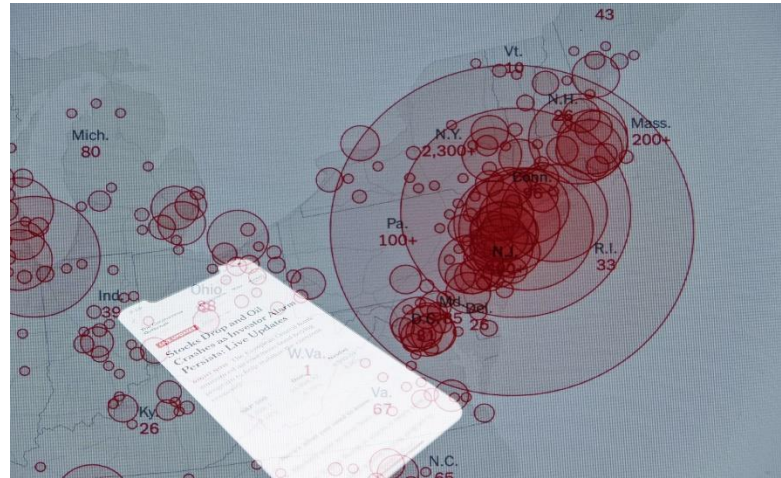




Jean Monnet Workshop May 11th – University of Pisa

The European labour markets during and after the Covid-19 pandemic

Unequal Consequences of Covid 19, Evidence from Six Countries



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Presentation based on:

- Belot, M., Choi, S., Tripodi, E., Eline van den Broek-Altenburg, Julian C. Jamison & Nicholas W. Papageorge, Unequal consequences of Covid 19: representative evidence from six countries. *Rev Econ Household* (2021).
<https://doi.org/10.1007/s11150-021-09560-z>

Context

- Covid 19 has led to unprecedented changes in our lives
- All economic activity that involves social contact had to be re-organized
- Many people started working from home for the first time
- All leisure activities that involve social contact had were suspended for a while.
- Streets in cities became empty.



Covid & the Labor Market

- Unprecedented and large experiment in the labor market and workplace
- People facing different risks (age, type of job)
- Large changes in working circumstances
 - Most companies had to re-invent how they operate
 - **Teleworking** has become the norm in many companies
 - Employees requested to combine work with **child care**
- Lockdown measures and crisis also likely to affect mental health and well-being

Focus of this presentation

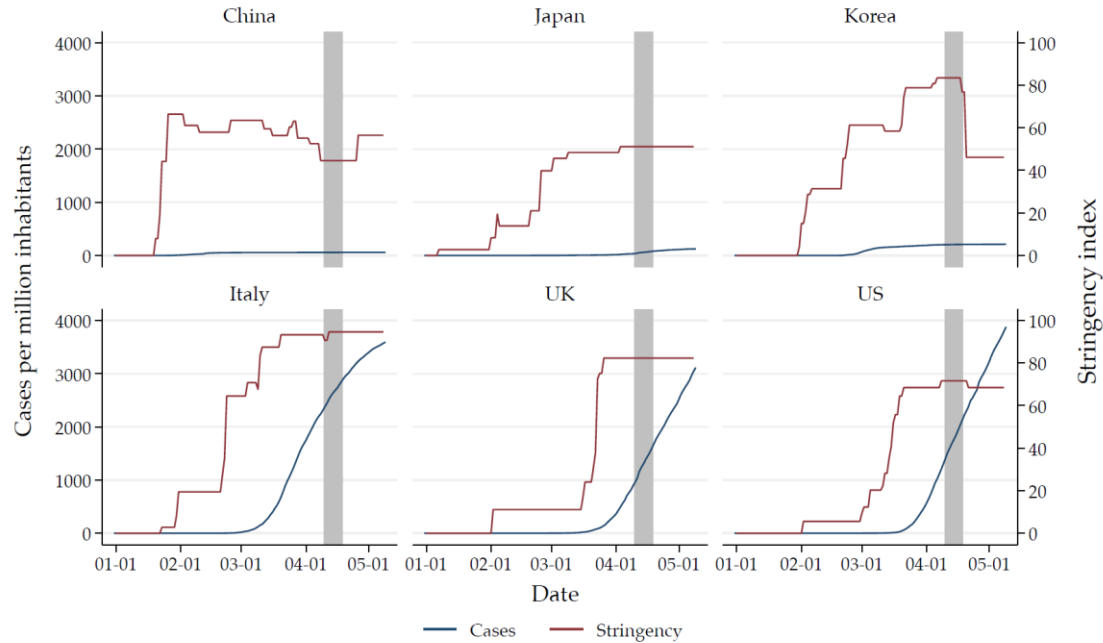
- Document unequal consequences (focusing on **early phase** of the pandemic)
- Focus on differences across income groups and age
- International comparison

Sample used:

- **Representative** sample of 1,000 individuals per country
 - Age, gender, household income and race (US)
- 6 countries: China, South Korea, Japan, Italy, UK and US
- In the US: focus on 4 states : California, Florida, New York and Texas (250 people per state)



Countries had different experiences



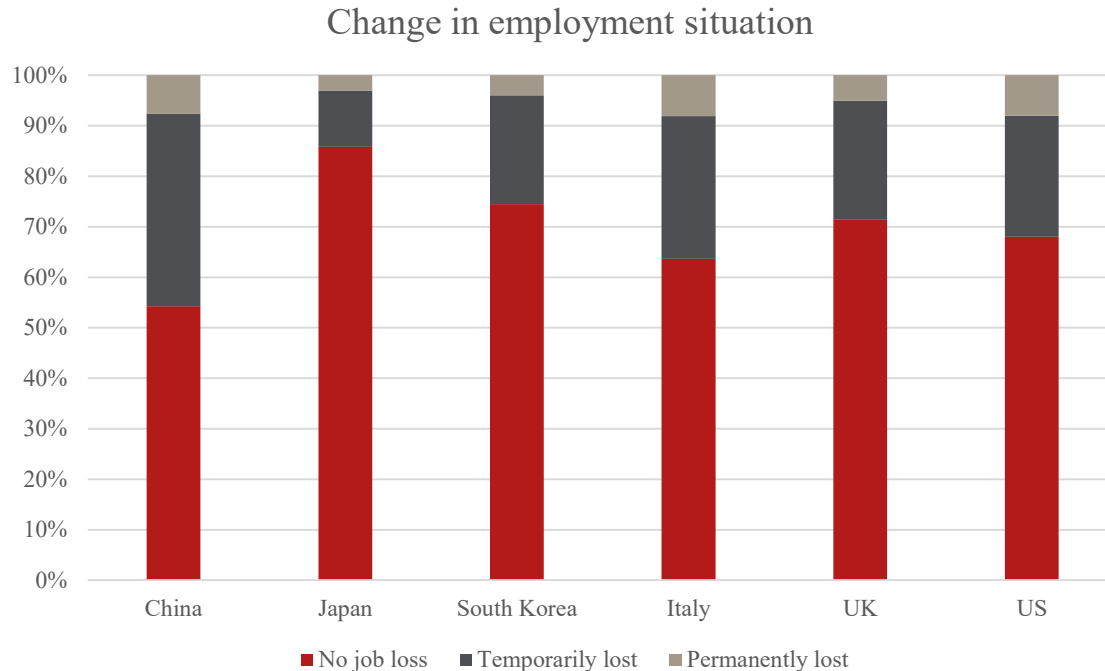
Note: The gray bar represents the third week of April 2020, in which the survey was conducted. Source: Hale et al. (2020).

Figure A1: Time series of the number of confirmed cases and stringency index of government responses



- Changes in job situation because of Covid 19

Question. “Have you lost your job or has your activity (as self-employed) been stopped as a consequence of the Covid pandemic?”



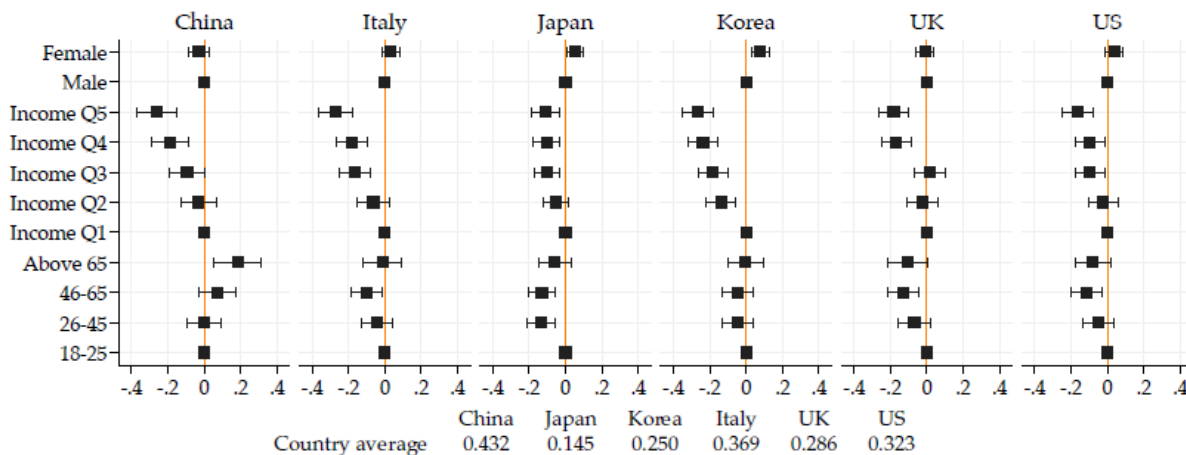
Differences across income groups and age?

- Income groups:
 - We categorize people according to their pre-Covid household income
 - Ranking all people in each country according to their income, we create 5 groups:
 - Q1: Bottom 20%
 - Q2: 20-40%
 - Q3:40-60%
 - Q4: 60-80%
 - Q5: Top 20%



Age and income gradients in change in work situation

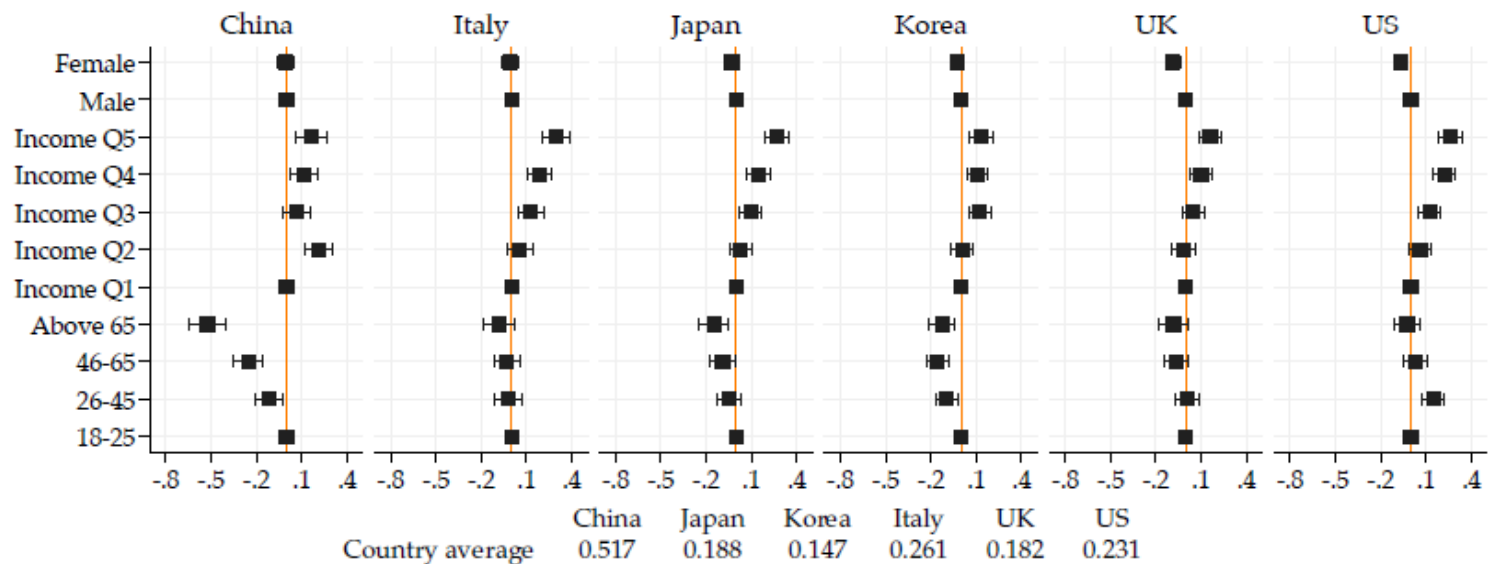
Question. How did your work situation change in the recent week as a consequence of the epidemic?



Note: Point estimates and 95% confidence intervals from a linear regression model of job loss (permanent or temporary) on income quintile, age group, gender, geographical gradients, and employment status pre-pandemic. Figure based on regression results in Table A1. Male, 18-25 and Income Q1 are baseline categories for gender, age and income quintile groups, respectively. Country averages of the outcome variables used for the regression are reported below the figure.

Figure 1: Age and income gradients on losing job at least temporarily

Age and income gradients in teleworking



Note: Point estimates and 95% confidence intervals from a linear regression model of government support on income quintile, age group, gender, geographical controls, and employment status pre-pandemic. Figure based on regression results in Table A2. Male, 18-25 and Income Q1 are baseline categories for gender, age and income quintile groups, respectively. Country averages of the outcome variables used for the regression are reported below the figure.

Figure 2: Age and income gradients on teleworking

Housing conditions: Access to open air area

Question: What outside space do you have access to in your current accommodation; fraction answering “none”

	China	Japan	Korea	Italy	UK	None
Income Q1	15%	33%	52%	8%	13%	33%
Income Q5	6%	4%	28%	1%	3%	10%



Effects on social life

Question: How often do you engage in the following:

1. **Participate in large social gatherings**
2. **Visit large open spaces (e.g. park)**
3. **Visit large close spaces (e.g. shopping mall, museum,...)**
4. **Visit friends or family**



Asked about three different points in time:

- in normal times before the outbreak
- at the start of the outbreak
- at the time of the survey (3d week of April 2020)

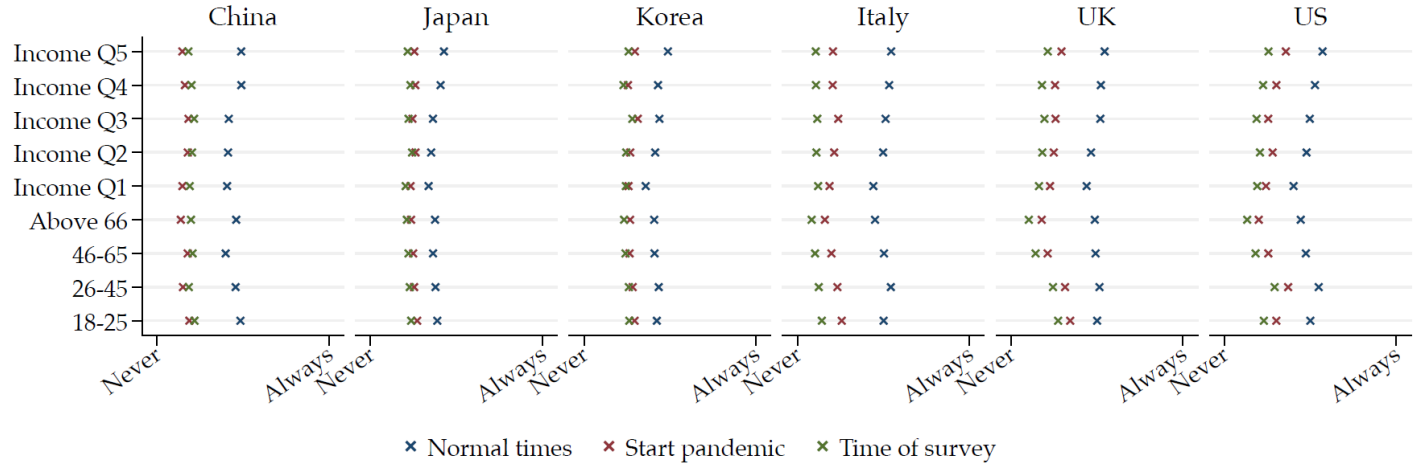


Possible answers

- Answer on a scale from 1 [Never] to 5 [Always]



Effects on social life / leisure with a social component



Note: We report group averages of an index that includes frequency of (i) participation in large social gatherings, (ii) visit to large open spaces, (iii) large close spaces, and (iv) visits to friends or family. The index is constructed by averaging frequencies on a 1 to 5 scale, where "1" is "Never" and "5" is "Always".

Figure 2: Social interactions over time, by age and income groups

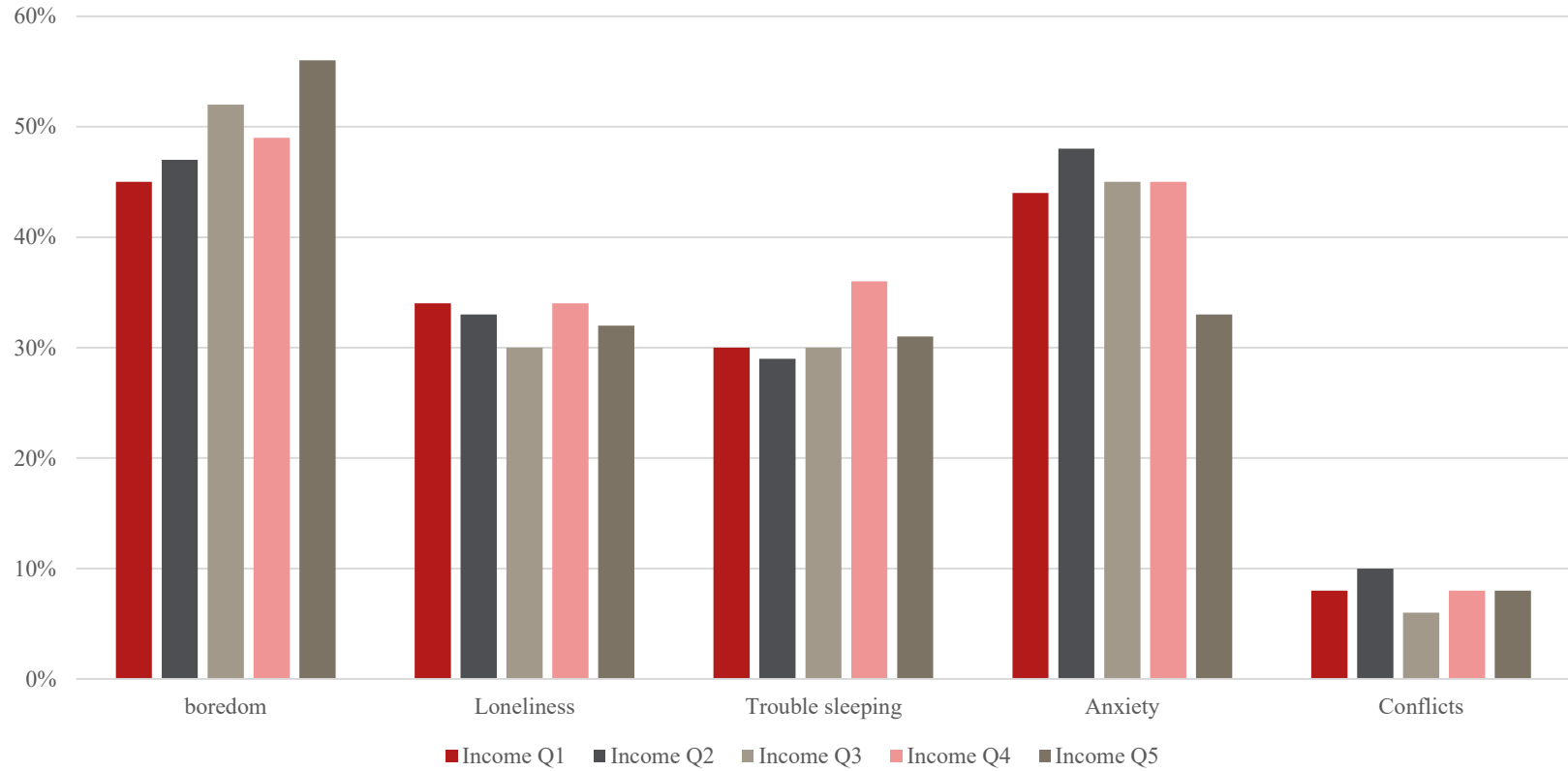


How have people experienced these changes in their circumstances?

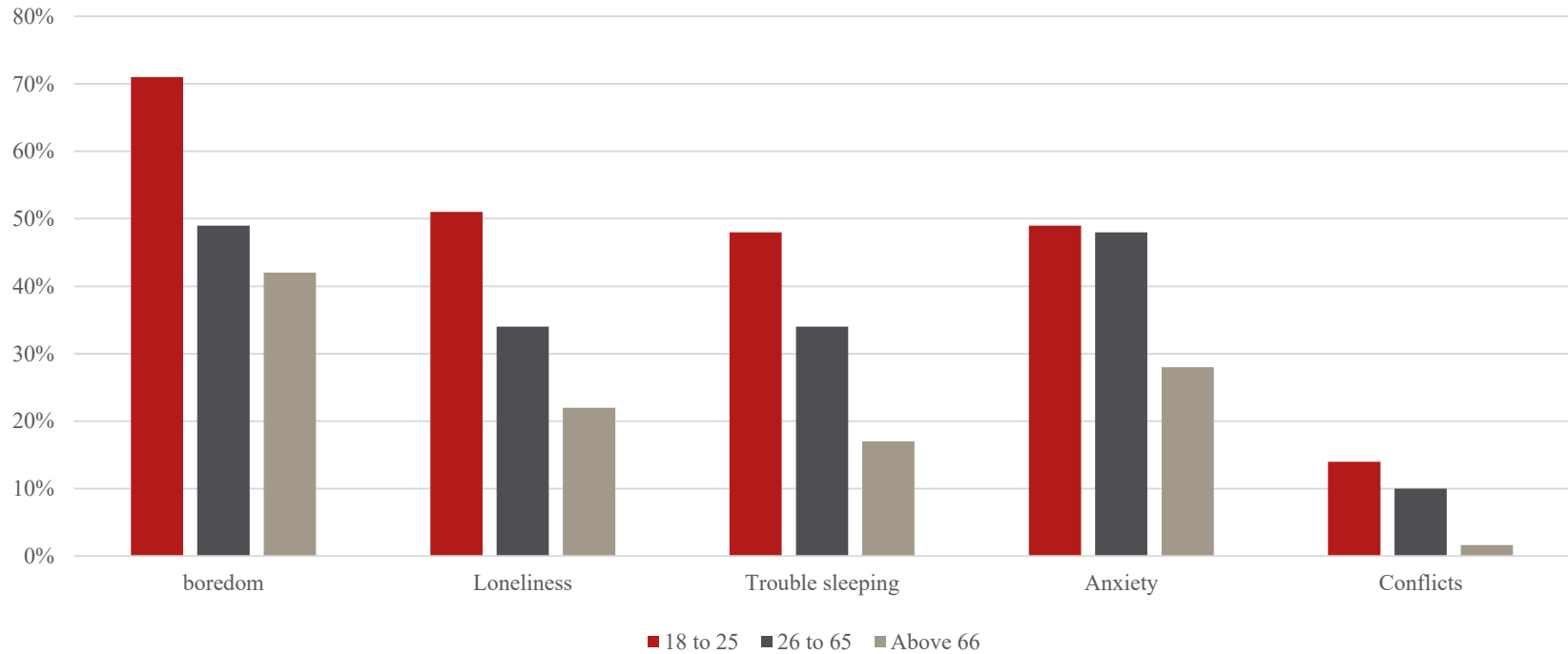
- Subjective assessments of
 - **Negative effects**
 - **Positive effects**



Negative psychological effects (US)



Negative psychological effects by age (US)

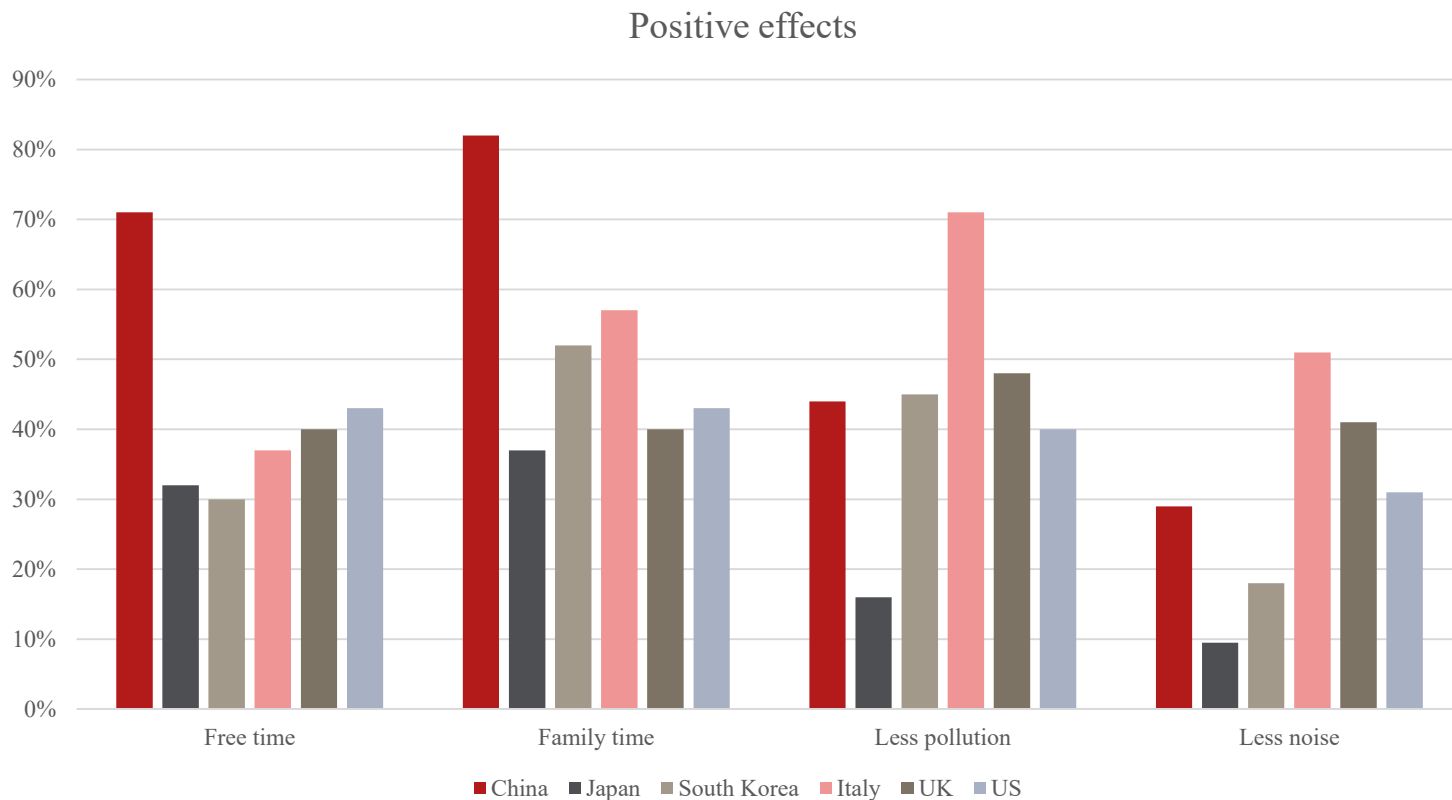


Negative psychological effects

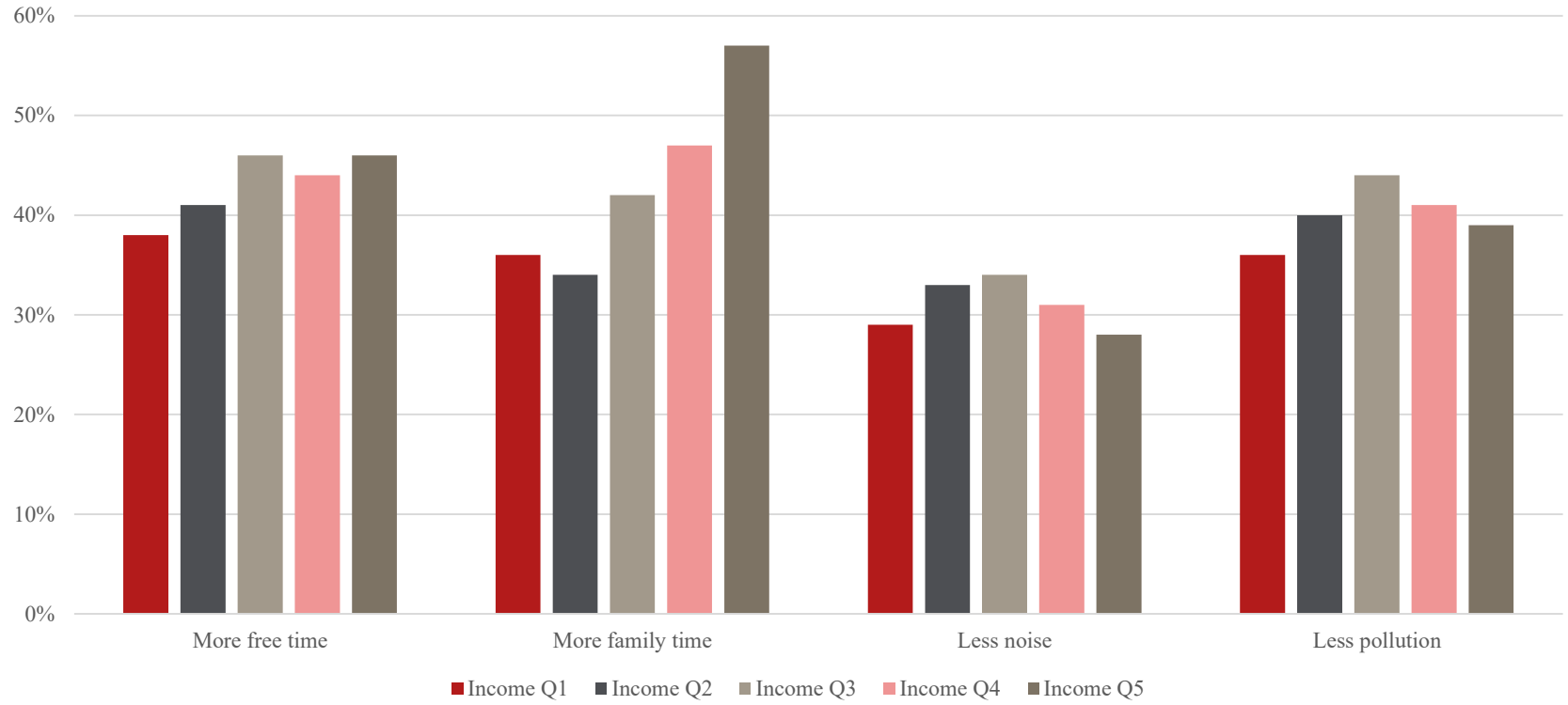
- Large prevalence of negative effects
- No sharp differences across income
- Older group reports much less negative effects



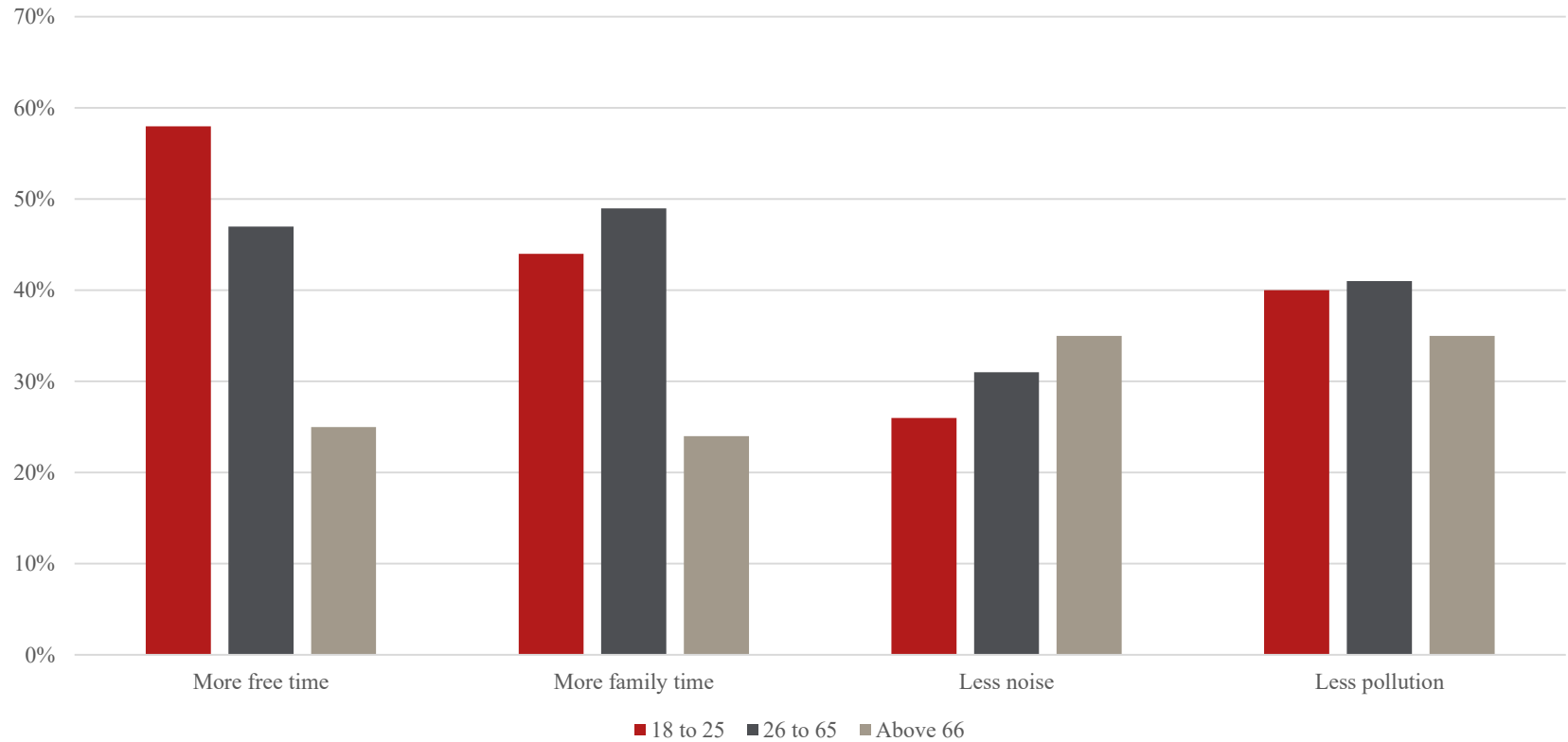
Positive non financial effects



Positive non financial effects by income (US)



Positive non financial effects by age groups (US)



- Positive benefits are more frequently reported by higher income groups.
- Both young and old report positive effects, albeit different ones.
 - Younger groups are more likely to report enjoying **more free time**, as well as **family time**, than the older groups.
 - The older groups on other hand report having enjoyed **less pollution and less noise**.
- Patterns quite similar across countries.



Summary and conclusions

Covid crisis and **lockdown** measures have lead to unprecedented changes in our lives

Large differences in how different groups have experienced the crisis

By income

Larger changes in working circumstances for lower income individuals

Less favorable housing conditions

Less positive non financial effects

Negative psychological effects felt by everyone

By age

Young more affected economically (work)

More positive and negative psychological effects



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