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## Economy, housing, education: inequalities reinforced by the Covid pandemic-19

The Covid-19 pandemic has led to an economic crisis with strong social consequences. The main findings show an increase in inequalities and an increase in poverty. The poorest countries had fewer public resources to cope with this exogenous shock and their economies were particularly weakened. Within developed countries, the most vulnerable people were the most affected, while the richest people had little or no impact. The consequences of the pandemic affect people's lives in many ways and inequalities are visible in different areas: income, employment, housing, education. These inequalities are intergenerational, gendered, social and economic.

Several studies from the [WPRN](#) database make it possible to analyze and quantify this phenomenon.

Inequalities caused by the pandemic and health measures are particularly felt around three aspects that this note aims to decipher: economic inequalities, particularly in terms of income and access to employment (1); territorial and housing-related inequalities (2); inequalities related to education (3).

*by Victor Galonnier for WPRN, with the support of the Paris Institute for Advanced Study and the RFIEA Foundation*



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## The most precarious populations over-impacted

*The poorest populations more affected by the drop in income*

[The COCOVI project](#) (Containment, Living Conditions and Inequalities) carried out by INED and available on the WPRN database analyzes the living conditions of different social groups and professional categories before and during the Covid-19 pandemic. 2,003 people representative of the French population were interviewed from April 30 to May 4, 2020. According to the data of the study, in France, 31% of the respondents declare that their household income has decreased since the beginning of the containment (containment of March-June 2020). This figure hides significant disparities: nearly half of poor (44%) and modest (41%) households report having experienced a drop in income compared to 23% of well-off households. In particular, 55% of artisans and shopkeepers report a drop in income. Indeed, the containment measures primarily affected artisans, shopkeepers and all persons working in contact with the public.

According to [an INSEE study](#), among the poorest 10% of households, 35% perceive a deterioration in their financial situation. This proportion is twice as low for the wealthiest 10% of households. Young people are the most affected age group. For example, 32% of young people aged 18 to 24 say they are not sure they will be able to pay their rent in the coming year, compared to 24% of the general population.

In the United States, data show similar results. [A searchable study on WPRN](#), based on the analysis of surveys of the Supplemental Nutritional Assistance Program (SNAP), looks at the fate of recipients of this U.S. federal assistance program, which provides benefits, including food stamps, to about 15% of the U.S. population. The loss of income from work increased over the period April to June 2020, debt became a major problem for the households concerned, and a high number of them reported difficulties in accessing basic necessities such as food.

*Unemployment has mainly affected the precarious population and young people*

Unemployment affected different categories of the population unevenly. According to the INSEE study already cited, the fear of losing one's job is stronger among the most modest, who are four out of ten to express it. Here again, young people are the most affected. The INED study cited above notes that 9% of 15-24 year olds employed before confinement lost their jobs, compared with less than 2% of 40-65 year olds.

In the United States, the study based on data from the Supplemental Nutritional Assistance Program (SNAP) shows that 35% of SNAP beneficiaries had lost their jobs by June 2020 as a result of the pandemic.



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## *The sudden cessation of undeclared work is destabilizing less developed countries*

One category of the population has been particularly affected and has seen its income drop drastically during the health restrictions: undeclared workers. [A study available on WPRN](#) deals with the situation of undeclared work in the Balkans. These workers have had to stop their activities but have not been able to benefit from the exceptional state aid received by declared employees. Thus, the study recommends to the authorities not to condition their aid only to people in a situation of declared work, and to seize the opportunity of the crisis to move undeclared workers to the side of the official economy.

In less developed countries, the situation is even more worrying. [An Indian study available on WPRN](#) based on mixed methods combining interviews and econometric analysis sought to analyze the impact of health measures on the poorest. 86% of households surveyed said that at least one member of their family had to stop working as a result of the containments of March 2020. The most precarious households had to reduce their food consumption during the containment. Internal migrants, who make up a considerable part of the population of large cities, were penalized. Some were unable to reach their destination and had to depend on the help of locals in the places where they were.

## Territorial and housing-related inequalities made the pandemic less bearable

### *Unequal territories in the face of Covid-19*

The risks of exposure to Covid-19 are not the same according to the territory of residence. [A study of the DREES](#), in France, published in July 2020, shows that populations living in denser areas and in peri-urban areas have been more exposed to the virus. Similarly, managers, middle professions and farmers are less exposed than employees and workers, the explanations put forward being the differences in teleworking practices, but also the living areas that influence the use of public transport and the level of use of densely populated areas.



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### *Housing, a central variable in the quality of life during containment*

The COCOVI project (Containment, Living Conditions and Inequalities) previously cited points to the existence of significant housing inequalities, which intersect with socio-professional as well as generational inequalities. Thus, managers have a larger surface area than workers and employees, 60 m<sup>2</sup>/person against 45m<sup>2</sup>, and young people aged 18 to 24 live in smaller housing with 36 m<sup>2</sup>/person of living space against 48 m<sup>2</sup> for the rest of the French population. 11% of the French have no outdoor space attached to their homes, such as a garden or balcony. In this context, containment has been experienced unevenly by the populations, with the size of the dwelling or access to an outside space becoming a more important than usual criterion of well-being.

### **A very long-lasting impact of educational inequalities linked to the pandemic**

Inequalities in education are a major cause for concern because they are likely to affect the children concerned throughout their lives.

### *Distance schooling differs according to family material conditions*

Distance schooling has been detrimental to all students. However, these difficulties were not encountered in similar terms by all.

In France, the INSEE study shows that only one-third of secondary school students with academic difficulties spent three hours or more on their schooling, compared with half of the good students. Among these students, 38% of those from highly advantaged backgrounds worked three hours or more a day, compared with 27% of those from disadvantaged backgrounds. On the other hand, students from modest backgrounds or with academic difficulties were more likely to have experienced material difficulties and received less help from their families.

Inequalities in housing had an impact on education. The previously cited INED study shows that in housing affected by confined schooling, 60% of children or students in overcrowded homes share their work space compared to 41% of children from households with executive staff. A quiet work space is important to promote concentration and learning.



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### *Parents' investment, a decisive factor*

Faced with these difficulties, families have developed educational strategies that have been more or less successful. [A U.S. study reviewed on WPRN](#) uses Google Trend data analysis to quantify online searches in April 2020. Research on parents, school, online learning tools (google classroom; math worksheets etc) doubled during the Covid-19 period. The study notes that this increase is not homogeneous and that it affects less rural areas and less advantaged people. The authors thus anticipate a differentiated school follow-up which will impact the whole life of the individuals concerned.

It should be noted that [an Austrian project listed on WPRN](#) aims to assess the impact of school closures on educational inequalities and to formulate proposals to prevent educational inequalities from increasing further. Its results will be closely monitored.

### State support is crucial to limit these inequalities

In short, the Covid-19 pandemic has led to a worrying reinforcement of inequalities. This note has insisted on the economic, territorial and educational aspects. Gender inequalities and the specific problems faced by students have been the subject of specifically dedicated analytical notes. The main findings show that the already economically fragile populations have been the most affected, as well as populations living in large cities or in peri-urban areas and those in precarious jobs or undeclared work. Young people are the most affected by the crisis in terms of the economy, education and quality of life, in a way that is out of all proportion to other age groups. This issue of youth is the subject of an important public debate. Research on the long term would be desirable to try to estimate quantitatively the impacts of the Covid-19 crisis on the whole future life of the different generations.

Stimulus plans put in place by governments play an important role in compensating and limiting the impact of inequalities. [An American study listed on WPRN](#) on the San Francisco Bay Area shows the beneficial impact of state aid to fight against the economic consequences of the crisis but above all to fight against economic inequalities. A complete application of the local law planned to compensate unemployed populations during the pandemic period (Cares act) would even, according to the results of the study, allow the poverty rate in the area to decrease compared to before the crisis (17.1 to 16.5%). The richest countries have all put in place exceptional aid plans to cope with the crisis. The impact, including the long-term impact of these various public policy plans on inequality will need to be studied in depth.

## This note is based on a number of resources from the World Pandemic Research Network

Ambert, Anne; Cayouette-Remblière, Joanie; Guéraud, Elie; Bonvalet, Catherine; Girard, Violaine; Le Roux, Guillaume; Langlois, Laetitia. COCOVI Project (Containment, Living Conditions and Inequalities)

<https://wprn.org/item/432652>

The COCOVI project carried out by INED analyzes the housing and living conditions of different social groups and professional categories before and during the Covid-19 pandemic. The analysis is based on interviews conducted on a representative sample of 2,003 people interviewed between April 30 and May 4. The results show that confinement has changed the relationship to housing and has accentuated inequalities between socio-professional categories, generations and between men and women. Among the main findings, young people between 18 and 24 years old live in smaller housing, with greater economic precariousness and 32% of them say they are not sure they will be able to pay their rent in the coming year (compared to an average of 24% in the population). 44% of poor households have experienced a drop in income compared to 23% of well-off households. Women are more affected than men by the phenomenon of falling income and telework in poorer conditions than men.

Amory, Martin. Socio-Economic Impacts on Covid-19 on Household Consumption and Poverty

<https://wprn.org/item/450652>

This U.S. study analyzes the socio-economic impacts of containment and curfew on households in the San Francisco area. It evaluates the impact of government measures to help the unemployed (benefits; CARES Act) on household consumption and savings using a microeconomic model. The results show the positive role of these measures on the reduction of inequalities. Moreover, a correlation between loss of income, decrease in consumption and savings is established. The authors anticipate at least one year for consumption to return to its pre-crisis level.

Enriquez, Diana. Covid-19's Socio-Economic Impact on Low-Income Benefit Recipients: Early Evidence from Tracking Surveys.

<https://wprn.org/item/466652>

This study aims to assess the impacts of the crisis on the most modest households in the United States. The study uses survey data from the Supplemental Nutritional Assistance Program (SNAP) conducted from April to June 2020. This U.S. federal state program provides assistance to about 15% of the most disadvantaged Americans,

mainly in the form of food stamps. The data show that the traditional beneficiaries of this program have been plunged into economic precariousness and have become indebted as a result of the crisis. In particular, 35% of SNAP households had lost their jobs by the end of June 2020.

Williams, Colin. Impacts of COVID19 on undeclared work

<https://wprn.org/item/479152>

This study from an English university, funded by the European Union, examines the impacts of the pandemic on undeclared work in the six countries of the Western Balkans. It uses data from the Employment and Social Affairs Platform (ESAP1) national reports on undeclared work and the Balkan Barometer 2020. The study looks at the future of undeclared work and how to bring people back into the conventional economy. The study makes recommendations for the authorities of these six countries, focusing in particular on the need to restore a link of trust between public authorities and citizens and invites the authorities to be aware of the opportunity of this crisis to encourage workers to declare their activity.

Gupta, Anubhab; Zhu, Heng; Doan, Miki Khanh & Al. Economic Impacts of the COVID-19 Lockdown on the Poor

<https://wprn.org/item/476552>

This Indian study highlights the impact that containment has had on the country's poorest households. An econometric method combining interviews and follow-up of families over one year is used. The study reveals that despite the aid provided by the Indian government, the poorest families have had to reduce their consumption and precariousness has increased. Weekly spending by the households studied fell by 68% in the first four weeks after containment. The main reason was the cessation of employment among poor households.

Bacher-Hicks, Andrew; Mulhern, Christine. Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Learning Engagement in Real Time

<https://wprn.org/item/478352>

This U.S. study looks at the family strategies that have developed to cope with school closures. It uses a quantitative method by looking at online searches conducted by parents and students and indexed in Google Trends. During the period of closure, the demand for online resources on educational issues (online courses, educational tools, etc.) doubled. As a result, students and parents are increasing their requests for educational resources to compensate for school closures. However, this increase is not homogenous as it affects less rural areas and less advantaged families. Thus, the study recommends that public decision-makers invest more in online educational resources and in the loan of electronic materials, as virtual education will become a major issue post-Covid 19 and it should not become a factor aggravating inequalities.



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# Appendix

Steiner, Mario. How to avoid Social Inequality as a consequence of CORONA-forced Home-Schooling?

<https://wprn.org/item/412452>

This Austrian study project aims to assess the impact of school closures on educational inequalities by interviewing teachers through online questionnaires and then interviewing disadvantaged families after the end of health restrictions. Its aim is to reflect on alternative public policies to prevent school inequalities from worsening further as a result of the Covid-19 crisis.

## Other studies cited

Social inequalities in the face of the health crisis: an assessment of the first containment

<https://www.insee.fr/fr/statistiques/4797670?sommaire=4928952>

This study carried out by INSEE is a panorama of the social and professional categories most affected by the Covid-19 pandemic. Among the main findings, the most modest dwellings have been more affected by the virus because they are often located in dense and poor municipalities. Children from an underprivileged social background have encountered more material difficulties than children from a privileged social background. Containment increased the feeling of loneliness for those living alone. Finally, a glimmer of hope, on average, French people spent more time on artistic, sports or scientific activities.

Social inequalities in the face of the Covid-19 epidemic - State of play and perspectives

<https://drees.solidarites-sante.gouv.fr/publications/les-dossiers-de-la-drees/les-inegalites-sociales-face-lepidemie-de-covid-19-etat-des>

This French study carried out by the Drees (French Ministry of Health) focuses in particular on inequalities of risk in the face of the disease. It reports a very different risk of exposure between people who have been able to telework or be partially unemployed and people who have had to continue their activity in person despite the risks. Thus, 96% of the workers had to work face-to-face, which made them more vulnerable to the virus, compared to a third of the managers. The place of residence also played an important role.