

## Task 4.3

### The heterogenous impact of the COVID-19 crisis on labour market outcomes in the EU

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#### 1. Task description

This task will study the effects of the COVID-19 pandemic and mitigation response on the labour market prospects of various groups of workers, paying particular attention to groups with weaker positions (young workers, female workers, migrants, persons with disabilities) and to precarious forms of work (platform work, temporary agency work, fixed-term jobs, 'bogus' self-employment). We will assess the impact of the COVID-19 crisis on the risk of labour market exclusion and precariousness, making the distinction between short- and medium-term impacts.

#### 2. Background / Setting

The outburst of the COVID-19 pandemic in February 2020 forced many countries across Europe and the entire OECD area to introduce containment measures limiting the spread of the Sars-Cov-2 virus. These included social distancing and the closing down of many spheres of social life, which impacted the economic performance of numerous industry sectors. While the services deemed 'essential' to the functioning of societies continued their operations, even at a higher rate than prior to the pandemic, other sectors saw their activities significantly curtailed or shut down. Services sectors, such as accommodation & food service activities, arts & entertainment or wholesale & retail trade, were amongst the hardest hit by country-wide lockdowns. The accommodation and food services sector experienced the highest loss of hours worked, which fell by 50% during the first wave of the pandemic (OECD, 2021). The unemployment rate in the EU returned to the pre-pandemic levels by mid-2021. However, labour market situation varies by country, and aggregate numbers may mask heterogeneities relevant from the social policy perspective.

### 3. State-of-the-art

The impact of the COVID-19 crisis on unemployment has already been studied in a number of papers (Gallant et al., 2020; Gros and Ounnas, 2021; Hall and Kudlyak, 2022; OECD, 2021;), including the heterogenous impact on different demographic groups (Bluedorn et al., 2023; Lee et al., 2021) and on persons with disabilities (Ameri et al., 2022; Bryan et al., 2022; Emerson et al., 2021; Jones, 2022; Wong et al., 2022). However, most of the research has been focused on the US and the UK. There is also evidence of the limited impact of the COVID-19 pandemic on the employment opportunities for labour market entrants in the Netherlands (Bussink et al., 2022) and Mexico (Osuna-Gomez, 2023).

A related strand of the literature analyses the impact on reallocations in labour market (Aaronson et al., 2021; Blanas and Oikonomou, 2023; Carrillo-Tudela et al. 2023; Consolo and Petroulakis, 2022; Pizzinelli and Shibata, 2023) including also the impact on the exit from the labour force (Gregory, 2022; Forsythe et al., 2022). Again, the evidence comes from the US and the UK, rather than from the EU member states. It points to a minor role of occupational and sectoral mobility in explaining labour market patterns.

### 4. Advancement compared to the state of the art

The proposed research will contribute to the literature by comparing the medium-term impact of the COVID-19 pandemic across various socio-demographic groups and across all European countries. Existing literature focuses on the short-term impact of the pandemic. Furthermore, there is a scarcity of studies that would use a uniform analytical framework to compare labour market effects of the COVID-19 pandemic across all the EU countries.

### 5. Research to be done

For this task, we will use individual survey data collected in the EU-LFS and the EU-SILC. We will analyse how the COVID-19 pandemic changed the risks of unemployment, long-term unemployment, and inactivity for the following socio-demographic groups in all EU countries:

- People younger than 30 with and without tertiary education
- Women with and without tertiary education
- Persons with disabilities

We will also analyse the impact of the COVID-19 pandemic on the use of precarious employment contracts.

## 6. Methodology

We will use statistical descriptive analysis to examine the trends in labour market activity of various socio-demographic groups in all the EU countries.

We will use regression analysis to investigate whether the COVID-19 pandemic altered the risks of unemployment/ long-term unemployment/ inactivity of various socio-demographic groups in the EU countries

## 7. Data sources

- EU-LFS: European Union Labour Force Survey
- EU-SILC: European Survey of Income and Living Conditions

## 8. References

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