

The social consequences of the confinement

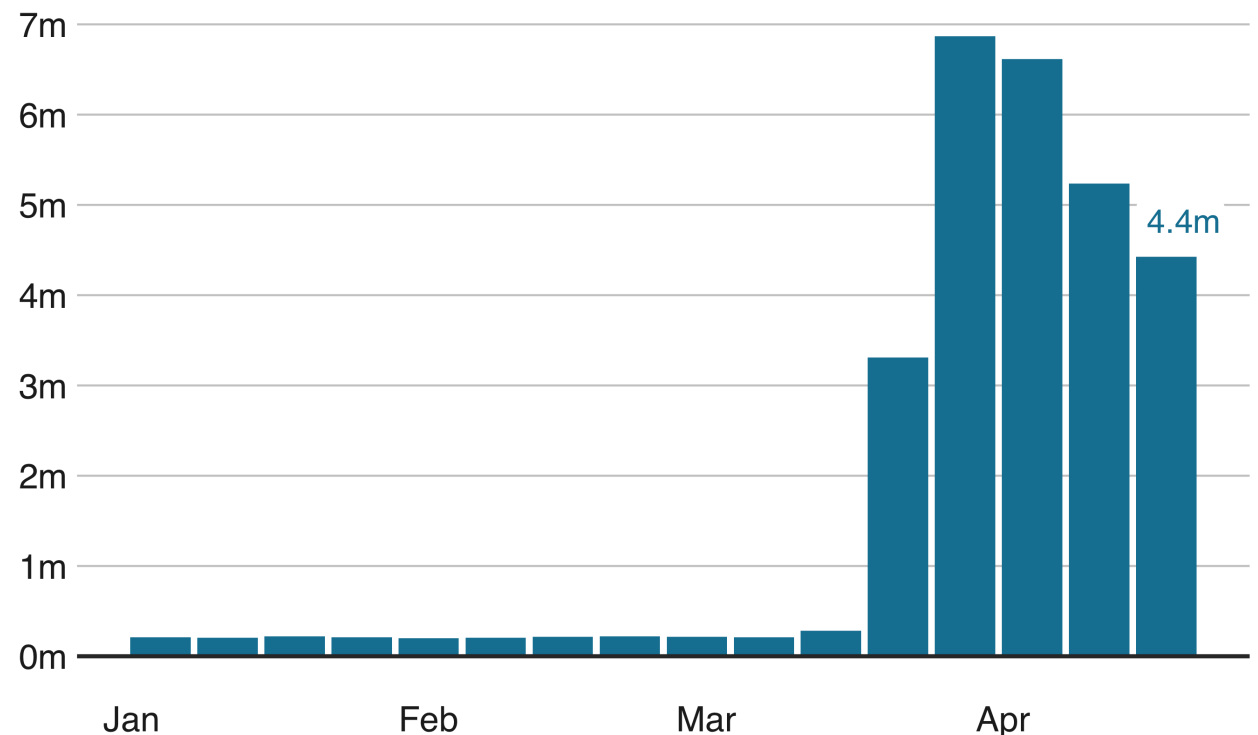
Prof. Dr. Anke Hassel
SciencesPo, April 27, 2020

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.

US jobless claims surge

Weekly total of new unemployment claims in 2020



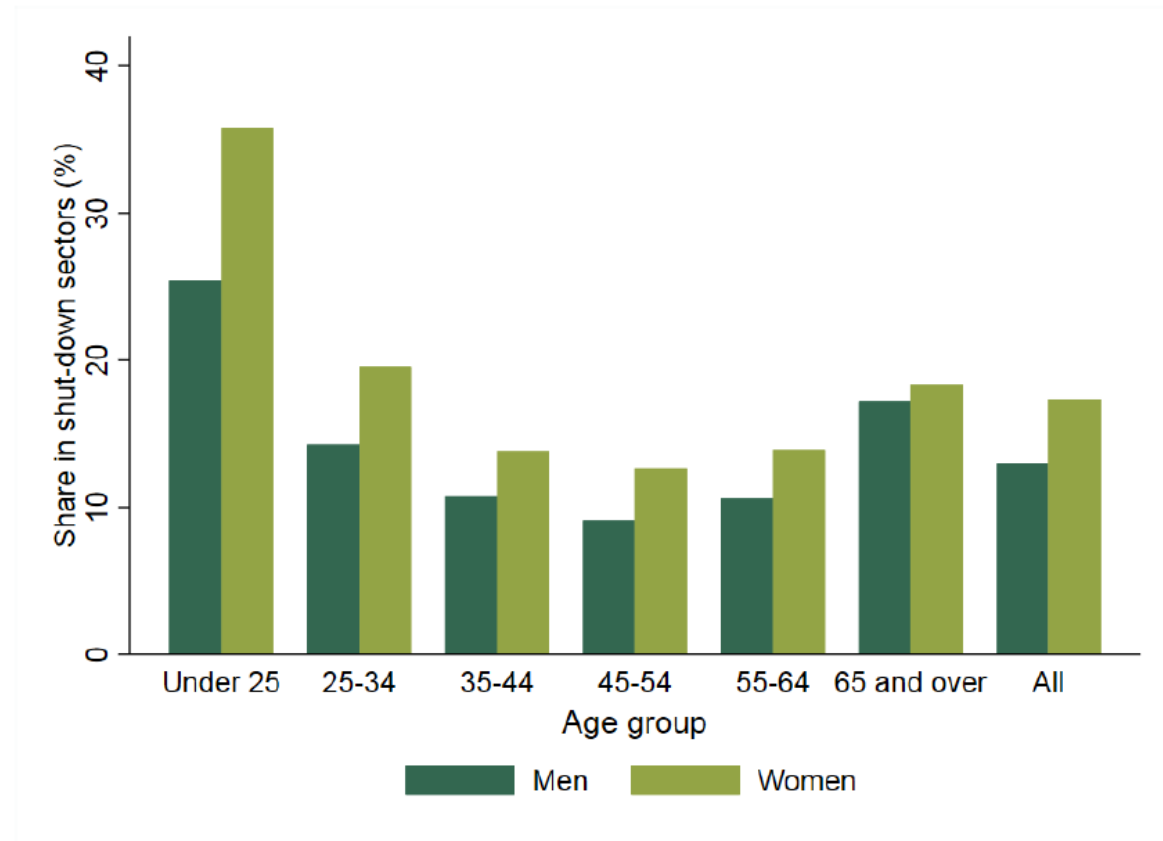
Source: US Bureau of Labor Statistics

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.

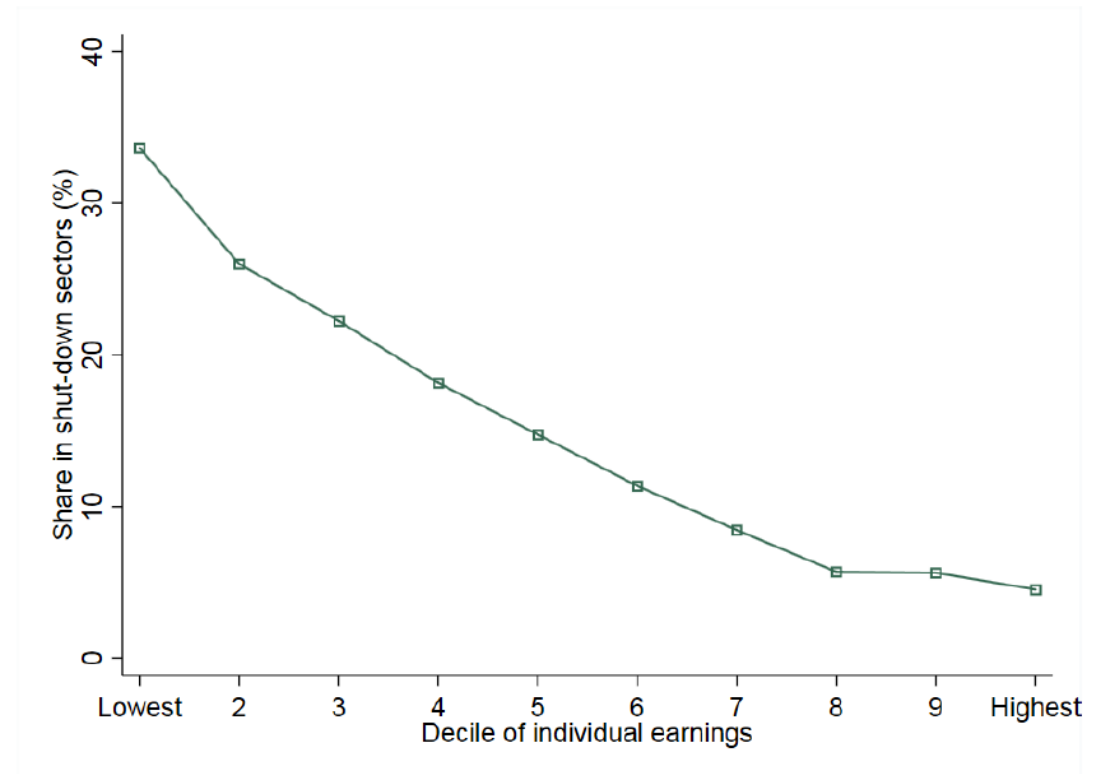
Notes: Employees only. Excludes workers in full-time education.

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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.

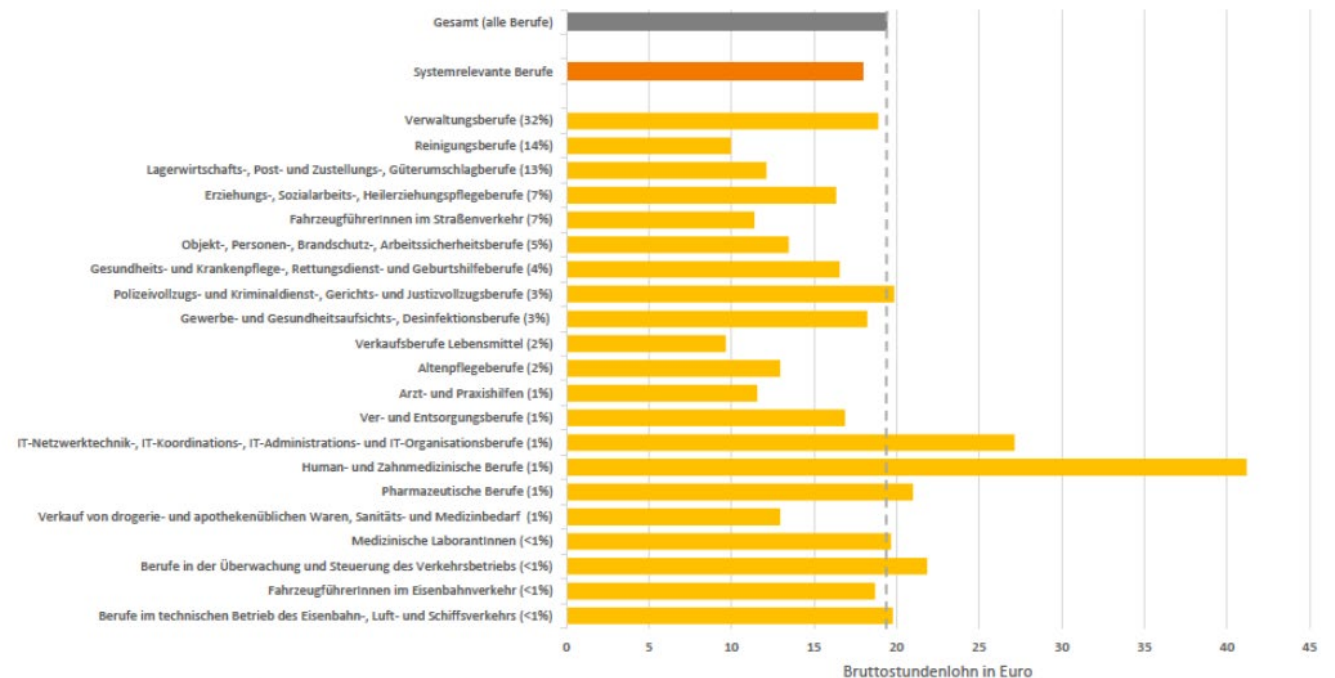
Notes: Employees only. Excludes workers in full-time education.

Who are hit hardest?

When working in essential services

- Women
- Relatively low paid

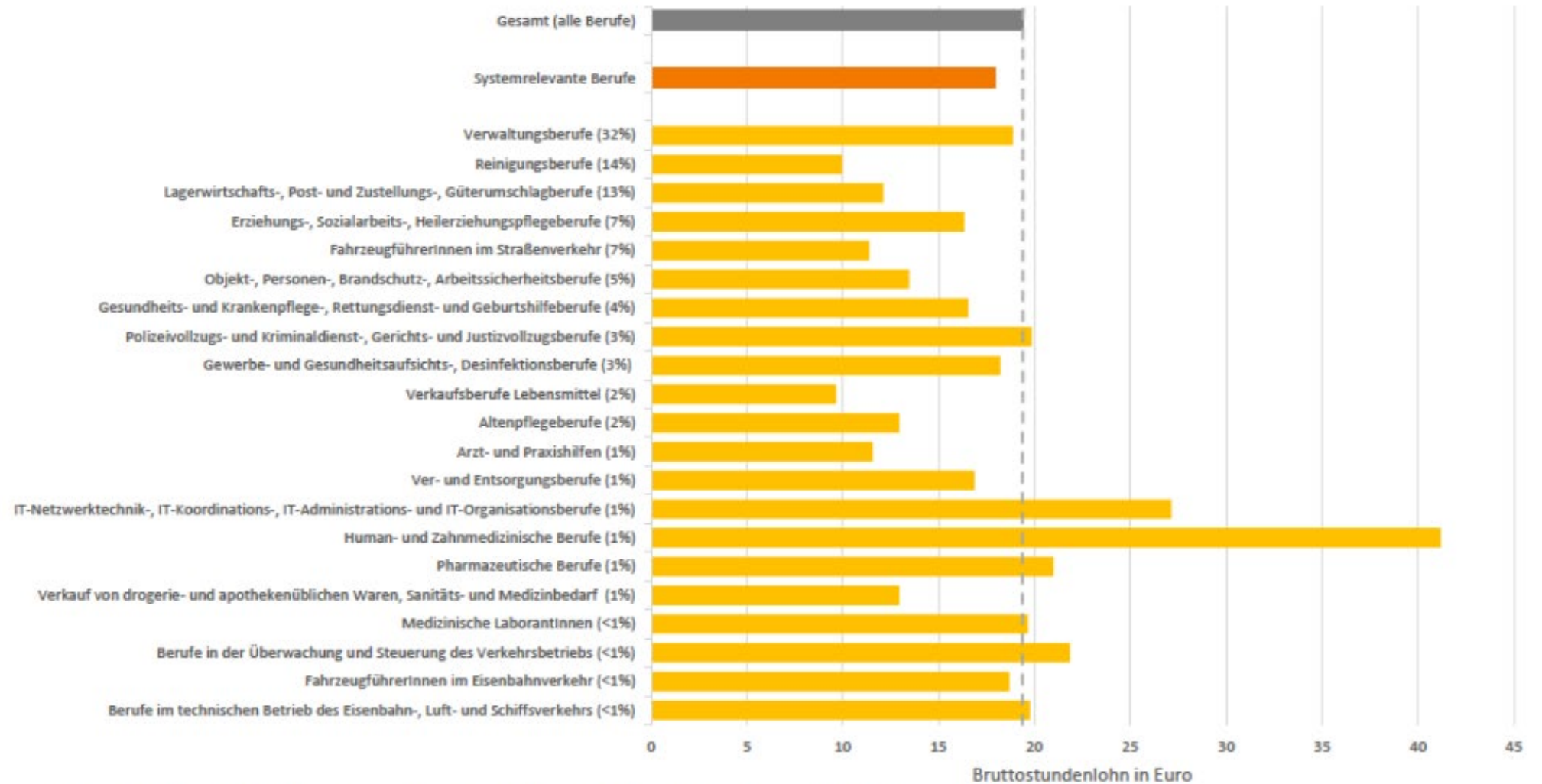
Abbildung 2: Lohnniveau in systemrelevanten Berufen
Bruttostundenlohn in Euro



Quelle: FDZ der Statistischen Ämter des Bundes und der Länder, Verdienststrukturerhebung 2014; Eigene Berechnung auf Basis der Klassifikation der Berufe (KldB 2010). Die gestrichelte Linie entspricht dem Mittelwert des Bruttostundenlohns aller Berufe. Die Prozentangaben bezieht sich auf die Anzahl der Beschäftigten in dem Beruf an allen systemrelevanten Berufen.

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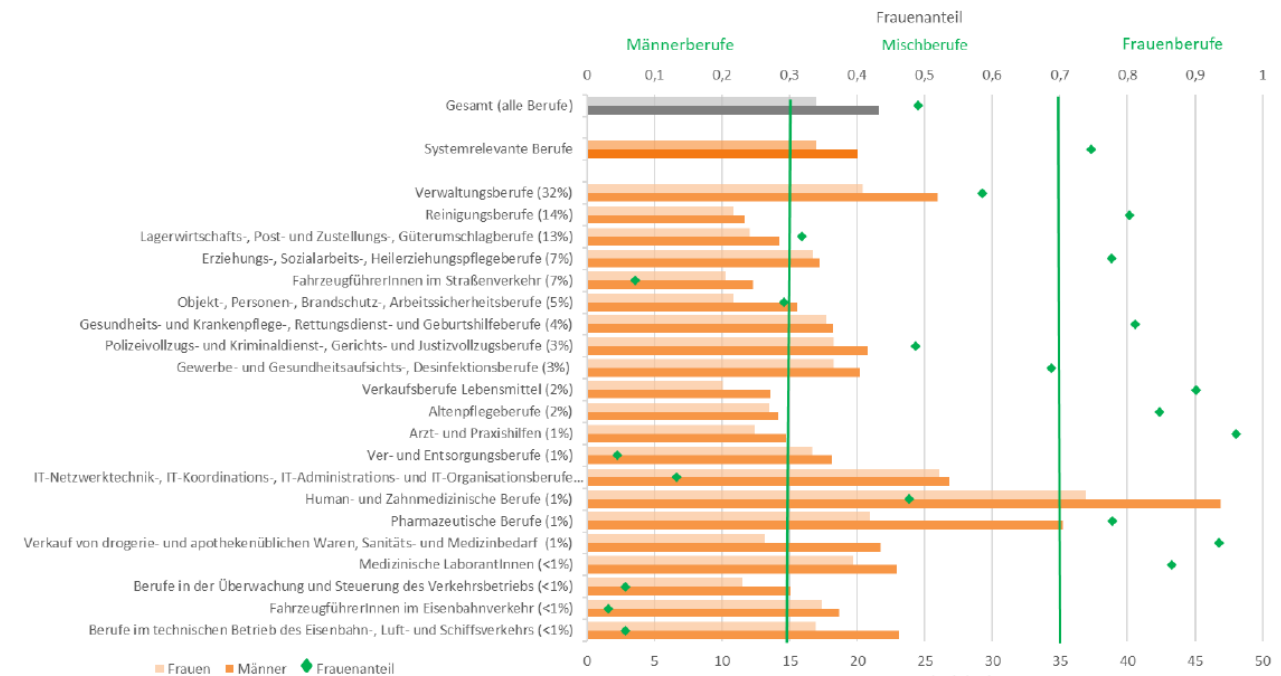
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Abbildung 4: Lohnniveau von Frauen und Männern sowie Frauenanteil in systemrelevanten Berufen

Bruttostundenlohn in Euro bzw. Frauenanteil in Prozent



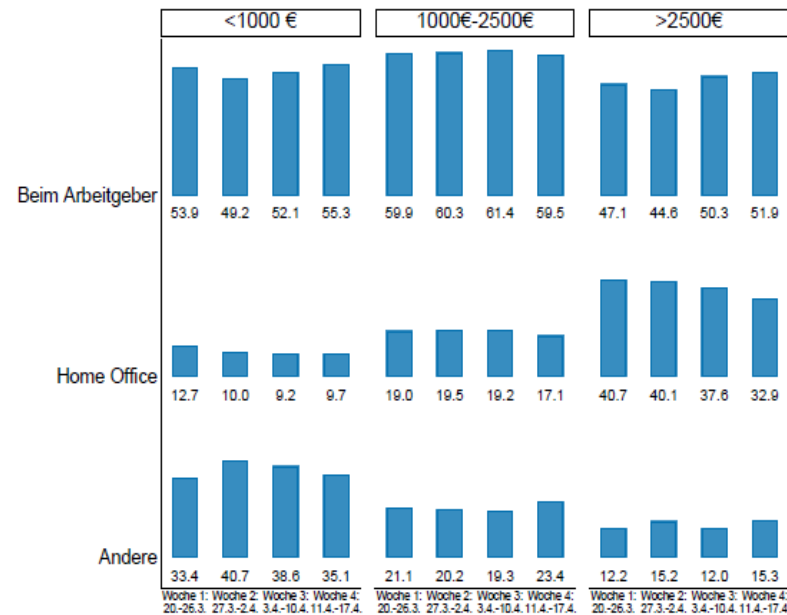
Quelle: FDZ der Statistischen Ämter des Bundes und der Länder, Verdienststrukturerhebung 2014; Eigene Berechnung auf Basis der Klassifikation der Berufe (KldB 2010). Die Rauten markieren Frauen-, Misch- und Männerberufe. Frauenberufe: Frauenanteil >70 %, Mischberufe: Frauenanteil 30-70 %; Männerberufe: <30 %. Die Prozentangaben bezieht sich auf die Anzahl der Beschäftigten in dem Beruf an allen systemrelevanten Berufen.

Who are hit hardest?

When working

- Low skilled
- Low paid

Abbildung 4: Aktuelle Beschäftigungssituation nach Einkommen



Mannheimer
Corona-Studie

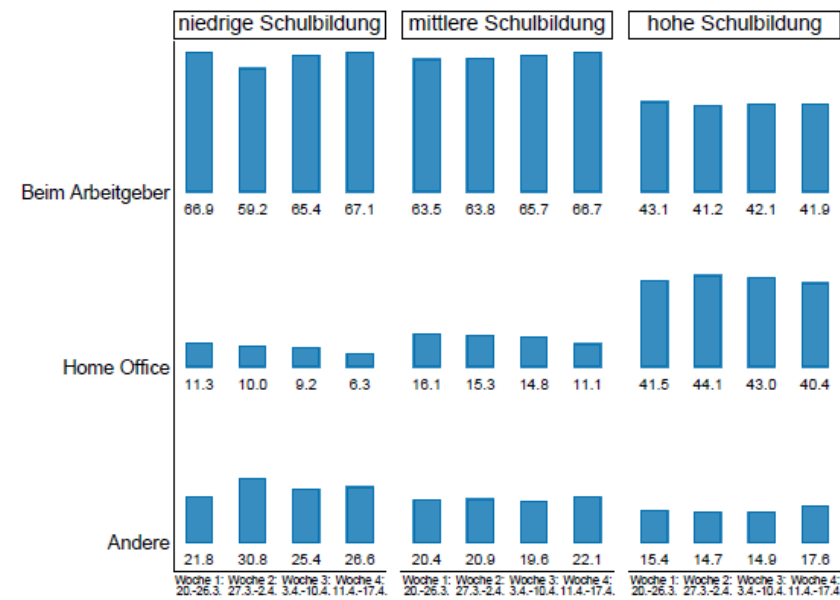
Anmerkungen zur Abbildung: Dargestellt sind Personen, die im Januar 2020 erwerbstätig waren. Woche 4 umfasst nur Daten bis 15.4.2020. Sonstiges beinhaltet Kurzarbeit, Freistellung mit und ohne Lohn und Arbeitslosigkeit (detaillierte Werte in Tabellen 10-13 im Anhang). Einkommen wird mit dem persönlichen monatlichen Netto-Einkommen erfasst. Das Einkommen haben wir in drei Kategorien zusammengefasst: alle Personen mit einem Einkommen bis 1.000 Euro, 1.000 bis 2.500 Euro und schließlich alle Personen mit mehr als 2.500 Euro monatlichem Einkommen.

Who are hit hardest?

When working

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- Low paid

Abbildung 3: Aktuelle Beschäftigungssituation nach Schulbildung



Mannheimer
Corona-Studie

Anmerkungen zur Abbildung: Dargestellt sind Personen, die im Januar 2020 erwerbstätig waren. Woche 4 umfasst nur Daten bis 15.4.2020. Andere beinhaltet Kurzarbeit, Freistellung mit und ohne Lohn und Arbeitslosigkeit (detaillierte Werte in Tabellen 6-9 im Anhang).

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

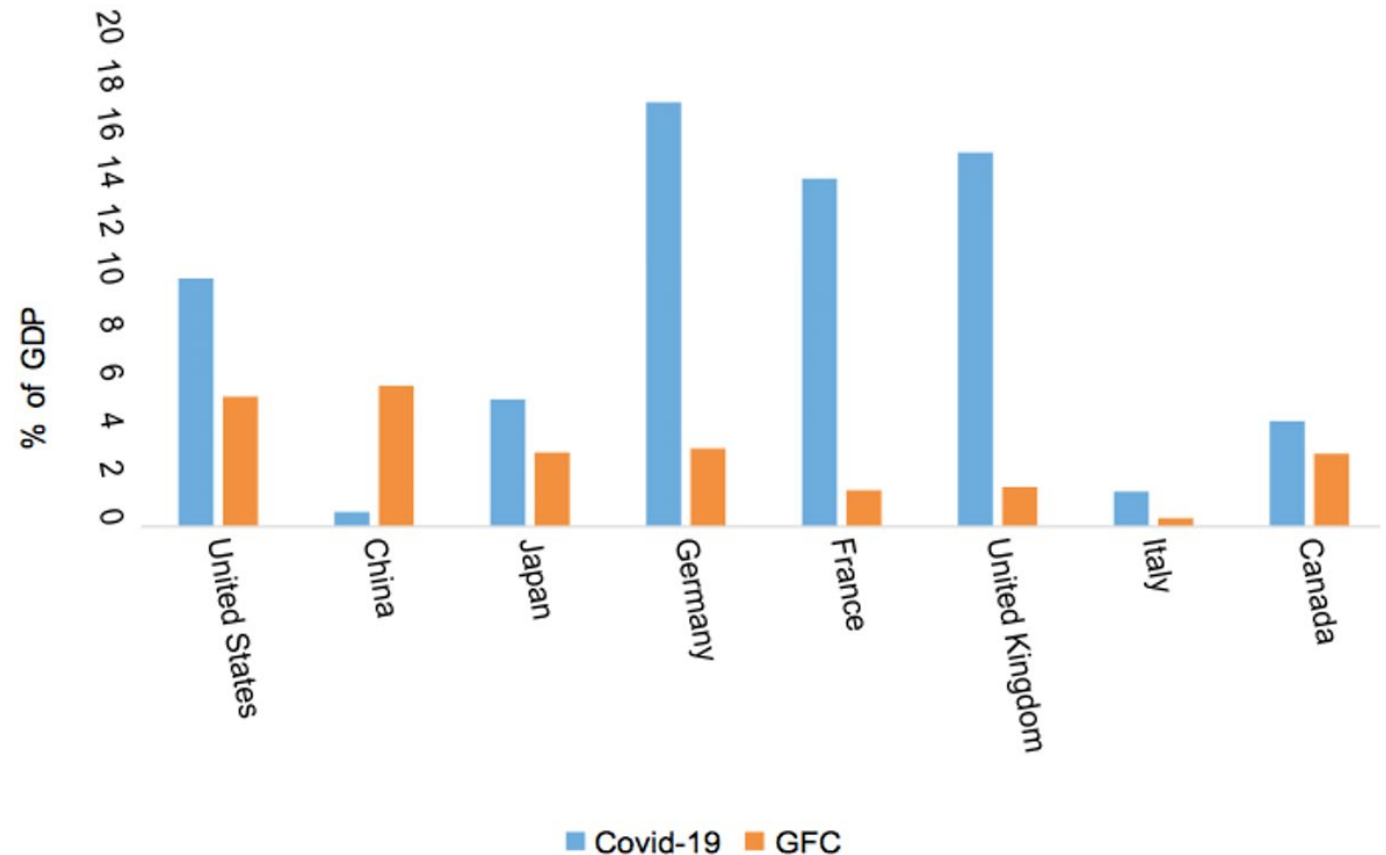
No income protection

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.

Relief packages as a % of GDP



Source: Sajid Mukhtar Chaudhry, *The Conversation*

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

Short-time working

Established policy in Germany, adopted by almost all countries now

Essential

- ❖ fast delivery,
- ❖ clear entitlement,
- ❖ trust in the system

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

DIW aktuell 28: Systemrelevant und dennoch kaum anerkannt: Das Lohn- und Prestigeniveau unverzichtbarer Berufe in Zeiten von Corona. Von Josefine Koebe, Claire Samtleben, Annekatri Schrenker und Aline Zucco

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

Die Mannheimer Corona-Studie: Schwerpunktbericht zur Erwerbstätigkeit in Deutschland 20.3.-15.4.2020. By Katja Möhring, Elias Naumann, Maximiliane Reifenscheid, Annelies G. Blom, Alexander Wenz, Tobias Rettig, Roni Lehrer, Ulrich Krieger, Sebastian Juhl, Sabine Friedel, Marina Fikel, Carina Cornesse

Europe has kept down pandemic unemployment -- and the US hasn't. Here is why. Op-ed for Monkey Cage of the Washington Post with Kathleen Thelen. April 24, 2020.

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.