

# Economy, Housing, Education: Inequalities Reinforced by the COVID-19 Pandemic

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## TO CITE

Galonnier, V. (2021). Economy, Housing, Education: Inequalities Reinforced by the COVID-19 Pandemic. In *Proceedings of the Paris Institute for Advanced Study* (Vol. 9). [https://paris.pias.science/article/Memorandum\\_11](https://paris.pias.science/article/Memorandum_11)

## PUBLICATION DATE

01/02/2021

## KEYWORDS

Human Behaviours, Social Relations		Inequalities, Poverty, Development	
Equality & Diversity Studies		Work, Welfare, Social protection	
Consumption and Production Patterns		Public Policy, Evaluation, Impact	
Firms, Markets, Finance	Agriculture, Alimentation		Agriculture, Alimentation
Big Data, Artificial Intelligence		Education	

## ABSTRACT

*The Covid-19 pandemic has led to an economic crisis with strong social consequences. The main findings of research show an increase in inequalities and 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 suffered 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.*

*Memorandum 11 : overview of the studies and projects registered on WPRN database*

The Covid-19 pandemic has led to an economic crisis with strong social consequences. The main findings of research show an increase in inequalities and 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 suffered 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 in three aspects that this note aims to analyse: economic inequalities, particularly in terms of income and access to employment; territorial and housing-related inequalities; inequalities related to education.

## The most precarious populations over-impacted

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

The [COCOVI project](#) (Confinement, 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, in France, 31% of the respondents declare that their household income has decreased since the beginning of the lockdown (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 people 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 lower 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.

## *The sudden stop 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 had to stop their activities but were not 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 are 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

## *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 criterion of well-being more important than usual.

## 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 children throughout their lives.

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

Home schooling has been detrimental to all students. However, these difficulties were not encountered in similar ways 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 schoolwork, 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 of executive professionals. A quiet work space is important to promote concentration and learning.

## 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](#) registered 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 lockdowns 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 memo 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 memos. 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 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.

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