

SOCIETY

THOSE MOST NEGATIVELY IMPACTED BY COVID-19

ALTHOUGH ANYONE IS AT RISK, SOME GROUPS ARE MORE SUCEPTIBLE TO THE EFFECTS OF COVID-19 THAN OTHERS





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This is a preprint from the book "Sweden Through the Crisis", to be published in the fall by SIR, Stockholm School of Economics Institute for Research. andemics might seem the archetypal leveller. At a time when there are no vaccines or other means but quarantine and self-isolation to fend off the virus, it's easy to see that it might strike blind. Indeed, no-one can count on being unaffected: anyone can contract it and there is no short-cut to recovery. Nature will have its way.

That, however, is at least in part an illusion. As an increasing flow of research makes evident, neither the pandemic itself (e.g., 6, 11) nor the societal changes that follow in its train are anything but equitable. Age, family structure, civil status and being an immigrant or belonging to a minority group are factors that increases the risk of complications when contracting COVID-19, as are a range of adverse underlying health conditions including chronic lung diseases, diabetes, serious heart conditions and severe obesity. And while exposure itself might imply similar risks of contracting the virus, once the virus has reached a given host exposure has a strong socio-economic component.

Thus, weak socio-economic status typically implies disproportionally higher rates of underlying health conditions that have shown to heighten susceptibility to and severe effects from this virus. Similarly, many members of underprivileged socio-economic groups are quite simply more at risk of not being able to stay out of the way. Cramped living conditions, such as in multigenerational households where social distancing cannot be exercised, are a case in point. By virtue of their occupation, so-called essential workers such as in transportation, food and health care belong to those most severely exposed, but so do those that cannot afford to stay away from jobs they might have. Lack of sick leave benefits, insecure jobs and the impossibility of carrying out one's duties from home conspire to make segments of the population more exposed than others.

Thus, once the pandemic strikes, its adverse non-health effects are likewise inequitably distributed. Gender-wise, the economic downturn caused by the pandemic is heavily skewed against women, in particular when a lockdown is enforced (e.g. with respect to the US, 2). By occupation or employment status, it is equally tilted to the disadvantage of new hires, those with irregular or unstable employment relationships and those in low income occupations (e.g. 1, 9 on Germany, the US and the UK). A locked down society is likely to see many a service job, such as those in tourism, restaurants, hospitality and transport, disappear – temporarily or for good – with employees in bricks-and-mortar retail being another sector severely at risk. It goes without saying that those in the gig economy might be particularly vulnerable, along with those dependent on tipped wages. To the extent that precarious or low income jobs are unequally distributed across the population, for instance by ethnicity and race, by residential status, because of disabilities or by education, the various dimensions of socio-economic status become important correlates and perhaps determinants of adverse outcomes.

In all these respects, there are noticeable commonalities across countries facing the pandemic. Yet by virtue of the nature of strategies adopted (such as lockdowns and social distancing), the sectoral composition of the economy, the manner in which labour markets work and the extent to which social safety nets are generous and inclusive, there will also be national specificities in how both the health effects of the pandemic and their impact on the economy play out.

In this respect, and at least during the early stages of the pandemic (March–May 2020), Sweden stands out. There is even talk of the "Swedish solution", which has attracted some positive commentary (8) but still more criticism. However, it is not only by virtue of being less keen than most on imposing a lockdown, but also the nature of its welfare benefits and the manner in which the neo-corporatist labour market arrangements work that contribute to a situation in Sweden that in part is similar, in part very dissimilar from its peers.

One particularly noteworthy aspect of Sweden's specific institutional set-up is the consequences in terms of who is most at risk. By industry, Sweden is not very dissimilar from most other economies and this is also reflected in the early effects of furloughs and outright job losses that far exceed the rate lost during the financial crisis a decade ago (4). Tourism and hospitality (alone accounting for 31% of all notices of termination), airlines and other transportation providers, business services, manufacturing, parts of retailing and all manner of "high touch" services belong to those that have seen the the greatest number of notices and furloughs (5). Agewise, the young can be added to the list, in Sweden as elsewhere. Yet its peculiar form of a dual labour market (and all economies, it seems, have some form of such a dual labour market) clearly puts one particular group at risk, and then not merely for the duration of the pandemic but in all likelihood for years to come.

This is the newly arrived. Immigrants and refugees stand out. As in most countries, the integration of immigrants into the labour market differs depending on country of origin, educational and professional status and, equally unsurprisingly, the reason for making the move. Generally speaking, Sweden is not performing noticeably poorly in this respect. OECD statistics suggest that Sweden belongs to the top quartile amongst member countries as far as labour market participation rates amongst immigrants are concerned, ahead not just of its Nordic neighbours but also ahead of for instance Canada, USA and the UK (10).

Even so, immigrant labour market participation has for a long time been a hotly debated issue in Sweden (3, 7) in no small measure because participation rates fall much behind the natives. That is particularly true of refugees as opposed to other immigrants and there are also pronounced differences along dimensions such as gender and geographical origin (ethnicity not being recorded in Swedish statistics). Our point, however, is that the indirect impact on the most vulnerable to the corona virus is more long term and can prove to be politically, socially and economically unsustainable to Sweden as a society. We know that immigrants, many of whom already live precariously, are also overly represented in the industries that are being hit directly and hardest, namely the hotel, restaurant and service industries. Our research project funded by Formas on the integration of immigrants in the hospitality sector shows that immigrants in what has been termed the precariat class (12) are over-represented in these industries either as small business owners or employees on short-term hourly contracts that are quickly being made redundant. Before the pandemic, immigrants were at least three times more often unemployed than those born here. The aftermath of the coronavirus will likely prove to exponentially increase those numbers.

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