

Economic Comparison between China and the UK under the Influence of Ideology in the Pandemic Era

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Abstract: In the end of 2019, a virus called covid-19 on a press conference in Geneva held by the National Health Organization on February 11, that the novel corona-virus was officially named covid-19. It was initially found in Wuhan, China, which has a high contagious and a terrible death rate. The author studies the economic development of the two countries by describing the different measures taken by China and Britain in the face of the COVID-19 under the influence of ideology and system. The article finds that the ideology and institution will affect the decisions making by the government. In that case, different policies will lead to different outcome in economic growth and recovery in the epidemic and in the post-epidemic era.

Keywords: Economic, Ideology, China, UK, Pandemic Era

1. Introduction

The COVID-19 first appeared in Wuhan, China, toward the end of 2019. Due to the impact of the integrity and globalization of the world, the speed, breadth, and intensity of the virus's dissemination were all record-breaking, and rapidly emerged the phenomenon of human-to-human transmission with strong infectivity. During the early stages of the pandemic, most countries adopted the policy of lockdown, which led to a downward trend in the economy of all countries. Almost all major factories, multinational trading companies and other enterprises stopped operating, which also affected the economic development of all countries. At the initial stage of the COVID-19, the extremely high mortality rate and the irreversibility of lung lesions made people extremely frightened. With the gradual deepening of the medical community's understanding of the virus and the gradual increase of the popularity of vaccination among citizens, the mortality rate has decreased significantly. However, its outbreak has caused people to feel anxious about the threat of disease, panic, direct impact on life and health, extensive social and political impact, local economic losses, and global economic turbulence. Nevertheless, epidemics may also lead to adverse changes in the operating environment of the affected economies, resulting in massive financial consequences [1].

At the beginning of the outbreak of the COVID-19 in 2020, A number of containment measures were swiftly put in place in China to limit the spread of COVID-19. On January 23, 2020, Wuhan implemented a city-lockdown measure to forbid pointless travel to and from Wuhan. To combat the pandemic's spread, China's majority of prefecture-level cities enacted changes gradually, such as city lockdown, reduced public transportation, and first-level public health emergency response was ac-

tivated. Although the spread of COVID-19 was slowed down by these measures effectively, the lockdown measures and quarantine status altered China's economic environment in terms of not only the decline in total social retail demand, investment slowdown, fluctuations in the consumer price index (CPI), and shrinking imports and exports, but also the corporate financing environment (monetary policy) and the taxation environment (fiscal policy). These changes put more strain on China's economic development and impacted its economic resilience [1].

However, in the post epidemic era, the mortality rate of the COVID-19 has dropped significantly compared with the original situation. China still adheres to the zero-clearing policy, that is, when the virus is confirmed in the society, the government will take containment measures and isolation policies, in order to control the re-spread of the epidemic. On the other hand, in the United Kingdom, by February 2021, the total death toll of COVID-19 in the UK has risen to 108013, making the UK one of the countries with the highest mortality in the world, which also makes the UK's economic situation very bad, especially for the households and business [2]. But with the gradual liberalization of control measures, the British economy has shown a positive trend. Especially in the summer of 2020, there was a rapid bounce back in many sectors of economy. The author will analyze the different measures taken by China and the UK to deal with the epidemic under the influence of different systems in the post epidemic era, analyze the economic situation of China and the UK and how to avoid their own problems in the future economic development, so that the economies of various countries can have a more stable development trend in the post epidemic era, and more appropriate ways to deal with the epidemic.

2. Literature Review

In 2019, the COVID-19 suddenly brought the world to a standstill, thus restricting the economic development of all countries in the world, especially the countries that have numerous international trading industries. However, with the recognition of COVID-19, people have a deep understanding of it and can cope with the virus in a proper way instead of a national lockdown, which is harmful to the country's sustainable development. Therefore, In the post epidemic era, what kind of situation does the economic development of China and the United Kingdom(UK) take when COVID-19 and human beings coexist First of all, The paper studies the relationship between economic growth and protecting people's life and health in different countries during the COVID-19 epidemic, which found that the protection of people's lives and health in a country is positively related to economic growth[3].It is widely known that during the epidemic, Chinese leaders quickly made a judgment, controlled the spread speed of the epidemic under the advantage of the socialist system with Chinese characteristics, isolated all patients and gave full treatment so that the society can start to operate normally in a period of time, resume work and production in an orderly manner, and the economy can operate normally. Although the economic growth shows a downward trend, it is still positive. In contrary, in the UK, due to the lockdown and its high death rate of the covid-19, the UK economic growth is negative. It has been just over a year since the first national lockdown in the United Kingdom began. The economy has gone through unexpected transformations. During the early months of the deadly virus, the UK's GDP fell by about 20% before recovering partially over the summer [4]. However, things turned to be changed when epidemic prevention and control has become a normal thing. In the April in business volume had a remarkable increase and the expectations for the next three months are quite positive that more business companies believe that their business volumes and employment will go up compared with the previous year [4]. At the same time, although China economy also has an increase trend, the power may not strong. As China's epidemic control is stricter than that of the United Kingdom and other western countries in the post epidemic era, the driving force for sustained economic growth is somewhat insufficient: once a large number of confirmed cases are found in a city, the city will enter static management, leading to the suspension of

economic operation. How these differences emerge and how to solve them are two important questions the author will discuss in the paper.

3. The Background of China

At the beginning of 2020, a virus known as covid-19 was discovered for the very first in Wuhan, China, which is highly infectious. Academician Nanshan Zhong, 86 years old, is a respiratory pathologist and a key player in China's fight against SARS and COVID-19. The director of the National Key Laboratory of Respiratory Diseases and the head of the high-level expert group of the National Health Commission volunteered to go to Wuhan, the birthplace and most serious place of the epidemic, to conduct a careful study of COVID-19, and finally announced the truth of its human to human transmission, requiring all regions to report the number of infected people truthfully and call on people not to go out to prevent the spread of the virus. The information flow has been opened. These measures have been used until the post epidemic era and have had a variety of impacts on economic development. China was also the first country to effectively control the epidemic.

3.1. The Institutional Fluence in China

China's policy of home isolation, the delineation of risk level areas and other methods in the face of the epidemic, as well as the early implementation of the closure of cities, all benefit from China's political system advantages and the unified command of the Communist Party of China (CPC). Under the leadership of the CPC, doctors and nurses from all over the country were called on to support Wuhan, and workers were called on a large scale to successfully build a shelter hospital, that is, a temporary isolation point, within one day. Residents also responded to the instruction of "staying at home", believing that this is also a contribution to the country. With the concerted efforts of the whole country, the epidemic was basically controlled within four months at the fastest speed. The economy is also gradually recovering in a better environment.

3.2. Economic Situation in China

During the epidemic, the powerful force of the digital economy was born. Online shopping and various live streaming goods on TikTok have alleviated people's boredom and killed the time of home isolation. At the same time, China's economic impact under the epidemic has been eased to some extent. After the epidemic, China has taken a series of measures to recover its economy: issuing bonds, striving for space for assertive financial policies and actively expanding the deficit rate to a manageable range, laying a strong base for future fiscal and monetary policy coordination. Secondly, the government intends to boost financial support for the hard-hit industries of transportation, catering, cultural tourism, and others, so as to give the guiding function of financial resources their due consideration. Then, emergency measures for small, medium and micro enterprises were introduced. As Small, medium and micro enterprises (SMEs) have a lack of ability to cope with spontaneous and short-term risks, and a large array of jobs, they should implement precise support policies for SMEs [5]. Last but not least, perform well in the resumption, start-up, and reserve of infrastructure projects. Construction of the necessary sophisticated infrastructure is necessary to increase demand in the metropolitan area's urban agglomeration, and investment in transportation, education, medical care, and other industries should be increased. China's economy dropped by 6.8% in the first quarter of 2020, increased by 3.2% in the second quarter from negative to positive, increased by 4.9% in the third quarter, and increased by 6.5% in the fourth quarter, creating a beautiful V-shaped curve. According to the analysis of the Financial Times, swift and efficient prevention and treatment measures will assist China in controlling the epidemic and making China the only major country to accomplish positive trend in 2020. Global macroeconomic models and analyst predictions predict that China's

GDP would total around US\$1.5100 trillion by the end of 2020, US\$15,700 trillion in 2021, and US\$16,500 trillion in 2022 [6].

4. The Background of United Kingdom

Britain's response to the epidemic is very different from that of China. From the end of 2019 to the end of 2020, the UK has implemented three blockade policies. According to SkyNews, British Prime Minister Boris Johnson announced that from February 24, 2022, all epidemic prevention and control measures in England would be lifted, and the plan of "coexistence with COVID-19" officially began [7]. Boris said that the free COVID-19 test costs 2 billion pounds per month, so it cannot continue. Moreover, in the past two years, the British government has made efforts to fight against COVID-19, but now is the time to turn the epidemic from "government intervention" to "personal responsibility". It is reported that the "coexistence with COVID-19" plan has been drawn up for several weeks, which will make the UK the first European country to allow COVID-19 confirmed persons to enter and leave freely.

4.1. Institutional and Ideological Effect in UK

The fundamental reason for comparing the different policies of China and the United Kingdom in virus prevention and control is the different political systems of the two countries. The capitalist system and bourgeois ideology established in Britain since the first industrial revolution have always influenced people's way of doing things. The driving force of economic development under capitalism mainly depends on the production and reproduction of labor force. If people cannot earn money through work due to the long-term blockade of the epidemic, the capitalists will not be able to make profits from it. In the long run, if the economy cannot operate, it will make the economy decline. In addition, Britain's automobile manufacturing industry is one of its pillar industries. If it cannot operate normally, it will also affect the economic benefits of its import and export trade. Since human behavior affects how viruses spread, social psychology should be involved in this research just as much as virology and epidemiology [8]. New liberalism has a great influence. Individual freedom is the foundation of neo liberalism. They are responsible for their own lives and happiness. They demand self-management, and the state should reduce its interference in people's daily life and well-being. Therefore, if the blockade lasts too long and affects their normal life or their own desires are not satisfied, they will not obey the instructions of the state, and there may be demonstrations and protests.

4.2. Economic Situation in UK

Official data show that Britain's The fourth quarter of 2021 saw a 1.0% increase in GDP. This makes it possible for Britain to escape two successive quarters of economic contraction, which is the European definition of estimate economic recession. However, due to the blockade of the third COVID-19 epidemic, the British economy will shrink in early 2021. Dean Turner, economist at UBS Global Wealth Management, said: "With the loosening of restrictions, we still anticipate a robust economic recovery." Due to the partial blockade's execution, the UK economy expanded by 1.2% in December while its output decreased by 2.3% in November., which indicates that the UK has a stronger ability to respond to COVID-19 restrictions than it did at the beginning of the epidemic. According to the Office for National Statistics, this led to a 6.3% drop in economic output compared with that before the outbreak of the epidemic in February. However, the Bank of England predicted that due to the new round of blockades and the disruption brought on by Brexit, the British economy would contract by 4% in the first three months of 2021. The output dropped by the most last year since official records first began to be kept after World War II. This is the biggest decline since

Britain was struck by the Great Frost in 1709, according to long-term historical data maintained by the Bank of England. In fact, the UK has made great efforts when faced with the effects of the pandemic on the economy. An unprecedented economic initiative was launched. The government announced that it would provide 330 billion pounds (about 400 billion dollars) of rescue loans to business companies and guaranteed to deliver 80% of the salary guarantee for employees who could not work when the pandemic is undergoing. Retail, catering, and entertainment are some of the areas that are severely impacted by the epidemic, so the government will exempt these businesses from paying business taxes for 12 months. At the same time, the Bank of England cut interest rates twice in March, and the benchmark interest rate fell sharply from 0.75% to a historical low of 0.1%. On April 9, 2020, in a joint declaration, the Bank of England and the Ministry of Finance announced that the Bank of England would temporarily finance the government directly in an effort to stop the COVID-19 pandemic. This short-term measure will give the government more short-term liquidity sources, smooth out its cash flow, and support the market's orderly functioning. In order to reduce the impact of the epidemic on household income, the British government has introduced a lot of policies. The three main ones are the means-tested benefit Universal Credit, the contribution-based unemployment benefit Jobseeker's Allowance, and (UC). While looking for work, JSA is a flat-rate unemployment benefit that is paid for up to six months. Those who have made employee national insurance contributions are eligible for the benefit [9].

5. Comparison

By comparing the different measures taken by China and the United Kingdom in the face of epidemic prevention and control, we can find that the political system plays a great role in it. Since China's politics is one party in power, which is a authoritarian regime, it is under the unified leadership and command of the CPC. Under the epidemic situation, it is conducive to concentrating on major events. In addition, since ancient times, individual liberalism and neo liberalism have had little impact on Chinese thinking. Therefore, in terms of ideology, Chinese people are used to following orders. On the contrary, the British bourgeois system and its ideology are more inclined to freedom and responsibility for themselves. Under the concept of neo liberalism, human rights and personal freedoms have generally been respected [10]. With the aid of the Chicago School of Economics and their influence from Fredrick Hayek, the neo liberal ideology emerged from the Cold War era. Later, the neo liberal economic philosophy was introduced in South America, Russia, the UK, and numerous other developing [11]. Thus, at the initial stage of the epidemic, where the death rate is greatly high, the methods of lockdown and staying at home are helpful to prevent the infection from spreading and lower people's sense of panic and fearful. What is more, these constrained policies are beneficial to recover the economy, which can be witnessed by the economic growth between China and the United Kingdom. However, in the post-epidemic era, the continued blockade policy may lead to insufficient impetus for economic development and instability of economic development. For example, in the post epidemic era, the UK has implemented the policy of coexistence with COVID-19, and all production activities will not be affected by the epidemic and will operate normally. This is conducive to Britain's economic recovery. However, in China, the continuous blockade will make people's income unstable and affect consumption. That's because people's expectations of their future income are low, so their willingness to consume will decrease. In the long run, the circulation speed of various commodities in society is low, and producers and investors will also reduce the production quantity or investment to prevent losses. This will enter a vicious circle, which is not conducive to sustainable economic development. In this case, countries should learn from each other. China should appropriately relax strict control policies. The United Kingdom also needs to make greater efforts to restore its economy.

6. Conclusion

The above discussion has been based on the comparison between two countries, China and the United Kingdom, analyzing their different policies when faced with the covid-19 epidemic, which lead to a different outcome in their economic sectors. The author find that the Chinese managed style is more suitable for the beginning of the virus when a virus or an epidemic is not understood comprehensively and have great threat to mankind. But with the successful development of vaccines and the deepening of people's understanding, the threat of viruses to human beings has decreased, the method of the United Kingdom may be more sustainable. Whether the advantages of neo liberalism outweigh the disadvantages or the disadvantages outweigh the advantages remains to be verified.

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