



## Getting trolled

The trolley problem: should you pull the lever to divert the runaway trolley onto the side track?

*The trolley problem is a thought experiment in ethics modeling an ethical dilemma. It is generally considered to represent a classic clash between two schools of moral thought, utilitarianism and deontological ethics. The general form of the problem is this:*

*There is a runaway trolley barreling down the railway tracks. Ahead, on the tracks, there are five people tied up and unable to move. The trolley is headed straight for them. You are standing some distance off in the train yard, next to a lever. If you pull this lever, the trolley will switch to a different set of tracks. However, you notice that there is one person on the side track. You have two options:*

- 1) *Do nothing and allow the trolley to kill the five people on the main track.*
- 2) *Pull the lever, diverting the trolley onto the side track where it will kill one person.*

*Which is the more ethical option? Or, more simply: What is the right thing to do?*<sup>1</sup>

The COVID dilemma is now a variant of the trolley problem. The runaway trolley is COVID-19 and if left unattended it will kill 1% of the population, predominantly those over the age of 60.

On the other track lies the worldly possessions of 99% of the population. There is also a possibility that the trolley, having gone down the side track and decimating their possessions, will re-route further along the line to the original track and still kill the original 1% anyway.

The government is in attendance on the lever. Would you pull the lever?

It is a dastardly dilemma but one which the government unequivocally acted on ... by pulling the lever but promising that the 99% of the population would be recompensed by borrowing from everyone's future earnings.

I am not wading in on which track we should be on but merely commenting on this dilemma.

The real dilemma comes now....

The assumption for the first lever pull was relatively simple; this is a once-off and once a solution is found, will all be over.

It is becoming apparent that this trolley dilemma probably has multiple levers spread far down the track.

We are fast approaching another lever where the same decision has to be made where \$5 trillion underwrites a \$21 trillion economy for just over 3 months. After that the same dilemma is faced, do we pull the lever again or not?

In the meantime the economy is suffering the mother of all supply and demand shocks.

Institutions, corporates, states and governments have all got out their begging bowls to their respective central banks to provide funding to stop them going to the wall.

CEOs of big corporations, finding themselves with jobs at risk and stock options that are almost worthless, will probably "kitchen sink" (throwing all your pre- and post-COVID problems in the mix) their balance sheets and income statements so when they get issued more share options, the price will be pretty much at their lows and the whole process of unfair enrichment can start anew.

At what point do central banks refuse to finance the pulling of yet another lever, mindful that at some point, if that point is not already reached, people will seriously start to question the credit worthiness of central banks and thus currencies themselves?

It is not even entirely clear that the first "level pull" was a bridge too far... only time will tell.

<sup>1</sup> [https://en.wikipedia.org/wiki/Trolley\\_problem](https://en.wikipedia.org/wiki/Trolley_problem)

I suspect the realisation is going to dawn on everyone including politicians that the COVID genie is out of the bottle and will be part of our existence for years to come, even if we get a vaccine for this year's strain, and that funding the whole population to stay at home is not a viable solution in the medium to long term.

The social cost to society of "pulling the lever" multiple times will outweigh the benefits however altruistic they are.

In the meantime, investors will have to work out how to pull their investments off the railway track.

## **Disclosure**

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