

A CAPABILITIES APPROACH ON THE IMPACT OF THE COVID-19 PANDEMIC ON INEQUALITY

“Many economists warn that the COVID-19 crisis may worsen existing inequalities. Do you agree? If yes, what policies do you propose to reverse these gaps?”

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ABSTRACT

Since the 1970s, social scientists have argued for a framework that measures general well-being. Whilst GDP per capita approached economic development through the lens of income, they argued that there was a need for an approach that monitored human outcomes directly – including non-market factors such as leisure, health, home production, pollution, and inequality. In 1980, the economist Amartya Sen proposed an answer¹: the capability approach, which assesses what individuals are capable of doing.

It is important to consider COVID-19 from such a perspective, as it is a twin pandemic² for both public health, and the economy. Consequently, it jeopardizes capabilities related to home, education, work, community, physical environment, and access to services. Contrary to popular belief, inequality is not solely a derivative of income. Instead, it is an amalgamation of the differences in capabilities in all the aforementioned areas.

This essay shall argue that the COVID-19 pandemic has exacerbated and accelerated the divergence of capabilities. This has been achieved through several transmission mechanisms, namely education, housing, work, health, and gender. It shall then look to draw upon policy initiatives in these areas to promote capability convergence.

1 Shinn M. (2014) The Capabilities Approach to Transformative Change in Mental Health, Available at: DOI:10.1093/acprof:oso/9780199362424.003.0004

2 Anand P. (2020) COVID-19 as a Capability Crisis: Using the Capability Framework to Understand Policy Challenges, Available at: <https://doi.org/10.1080/19452829.2020.1789079>

1 CAPABILITY DIVERGENCE

1.1 Education

The closure of schools will cause a divergence in educational attainment. Private schools, on average³, have more robust facilities for remote learning than state schools. Additionally, students from affluent backgrounds are more likely to have highly educated parents who are able to facilitate home-schooling, whereas students from disadvantaged backgrounds may not have such a privilege.

Moreover, in countries where public examinations have not gone ahead, such as the United Kingdom, proxy methods of grade calculation may discriminate against those students from a historically underperforming school. In countries where examinations have gone ahead digitally (such as the U.S. College Board's AP tests), students with poor internet connections are discriminated against.

Having been disadvantaged in both education and examination, students from poorer socioeconomic backgrounds will find their capability of pursuing their desired occupation infringed upon. This results in a widening of inequality between students of differing levels of wealth.

1.2 Housing

The ongoing pandemic has exacerbated the capability divergence between homeowners and renters. Privately rented homes in England are, on average, 28% smaller than owner-occupied

³ Anand P. (2020) COVID-19 Reflections: A Global Capability Crisis, Available at: <https://hd-ca.org/news/covid-19-reflections-a-global-capability-crisis>

homes – resulting in less space for working, exercise, solitude, and essential storage space (thereby infringing upon the respective capabilities associated with these tasks).

Moreover, there is a considerable psychological toll associated with renting, whether this be attributed to housing security, or living in hazardous conditions (25% of privately rented homes in England fail to meet the decent homes standard, compared to 19% of owner-occupied homes). Indeed, studies⁴ have found that private renters have higher levels of C-reactive proteins in their blood – a biomarker associated with increased stress (infringing upon the capability of mental wellbeing). The aforementioned results in a capability divergence between homeowners and renters. As the lockdown has forced families to stay at home for extended periods of time, the capability divergence between homeowners and renters is bound to extend as a result.

As homes are children's new learning environments, housing will have considerable spill-over effects on educational capabilities. Children in poor-quality homes may not have the space, privacy, or quiet to do schoolwork – resulting in a stark inequality in comparison to their wealthier peers.

1.3 Work

80% of people in the bottom decile of UK earners are in a shut-down sector, or are unable to carry out their job from home – compared with just 25% in the top decile⁵. This infringes upon the capabilities of the lowest earners (who are disproportionately Pakistani, Bangladeshi, of black ethnicity, or from outside London) to pursue career progression. This will create a capability divergence between high-income and low-income earners.

4 Clair A. (2020) Homes, health, and COVID-19: how poor housing adds to the hardship of the coronavirus crisis, Available at: https://www.smf.co.uk/commentary_podcasts/homes-health-and-covid-19-how-poor-housing-adds-to-the-hardship-of-the-coronavirus-crisis/

5 Blundell R., Joyce R., Xu X. (2020) Covid-19: the impacts of the pandemic on inequality, Available at: <https://www.ifs.org.uk/publications/14879>

30% of low-income households said that they could not last a month if they were to lose their primary source of household income. This infringes upon health, nutrition, and housing capabilities. This is exacerbated by the already precarious position of low-income household finances, which are yet to recover from the Great Recession⁶.

1.4 Health

The diversion of healthcare resources towards COVID-19 treatment has resulted in the postponement of less urgent healthcare. Even in the case of a surplus, fewer patients are willing to seek treatment, in order to mitigate the risk of contracting the coronavirus. Imperial College London estimates the number of excess non-COVID deaths in the UK during the first three months of the pandemic to stand at around 9,000⁷.

Consequently, a patent capability divergence emerges. The families or relatives of a non-COVID patient will need to bear the burden of treatment that would have otherwise occurred in a hospital. This may result in taking time off work (infringing upon the capability to lead a career), paying medical expenses (infringing upon the capability of financial freedom), and dealing with the psychological toll (infringing upon the capability of a healthy state of mental wellbeing). Estimates⁸ suggest that an additional 4.5 million people in the UK have become unpaid carers as a result of the coronavirus pandemic.

This results in an inequality between families with caring responsibilities, and those who do not have such responsibilities.

6 Smith J. (2019) Low- and middle-income households are now more vulnerable to a recession than before the financial crisis, Available at: <https://www.resolutionfoundation.org/press-releases/low-and-middle-income-households-are-now-more-vulnerable-to-a-recession-than-before-the-financial-crisis/>

7 Gallagher L. (2020) Report estimates 9,000 non-COVID excess deaths from pandemic in England, Available at: <https://www.imperial.ac.uk/news/198444/report-estimates-9000-non-covid-excess-deaths/>

8 Hill A. (2020) Coronavirus: 4.5m people in UK forced to become unpaid carers, Available at: <https://www.theguardian.com/society/2020/jun/19/coronavirus-45m-people-in-uk-forced-to-become-unpaid-carers>

1.5 Gender

Coming into the crisis, female employment in the UK stood at record highs⁹. However, nursery and school closures will remove the childcare provision that enabled this. The additional childcare and housework burden will fall more on mothers than on fathers¹⁰, especially among working parents. This will inhibit their capability for work and career progression.

In some developing countries where the civil rights of women are not upheld, the pandemic lends itself to an increased incidence of domestic violence – infringing upon the capability of having a healthy state of mental wellbeing. In such societies, women predominate in low-paid, part-time jobs¹¹ – which are disproportionately cut during times of recession (inhibiting career and income capabilities).

The aforementioned will extend the inequality between men and women globally, although developing countries will see a marked difference.

9 Office for National Statistics (2020) Female employment rate (aged 16 to 64, seasonally adjusted), Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lf25/lms>

10 McKinsey Global Institute (2020) COVID-19 and gender equality: Countering the regressive effects, Available at: <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects#>

11 Conaghan J. (2020) COVID-19 AND INEQUALITIES AT WORK: A GENDER LENS, Available at: <https://futuresofwork.co.uk/2020/05/07/covid-19-and-inequalities-at-work-a-gender-lens/>

2 POLICYMAKING IMPLICATIONS

2.1 Education

Governments must cooperate with agencies that run youth camps in order to expand existing summer-school programs. For instance, the US state of New York has seen 177,700 students attending remote summer school – in stark contrast to just 44,000 in 2019¹². These programs should be incentivised with extra academic credit offered to students who believe they may have been unfairly discriminated against by proxy examination. Moreover, public libraries ought to be opened solely for student use during school hours, in order to overcome the technological barriers that disadvantaged students face.

The state of Tennessee has recruited 1,000 college students to tutor high-schoolers¹³. This initiative has not only increased the educational capabilities of students who do not have home-schooling facilities, but has also improved the finances of young adults entering a turbulent labour market. Such an initiative appears most appropriate at addressing educational inequalities worldwide.

2.2 Housing

Governments must launch or extend existing selective landlord licensing schemes. This will promote capability convergence, enabling some of the most vulnerable families to work and

12 Dorn E., Hancock B., Viruleg E. (2020) COVID-19 and student learning in the United States: The hurt could last a lifetime, Available at: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-student-learning-in-the-united-states-the-hurt-could-last-a-lifetime#>

13 Dorn E., Hancock B., Viruleg E. (2020) COVID-19 and student learning in the United States: The hurt could last a lifetime, Available at: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-and-student-learning-in-the-united-states-the-hurt-could-last-a-lifetime#>

educate their children in healthy environments. The revenue generated from such licensing schemes can be used to raise the Local Housing Allowance to at least the median local rent, or to expand social housing such that last resort and temporary measures are no longer used for housing homeless households.

2.3 Work

Governments must increase the flexibility of job-retention schemes. For instance, unions in the UK have argued¹⁴ that firms ought to be able to furlough workers for a minimum of one week rather than three – in order to support short-time working.

For workers that are not supported by job-retention schemes, the British government ought to suspend any conditionality requirements associated with Universal Credit. This includes removing the savings rule and minimum hours requirement, whilst also lowering the five-week wait by converting emergency payment loans to grants.

Imperatively, the government must remove the lower earnings limit (LEL) for qualification for sick pay – upholding crucial capabilities of low-income families.

2.4 Health

Governments must introduce a statutory right to care leave, in order to increase the provision of unpaid care whilst maintaining levels of employment. Research conducted by the LSE¹⁵ suggests that a statutory care leave would raise the number of extra-resident working age carers who are in employment by 187,000 in 2020.

This ought to be offered in conjunction with increased information provision concerning flexible working. Whilst carers already have the legal right to request flexible working, there

¹⁴ Trades Union Congress (2020) Fixing the safety net: Next steps in the economic response to coronavirus, Available at: <https://www.tuc.org.uk/research-analysis/reports/fixing-safety-net-next-steps-economic-response-coronavirus>

¹⁵ Brimblecombe N., Fernandez J., Knapp M., Rehill A. and Wittenberg R. (2018) Unpaid Care in England: Future Patterns and Potential Support Strategies, Available at: <https://www.lse.ac.uk/cpec/assets/documents/Economics-of-caring-2018.pdf>

is currently a lack of awareness and a reluctance to request it. Such a measure would raise the number of extra-resident working age carers who are in employment by 60,000 in 2020.

2.5 Gender

Governments must introduce non-transferable and fully paid parental leaves for fathers, delivering mothers the capability to pursue a career – and fathers the capability to spend time with their children. The introduction of such incentives for fathers in Québec increased their participation in parental leave by over 250 percent, and in such households, fathers' daily time in household work was 23 percent higher than in households where fathers did not participate¹⁶. Should the policy explicitly target men, it will reverse the social norm that expects mothers to take sole responsibility for household production.

¹⁶ Human Development Report (2019) Policies for reducing inequalities in human development in the 21st century: We have a choice, Available at: http://hdr.undp.org/sites/default/files/hdr2019_chapter7.pdf

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