The new inequalities and people-to-people social protection

Nora Lustig (Tulane University) and Nancy Birdsall (Center for Global Development) March 30, 2020

The lockdowns throughout the world are creating a new type of brutal inequality: between those who continue to have a steady source of income and those who do not. The latter group includes not just the already poor but the millions across the world who are now at risk of falling out of the middle class: laid-off workers whose unemployment checks will not cover the rent, drivers, small business owners, contract workers, performing artists, the child care workers at-home parents don't need and cannot now afford. The latter are those, in the rich and in the emerging market economies at least, that provide the ballast, the invisible glue, that holds societies together.

Governments are implementing new, emergency programs of social protection, but the traditional approach will not be enough, and cannot happen quickly enough in most countries for most people. The pandemic calls for new thinking about social protection, beyond what governments, large corporations, large foundations and individual philanthropists can do.

Consider what people are already doing themselves who are on the lucky side of the steady income divide, as individuals and in their neighborhoods and communities. We call what they're doing people-to-people social protection.

People are paying their housekeepers, babysitters and gardeners who are not working because of social distancing. They are tipping generously when they buy takeout and purchasing gift cards to support their local restaurants; in Gainesville, Florida, people can leave tips to support their favorite restaurants in <u>"A Virtual Community Tip Jar"</u>. This approach can be taken further: You can tip delivery people and trash people as if it were Christmas; and you can pre-pay your plumber, car mechanic, dry cleaner, and barber or hair stylist.

People-to-people social protection can also be about sharing the pain. In non-profit service providers and small businesses, employees can negotiate temporary salary cuts to maintain a full work force, at least for staff above a certain income level.

Do you have a skill to donate virtually for those whose classes are cancelled, e.g. teaching English as a foreign language in the US, or German to Syrian migrants in Germany? City people can leave nonperishable food they don't plan on eating in a plastic bag in front of their buildings so the homeless may have access to them. Do your children's teachers have students who need materials you can purchase online for direct delivery?. If you are a landlord with a tenant who lost her job, consider a no-interest loan.

People-to-people social protection is not only about money inequality. In addition to a new inequality in the income dimension, there is inequality in terms of scarce access to protective gear. People are leaving a package of protective gloves for their mailwoman and UPS delivery man; or on top of their garbage pails for the garbage pickup workers.

Of course, there is the inequality in terms of how the disease is particularly vicious with the elderly and those with prior underlying conditions. If you are young and know people in this group live in your building or your neighborhood, you can offer to buy food and prescription drugs for them so they avoid exposure. And there is a vast inequality in terms of availability of time. Families with small children have time for nothing else while many of the rest are looking for ways to pass time. Those rich in time can offer to tutor or read stories to neighbors' children using Zoom or Skype.

People-to-people social protection takes what is normal within families and extends it beyond. Above are things you can do for your neighborhood shops and the people that work for you in normal times.

What can we do for the poorest and most vulnerable such as the homeless, street children, and those living in slums in your city, your country and around the world? This is the moment to increase regular donations to NGOs and charities or start giving if you are in the group who did not before.

Of course, people-to-people social protection cannot substitute for what local and national governments do and must do for the newly vulnerable as well as chronic poor. (And local governments are innovating too; New York City is helping settle the homeless in otherwise-empty hotels, where they can practice social distancing. <u>https://thecity.nyc/2020/03/nyc-sends-homeless-other-coronavirus-patients-to-hotels.html</u>) A permanent and efficient social safety net in the end has to be the task of government. Still, in this moment of crisis, people-to-people direct support is a form of collective action that can fill in the gaps, and can foster the solidarity and trust that is key to citizens' support for more comprehensive publicly financed social protection for the next crisis.

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