

THE IMPACTS OF COVID-19 ON EQUALITY IN SCOTLAND

EXECUTIVE SUMMARY

Purpose

This paper reviews emerging evidence on the impact of the COVID-19 crisis on equality across several key domains: health, economic, education, safety and security, social and wellbeing, housing, digital, and environmental. With Brexit on the horizon, the paper also considers the projected impacts of Brexit on equality and how these interact with COVID-19 impacts.

The paper is organised thematically and each section begins with a discussion of pre-existing inequalities, followed by a discussion on the impact of COVID-19 on inequalities, then concludes with a discussion of the impact of Brexit and other potential future impacts on inequalities. This thematic structuring should therefore allow readers to easily navigate directly to areas/topics of interest. However, it should be noted that many inequalities are interrelated – health inequalities exacerbate social and economic inequalities, for example, while societal and economic inequalities could impact on inequalities in physical and mental health and wellbeing.

The paper aims to be a useful reference document for policymakers thinking about the equality and Fairer Scotland impacts of their policies, as well as to help

inform the various recovery and renewal work being undertaken.

Key findings

It is now clear from emerging evidence that the impacts of the COVID-19 crisis arising from the direct and indirect effects of contracting the illness, as well as the lockdown measures put in place to control spread of the virus, are significant and unequal. While the pandemic and lockdown initially resulted in a twin public health and economic crisis, its effects transcend far beyond health and economics, with some impacts potentially having long term consequences.

Before the pandemic hit, there was already an inequality crisis across many domains such as income, wealth, living standards, labour market participation, health, education and life chances (chances of achieving positive outcomes and avoiding negative outcomes throughout the course of your life). Emerging evidence suggests that COVID-19 has exacerbated many of these pre-existing inequalities and exposed the vulnerability of some population groups to adverse shocks. The crisis has also drawn out more harshly the effect of deprivation as a spatial focus for multiple inequalities and poor outcomes.

Many experts suggest that without appropriate Government intervention, the COVID-19 outbreak is likely to widen inequality in the short, medium and long-term. In the short and medium term, many are concerned about health inequalities, with evidence

pointing to some groups being disproportionately more likely to be infected with the virus and to experience poor health outcomes, including in some cases death.

There are also concerns about the widening of economic inequalities, as some groups have been more affected by unemployment and reduced income. These effects are coming at a time when many households are still recovering from the harsh effects of the 2008 financial crisis and many years of austerity following the crisis, which left many households in challenging financial circumstances. In the longer term, there are concerns about the effect of the COVID-19 outbreak and ensuing lockdown measures on a range of life chances and future prospects or opportunities. Evidence suggests that some groups are more likely to experience negative effects in many different areas of their life, including in employment, future career prospects, educational opportunities, social outcomes and health and wellbeing.

In spite of its negative impacts, this crisis also presents some opportunities for positive change. For example, the increased acceptability and large scale roll out of remote working could be especially helpful for parents' employment. Currently women are the primary care-givers.

Despite the health and economic crisis presented by COVID-19, the UK has proceeded with Brexit preparations. While Brexit has already impacted negatively on the UK economy and living standards (e.g. the post-referendum inflation spike which held back the

growth of real incomes), more adverse impacts are expected post-transition. It is anticipated that it will have socioeconomic and legal impacts, among others, and that these may disproportionately affect some population groups such as those on low incomes, older people and disabled people. Thus, its effects will layer on top of COVID-19 impacts, with huge implications for some population groups who could be negatively impacted by both drivers, such as those on low incomes. The combination of pre-existing inequalities, layered with the impacts of COVID-19 and Brexit, could potentially result in challenging legacies of inequality if action is not taken. The ability of the Government to address these will be largely dependent on political will across reserved, devolved and local powers and the state of public finances.

Drawing on multiple evidence sources, we anticipate that the following groups will be disproportionately impacted by COVID-19 and Brexit:

Socio-economically disadvantaged people are more likely to experience poorer mental and physical wellbeing, lower life satisfaction, and feelings of loneliness, all of which either have already been impacted by COVID or are likely to be impacted by an economic downturn and increased poverty. Age-standardised death rates for COVID-19 have been twice as high for people living in the 20% most-deprived areas compared to the 20% least deprived areas. Delays in preventative services, diagnosis and treatment is likely to have long-term adverse impacts for many and these

will continue to emerge for some time. It seems likely that health inequalities could widen going forwards.

Socio economic disadvantage remains a key driver of poor attainment and evidence is pointing to the pandemic being highly likely to widen pre-existing educational inequalities, with children from better-off families spending more time on home learning and enjoying access to more resources. Adults in the most deprived areas and those with lower incomes are less likely to use the internet or to have home internet access. For many people who previously had internet access outside their homes this may no longer be available, at a time when this is more important than ever. The further digital technology develops – and this may well be sped up by the pandemic – the more difficult it may be for those who do not use it to ‘catch up’. Digital inequalities are also likely to continue to be impacted by other inequalities, such as in income and education (as well as impacting on them).

People on low incomes or who are unemployed and seeking work are more likely to be in the social rented sector. While the ban on evictions offers some temporary protection, paying missed rent back in the future may be challenging. The number of people at risk of homelessness could increase with the economic impacts of Brexit and COVID-19. People on lower incomes or living in more deprived areas often face worse impacts from air pollution and flooding, and face the greatest challenge in adapting to climate change. While the pandemic has brought about reductions in air pollution it is unclear whether we will see increased or

decreased commitment to tackling climate change going forwards.

People living in the most deprived areas and households on low incomes were least likely to be managing well financially before the crisis. Women, especially single women and those that are lone parents, minority ethnic households and disabled people are all more likely to live in poverty. IFS analysis suggests that those working in 'shutdown' sectors were already almost twice as likely to be in poverty. Despite unprecedented government fiscal interventions to support household incomes, the economic recession is already resulting in unprecedented levels of financial distress and hardship, particularly for those experiencing socio-economic disadvantage. This is exacerbated by already high economic inequalities. There will also be many families that will now find themselves pushed into poverty or at risk of it. Brexit may also result in job losses in specific low-paid or low-skilled sectors. In a vicious cycle, reductions in disposable income can also reduce people's access to the resources needed to seek higher-quality employment, undertake training, pay for childcare, or start a business. Any price rises resulting from a no-trade-deal Brexit will also disproportionately impact poorer households. Where there are increases in unemployment or reductions in income, fuel poverty is also likely to rise.

While the disproportionate impact of this economic crisis is falling on those with lower earnings, many higher-income households are saving money. In addition, some commentators have argued that the large-scale

government intervention designed to support household incomes and businesses will likely widen inequalities between the working poor and the asset-owning wealthy. Compounded by Brexit, the adverse economic impacts of the COVID-19 pandemic may very well lead to greater wealth and income inequality going forwards.

Children and younger people appear to have taken the hardest hit to their mental health during the pandemic, and this is likely to be further worsened by unemployment and missed education. Home learning appears to be most challenging for children and young people experiencing socio-economic disadvantage, and missed education risks creating a cohort of pupils who carry disadvantage throughout their lives. Any increase in poverty may also lead to widening educational inequalities going forwards. The long-term implications of Brexit on the higher education sector are currently unknown, but anecdotal evidence suggests that the sector is already experiencing a negative impact regarding collaboration in EU research projects and staff mobility.

Younger households were already more likely to be financially vulnerable or in debt before the pandemic. Younger people were less likely to be in employment, and for those who were, this was less likely to be secure. This, in combination with the fact that young people are more likely to be working in hard-hit sectors and in jobs more susceptible to automation, mean that they are especially vulnerable to unemployment and long-term employment 'scarring'. Rises in unemployment levels and falls in employment levels

have been larger for those aged 16-24 than any other age group, although claimant count rises for young people have been very similar to overall changes. Those leaving education or training this summer are also likely to be particularly badly affected and Brexit may further weaken younger people's job prospects. COVID-19 is already impacting young people's income and ability to afford housing and other essentials, and child poverty may rise due to a combination of job losses, rising living costs and the continued freeze on children's benefits and tax credits. It seems clear that without significant intervention, a long COVID-19 recovery risks worsening economic generational inequality. This is likely to be exacerbated by current younger and future generations being the ones to face the environmental and economic consequences of environmental degradation and/or efforts to combat this.

Older people continue to be at far higher risk of death from COVID-19. Missed healthcare could have long-term impacts for many older people, who are more likely to be in poor health, and the as-yet largely unknown long-term effects of contracting COVID-19 are also likely to disproportionately affect them. Any medication shortages as well as the predicted recruitment crisis in the NHS and social care sector resulting from Brexit will particularly affect older people. While loneliness (a subjective feeling) has risen across the population, older people appear to be at similar or lower risk of this compared to younger people. Older people may, however, be at greater risk of social isolation (an objective lack of social relationships or meeting socially)

since they are more likely to be shielding and less likely to use online communication.

Disabled people are experiencing higher death rates from COVID-19 according to data from England and Wales. Similar data is not currently available for Scotland. There is evidence that more disabled people in Great Britain are having their access to healthcare and treatment for non-coronavirus-related issues affected by COVID-19, and have had new or worsening health problems, which will have long-term impacts for many. Disabled people have faced disruptions to social care and the recruitment crisis in the NHS and social care sector resulting from Brexit will also particularly affect them. People with a long-term condition were significantly more likely to experience loneliness and social isolation before the pandemic, and many disabled people have been worried about becoming acutely isolated at this time.

Concerns have been raised about the impact of school closures on families with a disabled child, and that these might contribute to widening the disability attainment gap. It is anticipated that COVID-19 could impact disabled people's employment due to their higher share of employment in some shutdown sectors (e.g. distribution, hotels and restaurants); previous recessions have had a disproportionate negative impact on their labour market outcomes. Overall, disabled people are far less likely to be employed and may be less likely to have access to 'fair work'. However, if more jobs and education continue to be available at either a partly or fully work-at-home basis, this may make them more

viable for some disabled people. Disabled people are more likely to experience poverty and may be disproportionately impacted by the loss of social security coordination across EU countries.

People of minority ethnicities are experiencing the economic effects of this crisis harder, evidence suggests. They are more likely to work in some 'shut down' sectors, particularly hospitality, and less likely to have savings to rely on. Previous economic recessions have disproportionately impacted minority ethnic employment, and this may be repeated, with profound implications on future living standards and overall income and wealth equality. Adults of visible minority ethnicities are less likely to be employed than White adults – this is especially true for women – and may also be less likely to have access to 'fair work'. Any rise in the cost of living will affect asylum seekers disproportionately as they are not allowed to work while their application is being processed. On the other hand, as certain ethnic minorities are more likely to be key workers, any increase to key workers' pay or removal of the health surcharge will benefit them and could also help reduce gender inequality.

Deaths amongst people in the South Asian ethnic group in Scotland have been almost twice as likely to involve COVID-19 as deaths in the White ethnic group. There have been reports of an increase in hate crime in the UK against people perceived to be of Chinese, South Asian or East Asian ethnicities since the start of the COVID-19 pandemic, and research suggests that since the referendum many young Eastern European school

pupils living in Scotland and England have experienced racism and xenophobic attacks. Disruption to schooling may have a particularly negative effect on Gypsy/Travellers, and further exacerbate the considerable inequalities in educational outcomes that they already experience.

Women are experiencing significant mental health impacts from the pandemic and women in the UK continue to be more lonely than men. They are far more likely to report experiencing domestic abuse, as are younger people (16-24), and those living in the most deprived areas. Data from England and Wales also suggests that women of Mixed ethnicity, disabled women and those who lived in a single-parent household are more likely to report experiencing domestic abuse. There are indications that domestic abuse may be rising and/or intensifying during the pandemic, which will have significant negative impacts on health, social, housing, education and employment outcomes in many cases. There are reports of women entering or re-entering prostitution and commercial sexual exploitation as a result of current economic challenges. Women with the visa condition of 'no recourse to public funds' may be even more vulnerable to domestic abuse and this visa condition can make it difficult to access refuge accommodation. Language barriers, being of a minority ethnicity, being disabled and having complex needs can also make finding refuge accommodation harder.

A huge amount of research post-lockdown anticipated that adverse labour market effects ensuing from

lockdown measures would have a disproportionate longer term impact on women for a number of reasons. First, women account for higher employment shares in many 'shut down' sectors and those that are employed are more likely to work part-time, less likely to be in secure employment, earn less on average than men and are less likely to be eligible for sick pay, hence, a reduction in income due to job losses or furloughing may be particularly harmful. Women are also more likely to have caring responsibilities which may make it hard to maintain or take on employment. Evidence suggests that with school and nursery closures, housework and childcare has fallen more on women than men. While early labour market evidence suggests that so far, men have seen greater levels of inactivity, greater rates of furlough and reduction in hours worked, it is likely that women may still face larger negative labour market outcomes long term.

Women are also the vast majority of **lone parents** who, before COVID, were much more likely to be in debt and/or financially vulnerable. Evidence suggests that they are one of the groups on which the economic effects of this crisis are falling disproportionately. Households with only one earner are more exposed to the impacts of earnings reductions or losses and lone parents may be less likely to have someone to share childcare with, making paid work harder. Many more lone parents may be pushed into poverty in coming years. Half of single parent households are in the social rented sector, and while the ban on evictions offers some temporary protection, paying back missed rent

may be very difficult for many. Lone parents are also more likely to live in more deprived areas.

Post-Brexit, any roll-back in EU-derived employment protections for pregnant and part-time workers could adversely affect the capacity of pregnant women and mothers to stay in/enter the labour market. Around twice as many jobs held by women than men may be at risk of automation. If policies aimed at economic recovery and job stimulation are focused on 'green' sectors, based on current occupational segregation these may benefit men more than women. Periods of part-time employment or unemployment have long-term effects on pay and progression, and overall the fallout from the COVID-19 pandemic as well as Brexit may put pressure on both the gender employment gap and the gender pay gap in coming years. Women are more likely to live in poverty and more may be pushed into poverty, which in turn has negative impacts on outcomes in a range of areas.

From a more positive angle, UK data shows that while women have continued to spend more time than men on housework/unpaid work and childcare during COVID, the gender gap in time use has narrowed. Changes in social norms, employment flexibility and home working may affect the gender pay and employment gaps positively. As women are more likely to be key workers, any increase to their pay or removal of the health surcharge (for those affected) will also benefit them.

Men were twice as likely as women to have been admitted into the ICU with confirmed COVID-19 as of the end of June 2020, and age-standardised death rates

(which are adjusted for the age-structure of the population) were 45% higher for men than for women.

While in the population as a whole women are more likely to work in many shutdown sectors, across many minority ethnic groups, men are actually more likely to work in shut-down sectors than women. IFS research on the exposure of different workers to potential Brexit trade barriers has found that males with GCSE qualifications or below are more likely than women and more highly educated men to work in industries at extreme risk of facing new trade barriers with the EU post-Brexit. These tend to be older men with skills specific to their occupation who, history suggests, may struggle to find equally well-paid work if their current employment were to disappear.

While women are expected to face larger negative labour market outcomes longer term, early labour market evidence suggests that so far, men have seen greater levels of inactivity, greater rates of furlough and reduction in hours worked, which has impacted on their employment income. This immediate impact on males could be due to women being partly insulated from job losses through higher employment in education and health & social care and high rates of job losses in male dominated sectors such as construction. However, this may be temporary, as women could still face larger impacts longer term through being over-represented in part-time and insecure work. Ending of the two government employment support schemes could lead to more job losses in some shutdown sectors where women's employment dominates. A sustained weaker

labour market may also result in women being more vulnerable than men to job losses longer term, as well as making it more challenging to find employment.

A succinct summary of key impacts by population group is also available at Annex A.

An intersectional approach is essential. It is important to note that many of these groups overlap, for example women, disabled people and those of many minority ethnicities are all more likely to be low earners; there are more older women than men; minority ethnic people are younger than the White population on average; and the vast majority of lone parents are women. Emerging evidence strongly suggests that COVID-19 is exacerbating pre-existing inequalities therefore it is vital that COVID-19 response, recovery and renewal efforts take account of overlapping disadvantage.

Annex A: Summary of Anticipated Key Impacts by Population Group

Equality Dimension	Factor	Summary Issue
Socio-economically disadvantaged	Health inequalities could widen	<p>Age standardised death rates for COVID-19 have been twice as high for people living in the 20% most-deprived areas compared to the 20% least deprived areas.</p> <p>Delays in preventative services, diagnosis and treatment is likely to have long-term adverse impacts for many and these will continue to emerge for some time.</p> <p>More likely to experience poorer mental and physical wellbeing, lower life satisfaction and feelings of loneliness, all of which either have already been impacted by COVID</p>
	Attainment gap could widen	Socio-economic disadvantage remains a key driver of poor attainment and evidence is pointing

		<p>to the pandemic being highly likely to widen pre-existing educational inequalities.</p> <p>Adults in the most deprived areas and those with lower incomes are less likely to use the internet or to have home internet access impacting on education but also other areas of life.</p>
	<p>High economic inequalities may persist or even widen.</p>	<p>Despite unprecedented government fiscal interventions to support household incomes, COVID related economic recession is already resulting in unprecedented levels of financial distress and hardship.</p> <p>Brexit may also result in job losses in specific low-paid or low-skilled sectors.</p> <p>In a vicious cycle, reductions in disposable income can also reduce people's access to the resources needed to seek higher-quality employment, undertake training, pay for childcare etc.</p>

		The number of people at risk of homelessness could increase with the economic impacts of COVID-19 and Brexit. Any price rises resulting from a no-trade-deal Brexit will disproportionately impact poorer households. Where there are increases in unemployment or reductions in income, fuel poverty is also likely to rise.
Age (Children and Young People)	High impact on current and future mental health	Younger people appear to have taken the hardest hit to their mental health during the pandemic, and this is likely to be further worsened by unemployment and missed education. Any increase in poverty may also lead to widening educational inequalities going forwards.
	Negative impact on learning	Home learning appears to be most challenging for children and young people experiencing socio-economic disadvantage, and missed education could be creating a cohort of pupils who carry disadvantage throughout their lives.

	Economic scarring for young people	Young people leaving education or training this summer are likely to be particularly vulnerable to unemployment and long-term employment 'scarring'. Brexit may further weaken younger people's job prospects. COVID-19 is already impacting young people's income and ability to afford housing and other essentials, and child poverty may rise due to a combination of job losses, rising living costs and the continued freeze on children's benefits and tax credits.
Age (Older people)	High deaths	Older people: continue to be at far higher risk of death from COVID-19. Missed healthcare could have long-term impacts for many older people, who are more likely to be in poor health. Any shortages in medication resulting from Brexit, as well as the predicted recruitment crisis in the NHS and social care sector, will particularly affect older people.
	Increased risks of loneliness	Older people may be at greater risk of social isolation (an objective lack of social relationships or meeting socially) since they are more likely to

		be taking enhanced physical distancing precautions and less likely to use online communication.
Disabled people	Significant disruptions to health and care	Disabled people: have faced disruptions to health and social care through lockdown and the recruitment crisis in the NHS and social care sector predicted to result from Brexit will also particularly affect them.
	More likely to experience loneliness	People with a long-term condition were significantly more likely to experience loneliness and social isolation before the pandemic, and many disabled people have been worried about becoming acutely isolated at this time.
	Attainment gap may have been heightened	Concerns have been raised about the impact of school closures on families with a disabled child, and that these might contribute to widening the disability attainment gap.
	Gaps in employment participation may	It is anticipated that COVID-19 could impact disabled people's employment due to their higher share of employment in some shutdown sectors (e.g. distribution, hotels and restaurants);

	widen and reduce incomes	previous recessions have had a disproportionate negative impact on their labour market outcomes.
	May be negatively impacted by loss of EU protections,	Disabled people are more likely to experience poverty, and may be disproportionately impacted by the loss of social security coordination across EU countries after Brexit.
Race	Gaps in employment participation and progression may widen increasing poverty.	<p>People of minority ethnicities: are experiencing the economic effects of this crisis harder, evidence suggests. They are more likely to work in some 'shut down' sectors, particularly hospitality, and less likely to have savings to rely on .</p> <p>Any rise in the cost of living will affect asylum seekers disproportionately as they are not allowed to work while their application is being processed. People with no recourse to public funds will also be profoundly vulnerable.</p>
	Increased risk of serious illness or	Deaths amongst people in the South Asian ethnic group in Scotland have been almost twice as

	death from COVID	likely to involve COVID-19 as deaths in the White ethnic group.
	Increases in hate crime	There have been reports of an increase in hate crime in the UK against people perceived to be of Chinese, South Asian or East Asian ethnicities since the start of the COVID-19 pandemic.
	Reduced educational attainment for certain groups	Disruption to schooling may have a particularly negative effect on Gypsy/Travellers, and further exacerbate the considerable inequalities in educational outcomes that they already experience.
Sex (Women)	Increased negative mental health impacts	Women: are experiencing significant mental health impacts from the pandemic and women in the UK continue to be more lonely than men.
	Increased domestic abuse and commercial sexual exploitation.	They are far more likely to experience domestic abuse and there are indications that this may have been rising and/or intensifying during the pandemic. There are also reports of women entering or re-entering prostitution and commercial sexual exploitation as a result of current economic challenges

	<p>Long term impact on gender equality in the labour market</p>	<p>Adverse labour market effects ensuing from lockdown measures likely to have a disproportionate longer term impact on women: as they dominate in many ‘shut down’ sectors and those that are employed are more likely to work part-time, less likely to be in secure employment, earn less on average than men and are less likely to be eligible for sick pay, hence, a reduction in income due to job losses or furloughing may be particularly harmful.</p> <p>Women are also more likely to have caring responsibilities which may make it hard to maintain or take on employment. Evidence suggests that with school and nursery closures, housework and childcare has fallen more on women than men. Post-</p> <p>Brexit, any roll-back in EU-derived employment protections for pregnant and part-time workers could adversely affect the capacity of pregnant</p>
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		<p>women and mothers to stay in/enter the labour market.</p> <p>COVID-19 presents some opportunities for positive change. The increased acceptability and roll out of remote working could be helpful for parents' employment</p>
	Lone parents will have been disproportionately impacted	Women are also the vast majority of lone parents who, before COVID, were much more likely to be in debt and/or financially vulnerable. Evidence suggests that lone parents are one of the groups on which the economic effects of this crisis are falling disproportionately.
Sex (Men)	More likely to have serious illness from COVID	Men: were twice as likely as women to have, been admitted into the ICU with confirmed COVID-19 as of the end of June 2020, and age-standardised death rates were 45% higher for men than for women.
	Loss in employment for men	Recent and early labour market evidence suggests that so far men have seen greater levels of inactivity, greater rates of furlough and

		<p>reduction in hours worked, with implications for their employment income.</p> <p>Brexit also likely to hit many industries dominated by men including agriculture, fishing, distribution.</p> <p>Short term this could be due to women being partly insulated from job losses through high employment in education and health & social care and high rates of job losses in male dominated sectors such as construction. However, this may be temporary, as women could still face larger impacts longer term through being over-represented in part-time and insecure work.</p> <p>COVID-19 presents some opportunities for positive change. For example, the increased acceptability and large scale roll out of remote working could be especially helpful for parents'</p>
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		employment helping men to increase their role as primary care-givers.
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