.5% of the working-age population being projected to be unemployed in the UK by mid-2021, UK borrowing hitting the highest November level on record and the majority of countries being in recession. These statistics elucidate that pandemics drive the distribution of resources to perform at less than their optimum level of utility. This is reinforced by how these figures show that the government's macroeconomic objectives of maintaining economic growth, low levels of employment, government borrowing and inequality are being failed.

Therefore, economics could not be more relevant during a pandemic as both fiscal and monetary responses are warranted to deal with the allocation of capital effectively whilst there is a severe scarcity of goods and services. It is also needed to mitigate the impacts of the pandemic on the economy - which are interdependent with social factors such as people's quality of life, geopolitical issues and the environment - as much as possible. Economics is also vital in the recovery of nations' economies, public services and more, as the sustainable distribution of resources is of intrinsic value when attempting to build back what has been lost to maximise the yields of decisions surrounding issuances of resources.

Economics is not only relevant during a pandemic, but indispensable. The UK COVID-19 pandemic has caused a mass decline in economic activity due to pandemic restrictions resulting in redundancies, meaning fewer people are in work. Unemployment rose to 5% in late November; a level not seen since 2016. Therefore, economics is needed in order to ensure that these people have the capital needed to survive. As a result of the unemployment rise, there was a 125.9% increase in welfare benefit claimants from March to May 2020. This spike in unemployment means that the government has to increase spending through welfare payments, a form of fiscal policy, whilst also generating less revenue as fewer people are paying tax, contributing to a budget deficit. This budget deficit escalates the need for economics - optimal distribution of resources and capital - due to the budget deficit's precariousness, meaning that utility must be maximised to sustain peak economic growth and equitable resource allocation.

The need for economic intervention to sustain livelihoods, allow contingency measures and ensure equity is also translated to businesses. Businesses have lost a significant amount of custom due to the COVID-19 pandemic, with retail footfall dropping by 78% in January 2021 compared to January 2020. Economic policy is thus required to mitigate as much socioeconomic harm that employees and businesses themselves could face as possible, which is why the government has given out more than 1.4 million loans to businesses to protect jobs and aid those who have been hit the hardest by the pandemic. Without this economic aid, thousands of jobs would have been lost, and countless businesses would have collapsed, showing the extent to which economics is essential.

Furthering this, public services are grappling with understaffing and strains on their resources onset by the pandemic as less staff are able to work due to self-isolation, and there is a greater need for services such as the National Health Service due to the severe increase in people who are critically ill. School closures mean that learning has moved online, meaning that schools need digital resources for students who do not have access to them otherwise, and there is an overwhelming demand for economic intervention across all public services for a variety of reasons.

Unlike businesses, public services do not have a profit maximising objective, but rather are driven by allocative efficacy. This means that capital should be administered in a way that is most beneficial to the service, which in these instances would warrant an increase in funding to accommodate the rise of the strain on resources and increased demand for resources and public services.

This has led to the government implementing the fiscal economic responses of a £6.3 billion cash increase in NHS spending in 2021-22, compared to 2020-21 and a £2.2 billion uplift for the core schools' budget in 2021-22 compared to 2020-21 levels of funding to partially release the excessive burdens on public services. This depicts how economics is quintessential to the country's maintenance as it has the potential to ensure that resources can be directed to the areas that need them to maximise utility and sustain the efficacy of services.

Economics is vital to the improvement of the future as it concerns the distribution of resources in society, meaning that if the apportioning of capital, goods and services is at its maximum utility, then there will be advances in the quality of every aspect of society as the resources needed for said advancements are available. Economists such as Keynes advocate implementing expansionary fiscal policy to stimulate the economy during a recession - when there is unemployment and falling real output. Expansionary fiscal policy typically involves the government aiming to increase aggregate demand by increasing public spending or decreasing tax rates, stimulating economic activity via getting unemployed resources back into productive use.

An example of expansionary fiscal policy would be the implementation of a public work scheme; the Green New Deal (GND). The climate crisis is arguably the most significant indicator of the fact that current economic policy has not fulfilled its optimal utility as a disproportionate allocation of resources has ensued in excessive carbon output, driving global warming and humanitarian crisis. Just one hundred companies are responsible for 71% of total global carbon emissions, whilst the entire continent of Africa only accounts for two to three of global carbon expenditure. This scale of market and international government failure concerning scarce resources - fossil fuels - is unsustainable, and this crisis must be adequately corrected with suitable economic policy.

The Green New Deal is a ten year, government-led mobilisation to rapidly phase out fossil fuels whilst also creating millions of green, secure, well-paid jobs in the renewable energies sector, amongst other green sectors. As the climate crisis disproportionately impacts those from ethnic minority or lower socioeconomic backgrounds (for example, people of lower socioeconomic backgrounds living in inner-city areas and thus being exposed to more air pollution), the GND would also target investment into these communities to bridge the inequality divide. This would entail investments in retraining workers in carbon-intensive industries, whilst also training new workers to enter this role which addresses the government's macroeconomic aims of reducing inequality, protecting the environment, lowering unemployment and increasing economic growth.

It would also prevent further economic crises as the investment here would mitigate the climate crisis's future impacts which would require expensive financial costs. Climate change and pandemics (particularly zoonotic pandemics such as COVID-19) are inextricably linked as changes in temperature and deforestation spark changes in migration patterns leading to animals coming into contact with species they do not usually encounter, creating opportunities for pathogens to get into new hosts, alongside other biotic reasons.

Abiotic responses to climate change-induced natural disasters can also drive severe economic repercussions, an example being that drought could increase the mosquito population by reducing water storage contrivances. Therefore, not only would a climate crisis policy framework like the GND be warranted because of its mitigation qualities, but it is also serviceable for its crisis response measures. It would see investment into research areas regarding circumventing potential future issues that the now inevitable impacts of the climate crisis could cause, to ensure resources are used to their optimal utility. This is as research into these areas means that measures and responses to reduce geopolitical, economic, social and environmental harm are already in place.

Not only would the Green New Deal stimulate the economy through the creation of new jobs, but it would lay down the infrastructure for sustainable economics that means the cost of the investment is less than the amount of capital that would be needed to deal with the climate crisis had this preventative measure not taken place.

In conclusion, economics is not just relevant during a pandemic; it is idiosyncratic to a nation's maintenance and recovery. Pandemics threaten all of the government's macroeconomic objectives and fundamentally skew the distribution of resources as people, businesses and public services struggle, meaning that there is an insurmountable need for optimised economic policy to correct the flaws driving the disproportionate share of resources.

In conclusion, economics is not just relevant during a pandemic; it is idiosyncratic to the nation's maintenance and recovery. Pandemics threaten all of the government's macroeconomic objectives and fundamentally skew the distribution of resources, meaning that there is an insurmountable need for optimised fiscal and monetary policy to correct the flaws driving the disproportionate distribution of said resources and to continue to meet the macroeconomic objectives. Economics is also vital in terms of post-pandemic recovery. It provides an opportunity to build back better on both micro and macro levels, with economic policy providing an opportunity to stimulate the economy and establish long-term economic growth and recuperation on both national and international scales. Economics also allows for a better future for individuals as government-administered measures can secure peoples livelihoods through furlough and welfare schemes during a pandemic, and create new jobs, improve public services and so much more after the pandemic, further increasing the quality of life for individuals.

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