

Covid-19 impact on society and economy: Expert insights from the CBI

The CBI run free daily webinars providing business updates and expert insights on the impacts of Covid-19 on the UK economy, forecasts for the future, tips on how businesses can get ahead, and government policy recommendations. These are some of the key insights from recent webinars which could have relevance to Confor member businesses. All are available to watch [here on the CBI website](#).

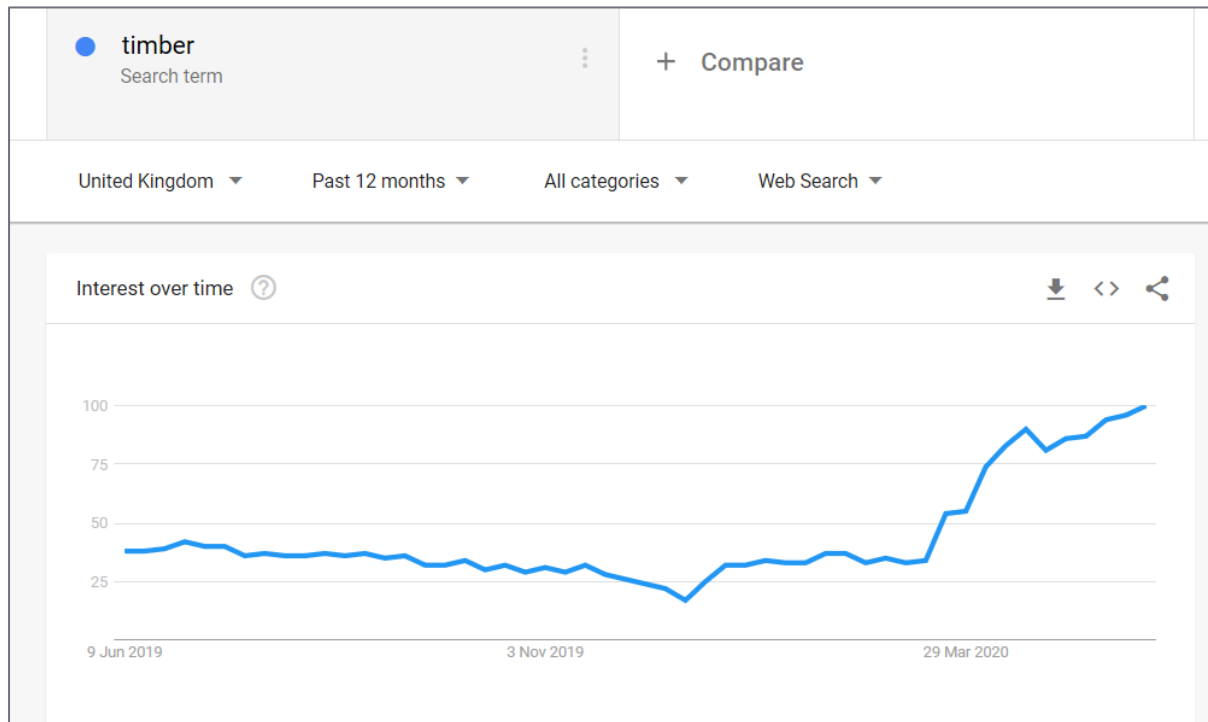
Working from home

Working from home, at least part of the time, is likely to be a long haul for office workers, especially for those relying on public transport. Investing in home-working will be important for the productivity of many businesses:

- know where the stress and spare capacity is in your workforce
- build in flexibility for those with responsibilities at home
- create social events as well as meetings, and work/life boundaries like switching off at the end of the day
- consider options for part-time office working into the future
- provide appropriate equipment to work from home (furniture and technology)
- video meetings are exhausting: don't forget the old-fashioned telephone
- be more aware of staff facing challenges which become even more invisible, such as mental health or hidden disabilities.

Innovation

Google trends have shown people educating themselves on how to live at home: how to teach their children their maths lessons, how to do DIY or bake, how to buy their own office equipment. Companies can [tap into this information](#) to understand what their customers are looking for.



Economic, political and public trends

The economy is estimated to shrink around 12% this quarter.

- The latest growth indicator suggests no sector has escaped the fallout from the crisis. In May, private sector activity fell at its fastest since CBI have been compiling data.
- Transport and skills are key areas to get the economy going again.
- Large shifts in the economy should be embraced and supported; resisting them to shore up jobs in the short term will cause longer-term damage.

Brexit is going to reappear on the agenda:

- Brexit has returned to being a concern for businesses, although not for the wider public.
- The EU and UK both have major capacity issues but government are resistant to delaying the end of the transition beyond 31 December. The end of June is the deadline for extending the transition period and talks are not progressing well.
- A no-deal exit seems a likely possibility.

Public reaction to Covid in the UK has shown clear trends:

- Everyone understood the risk and **need to stay home**. The challenge now as we come out is divergent views about priority for the economy or health. They are difficult risks for the public to quantify, and the ‘lag’ of public cautiousness is likely to put a brake on economic recovery.
- The public have **paid off the largest amount of debt in living memory**: credit cards have been paid off and people are saving. Will they rush out and spend, or keep saving?
- **Young people** report being most affected: by job losses, juggling families, isolation which they are not used to. We are likely to see government input on getting them back to work because time out of labour market when young has a big impact.
- What **changed consumer habits** will stick? This is hard to predict. There has been a huge digital acceleration: people using online shopping and banking for the first time are unlikely to go back. People who only need to go into the office twice a week are starting to look to live further from city centres. increased appreciation of ‘simple domestic pleasures’ – DIY, home baking – were seen in 2008 and we are seeing again, and this is likely to prevent recovery of the hospitality industry.
- **Trust** in institutions such as businesses has been rising: there is a sense of everyone pulling together through a crisis not of anyone’s making.

Targeting support

CBI are focusing their lobbying to government on ensuring in the autumn there is:

- support for more **job opportunities**
- reducing **fixed costs** in businesses beyond wage costs
- **consumer confidence** and demand (which is linked to employment)
- a **green recovery** is also high on their agenda (see below)

There is talk of an **early summer budget**, which is unconfirmed but possible as government wants to respond to the crisis. This might be an opportunity to bring in **energy efficiency and low carbon** measures.

A green recovery

CBI are confident that a **green recovery** can go hand-in-hand with a **rapid recovery** from the unemployment and consumer downturn which seem inevitable. The public have been seeing the benefits of clean air and lowered carbon emissions. Three policy areas where CBI want to see progress are:

- **Energy efficiency** in businesses and households: the government can provide access to the upfront costs that we know pay for themselves over time, or re-training heating engineers to convert domestic gas to greener energy.
- **Transport** and mobility: there is an opportunity to get the electric vehicle charging network everywhere, and help city centres to become greener.
- Build on the strides the UK has already made in **renewable energy** to be one of the world-leaders in this technology.
- Understanding **consumer behaviour** will be key to delivering a successful green recovery or new green deal: for example providing the green housing that meets new demands for people who continue home-working, and fast broadband.

- Last year has had the highest level of global and UK **concern about climate change**, but there is a danger that the same thing will happen as in 2008: policies for the environment go out of the window in the rush to do anything, build anything, runways, infrastructure... The public have shifted since then to most people wanting action on climate change, and a more interventionist government which tackles the growing sense that the future will be worse than the present.
- There are plenty of ways **to ensure green recovery is jobs-rich**, and these opportunities must be seized.

Training and skills

- Investment in **human capital** is essential for recovery across the economy, not merely creating jobs through big infrastructure projects.
- **Management and leadership** skills are key, because skilled leaders will in turn invest in their people.
- Investment in skills needs to be seen like any other **investment**: it has a clear return. But it is more intangible and harder to calculate, so it is an area where government should take a lead.
- EU countries that have higher levels of digital skills throughout the population have experienced fewer job losses and have been more adaptable to working from home. The UK has an enormous **digital gap** between highly educated and lower educated people: there is a lack of tradition of life-long learning and employer investment in human capital, which has resulted in a lack of resilience in the workforce. This is now being amplified in the next generation due to parents' capacity to educate their children at home.
- [Google Digital Garage](#) has a wide range of online courses for developing digital skills.