Why COVID-19 is the great unequalizer: the pandemic's impact is being experienced disproportionately by minorities and the poor

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In the daily TV press conferences that New York Governor Andrew Cuomo conducted throughout the spring, he referred to COVID-19 as "the great equalizer." In the sense that anybody can be infected by the virus, the governor is right. Yet after several months, the data shows clearly the impact is unequally landing on the shoulders of people of color and all but the wealthiest. The health impacts and absence of economic measures to protect them are so extreme that Cuomo's statements are more than hollow – they are cruel cover-ups.

If anything, COVID-19 has been little more than a novelty for the 1 percent and a dystopian nightmare for the rest of us. The U.S. now has the highest number of cases in the world. Nearly 2.1 million people have been infected by the disease and more than 115,000 people have died, according to data from Johns Hopkins University. Had we experienced a repeat economic crash more along the lines of what happened in 2008, that might have forced a true reckoning and consequent reform in our system. Instead, we have a pandemic that is facilitating public looting under the cover of a collective surgical mask as it is entrenching pre-existing inequities. A toxic mix of racial, financial, and geographic disadvantage is literally proving to be a death sentence.

In the first instance, workers of color, particularly black Americans, who have long been overrepresented in the lowest-paying service and domestic occupations, are again being hit with a double whammy. Their jobs and income have evaporated with the shutdown, and they have long had minimal household savings relative to Caucasians to act as a buffer against unexpected layoffs or lost wages.

As *Time* reporter Abby Vesoulis writes, many low-income jobs – meat processing, agricultural work, nannies, and store clerks – "can't be done remotely" (to say nothing of the digital divide that also divides on income grounds), "and the majority of low-income jobs don't offer paid sick days." People with these jobs are also "disproportionately more likely to be uninsured or underinsured for medical care," even though the government has agreed to cover COVID-19 related health coverage.

That brings to the fore another significant "unequalizer". Low-income communities and workers of color are experiencing substantially higher rates of mortality. Consider a few regional examples, cited in MedPage Today:

> "In Louisiana, African Americans accounted for 70% of COVID-19 deaths, while comprising 33% of the population. In Michigan, they accounted for 14% of the population and 40% of deaths, and in Chicago, 56% of deaths and 30% of the population. In New York, black people are twice as likely as white people to die from the coronavirus."

Likewise, CDC researchers have also found that "80% of Georgia residents hospitalized with COVID-19 are black," Blavity reports. In the Native American communities, "the added burdens of chronic disease and persistent underfunding of American Indian health systems have put the nation's indigenous population at higher risk of poor outcomes from the disease", according to the American Medical Association (AMA). "Latinos make up 60% of the population in the 10 Illinois ZIP codes with the fastest growing number of new COVID-19 cases," according to the Chicago *Sun-Times*.

No one should have to choose between going broke and becoming infected with and spreading a fatal virus. But that is a literal life consequence for working people in a system that goes on lockdown to flatten the curve. That binary choice in itself is a product of decades of fiscal austerity in which social safety nets and health care systems were gradually eviscerated in the interests of privatizing everything in sight.

The privatized mode that we have largely embraced in the United States is clearly a bad one, but it is showing no signs of stopping, even during a pandemic. Still today, an alliance of private hospitals, health insurance companies, and large pharmaceutical companies have formed a campaign group – the Partnership for America's Health Care Future Action (PAHCF) – to counter growing political support for single-payer health insurance. Even as one state government after another has declared a public state of emergency (and corresponding lockdowns), the PAHCF has persisted in its principal lobbying activity, all the while also wrangling massive bailouts from the government to cope with the ill effects of the very market-driven system they have spent decades championing but which has failed to defend us during this pandemic.

We classify our health care workers as "essential," but they are poorly paid and treated as disposable. Our health care system features a chronic shortage of N95 surgical masks, or nurses wearing garbage bags, given a lack of sufficient protective gear, let alone the average worker, who is tasked with sustaining what's left of our functioning economy in food processing plants or grocery delivery services. Essentially, these workers have been faced with the choice of literally risking their lives to sustain their incomes and livelihoods or joining the ranks of the unemployed. This has become a more acute problem as the first wave of the coronavirus is now passing through communities that were not as badly exposed in the early spring, leading businesses in many states, such as Arizona and Oregon, to close again, citing increased COVID-19 exposures and the consequent inability to generate profits due to increased restrictions.

Common patterns of domestic working-class life compound the risk of spread: fewer square feet for family members to share at home, fewer options for public transport. It is much easier, by contrast, to sustain self-isolation comfortably in a spacious suburban home, let alone a palatial spread in the Hamptons or Malibu. The risks of transmission are further mitigated because the jobs of the affluent are often facilitated by sophisticated internet connectivity that precludes the need to engage in lengthy commutes on public transportation. Even though low-income Americans have made gains in tech adoption, the digital divide very much largely remains a function of income disparity.

Income disparity also has significant healthcare implications in relation to the elderly. It has become increasingly evident that COVID-19 has been particularly lethal for older adults with underlying health conditions that can spread more easily through congregated facilities such as nursing homes. In many instances the spread of the disease is a product of these nursing homes paying so poorly that many workers have to split their time between several facilities, thereby exacerbating the contagion's spread. This is part of decades-old, nationwide problem of a deliberate and corrupt lack of adequate public health inspection/enforcement to prevent the proliferation of appalling conditions in a large number of elderly care facilities, other than for the wealthy. Far from representing optimal conditions for our senior citizens, many of these facilities are more accurately described as privately run profit centers that operate as storage facilities for the elderly, irrespective of infirmity.

In the meantime, home confinement has not created any inhibition in terms of getting on board the government gravy train. Government support programs are often being directed via private banking networks, which invariably means preferential treatment to those with strong pre-existing banking relationships. That makes a mockery of the Small Business Administrations' proviso that the loans will be granted on a first-come, first-served basis.

The April unemployment figures showed the largest one-month blow to the American labor market on record. Even though there was some bounce-back recorded in May, in truth the reduction in May's unemployment rate, (which fell to 13.3 percent from 14.7 percent in April), was more apparent than real. The Bureau of Labor Statistics (BLS) reported that the payroll survey response "was about 15 percentage points lower than in months prior to the pandemic", and further acknowledged that the unprecedented government relief programs distorted the underlying employment classifications: "If the workers who were recorded as employed but absent from work due to 'other reasons' (over and above the number absent for other reasons in a typical May) had been classified as unemployed on temporary layoff, the overall unemployment rate would have been about 3 percentage points higher than reported (on a not seasonally adjusted basis)." That would suggest an underlying unemployment rate more than 16 percent, indicating ongoing deterioration in the job market, despite the stimulus programs undertaken so far. Broader measures, such as the labor underutilization measure (U6) fell by 1.6 points to 21.2 per cent, in part, because of a fall in the number in the part-time works and labor participation rates.

All of which suggests that there are significant structural headwinds going forward. Business travel is not coming back any time soon. People are getting accustomed to telecommuting via Zoom and Skype. That is a fundamental blow to airlines, airport vendors, hotels, restaurants, and convention centers, all of which have the additional challenge of covering costs while capacity is limited on public health grounds. As the economist James Galbraith has argued, "Faced with radical uncertainty, US consumers *will* save more and spend less. Even if the government replaces their lost incomes for a time, people know that stimulus is short term. What they do not know is when the next job offer – or layoff – will come along." Federal Reserve Chairman Jerome Powell has also warned of "significant uncertainty" from the pandemic as well as acknowledging that the pandemic downturn could widen prevailing inequalities.

Nationalizing payroll, as the Norwegians and Danes have largely done, would have been a far more efficient way of ensuring direct relief from those most adversely affected by the economic shutdown, as well as mitigating the adverse long-term economic impacts. Our government already has pre-existing tax and employment data and distribution networks in place to avoid the cumbersome application processes that characterize business support programs (all of which seem to run out of money within weeks of implementation) or avoiding the problems of those who have tried to file for unemployment insurance, but haven't been able to thanks to crashing websites and overwhelmed phone lines. And it would deliver much more bang for the economic buck: Economist Pavlina Tcherneva estimates that “If the government paid 100% of total labor compensation for 3 months, it would be spending $2.85 trillion.”

That certainly would have provided far more comprehensive and equitable relief than the trillions of dollars already extended by the Treasury and Federal Reserve programs, which instead have ensured that the rich are getting richer: “[T]he American billionaire class’s total wealth [has] increased about 10% – or $282 billion more than it was at the beginning of March,” writes Kristin Toussaint for Fast Company. By contrast, in addition to the rising unemployment levels, “one in three [American workers have] lost half or more of their income due to COVID-19,” according to RIWI Corporation, a Canadian-based data aggregator. Even more concerning is that Chinese citizens, now ahead of the rest of the world on the reopening front, report more significant income losses – up to 45% – a possible harbinger of what lies in store for the rest of us as and when western economies begin to reopen.

Nor are the elites going to let the pandemic interfere with their leisure when current government restrictions are alleviated. According to the *Times* of London, “the super-rich are snapping up the citizenship of countries in different parts of the world to ensure they will always have a virus-free, sunny haven to escape to on holiday or if there is another lockdown.” Caribbean communities, long reliant on mass tourism, will now likely offer additional incentives, as The Bahamas and Grand Cayman already do, to ensure that they become tax friendly domiciles in order to offset the resultant losses they are now experiencing. Passports and citizenship offer a new way to do this.

Speaking of passports, “immunity passports” are likely to become another major dividing line going forward. While coronavirus infections were initially viewed as something akin to a scarlet letter, if these infections ultimately confer a form of immunity from recurrence or spread of the virus, they may well become badges of honor. Governments might seek to legislate against preferential hiring preferences because of race, age, or gender, but it is harder to make that case where pandemic prevention becomes paramount. Immunity could well alleviate the challenges where physical and social distancing is virtually impossible (whether that be factory work, farms, hospitals, etc.). But “immunity passports”, if implemented widely, would likely be rife with corruption. Imagine a black market developing in fake “immunity passports” or plasma.

These issues all relate to the short and medium term. However, there are also long-term impacts. Economists use the term “hysteresis” for when an event in the economy persists well into the future, even after the original factors that led to that event are ultimately removed. Even under a best-case scenario – for instance, assuming the adoption of a successful regimen of testing and contact tracing (as in South Korea), or a vaccine (there is hope that one of those being developed may establish scientifically peer-reviewed efficacy by June) – the damage sustained by the economic lockdown will still persist well into the future. Many small businesses will never reopen. Those that do survive will be loath to invest and expand, given the possibility of recurrent waves and additional lockdowns in response. Not only will work or health care remain prone to massive inequality in terms of access and quality, but in another cruel twist of fate wrought by this pandemic, tourism and leisure activities too may well be viewed increasingly as luxuries restricted to the rich and well-to-do.

COVID-19’s impact may have been underestimated when it first emerged from China. Likewise, the long-term disproportionality of its effects on the poor remains similarly underappreciated and therefore will likely be insufficiently addressed for the foreseeable future. Calling this coronavirus a great equalizer is an obscenity. What is even worse is that we appear to be letting another crisis go to waste in terms of effecting fundamental change that would help the many, as opposed to perpetuating the position of our privileged elites.

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