
The COVID-19 crisis and (in)equity: what lessons can we learn?

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Abstract: Focusing on the USA, this article discusses the COVID-19 pandemic; the disproportionate impacts of the pandemic on disadvantaged and marginalised populations; and the ways the country's crisis response exacerbated these impacts. Topics discussed include the gig economy, the digital divide, healthcare access and provision, remote work, national crisis management, the paycheck protection program, worker safety, and unemployment. The article highlights lessons we can learn from this experience to reframe decision-making processes for greater inclusivity.

Keywords: COVID-19; crisis; crisis management; digital divide; economics; gender; inequity; pandemic; pluralism; policy; race; remote work; risk management; USA.

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While every crisis is different, national and global crises including the COVID-19 pandemic tend to disproportionately impact disadvantaged and marginalised populations. For COVID-19 in the USA, this occurs for many reasons, including differential access to remote work arrangements; the digital divide; unequal access to quality health and education services; and longstanding racial and gender inequities. Crisis management and response can either reduce or exacerbate impacts on different groups. What lessons can we learn?

During a pandemic, disparities in access to remote work arrangements are particularly relevant. Although in early April 2020, 62% of employed Americans reported that “they have worked from home during the crisis, a number that has doubled since mid-March”

(Brenan, 2020), many details are unclear, such as whether that work was paid or unpaid, or whether the number of hours offered was similar to work prior to the pandemic. Nearly one-third of Americans have reported a “temporary layoff, permanent job loss, reduction in hours, or reduction of income” due to COVID-19 (Hrynowski, 2020). Even for workers fortunate to work from home, care responsibilities increase (e.g., homeschooling children, preparing more meals, or cleaning more often), and women continue to bear a disproportionate share of unpaid and caring labour at home (Schomer, 2020).

Furthermore, while many white-collar workers are able to work from home, many low-wage service workers, including those in retail, restaurants, and the gig economy (e.g., UberEats, Instacart, Shipt, Postmates, Lyft) are unable to perform their tasks from home; they are put in a daily position of ‘choosing’ between fulfilling essential needs such as feeding their families and paying rent, or minimising their exposure to the virus – a false choice. Racial inequalities play a critical role here: blacks and Hispanics are far less likely than whites to have access to jobs permitting remote work (Gould and Shierholz, 2020). Among other reasons, this is because of racial disparities in employment in leisure and hospitality or other low-wage positions (Gould and Shierholz, 2020).

The longstanding digital divide in the USA exacerbates this issue. In 2019, a Pew Research Center study found that 79% of white, 66% of black, and 61% of Hispanic adults have broadband access (Perrin and Turner, 2019). Additionally, only 58% of black and 57% of Hispanic adults have a desktop or laptop computer, in contrast to 82% of white adults (Perrin and Turner, 2019).

However, even for those with broadband access, internet speed remains an issue in many areas, particularly rural ones. Nearly 25% of rural Americans say accessing high-speed Internet is a major problem – nearly twice the proportion of urban residents (13%), and more than twice that of suburban residents (9%) (Anderson, 2018). Race also plays a role here: access to high-speed internet is a major problem for 31% of non-white rural Americans, compared to 21% of white rural Americans (Anderson, 2018). In addition to impacting access to work (where remote work is permitted) and productivity of that work, the digital divide also impacts children’s education.

Many disparities in healthcare provision and access across the county magnify the above issues. For example, more than half the counties in the USA lack any intensive care beds, and these are disproportionately rural (Kaiser Family Foundation, 2020). Examining age-adjusted mortality rates through March 2, 2021, an APM Research Lab study reveals that “Pacific Islander, Latino, Indigenous and Black Americans all have a COVID-19 death rate of *double* or more that of White and Asian Americans” (APM Research Lab, 2021). Although the available COVID-19 data are incomplete and evolving every day, blacks already face higher death rates than other races from certain underlying conditions that make COVID-19 more dangerous, such as heart disease (Centers for Disease Control and Prevention, 2019). Improving access to quality and affordable healthcare for all Americans would help.

It is also critical to protect worker safety. Many frontline healthcare workers across the country have faced extreme shortages of personal protective equipment (Ranney et al., 2020), and the US needs to diversify supply chains. In the gig economy, even though demand skyrocketed for companies like Instacart as stay-at-home orders spread, it took a planned worker strike for Instacart to provide hand sanitiser to the shoppers it relies on (Bursztynsky, 2020).

In any crisis, a timely response is essential. In the case of COVID-19, the US response was delayed for multiple reasons, including inconsistent messaging at the national level about the severity of the virus and the prior dismantling of a dedicated pandemic response team (White House National Security Council Directorate for Global Health Security and Biodefense). Additional factors include the contamination of coronavirus test kits at the Centers for Disease Control, lags in updating the narrowly defined criteria for testing, and red tape initially preventing state, commercial, and academic labs from developing test kits, all of which limited effective and overall testing capacity and allowed the virus to spread unchecked for a longer period of time (Patel, 2020).

This illustrates the importance of proactive approaches to the components of risk management including knowledge, insurance, protection, and coping (World Bank, 2014). More attention must be paid to pandemic planning and the clarification of responsibilities at the federal and state levels (as an example, the competition among states for the same resources was inefficient and expensive). Additionally, continued investment in health, education, and employment resources at the state level is critical. In Florida, for example, the state's unemployment system is broken and ineffectual, recently ranked worst in the country (Sunderland, 2020); this hinders the potential for economic recovery, but also harms the personal sustainability of three million Floridians (so far) who filed for unemployment during the pandemic (Florida Department of Economic Opportunity, 2021). It showcases the fact that the availability of resources and opportunities does not always mean they are de facto accessible.

Inequities are often exacerbated through crisis response programs. For example, the upper income limit for taxpayers to obtain the full \$1,200 individual stimulus payment from the government was USD \$75,000 for an individual or USD \$150,000 for a couple. As such, some of the stimulus payments are assisting upper-middle-income and high-income Americans; while some may need assistance at this time, these groups are more likely to have access to remote work opportunities and more assets in general than lower-income and lower-middle-income Americans. The stimulus payments also neglect to consider the significant cost of living disparities from state to state.¹

Another example of the way crisis response can widen inequalities lies in the paycheck protection program (PPP). While the PPP was intended to support small businesses, billions of relief dollars were allocated to corporations or public companies with financial issues predating the coronavirus; large companies are more likely to have sophisticated accounting assistance and priority relationships with large banks (Zhou, 2020). Failure to specify many restrictions on fund access also contributed to the problem, by enabling a significant amount of unproductive rent-seeking through lobbying. The ineffective targeting of the program inflates the US deficit but has not prioritised those most in need.

Because poorly managed crises exacerbate chaos, the issues highlighted during a crisis may be deprioritised afterwards. In recent years, for example, public health lessons from the 1918 flu pandemic as well as economic lessons from the Great Recession and the 1997 Asian crisis were set aside or ignored (El-Erian, 2017; Brockell, 2020; Shih, 2020; Deane, 2021; Mooney, 2021), to the detriment of millions of people. If such lessons were not cast aside, non-pharmaceutical interventions, consumer protection, and supply chain resilience would likely have been more robust in the first phase of the pandemic.

All of these issues contributed to the inequities discussed above. The equity gaps are large and diverse in the USA, with only some highlighted here, but many opportunities remain to reframe economic decision-making and risk management processes to be more inclusive of marginalised and less advantaged groups. For example, the maintenance of equity provision in the American Rescue Plan prevents state or local education funding/staffing cuts from disproportionately impacting schools serving large numbers of students in poverty (Center on Budget and Policy Priorities, 2021; Ujifusa, 2021).²

Pluralist economics education plays an important role here, by encouraging critical thinking, the inclusion of diverse economic perspectives, and the examination of interrelationships between economy, society, and environment. While evidence-based approaches are critical, these must be grounded in analyses of diverse populations and experiences. Educators can help students develop these skills through experiential class projects utilising qualitative survey methodologies; such projects can tackle a real-world issue and partner with a local non-profit, government, business, or community group to bolster understanding of a target population and the challenges they face.³ The project methods and scope can be tailored to the introductory or advanced level. For advanced undergraduate or graduate level courses, following the full human-centred design thinking process enables students to analyse the knowledge gleaned from interviews and surveys and develop potential solutions for prototyping and testing.⁴

Since structural inequalities impact all aspects of life, flexibility exists for professors to orient projects around the issues most relevant for the course subject and curriculum they need to cover. For courses with an embedded focus area (e.g., environmental economics, health economics, economics of race and gender) the projects centre on that sphere, while projects in core courses such as microeconomics or research methods may span various issues or may focus on an issue chosen by the professor. Learning (rather than assuming) how different demographic groups experience crises is the first step to designing programs and policies that can successfully mitigate adverse impacts. Another step is to build on and apply that knowledge during non-crisis periods, strengthening capacity for effective risk management that is shared across multiple institutions, from household and community to business and government. Labour, business, development, and public economics courses are well suited to integrate case studies of risk management practices, link them to diverse economic perspectives, and investigate impacts on different population groups.

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Notes

- 1 According to Pew Research Center, middle income households earn from two-thirds to twice the median US income (Bennett et al., 2020). Median income figures are adjusted by cost of living; the threshold also varies by family size. For a US family of three in 2019, middle-class thresholds ranged from \$53,413 to \$106,827, while upper-middle-class thresholds ranged from \$106,827 to \$373,894 (Snider, 2020).
- 2 In the Great Recession, cuts disproportionately impacted schools serving low-income students (Ujifusa, 2021).
- 3 For a resourceful, 'how-to' article on service-learning, please see Kepner (2020). For a guide to the human-centred design thinking process, please see IDEO (2015).
- 4 With advance planning and compliance with Institutional Review Board requirements at one's institution, it may be possible to utilise survey/interview data from class projects in community-based research articles, fostering synergy between one's teaching and published scholarship.