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IMF Working Paper

Pandemics and Inequality: Perceptions and Preferences for Redistribution

by Vybhavi Balasundharam and Era Dabla-Norris

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I N T E R N A T I O N A L M O N E T A R Y F U N D

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Asia and Pacific Department

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Abstract

This paper uses an individual-level survey conducted by the Edelman Trust Barometer in mid-April for 11 advanced and emerging market economies to examine perceptions of government performance in managing the health and economic crisis, beliefs about the future, and attitudes about redistribution. We find that women, non-college educated, the unemployed, and those in non-teleworkable jobs systematically have less favorable perceptions of government responses. Personally experiencing illness or job loss caused by the pandemic can shape people's beliefs about the future, heightening uncertainties about prolonged job losses, and the imminent threat from automation. Economic anxieties are amplified in countries that experienced an early surge in infections followed by successful containment, suggesting that negative beliefs can persist. Support for pro-equality redistributive policies varies, depending on personal experiences and views about the poor. However, we find strong willingness to provide social safety nets for vulnerable individuals and firms by those who have a more favorable perception of government responses, suggesting that effective government actions can promote support for redistributive policies.

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Keywords: COVID-19, inequality, perceptions, government, political economy

Author's E-Mail Address: ybalasundharam@imf.org; edablanorris@imf.org

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