

BUSINESS INSIDER

The coronavirus pandemic will almost certainly cause a permanent expansion of America's social safety net

Anthony L. Fisher

March 21, 2020

Social Security. The Centers for Disease Control. The Department of Homeland Security.

All of these institutions were born of tremendous national upheaval: the Great Depression, World War II, and 9/11, respectively. The novel coronavirus pandemic absolutely qualifies as such a paradigm-shifting moment, and some form of major government expansion is sure to follow.

The current crisis is exacerbating the flaws inherent in the US healthcare system. But it's also revealing just how precarious life is for millions of working Americans who are suddenly out of a job through no fault of their own.

That's led to the somewhat surreal scene of Vice President Mike Pence, famously a staunch opponent of organized labor, telling Americans "If you're sick, stay home ... you're not going to miss a paycheck."

As Philadelphia Inquirer columnist Will Bunch put it, "In 2020, a liberal is a conservative who's been exposed to the coronavirus."

As evidence, Senate Republicans are pushing for a trillion-dollar emergency stimulus package which will include cash payments of \$1,200 to every American who makes less than \$75,000 and \$600 for every person who did not have a tax bill. Congress already passed temporary expansions of paid sick leave and expansion of unemployment benefits.

The Army Corps of Engineers might soon begin building new hospitals in coronavirus-stricken New York. And the demand for a COVID-19 vaccine and faster, more accurate tests have sent the public and private sectors into action.

For those taking the longview, some questions linger: Will these measures become permanent? Is a new giant bureaucracy about to be born? Are Americans going to fundamentally alter their view on certain guaranteed benefits for workers?

"Like in previous moments of crisis, whether it's the Great Depression or the 2008 financial crisis, we will need new governmental bodies to address the public needs at this scale," Sabeel Rahman, the president of the progressive-leaning think tank Demos, told Insider.

The social safety net could look much different when this crisis subsidies, a period which could conceivably last two years. Emergency measures rarely, if ever, get rolled back when they're no longer as urgently needed. Once a service is nationalized and people like it, it's hard to un-nationalize.

And even when a department born of a crisis is wildly unpopular and has grown far beyond the scope of its mission — think the Department Homeland Security — that bureaucracy is essentially untouchable, too.

The Transportation Security Administration (TSA) — a DHS agency — has for nearly two decades put travelers through onerous airport security theater and failed to catch anywhere between 70% and 95% of weapons and contraband in undercover operations, [ABC News reported](#). Another DHS agency, Immigrations and Customs Enforcement, has been particularly polarizing in the Trump era — with [allegations](#) of rampant civil liberties abuses in both their [arrest](#) and detention practices.

Progressives sense an opportunity to implement their reforms

Rep. Alexandria Ocasio-Cortez of New York [tweeted this week](#), "What we should seriously start to consider now for the medium & long term (bc it will take time) is New Deal-style policy. We need a mix of policies to help put a lot of people to work. Climate transition, [education] expansion w/ apprenticeships & colleges, [Medicare for All]."

While a new "New Deal" doesn't seem to be in the cards just yet, progressives are sensing an opportunity to bring their political agenda to the table, at a time when conservatives are up against the wall and don't want to be seen voting against anything that might help the public amid fears of a Depression.

"We're having a national teaching moment on how outdated and full of holes our basic economic security net is," [Gene Sperling](#), the former Director of the Economic Council to Presidents Clinton and Obama, told Insider.

"There are a few areas where this emergency is starting to lead to real progress, like on paid sick leave where they seem to be trying to cover not formal employees, but those who are counted rightly or wrongly as contractors or self-employed," Sperling added.

"What's really critical is that this moment be used to expand our unemployment insurance system," Sperling continued. "So many people are just getting crushed. People like drivers domestic workers whose employers don't file are going to lose everything and are not even currently eligible for unemployment insurance. The people who are eligible often get paid 33% to 50% of their paycheck, which makes no sense in a crisis like this."

[Angela Rachidi](#), a scholar specializing in poverty and the safety net at the conservative-leaning American Enterprise Institute, told Insider that certain aspects of the social safety net — paid leave, food assistance benefits, Medicaid for the newly unemployed who have lost their health insurance — will almost certainly be codified or expanded within the current system.

But she's skeptical that more aggressive changes like universal basic income are here to stay, adding that she doesn't see a political will for UBI to emerge even after this crisis.

However, she thinks it's "very possible" that we could see a Department of Homeland Security-sized agency devoted to public health that would be designed to address the gaps in the social safety net.

Veronique de Rugy, a Senior Research Fellow at the libertarian-leaning Mercatus Institute, told Insider that while she supports government taking emergency measures like the ones currently being implemented, she warns against an "overreaction" that would make such measures permanent and potentially create massive additions to the federal bureaucracy.

"It is becoming obvious that a lot of the bureaucracies we already have played a role in slowing down our response to this event. I'm thinking about the FDA and the CDC and the mistakes have been made with testing," de Rugy said.

"This is not a great time for the FDA," Mike Tanner, a senior fellow specializing in poverty, health, and social welfare at the libertarian-leaning Cato Institute, told Insider. "On the one hand, we're seeing calls for centralization, for war powers and for the government to do all sorts of things in terms of the healthcare sector. On the other hand, they're cutting a lot of regulations, a lot of red tape, and we're seeing where regulation and red tape have gotten in the way of the response."

Tanner added, "The question is, are we looking at the Great Depression or are we looking at a short-term crunch with a bounceback?" He continued: "For now I think we should avoid anything that's going to lock us in for the long-term and what may or may not be necessary [We] should target the immediate problem."

In a national crisis, Congress moves fast and breaks precedent

One thing's for certain: legislation moves fast in these times of crisis.

A Congress that has seen lawmaking grind to historic lows in recent years is suddenly ready to swiftly act and break long-time precedents. But even though no one is untouched by the pandemic, it seems reasonable to have sober conversations about permanent reforms, lest the federal government bloats itself regrettably.

Social Security is perennially popular, and few would argue against the necessity of the CDC. But a great many Americans probably wish there had been a moment of reflection in the legislative branch after 9/11, before Congress approved the creation of the DHS — a lumbering behemoth with ineffective and, at times, abusive agencies.

Not all crisis aid is created equal, and not every emergency response should be permanent.

But America's "pick yourself up by your bootstraps" ethos is indeed facing a reckoning, and change is coming.

This is an opinion column. The thoughts expressed are those of the author(s).