

# Covid-19 is increasing the divide in life chances between rich and poor

**Lee Elliot Major and Stephen Machin** propose reforms and urgent actions to tackle economic and educational inequalities in the UK.



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Social distancing measures during the coronavirus pandemic has given a new meaning to the problem of low social mobility. But make no mistake: the long term reverberations of the crisis will likely exacerbate the divide in life chances between the poor and privileged. Covid-19 has the scope to increase the toxic mix of rising economic and education inequality that hinders social mobility. Unless we tackle these inequalities, we face a dark age of declining opportunity.

## Economic shocks

The pandemic has shone a light on a deeply divided workplace: the highly paid, salaried graduate elites on one side, and the workers in dead-end jobs, lacking basic rights or entitlements, on the other. Those who are able to work from home (on average richer individuals) are significantly less likely to be furloughed or lose their jobs. Indeed many middle class salaried earners will be accumulating wealth, via forced saving from not spending on the likes of expensive holidays or restaurants.

The huge shocks paralysing the global economy are hitting low income (and younger earners) the hardest ([Adams-Prassl, 2020](#)). In excess of one million people have newly applied for Universal Credit, the basic benefit for working-age people. Moreover, as with earlier recessions and experience of unemployment, the Covid-19-induced downturn is likely to have long-term scarring effects – companies put out of business for good, employees facing permanent layoffs.

In truth we were already heading towards a reckoning. Young people growing up today were facing declining absolute mobility, meaning falling real wages, fewer opportunities and the growing spectre of downward social mobility ([Elliot Major and Machin, 2018](#)). We may be applauding NHS workers for their priceless work battling to save lives, but for too long we have underpaid our key public sector workers – teachers, nurses and carers, among many others. Britain has become a fragmented country, defined by economic, geographical and political divides.

Polling in the United States meanwhile suggests that Covid-19 will make class divides wider: poorer people are more likely to have the underlying conditions of diabetes and chronic obstructive pulmonary disorder (COPD) that make them vulnerable to the virus, and are less likely to adhere to social distancing measures ([Reeves and Rothwell, 2020](#)). Minorities have suffered disproportionately. The same is almost certainly true in Britain as well. Poorer people are more likely to do the jobs that make them vulnerable to the virus.

## Education shocks

The upheaval in education meanwhile has been equally seismic. Online tutoring is flourishing due to mass home learning. Tutoring firms have reported a [surge in business](#) – fuelled mainly by parents with the money to afford tutoring for their children. Children from better-off households are more than twice as likely to have had more than £100 spent on their education since the shutdown ([Sutton Trust, 2020](#)). A home learning divide is inevitable, as not all children will benefit from the study space, computers, internet and general support available in middle class homes.

In truth, efforts to close the achievement gap between poorer pupils and their more privileged peers were already stalling before the pandemic ([Department for Education, 2019](#)). In February 2020, the Department for Education reported a slight increase in the 'pupil attainment gap index' for a second year. The fear now is that the gap will become much wider, reversing the incremental gains made over the last decade.

It is hard to calculate how much education gaps will grow, but we can give broad estimates. Given the unprecedented circumstances, disadvantaged pupils could experience learning losses of perhaps between four and six months if disrupted by school closures for several months. Any earlier return to school before the summer will likely reduce any learning losses.

Summer learning loss has been documented across the world, with poorer children lagging further behind when they return to school ([Cooper et al, 1996](#)). Low income pupils were found to be as much three months behind their better-off peers in reading achievement after the long summer vacation in the United States. Learning slides were also observed for maths. Other studies using different methodologies reach comparable estimates of total learning loss ([Burgess and Sievertsen, 2020](#)).

These are unprecedented times, so we do not precisely know how much middle-class pupils will pull further away through tutoring and superior study conditions over an extended period of many months. There are also concerns that poorer students may suffer from being under-predicted in their A-levels by teachers, missing out on highly selective universities ([Murphy and Wyness, 2020](#)). The same could be true for GCSEs, often critical to securing a sixth form place.

## Radical proposals

This combination of widening inequalities in work and the classroom are the perfect recipe for declining social mobility and worsening social justice ([Elliot Major and Machin, 2018](#)). Many have commented on the collective spirit that has emerged in the fight against a common enemy. Prime Minister Boris Johnson has said that 'there really is such a thing as society'. But we now need to back this up with systematic reforms to create a fairer and more productive world.

### **On work:**

Social assistance packages are needed immediately to provide quick assistance to help those hit hardest, including the self-employed. Layoffs should not be imposed on workers who can be furloughed. For the unemployed there should be an income guarantee while the crisis lasts.

In the aftermath of the immediate crisis, the government should introduce a progressive wealth tax assessed on the net worth of the top 1% of richest individuals ([Landais et al, 2020](#)). This would be enough to repay all the extra debt due the pandemic after ten years. From an intergenerational perspective, taxing wealth is an effective way of redistribution as it does not discourage people working hard or investing in wealth-creating businesses.

Employers, with appropriate government assistance, should be required to adopt pay and benefit parity policies. These commit to providing the same wages and benefits to contractors as in-house workers – unless there is a strong and genuine business rationale to do otherwise.

### **On education:**

We should organise a national tutoring service to help level-up the playing field. Undergraduate students at every university could be signed up to tutor school pupils. This is one way of helping already over-worked teachers to bring pupils up to speed during the next school year. Undergraduates would benefit from the experience and be rewarded for it. One-to-one tuition is one of the most reliable ways we know of helping learners catch up. Delivered well, it can lead to an extra five months learning gain for pupils during one academic year ([Elliot Major and Higgins, 2019](#)).

At the same time, we will have to consider more radical temporary measures for schools, perhaps shortening the summer holidays (and extending holidays at Easter or Christmas), so pupils return to school earlier in the autumn. That will help workers get back into work as well. Pupil premium funding could help pay for extra tutoring, with extra grants allocated to regions of the country that need it the most.

In the longer term, we also need a credible vocational stream in schools while acknowledging many schools are already acting as social welfare hubs. A more systematic approach is required.

To promote a more egalitarian education system, in cases where education institutions are over-subscribed there should be random allocation for school and university admissions, where candidates have met selection criteria.

As the Great Depression in the 1930s and the aftermath of World War Two showed, hard times can prompt moves to fairer and more collective societies. This has needed to happen for some time, but it is just getting worse after the triple whammy of the global financial crisis, Brexit and Covid-19. The reforms discussed here could tackle economic and educational inequalities, and help the country avoid the spectre of declining social mobility in the aftermath of the Covid-19 crisis.

*This blog post draws partly on the authors' book [What Do We Know and What Should We Do About Social Mobility?](#), to be published by Sage later this year.*

*The post expresses the views of its authors, not the position of Democratic Audit. It was first published on the [LSE Business Review](#).*



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