The social consequences of the confinement

Prof. Dr. Anke Hassel
SciencesPo, April 27, 2020
There is very little data on the effects of COVID-19 on the labour market outside the US.

- **France**: 821,000 new company claims of *chômage partiel* for 10 million workers; 4.3 bn hours not worked.

- **Germany**: 700,000 new claims of *Kurzarbeit* in March estimated currently for about 4 (?) million workers.

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**US jobless claims surge**

Weekly total of new unemployment claims in 2020

Who are hit hardest?

By the lockdown

• The young
• Women
• Low paid

Figure 1. Share of employees in shut-down sectors, by gender and age

Source: Quarterly Labour Force Survey Q1-Q4 2019, Waves 1 and 5 only.

Notes: Employees only. Excludes workers in full-time education.
Who are hit hardest?

By the lockdown

• The young
• Women
• Low paid

Figure 2. Share of employees in shut-down sectors, by individual earnings

Source: Quarterly Labour Force Survey Q1-Q4 2019, Waves 1 and 5 only.

Notes: Employees only. Excludes workers in full-time education.
Who are hit hardest?

When working in essential services

- Women
- Relatively low paid
Abbildung 2: Lohnniveau in systemrelevanten Berufen

Bruttostundenlohn in Euro


Die gestrichelte Linie entspricht dem Mittelwert des Bruttostundenlohn in allen Berufen. Die Prozentangaben beziehen sich auf die Anzahl der Beschäftigten in dem Beruf an allen systemrelevanten Berufen.
Who are hit hardest?

When working in essential services

• Women

• Relatively low paid
Who are hit hardest?

When working

- Low skilled
- Low paid
Who are hit hardest?

When working

• Low skilled
• Low paid
Who are hit hardest?

Children

- School education
- Childcare
- Playgrounds
- Digital learning

Women

- Domestic violence
Who are hit hardest?

Posted workers: No income protection

Seasonal workers: Little protection

Self-employed: No income protection
Who is protected?

Protection based on existing welfare states:

Marked differences between conservative welfare states (Germany and France), liberal welfare states (UK, US) and the Nordic welfare states.

Source: Sajid Mukhtar Chaudhry, *The Conversation*
## Short-time working

Established policy in Germany, adopted by almost all countries now.

### Essential
- **fast delivery,**
- **clear entitlement,**
- **trust in the system**

### Country Wages under STW Duration Administration

<table>
<thead>
<tr>
<th>Country</th>
<th>Wages under STW</th>
<th>Duration</th>
<th>Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>80% up to 2500 GBP before tax</td>
<td>Initially for 3 months</td>
<td>Treasury</td>
</tr>
<tr>
<td>Sweden</td>
<td>90+% up to SEK44,000/mo</td>
<td>6 mo. (possible 3 mo. extension)</td>
<td>Regional economic development authority</td>
</tr>
<tr>
<td>Denmark</td>
<td>75% (salaried); 90% (hourly) before tax, can be topped up by employers</td>
<td>Initially 3 mo.</td>
<td>Danish Business Authority</td>
</tr>
<tr>
<td>Germany</td>
<td>60-87% of wages after tax, can be topped up by employers</td>
<td>Initially 12 months but can be extended to up to 24 months</td>
<td>Labour agencies</td>
</tr>
<tr>
<td>France Partial Reduction of Activity scheme</td>
<td>84% of wages (at least the minimum wage) after tax</td>
<td>Up to June 30th</td>
<td>Social and economic committees approve, unemployment agency processes applications (Unédic)</td>
</tr>
<tr>
<td>United States (PPP)</td>
<td>100% (up to 100K earnings)</td>
<td>Initially 2 months</td>
<td>Banks</td>
</tr>
</tbody>
</table>
What about the future?

Further polarization expected

- Young
- Old
- Women
- Vulnerable
What about the future?

Shift attention to

- Protect children (schooling, childcare, sport, playgrounds)
- Protect women (domestic violence)
- Digital tools for all
- Income protection for poor and low paid
Sources


Sector shutdowns during the coronavirus crisis: which workers are most exposed? Robert Joyce and Xiaowei Xu. Briefing note. Institute for Fiscal Studies


Anke Hassel is Professor of Public Policy at the Hertie School in Berlin since 2005. Between 2016 and 2019 she was the Academic Director of the Institute of Economic and Social Research (WSI) of the Hans Böckler Foundation. The WSI is a research institute within the Hans-Böckler-Foundation, a non-profit organisation fostering co-determination and promoting research and academic study on behalf of the German Confederation of Trade Unions (DGB).

From 2009 until 2012 she was Senior Visiting Fellow at the European Institute of the London School of Economics. She studied political science, economics and law in Bonn and at the London School of Economics and Political Science (LSE). In 1996, Anke joined the Max Planck Institute for the Study of Societies in Cologne, obtained my Phd in 1998 and completed her postdoctoral lecture qualification in 2003.

In 2003/2004, Anke worked for the Planning Department of the Federal Ministry of Economics and Labour (BMWA) and then joined the Jacobs University Bremen as Professor of Sociology. She received Fellowships from the Alexander von Humboldt Stiftung, Volkswagen Stiftung, Friedrich Ebert Stiftung and Hans Böckler Stiftung. She was a member of the fact-finding Enquete Commission of the German Federal Parliament on “Growth, Wealth, Quality of Life” of the German Bundestag in 2012-13; of the expert commission on the future of the Hans Böckler Foundation (2015-17) and chairwoman of the expert group on Workers' Voice and Good Corporate Governance in Transnational Companies in Europe (2015-2018). She is member of the German Federal Government's Hightech-Forum since January 2019.

Her latest book “Growth and Welfare in Advanced Capitalist Economies: How Growth Regimes Evolve” is co-edited with Bruno Palier and will be published by Oxford University Press later this year.