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Jack Reaney
Denison University

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Rebuilding Economic Foundations for a Stronger Future

Jack Reaney

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“Sometimes, you need a good earthquake to show you what’s earthquake-proof.”

—Anonymous

Earthquakes do more than just crumble foundations. These disasters are a complete shake-up; they exploit and emphasize the existing structural weaknesses. Under the attentive spotlight which follows those moments of great drama, they reveal the deeper complications which might have otherwise appeared later on. When architects, engineers, and city planners are forced to face the destructive wakes of tremendous quakes, they are better positioned to recognize and address the rotten roots of the rubble. That same disruption applies to the study of pandemics, famines, and all other economic disasters. One fact perpetuates those topics; even if a threat is “non-selective” by nature, institutions, power figures, and social norms tend to direct the worst impacts toward less-privileged groups, who then suffer in higher proportion. Afterwards, authorities can decide whether their society chooses to address certain fundamental disparities. But in a democratic society, at least, the scores of impact-analyses should highlight the truth: like poorly-built homes that crumble when shaken, disadvantaged groups will

somehow be affected by disasters in different, unfair ways. The COVID-19 pandemic is a modern reminder that when populations throughout history are struck by disaster like the infamous Black Death, the ensuing research might reveal underlying trends of economic inequality and demographic inequity, which could serve as an impetus for positive change and explain beneficial disruptions to obsolete norms.

I will discuss three historical phenomena derived from research of the Black Death: the advancement of women in labor systems, the pattern of governing bodies to protect elitist power, and the societal tendency to use panic to target and scapegoat vulnerable groups. These issues connect to COVID-19 because women were—alongside every group *except* educated, white males—particularly shocked by the social and economic chaos of pandemic which suggests there is work yet to be done in the name of equal opportunity. Furthermore, the existing social safety net was not yet prepared to handle that unequal distribution of hardship or mental health challenges from isolation. Finally, I note that “Asian hate” emerged as an alarming reminder that American education and media is still failing to build a national ideology based in truth and fact.

Before discussing these narratives, it’s important to acknowledge that post-disaster research may not *always* reveal systematic flaws related to class, race, gender, etc. which are useful for societal growth. In the case of Cholera, for example, the disease was non-selective—anyone exposed faced the same risk. It was even less selective than most pathogens, because the

cause of spreading was unknown and somewhat random. Epidemiologist John Snow eventually confirmed his suspicion that Cholera transmitted through the infection of local water sources—water being an essential resource for all socioeconomic classes, this disease did not select the poor (Ambrus et. Al 482). Ironically, income-shocks from the cholera outbreak created long-term problems; the affected area suffered depressed rent-prices and reinforced the condensation of urban poverty, as struggling neighbors applied negative externalities to the blocks as a whole and five percent of families plunged into poverty (476). Cholera could be seen as a disaster which created long-lasting problems rather than illuminate existing ones.

Another important note is that these eye-opening studies might not appear until long after all eyes have closed in those affected historical populations. In the last century, we have used more efficient analytical tools—and researchers with unprecedented time and resources—to learn more about historical disasters than the original affected populations ever possibly could have due to constraints of technology, communication, medical science, and other developments. Conclusions from recent studies of the Black Death, for example, might have been useful in the 14th century, but they did not exist; thus, they saved zero lives and enabled no immediate ideas which could have informed economic disruptions which followed. But with regards to current and future disasters like COVID-19, we can expect a furious hunt for near-instantaneous and equitable data insights; we can expect unintended cross-sections of the

socioeconomic playing field; we can expect that in a functioning democratic society—and I hope we can *expect* a functioning democratic society—access to information mobilizes positive change.

The Black Death serves as an excellent example of how an exogenous shock can disrupt institutional norms. European labor systems dissolved, “fundamentally [changing] the balance of power between men and women and between generations” (De Moor 14). Jedwab, Johnson, and Koyoma explain that aggregate demand plummeted (10); “Crops went unharvested, and building projects stopped” (8). (This sounds familiar to the age of COVID-19 when industrial activity was halted to a point where even the price of *oil* went negative.) Religious institutions became increasingly top-heavy, as struggling low-class worshippers banded into movements of reform. Unorthodox groups that sparked during the Black Death wrote an important prologue to the Protestant Reformation, a crucial historical pivot which swept through Europe in the 1500s, challenging Roman Catholicism (Jedwab et. al 39). Economies and religious institutions were disrupted, and modern studies show that those decaying landscapes were conducive to change.

For example, the European world may have been *ready* to redefine gender roles and expectations. Researchers disagree on whether the European Marriage Pattern (EMP) emerged from, or was reinforced by, the Black Death. But both views overwhelmingly argue that the Black Death conducted the rise of the EMP in the 15th century, which destabilized traditions of a male-focused economy and early marriage for women. Female

populations gained bargaining power, according to De Moor and Van Zanden. Female presence in the workforce rose as well as their average wage (14). Women finally controlled significant wealth, saving to support future families rather than being attached to their estate and marrying according to their inherent value, before immediately accepting the arduous cycle of fertility (15). Perhaps to fill vacancies in decimated urban populations, young men and women began engaging in labor migration which also delayed marriages (15). These socioeconomic shifts paralleled changes in the agricultural standard; Nico Voigtländer and Hans-Joachim argue that especially in Northwest Europe, production shifted “from corn to horn” as a Malthusian rise in living standard enabled wider demand for animal products which had been considered luxury goods before the Black Death (Voigtländer 2254). All of these changes happened fast in pre-industrial terms, building a stronger, earthquake-proof foundation and re-wiring the path of least resistance which helped conduct the Great Divergence.

It must be noted that the Great Divergence is remembered as a period of vast growth and progress, when Western Europe adopted new cultural philosophies and economic practices (such as the EMP and pastoral farming). Some regions of Eastern and Southern Europe lagged behind and “missed out” on the fruits of this progress; the integration of women into positions of relative power allowed for a more efficient division of labor, in purely economic terms, and likely increased societal enlightenment and morale. The Great Divergence

is valuable evidence on a global scale, useful for female-labor advocacy groups to undermine the arguments of opponents with male-centric views, as they may have never learned that progress for women has been an ongoing battle since their initial empowerment helped bring an end of the dark ages. Of course, gender inequality still persists into the twenty-first century.

When COVID-19 struck the United States, the path of least resistance was wired delicately between competing political ideologies of how to support struggling citizens when their jobs and businesses are forced to shut down—in this case for unpredictable, drastic reasons. In one pandemic-inspired profile of American needs, Stefania Albanesi and Jiyeon Kim showed that women are more-likely to work in service providing industries—which suffered more than, say, male-dominated finance and law—and that they, especially, suffered a regression to old-fashioned norms of tending to childcare and other household needs as schools and daycare facilities closed (8). These gendered responsibilities came at the expense of wage-earning, career-advancing labor. That’s just one demographic angle into the impact of crisis; of the massive overall 14.1% increase in unemployed—including employed-but-non-earning—Americans by April 2020, citizens without a college education were more than twice as likely to become unemployed (Bitler et. al 4). Food security needs *tripled*, and food pantries reported a 70% increase in demand (Bitler et. al 1). These needs emphatically affected certain vulnerable groups, overwhelming the programs and outlets which *already*

supported them. Data from the rubble of this economic shake-down emphasized the need for a stronger “Social Safety Net”.

Mental health and wellness also became a priority. Logel, Oreopoulos, and Petronijevic highlight the increased challenges faced by students during the pandemic, including increased rates of anxiety and depression, and struggles with motivation and career outlook. The authors argue that while these results appear grim, they also might inform priorities tomorrow. Unprecedented focus on coping strategies revealed “the importance of focusing on social connection and social support during times of stress and suggests that colleges may support students’ well-being by providing opportunities for them to connect with each other,” and to prioritize communication in general (20). While COVID-19 has been an unfortunate event for many obvious reasons, it has highlighted some previously camouflaged issues such as mental health issues which might improve with greater focus on communication, social connection, and support.

The authors also argue that as a backup for in-person networks of support, social media can deepen existing relationships, as “people are less self-conscious when communicating electronically, and therefore share more of their joys, worries, and stresses. Such self-disclosure is associated with positive relationship outcomes” (22). While people struggled to adjust to virtual connection during COVID-19 lockdowns, the authors believe that the world’s expanded perception of communication will be seen as a positive outcome of

disruption, as populations are better prepared to use technology as a tool to increase access to support. This study on college students provides evidence for one angle, but with caution, it could be fair to extrapolate that American citizens should be better prepared to communicate mental health needs support their peers who might be struggling.

Apparently lacking mental health support, though, America's social safety net "has always been less far-reaching and less funded compared to other rich countries," according to Marianne Bitler, Hilary W. Hoynes, and Diane Whitmore Schanzenbach (2). This emergency relief system was built on programs including Unemployment Insurance (UI) offering weekly payments to jobless Americans, and Supplemental Nutritional Assistance Program (SNAP) which is the current form of the Food Stamp Program. With record-high UI applications (34 million by July), congressional policy added \$600 per week of benefits (\$23 billion per week in federal spending) and opened eligibility to fit the contemporary gig-economy (9-10). With unusual food support needs, SNAP spending "more than doubled by the end of July," costing \$1 billion more per week than before the pandemic (9). Those financial resources were not distributed with optimal attention to supporting disparities of greatest importance; despite these massive, hastily-legalized, expensive federal benefits, measures of wellbeing still "are generally worse for families with children, and for Black and Hispanic respondents" (11). It's possible that with all the current academic literature which shows the porosity of America's social safety net,

the delicate wiring of crucial support might be replaced, and the new circuitry will be more efficient than politics could have spliced *without* a disaster like COVID-19 to prove the need for reinforcement.

The Black Death, of course, also saw an initial crumble before any aging buildings were restored. Before the shock which killed 33-50% of Europe, normal agrarian farming meant an economy based in the supply and demand for grains and corn; after the plague's deep disruption to labor markets, populations, and standard of living, women stepped up to assume greater value from their roles as valuable pastoral farmers and relatively independent citizens (Voigtländer 2258). Northwestern Europe's labor force—women, in particular—was primed to make this adjustment in farming, but marginal cost of change would have been prohibitive before a Malthusian shock (the plague) transformed the market. Through modern study, we can derive an understanding that without the Black Death, women would have waited longer for their renaissance of individual bargaining power.

It's also key to look for patterns in how institutions will react to disruption, and the Black Death provides a strong case. In the long run, wealth distribution in Europe changed most notably by decreasing the relative wealth share of the richest 10%; the top 10% went from controlling 65-70% of wealth to just 50%, a drop which compares to the 30% drop (from 90% to 60%) between World Wars and including the Great Depression (De Moor 19). This sudden parity of class in the 14th century was unpleasant for elites; scrambling to grab their

scattered power, they leveraged sumptuary laws which dictated fashion based on social status (20-21). Power figures using law to maintain the status quo is *not* an archaic issue; in the current era of social justice in America, partly tied to the COVID-19 pandemic, America's former president emphasized the importance of "law and order" against activists protesting systemic racism. He directly encouraged a white-supremacist group to "stand back and stand by" during a presidential debate (Frenkel). The Black Death is essential to understanding how governing powers might hire unequitable architects, attempting to suppress the organization and growth of lower-class citizens in the wake of disasters which destabilize institutions and require plans to rebuild.

Furthermore, modern research into Jewish pogroms during the Black Death can help explain the factors which predict persecution in any era. One specific study claimed that the behavior seen during the Black Death paralleled subsequent treatment of Jews throughout history, perhaps even the holocaust, according to Jedwab, Johnson, and Koyoma, because massive shocks such as plague and war happened to coincide with "the worst episodes of anti-Semitic violence" (347). By studying this angle of the Black Death, societies today can provide shelter against aftershocks—hate crimes against religious, racial, ethnic, and social groups.

In the Black Death, these authors found the important causal factors of persecution to be local mortality rate, local involvement of Jews in the

marketplace, and the propensity of a community to scapegoat the Jewish community—blaming them for the plague. Higher mortality rates discouraged pogroms or persecutions, possibly because organizing costs and efforts were too heavy for a weakened community (375). But also, the marginal value of Jewish workers in the moneylending sector was enhanced in desperate times of high mortality, which financially deterred their exile or extermination on an individual and community level (376). Markets either silenced or fueled the anti-Semitic behavior of certain communities.

Another interesting factor is that violent behavior aimed at Jews followed the Christian calendar; near Christmas, Jews were more commonly blamed for killing Jesus, where closer to Easter, Christians were more forgiving of Jews, and compelled to avoid sin including spontaneous attacks on their neighborhoods (347). As cold as it sounds, the authors concluded that in times of disaster, persecution “depends on how the magnitude of the shock interacts with the utility one derives from persecution and the economic benefits associated with the presence of the minority,” and that underlying biases may sprout into violence during stressful times (391). Using mortality and population data from the coincident tragedies of Jewish pogrom during a plague, these researchers bring important ideas to the surface which can apply to any disaster where scapegoating is a risk.

The COVID-19 pandemic revealed scapegoating risk, particularly to Asian and Jewish populations. Inextricably tied to President Trump’s use of anti-China “trade war” language, some Americans saw COVID-19

as a canvas for the painting of China-centric xenophobia; using terms like “Plandemic”, “Kung Flu Virus”, “Chinese Flu”, and “Wuhan Virus”, white-supremacist groups connected and thrived especially on right-wing, unregulated social media platforms by “linking the coronavirus to racist and antisemitic slurs and memes. Users across these channels regularly share racist messages or caricatures of Chinese people, mocking their eating habits, accents, and hygiene” (Greenblatt 212). As history shows, imagery of the Jewish community is routinely toppled by wave after wave in the tide of anti-Semitism. But this notion of Chinese inferiority is not new, notably dated by the “Chinese Exclusion Act” of 1882, which resulted from public discourse of a “Yellow Peril” (212). Already resurfacing before the virus partly due to President Trump’s rhetoric of ‘reclaiming our economy back from China’, COVID-19 provided a perfect coincident justification for extreme corners of America to identify themselves with racist language and actions. Educators *will* take note, and this hopefully supports awareness in the next generation.

The COVID-19 pandemic shook the world. Only well-supported, well-informed constructs could withstand the sudden destruction. However, earthquakes shake from the ground; the worst impacts were felt by those already weighed down by socioeconomic gravity, those who the world always crashes down onto. But this disaster, like all others, called for widespread research and truth-seeking. While nobody wishes for tragedy, at least the overflow of data can help us better recognize our economic institutions, and our treatment of

disadvantaged groups. Drawing on the long-term impacts resulting from past “earthquakes” like the Black Death, there is reason to hope the world might rebuild with better attention to sustainable architecture. Perhaps, like the Renaissance and waves of industrial revolution, the world could emerge from some sort of “modern middle age”, which will be remembered for inefficient norms of economy and support, for class inequality sustained by the manipulation of power, and for senseless hate surviving through nostalgia and biases against minority groups perpetuated through institutionalized ignorance and an unethical media landscape which earns profit through engagement with information, regardless of fact.

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