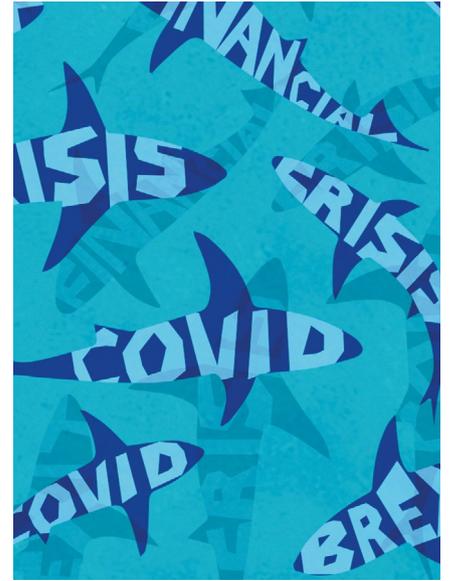


Covid-19 is increasing the divide in life chances between rich and poor. **Lee Elliot Major** and **Stephen Machin** propose urgent actions to tackle economic and educational inequalities in Britain.



Covid-19 and social mobility

Social distancing measures during the pandemic have given a new meaning to the problem of low social mobility. But make no mistake: the long-term reverberations of the crisis are likely to exacerbate the divide in life chances between the poor and the 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) have been

significantly less likely to be furloughed or lose their jobs. Indeed, many middle-class salaried earners have accumulated 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. About three million people have claimed universal credit, the basic benefit for working-age people. Moreover, as with earlier recessions, an experience of unemployment during the downturn is likely to have long-term ‘scarring’ effects – including companies put out of business for good and employees facing permanent layoffs.

In truth, we were already heading towards a reckoning. Young people growing up today were facing declining absolute mobility: falling real wages, fewer opportunities and the growing spectre of

downward social mobility. We may have been 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.

Meanwhile, the evidence suggests that Covid-19 will widen social inequalities: death rates in the country’s poorest areas have been much higher than those in the richest areas. Those on lower incomes have been more likely to have the underlying conditions such as diabetes that make them vulnerable to the virus, and they are less likely to adhere to social distancing measures. Some minorities have suffered disproportionately. Poorer people are more likely to do the jobs that make them vulnerable to the virus.

A combination of widening inequalities in work and the classroom are the perfect recipe for declining social mobility



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



Education shocks

The upheaval in education 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. 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. 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 will be likely to reduce learning losses.

Summer learning loss has been documented across the world, with poorer children lagging further behind when they return to school. Low-income pupils have been found to be as much as 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.

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. 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. 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. This would be enough to repay all the extra debt due to 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 welcome the government announcement of a national tutoring programme, which we have argued for. 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.

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. How funding for extra tutoring is targeted will be crucial, 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 the Second World War 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 to avoid the spectre of declining social mobility in the aftermath of the Covid-19 crisis.

This article summarises ‘Covid-19 and Social Mobility’ by Lee Elliot Major and Stephen Machin, CEP Covid-19 Analysis No. 4 (<http://cep.lse.ac.uk/pubs/download/cepcovid-19-004.pdf>).

For more on the impact of Covid-19 on pupils, see ‘Covid-19 School Shutdowns: What Will They Do to Our Children’s Education?’ by Andrew Eyles, Steve Gibbons and Piero Monteburano, CEP Covid-19 Analysis No. 1 (<http://cep.lse.ac.uk/pubs/download/cepcovid-19-001.pdf>).

Lee Elliot Major is professor of social mobility at the University of Exeter and a CEP research associate. **Stephen Machin** is professor of economics at LSE and director of CEP.

Radical reforms could help to tackle economic and educational inequalities