



Covid-19 and Poverty in the UK

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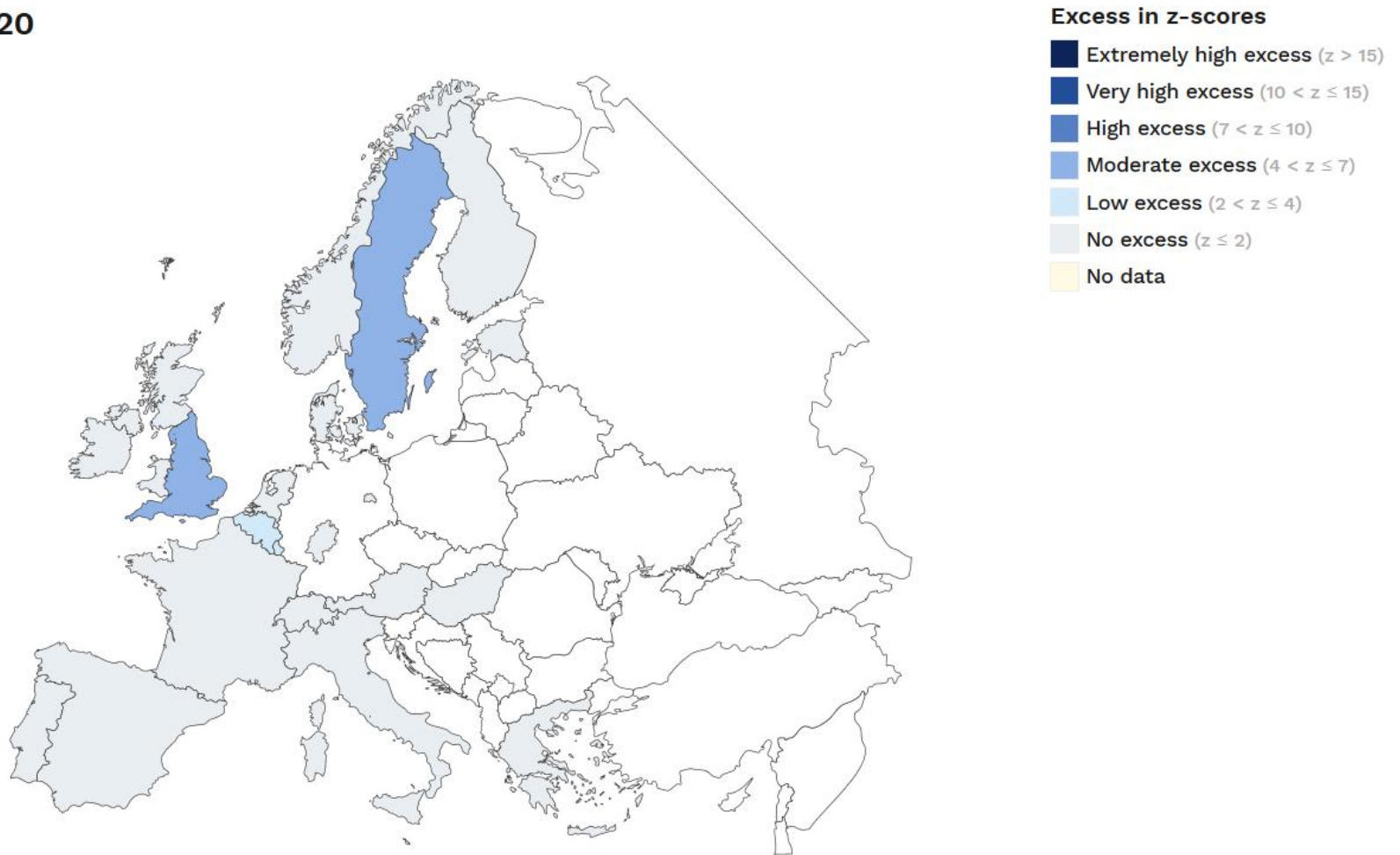
Bristol Poverty Institute COVID-19 Webinar series:

[Poverty Dimensions of the COVID-19 pandemic in the UK](#)

11th June 2020

Excess Deaths in Europe During 18th to 24th May, 2020

Week 21, 2020



Poverty and Pandemics

Bioarchaeological research has shown that, even in pre-industrial societies, the people at greatest risk during pandemics were:

“often those already marginalized—the poor and minorities who faced discrimination in ways that damaged their health or limited their access to medical care.” (Wade, 2020, p700).

Industrialisation did not alter the differential impact of pandemics on the poor, in 1848, Rudolf Carl Virchow argued in his report into the Typhus epidemic in Upper Silesia that:

“there can now no longer be any doubt that such an epidemic dissemination of typhus had only been possible under the wretched conditions of life that poverty and lack of culture had created in Upper Silesia. If these conditions were removed, I am sure that epidemic typhus would not recur.” (Virchow, 1848).

Death and Deprivation in the UK

Death Rates from Covid-19 infections were twice as high in the poorest areas of the UK than in the richest areas during March and April 2020 (ONS, 2020).

In England, the Standardised Mortality Rate (SMR) involving Covid-19 in the most deprived areas was 55.1 per 100,000 compared with 25.3 in the least deprived areas.

In Wales, it was 44.6 deaths per 100,000, compared with 23.2 deaths per 100,000.

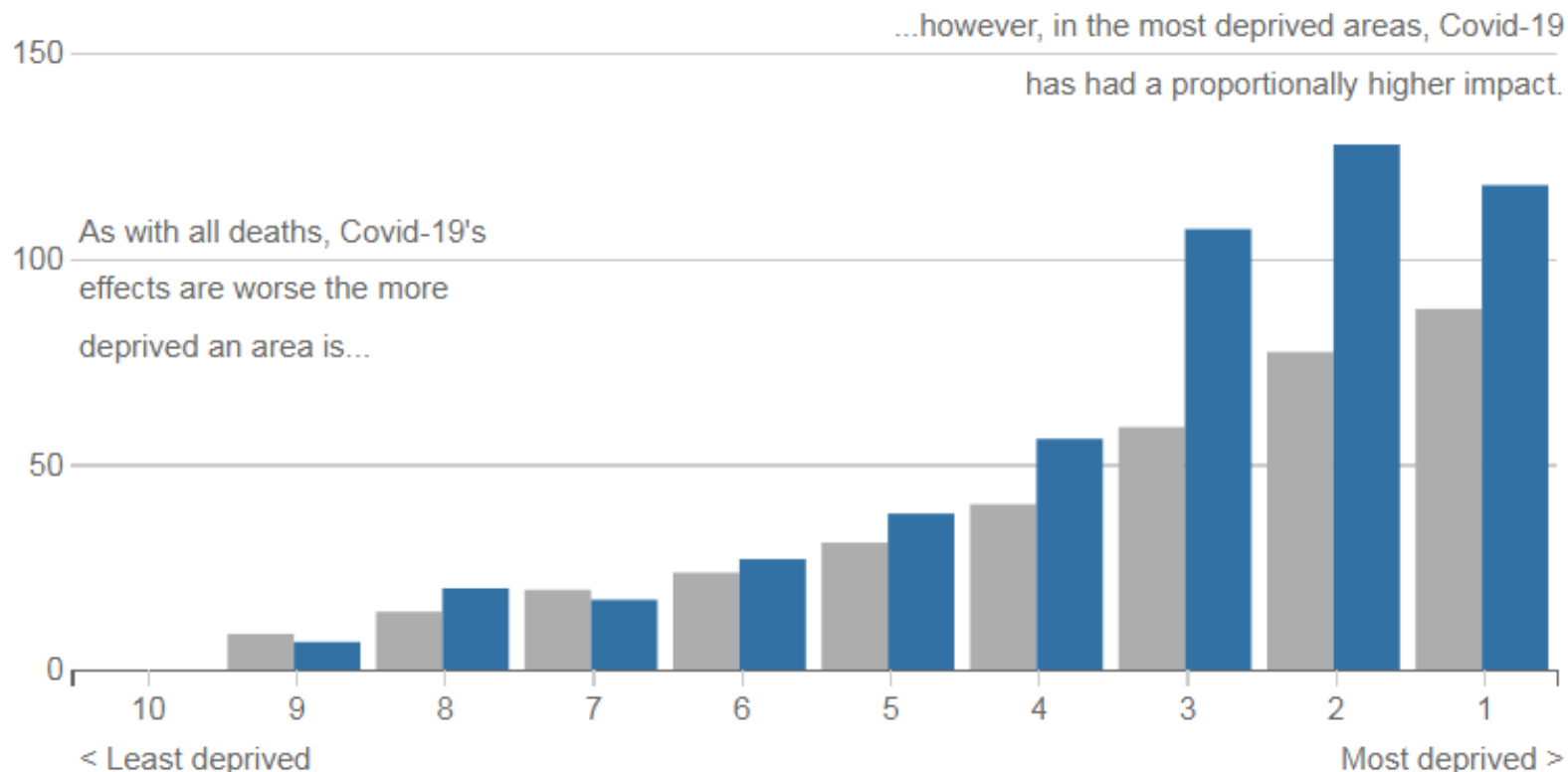
In Scotland, it was 86.5 per 100,000, compared with 38.2 deaths per 100,000.

Similarly, high morbidity and hospitalisation rates in deprived areas were found amongst the 2.2 million British participants who used the *Covid Symptom Tracker App* (Bowyer et al, 2020) and amongst the 500,000 middle aged participants enrolled in the Biobank study in England (Patel et al, 2020).

Standardised Mortality Rates of Deaths Involving Covid-19 in England (1st March to 17th April 2020) by Area Deprivation Deciles (IMD)

All deaths
 Covid-19 deaths

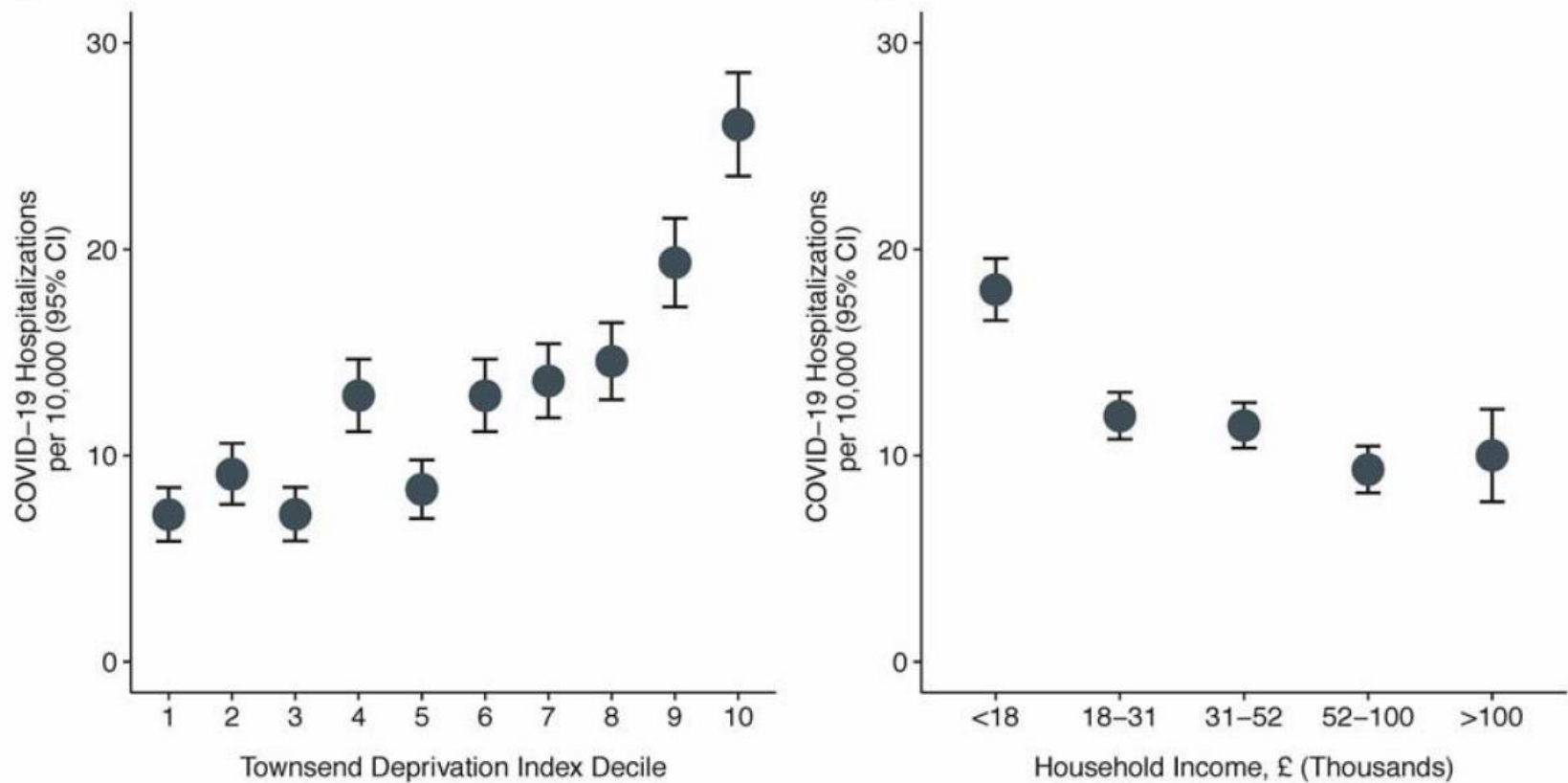
Death rate as a % difference from the least deprived decile



Source: ONS (2020)

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsinvolvingcovid19bylocalareasanddeprivation/deathsoccurringbetween1marchand17april>

Hospitalisation Rates for Covid-19 Infections by Townsend Deprivation Index and Pre-tax Household Income Amongst the 0.5 Million Biobank Participants in England



Source: Patel, A.P., Paranjpe, M.D., Kathiresan, N.P., Rivas, M.A. & Khera, A.V. (2020) Race, Socioeconomic Deprivation, and Hospitalization for COVID-19 in English participants of a National Biobank. *medRxiv*, <https://doi.org/10.1101/2020.04.27.20082107>

People in Poor Areas are More Likely to get a Covid-19 Infection

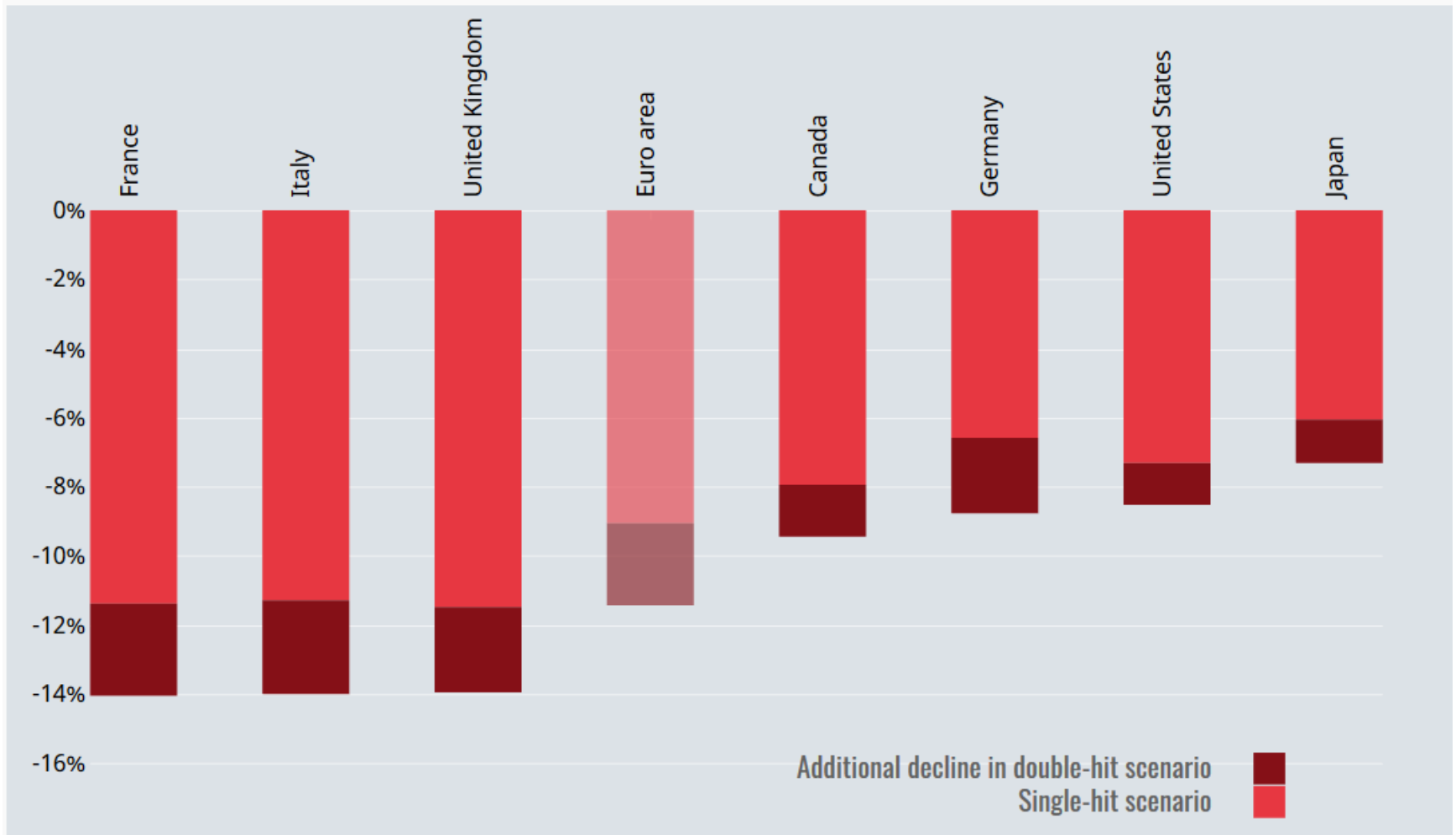
There are a range of reasons:

- 1) They are more likely to be key workers (for example, care assistants, shop assistants, building workers, bus drivers, delivery drivers, etc) so they are more likely to come into contact with infected people than those in richer areas who may be able to work from their homes.
- 2) Many key worker jobs are low paid and therefore these key workers often live in deprived areas. People in deprived areas are more likely to have to rely on public transport than people in richer areas and thus come into contact with more infectious people.
- 3) They are also more likely to have worse internet connections and not be able to afford the premium on grocery home delivery services so will need to go out to shop for food more often than people in richer areas.
- 4) Deprived areas tend to have higher population densities than richer areas therefore people in these areas are more likely to have contact with an infected person when they leave their homes for exercise, medical care, food shopping, etc. The higher the population density the more difficult is maintaining social distancing.

Poor People are More Likely to Die from a Covid-19 Infection

- 1) There is a higher risk of severe disease and death from a Covid-19 infection if you have underlying health condition such as hypertension, diabetes, cardiovascular disease, chronic respiratory disease and cancer.
- 2) People in deprived areas are more likely to suffer from these particular underlying health conditions than people in richer areas, for a range of reasons, such as greater pollution levels, greater stress levels, greater inflammation levels, greater risk of *H. Piori* infections in childhood, etc.
- 3) The Inverse Care Law unfortunately still affects the health service – the quality of health care is often inversely related to health need, i.e. deprived areas on average have worse health care than richer areas.

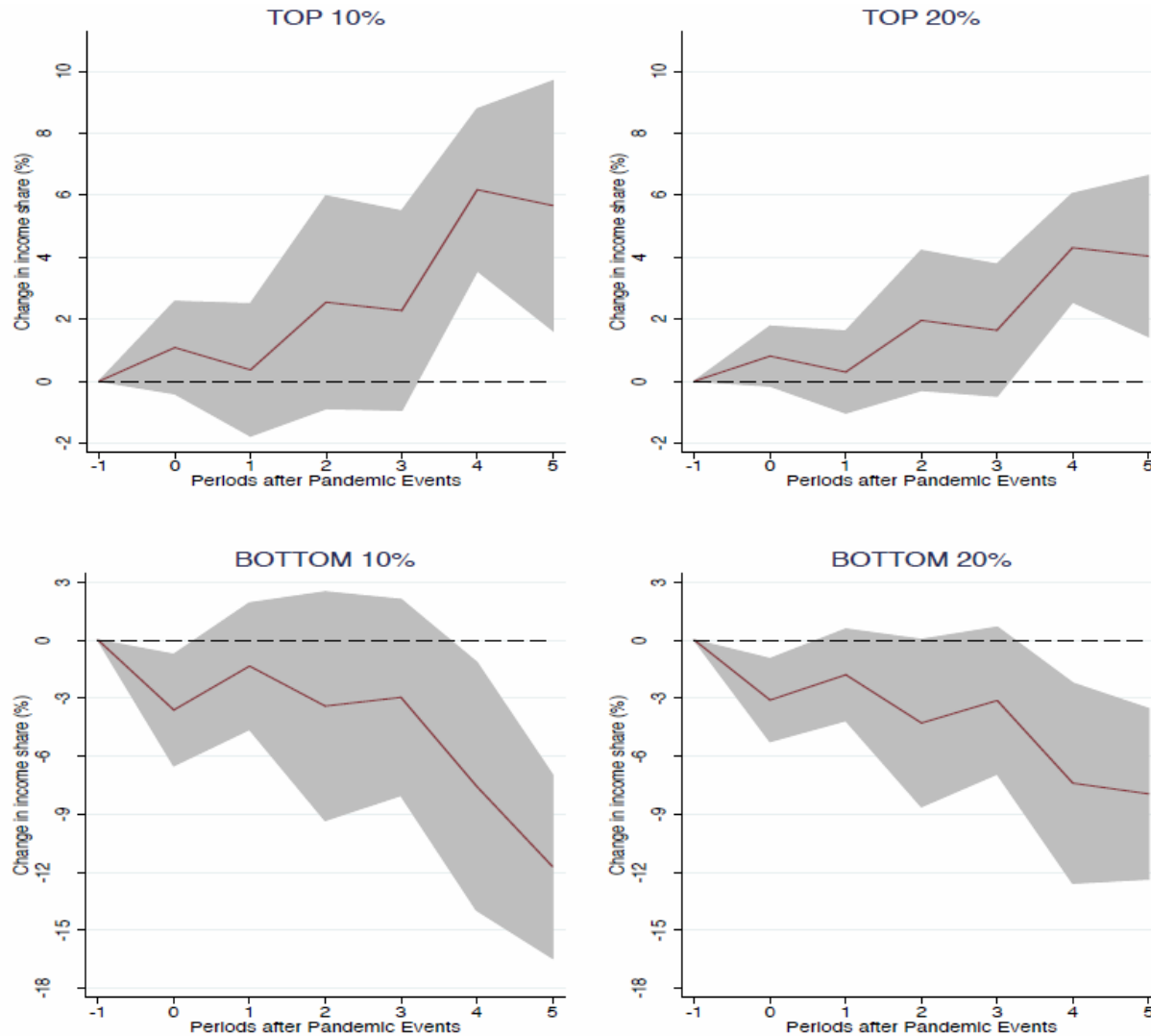
Projected Change in Real GDP in 2020



Source: OECD (2020) Global economy faces a tightrope walk to recovery. <http://www.oecd.org/newsroom/global-economy-faces-a-tightrope-walk-to-recovery.htm>

Average impact of the last five epidemics on Inequality: Income shares of the richest and poorest in 64 Countries

(SARS in 2003, H1N1 in 2009, MERS in 2012, Ebola in 2014 and Zika in 2016)



'Periods' are years before & after the epidemic

Source: Furceri et al, (2020) Will Covid-19 affect inequality? Evidence from past pandemics. *Covid Economics*, 12, 138-157

The Impact of Covid-19 on Current Levels of Poverty in the UK

The Food Foundation Survey found that 4.9 million adults are currently food insecure compared with 2 million pre-lockdown - 1.7 million children live in these households.

A Resolution Foundation Coronavirus Survey found that 33% of employees who were in the bottom quintile of weekly earnings before coronavirus have experienced furloughing, job loss or hours reductions associated with reductions in pay, compared with 15% in the top quintile.

The estimated effect of a two month lockdown followed by six months of partial functioning of some activities (80% of capacity) is that poor people in the UK would lose on average over 25% of their income and that the relative income poverty rate (AROP) would increase to 38% - a 12% increase on the pre-Coronavirus rate.

Sources: Food Foundation YouGov Survey 14th-17th May in UK. <https://foodfoundation.org.uk/vulnerable-groups/>
Brewer, M. & Gardiner, C. (2020) *Return to spender: Findings on family incomes and spending from the Resolution Foundation's coronavirus survey*. London, Resolution Foundation
Palomino, J.C., Rodríguez, J.G. & Sebastian, R. (2020) Wage inequality and poverty effects of lockdown and social distancing in Europe. *Covid Economics*, 25, 186-229.

Conclusions

- The Covid-19 pandemic may increase inequality and relative poverty in the UK to levels not seen since before the introduction of the Welfare State in 1948.
- Twice as many poor people are being hospitalised and dying of Covid-19 infections than rich people (after adjusting for age and gender).
- At present, the UK Government has no policies which attempt to reduce these inequalities in severe Covid-19 infections and death rates.
- At present, the UK Government has no post furlough policies designed to reduce the likely increases in inequality and poverty resulting from the economic impact of the pandemic.