

Chapter 1

We are not (at) all in the same boat: Covid-19 winners and losers

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Introduction: the economic and social impact of the pandemic¹

The Covid-19 pandemic has highlighted existing and new inequalities in an EU already shaped by considerable income and welfare disparities. The purpose of this chapter is to analyse the economic, labour market and social inequalities resulting from the crisis, looking at European society from different angles: the EU as a whole, countries, industries, categories of workers, young people compared to older age groups, women versus men, and other vulnerable groups. Moreover, the chapter sheds light on regional disparities and those within countries, ultimately raising the question: *who are the Covid-19 winners and losers?*

The chapter draws on previous research, in particular by the OECD, and continues the work of the previous edition of the ETUI report on social policy in the EU (Vanhercke et al. 2020, in particular Myant 2020). It primarily uses the latest available data from Eurostat, Eurofound, ILO, IMF and OECD to present the current status. In some cases (Germany, Italy), national sources are used. Unfortunately, there is still a lack of data for 2020, let alone for 2021.

Sections 1-4 provide a statistical overview of the main social indicators on regional and sectoral disparities, unemployment, income inequality and poverty. Section 1 compares Member States' macroeconomic performance. Section 2 discusses the differing development of economic sectors; Section 3 describes the pandemic's impact on labour markets, while Section 4 analyses the social situation within countries. The conclusions sum up the chapter's key findings and provide some policy recommendations on how the EU and Member States can and should tackle the issue of inequalities post-Covid-19.

1. Divergent growth of Member State economies

The pandemic hit the EU at a time when its economic growth had slowed down somewhat (from 2.7% in 2017 to 1.5% in 2019), unemployment had reached its lowest level for years (6.3%), while inflation remained stubbornly below its two percent target. Defined more precisely below, inequality had decreased too. All these achievements suffered an enormous economic shock hitting both supply and demand when Member State economies went into lockdown.

1. The author would like to thank the editors and two anonymous external reviewers for their constructive comments on earlier versions of this chapter. The usual disclaimer applies.

A slow-growth area, the EU has suffered much more than most other large country groups. According to the IMF, its gross domestic product (GDP) declined by more than 6% in 2020 compared to a world average of 3.2% and a G7 average of 4.7%. GDP in emerging Asia, which includes China, only decreased by about 1%. The only continent more affected was Latin America, with a 7% drop. Its recovery in 2021 (+4.3%) is also forecast to be weaker than that of the world economy (+6%), let alone emerging Asia (8.5%). Europe has probably chosen a dangerous middle road in containing the pandemic: too weak to achieve Asian successes, but strong enough to harm growth more than in the USA or Africa.

The economic shock hit Member State economies differently due to their pre-pandemic situation and economic structure (Myant 2020). Some countries had booming economies and relatively low public debt in 2019 (e.g. Germany and many Central and Eastern European countries), while others were already suffering from stagnation and high debt (notably Italy). These preconditions determined their capacity to react through a set of policies aimed at mitigating the pandemic's impact. Nonetheless, all Member States adopted similar policy mixes, albeit to different degrees.

Monetary policy has become extremely loose. Interest rates have been reduced to close to zero (zero for the Eurozone) or even below (e.g. in Denmark). The ECB has swelled its balance sheet by buying bonds to the tune of hundreds of billions of Euros. This 'quantitative easing' led to a rapid recovery of stock markets following their collapse in spring 2020. The subsequent bull market,² coupled with rising house prices, substantially increased the wealth of asset owners, a phenomenon that will be discussed in more detail below.

Fiscal policy has been very expansive too. Budget deficits and public debt have grown in all Member States (see Figure 1 and Table A1 in the Annex).³ There is no clear correlation between debt levels in 2019 and the rates of debt growth between 2019 and 2021. The same is largely true for budget deficits, although their increase tended to be slightly lower for countries with lower deficits in 2019, suggesting that frugal countries remained frugal in the face of the pandemic. For the EU as a whole, total government spending increased by 9.2% (with social spending accounting for 40% of the additional expenditure), while revenue decreased by 3.8% between 2019 and 2020. As a result, the budget deficit increased elevenfold and total debt by 11.4%.

While this development partly reflects declining revenues, also due to general tax reductions (e.g. VAT in Germany) or specific tax relief or moratoria (e.g. for struggling companies), it is mostly due to large-scale additional expenditure on income support and on rescuing endangered firms in industries hit badly by the pandemic such as airlines. Many countries adopted further measures beyond income support to stimulate growth through public investment programmes (see Dauderstädt 2021c). Labour market policies accounted for a large share of that public spending, with most countries

2. A 'bull market' is a period of rising share prices on the stock market.

3. It should be pointed out, however, that the rise as presented in Table A1 in the Annex is partly due to the decline of GDP (see Figure 1) which lowers the numerator and thus inflates the percentage. The expected recovery of the GDP in 2021/22 will reverse that numerical effect.

Figure 1 Change of public debt (in percentage of GDP) between 2019 and 2021



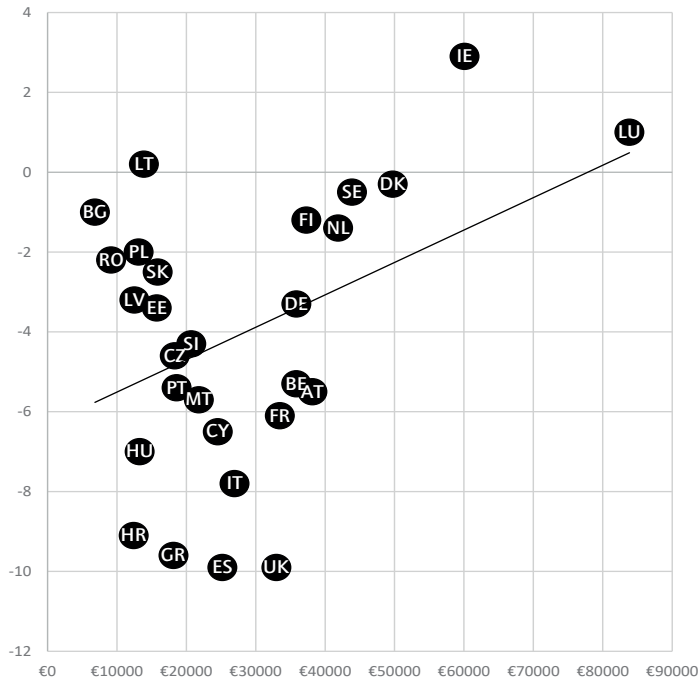
Source: IMF WEO data base (accessed April 2021) and calculations by the author.

introducing furlough, short-time working or temporary unemployment schemes. Labour market issues are discussed in more detail in Section 3.

The strong economic policy response followed (formerly often neglected) Keynesian recipes and substantially mitigated the recession – making it almost V-shaped. For the EU-27, gross domestic product (GDP) in the third quarter of 2020 was only 5 percentage points below its level in the last quarter of 2019 before the pandemic, although it had declined by 16 percentage points during spring 2020 (see Table A2 in the Annex). For the whole year, EU-27 GDP was 4.7% lower than in 2019. Between 2019 and 2020, the standard variation of per capita GDP increased from €20,857 to €20,994 while average per capita GDP declined from €31,591 to €30,540.

Obviously, national growth rates varied widely. Figure 2 shows the GDP changes between 2019 and 2020 for all Member States ordered by their 2019 per capita GDP. Only three countries escaped the recession: Ireland, Lithuania and Luxembourg (see Figure 2). Among the other Member States, some (mostly Nordic) countries experienced a relatively modest GDP decline of less than 2 percentage points, while in others it dropped by more than 6 percentage points. As the trendline in Figure 2 shows, poorer countries were more likely to experience stronger recessions than richer ones. But the poor Eastern periphery performed well (with the exception of Croatia and Hungary) while relatively rich countries such as the UK, Italy or France experienced massive drops. The EU's southern periphery (Cyprus, Greece, Italy, Portugal, Spain)

Figure 2 GDP growth rates (2019-2020) in percent vs. GDP per capita in 2019 (in Euros)



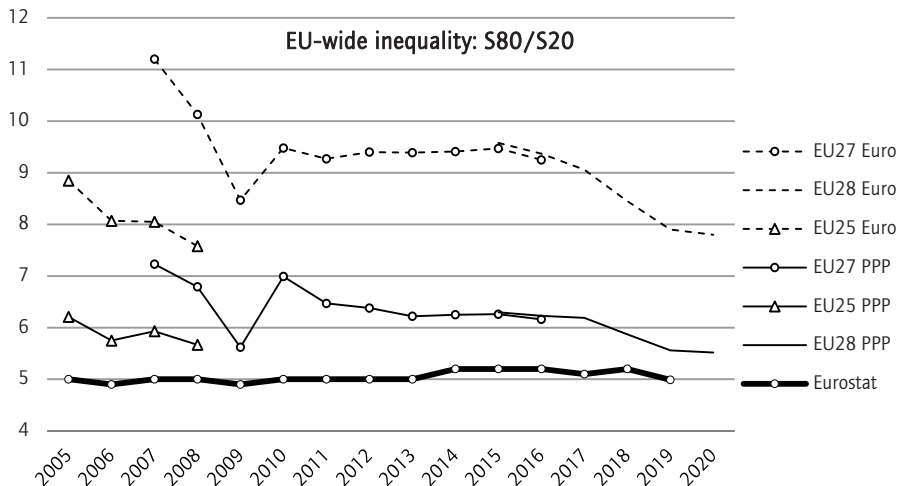
Source: Eurostat and calculations by the author.

suffered most, aggravating already existing problems resulting from the previous Great Recession of 2009, the subsequent sovereign debt panic, and the ill-designed austerity policies. The pandemic reinforced the previous regional pattern of catch-up growth in the EU (Dauderstädt 2021b).

Regarding EU-wide inequality, one has to consider the development of both between-country inequality and within-country inequality (Dauderstädt 2020). The evolution of income distribution within countries is dealt with below in Section 4 (see also Table A6 in the Annex). Generally, within-country inequality contributes approx. 80% to EU-wide inequality, with the rest caused by income disparities between countries. But the evolution of EU-wide inequality is driven by the inequality between Member States, as inequality within countries, on average, has not changed substantially since 2005. As can be seen in the lowest curve in Figure 3, average inequality, measured by the quintile ratio,⁴ has always oscillated around 5 (no data yet available for 2020). This lowest curve (referred to as ‘Eurostat’ in the legend) is the EU-wide value given by Eurostat as the weighted (by population) average of the national values. It is however misleading as it neglects the income disparities between countries (Atkinson et al. 2010; Dauderstädt 2020). Therefore, the changes shown in Figure 3 result mainly from the different growth

4. Quintile ratio, often called S80/S20 ratio, is the relation between the incomes of the richest and the poorest fifth of the respective population.

Figure 3 EU-wide inequality 2005-2020 (S80/S20 or quintile ratio)



Note: * PPP: Purchasing Power Parity.

Source: Dauderstädt 2021a.

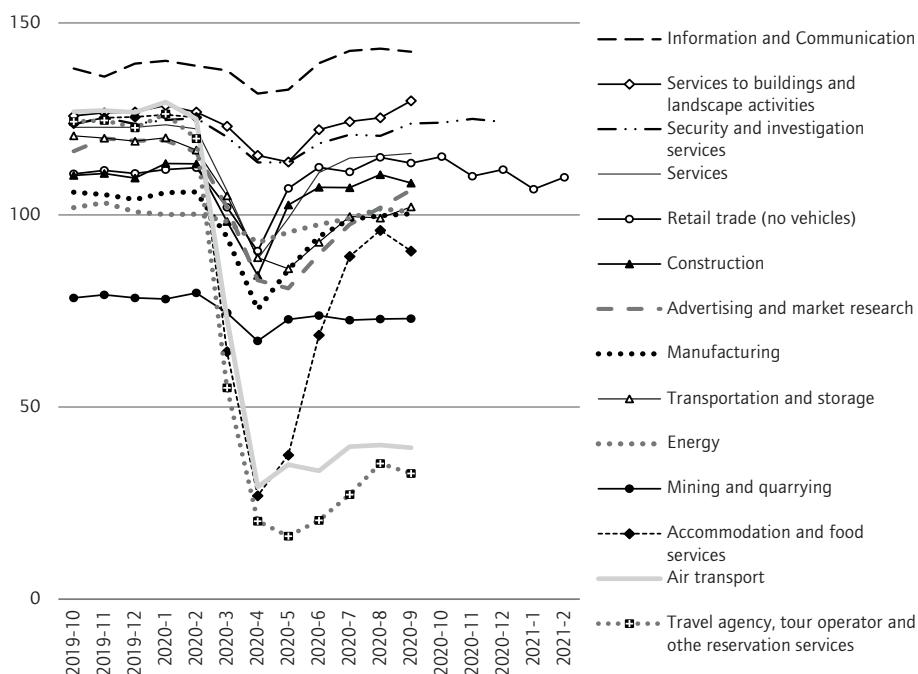
rates of national economies and the effect of the Eastern enlargements. For example, EU-wide inequality jumped in 2007 when Bulgaria and Romania, two large and poor countries, joined the EU. It then declined (as before between 2005 and 2007) due to strong growth in Eastern Europe. The financial crisis stopped and partially reversed that decline. Following a decade of stagnation, cohesive growth resumed in 2017.

The impact of the pandemic on EU-wide inequality, as measured by the S80/S20 ratio, has been weak so far (Dauderstädt 2021a) because both within-country and between-country inequality has not changed much (as explained above and in Section 4 below). Therefore, the value for 2020 in Figure 3 assumes no changes in the within-country distribution of income. The effect of the differences between national growth rates has been weak, as the hardest-hit southern periphery represents the lower middle-income group of the EU, with average per capita incomes around €20,000. The low-income group on the eastern periphery (with incomes below €20,000) and the high-income group of the north-western centre (with incomes above €30,000) both suffered on average less, albeit with very diverse national performances (see Figure 2). At the end of the day, the pandemic seems just to have slowed down the previous (since 2017) decline in inequality.

2. Winning and losing industries

This section provides a finer-grained picture of the impact of the pandemic at industry level. Also interesting, a closer look at the effects of the recession at regional level within Member States is unfortunately not possible due to the lack of up-to-date Eurostat data.

Figure 4 Performance of selected industries in 2019-21 (EU-27; 100=2015)



Source: Eurostat and calculations by the author.

Covid-19 and the subsequent lockdowns affected industries to different degrees. The unequal fate of different industries partly explains the diverse performance of countries (Myant 2020: 56-57). Obviously, some specific sectors such as airlines or sea cruises, restaurants and hotels faced extreme problems due to the collapse of tourism, while others like online retail, communication software (zoom), or some branches of the health sector enjoyed excess demand.⁵

Figure 4 shows the development of selected industries. All industries experienced downturns in spring 2020, albeit to widely different degrees. Air transport, accommodation and food services declined by approx. 80% and have hardly recovered since, with the exception of a brief summer boom in accommodation and food services. Production/sales in many other important industries returned to pre-crisis levels in autumn. Unsurprisingly, the best performance was achieved by the information and communication industry.

The general picture for the EU-27 hides substantial national differences, as can be expected given the diverse growth performance (see Figure 2 and Table A2 in the Annex). Table 1 shows the changes between autumn 2019 and winter 2020/21 (the latest data

5. The overall data availability for production and sales at industry level for 2020 and 2021 is much weaker than for the general GDP data used in the previous section.

Table 1 National performances in selected industries*

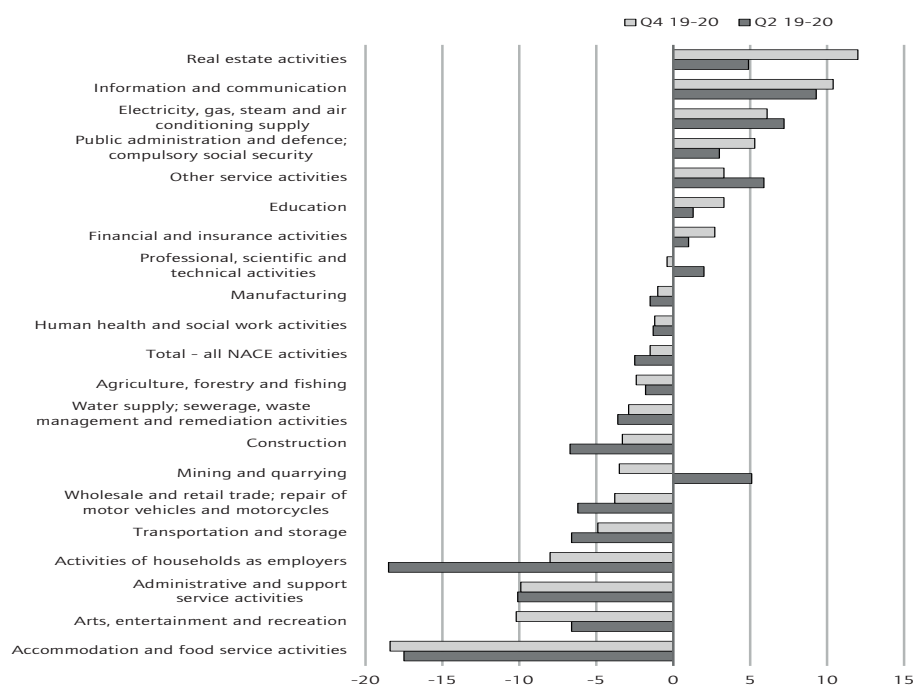
Region	Manufacturing	Construction	Retail	Accommodation and food services
	Autumn 2019 vs winter 2020/21			Autumn 2019 vs autumn 2020
European Union – 27	-0.9	n.a.	0.0	n.a.
Eurozone	-2.2	n.a.	-1.1	n.a.
Belgium	-4.4	-11.2	11.5	n.a.
Bulgaria	-4.0	-9.9	-15.2	-51.3
Czechia	2.1	-20.8	-3.5	-56.3
Denmark	-1.9	n.a.	-1.9	-36.0
Germany	-6.0	7.4	-2.9	-52.3
Estonia	0.1	n.a.	16.4	n.a.
Ireland	n.a.	n.a.	15.7	n.a.
Greece	1.4	n.a.	n.a.	n.a.
Spain	-7.8	-20.5	-6.5	-61.8
France	-12.3	-14.2	10.5	-45.3
Croatia	5.3	n.a.	6.5	-69.8
Italy	-5.2	n.a.	-10.4	n.a.
Cyprus	n.a.	n.a.	n.a.	n.a.
Latvia	5.8	n.a.	-7.3	-61.9
Lithuania	7.3	n.a.	2.3	n.a.
Luxembourg	-9.3	n.a.	1.6	-34.9
Hungary	5.9	-18.2	-6.1	-65.5
Malta	-8.1	n.a.	-12.0	n.a.
Netherlands	-4.3	-3.9	-11.0	n.a.
Austria	n.a.	0.5	8.0	n.a.
Poland	21.3	-19.5	17.7	n.a.
Portugal	-4.1	-7.8	-12.1	-55.3
Romania	0.7	37.3	12.3	-63.3
Slovenia	2.8	5.7	-13.1	-61.2
Slovakia	3.8	-23.3	-11.1	-34.5
Finland	-3.4	-5.4	9.7	-39.9
Sweden	4.6	2.2	2.5	n.a.
United Kingdom	n.a.	n.a.	n.a.	n.a.

Note: * Change in percentage points between index values (2015=100).

Source: Eurostat and calculations by the author.

available at the time of writing in summer 2021) for four industries: manufacturing, construction, retail and, for a slightly different time period, for accommodation and food services. Looking first at manufacturing, Central Eastern Europe performed well

Figure 5 Changes of employment in selected industries in the EU-27 between the 4th quarters of 2019 and 2020 (in percent)



Source: Eurostat and calculations by the author.

(in particular Poland), while production in almost all richer Member States declined (most strongly in France). The picture in the construction industry was quite different, with major (above 19%) drops of production in Czechia, Spain, Slovakia and Poland, yet strong performances in Germany and Romania. As regards retail trade, Belgium, Estonia, Ireland, France, Poland and Romania were the positive outliers. Accommodation and food services were severely hit in all countries. But the same relative decline mattered much more in countries like Spain, Portugal or Croatia where such services account for a large share of GDP and employment.

It is also important to consider the public sector, including education, health and public administration: as these sectors had and have to shoulder the bulk of the fight against Covid-19, their contribution to GDP and employment probably increased due to much additional spending (see Table A1 in the Annex).

To assess the development of these sectors during the pandemic, we use employment figures (see Figure 5 and Table A4 in the Annex). Total employment decreased by 2.5% year-over-year between the 2nd quarters of 2019 and 2020 and slightly less (1.5%) between the 4th quarters of 2019 and 2020. As was to be expected, the hardest-hit industries were accommodation and food services, administrative and support services, arts, entertainment and recreation and domestic services with double-digit drops.

Employment increased in information and communication, real estate, finance and insurance. The development in the two latter industries might reflect asset inflation in the wake of the above-mentioned loose monetary policies.⁶ Public sector employment (in public administration and defence, social security and education) increased slightly, though surprisingly not in the human health and social work sector. This could be due to the fact that this sector includes many activities requiring personal contact without being relevant to fighting the pandemic itself.

The relatively small overall decline in employment is due a) to the fact that those industries with greater losses account for just 10% of total employment; and b) to the widespread furlough schemes. In the first quarter of 2020, more than 30% of all employees were in job retention schemes in several European countries such as the UK, France, Italy and Portugal (OECD 2021a: Figure 2). The impact of these policies becomes visible if one looks at the actual number of hours worked in the main job. The index (2006=100) measuring labour input in the economy fell from 101.8 in the fourth quarter of 2019 to 97.1 in the first quarter of 2020 and to 85.9 in the second. That 15% drop largely exceeds the employment changes presented in Figure 5 and Table A3 in the Annex.

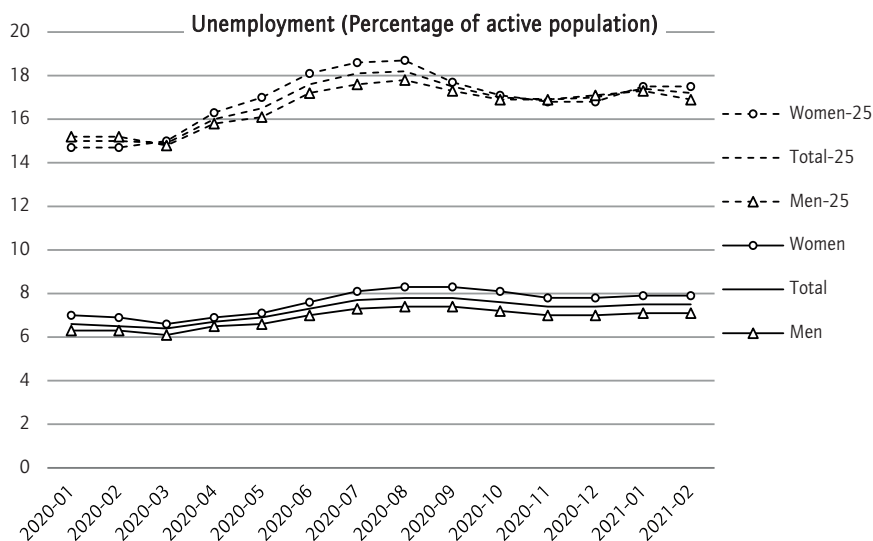
3. The limited impact of the pandemic on labour markets

The rise in unemployment was limited because people were protected by short-time working furlough schemes. Though unemployment increased after March 2020 when the lockdowns came into force (see Figure 6), the rise was relatively modest: it went up by 1.4 percentage points for the total active population, from 6.4% (March 2020) to 7.8% (August 2020). Women suffered slightly more: their unemployment rate was higher at the beginning of 2020 and increased by 0.3 points more than that for men, from 6.6% (March 2020) to 8.3% (August 2020). All rates declined somewhat in autumn 2020 but remained higher than before the pandemic. A survey by Eurofound (2021) found that, in spring 2021, 10% of respondents who had been employed before the pandemic had lost their jobs (double the figure of spring 2020).

As Figure 6 shows, the picture is more dramatic for young people (under 25) whose unemployment rate was much higher to begin with: from 14.9% in March 2020 it rose sharply to 18.2% in August 2020. Young women also suffered more. Although their unemployment rate was slightly lower before the lockdowns, it increased faster (by 4 percentage points compared to 3.3 for men). The cause of this development is likely to be the higher share of female employees in industries hit hard by the lockdowns. For instance, in accommodation and food services where the share of women is 54%, employment declined by 19.3% between the 2nd quarters of 2019 and 2020. Similarly, in domestic services and undifferentiated goods- and services-producing activities of

6. Loose monetary policy drives up asset prices in three ways in particular: first, lower interest rates make credit to buy assets cheaper, thus increasing demand; second, lower interest rates increase the net current value of an asset, as the internal discount rate used is lower (at a discount rate of zero a steady income flow theoretically adds up to an infinitely high present value); and third, demand by central banks for assets (treasury bills, corporate bonds) increases their prices while the return on capital declines.

Figure 6 Total and youth unemployment in the EU-27 in 2020-2021 (as a percentage of active population)



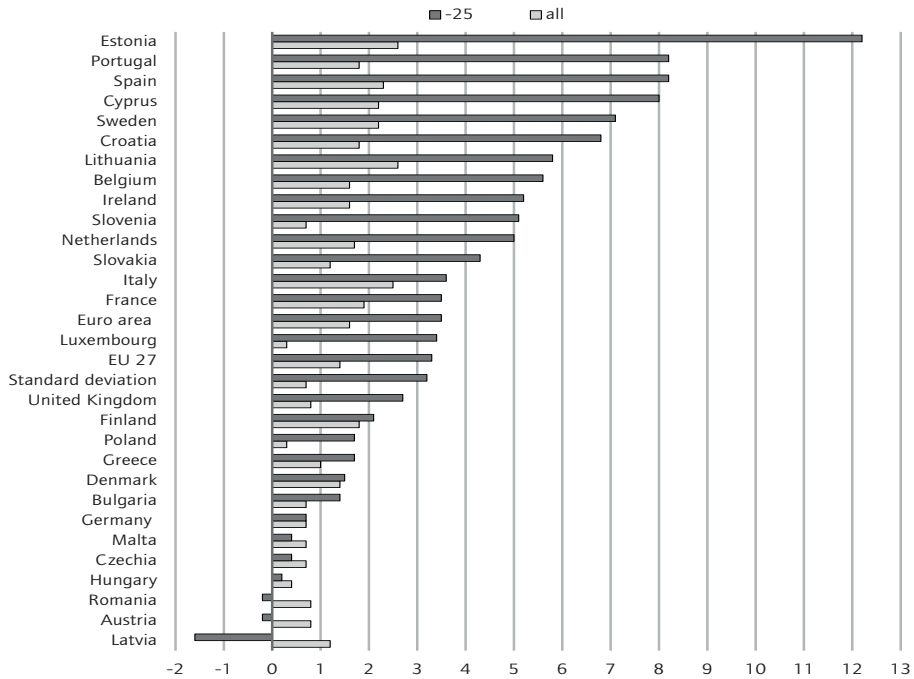
Source: Eurostat and calculations by the author.

households for own use where the share of women is 89%, employment decreased by 18% (EIGE 2021: Table 2). More women than men are self-employed or temporary, part-time or informal workers, accounting for 69% of job losses among part-time workers (EIGE 2021: 50).

The EU-27 perspective hides strong disparities between countries. Figure 7 and Table A4 in the Annex provide a more detailed picture by country. Even before the pandemic, unemployment was much higher in Greece and Spain, with youth unemployment in particular at levels exceeding 33%. Youth unemployment was lower than 10% in just a few countries, notably Germany (5.8%), the Netherlands (6.3%), Czechia (7.2%) and Poland (9.5%). The spread of unemployment rates throughout the EU-28 (including the UK) increased between March and August 2020 for both age groups (see last row in Table A4 in the Annex), though it was higher and increased more for under-25s.

The rise in unemployment between March 2020 (the low point before the pandemic) and August 2020 (maximum) was strongest in Estonia (2.6 percentage points). Looking at youth unemployment, the rates increased more and varied more between countries. While some countries (Austria, Latvia, Romania) even managed to reduce youth unemployment during the pandemic, in Croatia, Estonia, Lithuania, Portugal, Spain and Sweden it rose by more than five percentage points. The share of young (15-29) people neither in employment nor in education and training (NEET) also increased, with the EU-27 rate going up to 13.7% in 2020 after 12.6% in 2019. It was highest

Figure 7 Unemployment rates by country and age group (percentage change between March and August 2020)



Source: Eurostat and calculations by the author.

in Italy (though not the greatest rise), going up from 22.2% to 23.3%. There was no increase in temporary or precarious employment in the EU-27 between 2019 and 2020. The number of self-employed people decreased by less than 2%.

Eurostat has published a study on the Covid-19 labour effects across income distribution (Eurostat 2020), showing that low-wage workers were more likely than better-paid workers to lose their jobs or have their hours reduced. This finding is confirmed by a German study (Herzog-Stein et al. 2021) that compares the Great Recession and the pandemic. While in 2009 manufacturing workers were mostly affected, the lockdowns stopped work in many sectors where the share of precarious labour was much higher and the effect of compensatory payments weaker. The risk of losing one’s job was particularly high for workers on temporary contracts and for low-income groups. The share of workers affected by layoffs and short-time working was highest in the Mediterranean countries and Ireland.

4. More polarised societies?

After comparing Member States and industries and looking at patterns of employment and underemployment, this section focuses on the changing distribution of income

and other metrics of well-being within Member States. Unfortunately, the usual data sources, namely household surveys (in the case of the EU the European Union Statistics on Living and Income Conditions -EU-SILC), are not yet available for 2020 (except for Bulgaria, the Netherlands and Finland), let alone for 2021.

A more accessible approach considers the functional distribution of income between wages and profits. The labour or wage share represents the percentage of an economy's total income accruing to employees. Historically, the wage share declined from levels around 70% in the 1970s to below 60% after 1990. Deep recessions have the perverse effect of – albeit briefly – increasing the wage share as wages continue to be paid while profits collapse, as witnessed in 2009 during the Great Recession following the financial market crisis, but also in 2020 (see Table A5 in the Annex) when the wage share in the EU increased by 1.3 percentage points. Rising profits immediately reversed that trend in 2021.

The functional distribution of income provides few clues as to the personal distribution of income (compare the data in Table A5 in the Annex with the figures given in Table A6 in the Annex), as wages and profits are – often very – unequally distributed. Looking at the personal distribution of income, we have to differentiate between market income and disposable income (market income minus taxes plus transfers received [for example, pensions]). Usually, the distribution of disposable income is less unequal than that of market income as the state redistributes income from rich to poor households. These incomes are adjusted for household type and size, thus becoming so-called 'equivalised disposable incomes'. The values delivered by the household surveys are notoriously unreliable, however, and patchy at the top and the bottom of the income distribution (OECD 2013: 137). Thus, all findings based on them are likely to underestimate actual inequality.

To measure inequality, several indicators are used, including the Gini coefficient (ranging from 0 for total equality to 1 (or 100%) for total inequality) and the S80/S20 or quintile ratio which is the ratio between the income of the poorest and the richest quintile (=20%) of the population. In 2019, the values for the quintile ratio were 8.43 for net market income and 5.09 for disposable income on average for all 28 Member States (see Table A6 in the Annex). National values varied widely, ranging from above 10 (for Bulgaria, Ireland and Sweden) to 5 and below (for Czechia, Slovakia, Hungary and Slovenia) for market income. Turning to disposable income, the quintile ratio ranged between values below 4 (again for Central Eastern Europe) and above 7 (for Bulgaria and Romania). The difference between the two values indicates the effectiveness of redistribution. Compared to an EU average of 3.34, it is highest in Ireland and the Scandinavian countries (7.9 in Ireland, 6.6 in Sweden and 5.4 in Denmark), while relatively low in the, albeit more egalitarian, countries of Central Eastern Europe. At-risk-of-poverty is defined as an income below 60% of the equivalised median disposable household income after social transfers. The poverty rate given in Figure 8 is the percentage of the population at risk. The share is 21.4% on average for all countries, ranging from values above 30% for Bulgaria, Greece and Romania to below 20% for many Central European countries.

Figure 8 Poverty rates 2019 (in %)



Source: Eurostat and calculations by the author.

Wealth is much more concentrated than income. The top quintile usually owns more than 50% of total wealth while the bottom quintile holds less than 1% (in many cases, net wealth is negative in poor households because liabilities are greater than assets). This results in a S80/S20 ratio of at least 50 (often more) for most countries.

How did inequality develop during the pandemic? As there was hardly any good data available at the time of writing (summer 2021), the effect of the crisis can only be estimated by analysing the possible drivers of change. The deep, albeit short, recession (see Table A2 in the Annex) affected market incomes, in particular in those households dependent on jobs (or investment) in the hardest hit industries (see Tables A3 and A4). But whatever the industry, both richer and poorer households are suffering from the crisis, meaning that the eventual change in the distribution of income between income groups (across all industries) might not be that large. Furthermore, the huge efforts of governments to stimulate demand and compensate households for losses of income have increased disposable incomes where market incomes have fallen. This effect has been boosted by short-time working schemes and traditional unemployment insurance.

Looking at the little evidence available on income, the Eurostat data for the 11 countries that have already provided figures for 2020 (see Table 2) does not show any major changes. Both market and disposable income inequality have only slightly changed in all these countries, with only four of them showing a small rise (shaded grey in Table 2). Poverty rates have actually declined in all but two countries (shaded grey in Table 2),

Table 2 Disposable income inequality and poverty in 2019 and 2020 in selected countries

Country	S80/S20 ratio		Poverty rate	
	2019	2020	2019	2020
Belgium	3.61	3.65	19.5	18.9
Bulgaria	8.10	8.01	32.8	32.1
Denmark	4.09	4.00	16.3	15.9
Estonia	5.08	5.03	24.3	23.3
Greece	5.11	5.15	30.0	28.9
Hungary	4.23	4.30	18.9	17.8
Netherlands	3.94	4.04	16.5	16.3
Austria	4.17	4.11	16.9	17.5
Romania	7.08	6.62	31.2	30.4
Slovenia	3.39	3.32	14.4	15.0
Finland	3.69	3.72	15.6	16.0

Source: Eurostat TESS1180 and ILC_PEPS01.

albeit by less than one percentage point. The Spring 2021 Report of the Employment and Social Protection Committees of the EU (European Commission 2021) showed that gross disposable household income was 1.3% higher in the third quarter of 2020 than in the same quarter of 2019. The share of households in the lowest income quartile that experienced financial distress increased slightly from 23.1% in January 2020 to 23.7% in February 2021.

Looking specifically at Italy, a study by Banca d'Italia researchers on the impact of the pandemic on labour incomes shows that the market incomes of lower-paid workers decreased more than those of high-earners. Because of the available state support schemes, however, the resulting distribution of net disposable income hardly changed (Carta and De Philippis 2021). As for Spain, a study showed an increase of inequality in February/March 2020 which was partly reversed in the following months (Aspachs et al. 2020). In France, poor households were much more likely (34.8%) than richer ones (less than 20%) to complain that their financial situation had worsened (Barhoumi et al. 2020). But these findings are based on a survey conducted in May 2020 and not on income distribution data. A larger survey (Cantó Sánchez et al. 2021) of four countries (Belgium, Italy, Spain, the UK) only found inequality (Gini) to have increased in Italy. Lower income strata were relatively less affected than richer ones, due to welfare programmes.

Turning to Germany,⁷ several studies exist: according to Hövermann and Kohlrausch (2020), people on lower incomes reported higher losses of earnings than those on higher incomes. Analysing the German low-wage sector, Schulten (2020) expects poverty to rise. These authors question whether the short-time working compensation paid by

7. This paragraph on Germany draws on Dauderstädt (2021a).

the state (and employers) will stabilise incomes sufficiently. Research by the Institute for Employment Research (*Institut für Arbeitsmarkt- und Berufsforschung*) finds that low-wage earners are hit more by unemployment than other wage groups (Buch et al. 2021). Other studies expect no changes in the distribution of income. The results of a simulation study conducted by Bruckmeier et al. (2020: Figure 1) point to gross incomes declining by 3% on average and, for the different income deciles, between 4.3% for the 1st decile and 2.8% for the 10th decile, implying a slightly increasing inequality in market incomes. However, their findings are quite different for disposable income: here, the average decline is just 0.1%, with incomes rising in the lower deciles and declining in the higher ones (Bruckmaier et al. 2020: Fig. 2). Research by the employer-friendly German Economic Institute (*Institut der Deutschen Wirtschaft*) comes up with similar results, with strong declines of market incomes in the lower income deciles being largely compensated, thus stabilising disposable incomes (Beznoska et al. 2021). Therefore, the picture for Germany is ambiguous: while market income inequality is likely to have increased in 2020, the distribution of disposable incomes might have not changed that much or even have improved.

The picture is different for wealth: due to the loose monetary policy of the ECB and other central banks, the value of many assets, in particular stocks and property, has increased, benefiting richer households. Savings increased dramatically during the crisis. In Germany, the savings rate increased in 2020 to 16.3% of disposable income – a rise of 5.4% compared to 2019. Financial assets reached 6.7 trillion Euros at the end of the third quarter 2020, up by 108 billion Euros (or 1.6%) compared to the second quarter (Bundesbank 2021). But higher wealth inequality does not translate immediately into higher income inequality, as returns on capital in a zero-interest-rate economy are minimal.

The impact of the pandemic on the housing market has been twofold: the immediate reaction to the outbreak and subsequent lockdowns was for the market to collapse, with a dramatic drop in transactions (Balemi et al. 2021). But prices were affected much less. Generally, prices continued to rise, in line with the trend already observed over the preceding years – with alarming effects for poor tenants (FEANTSA 2021). In the EU, the house price index (2015=100) had increased to 122.48 in the last quarter of 2019 and went up further to 129.36 just one year later (Q4 2020).⁸ Initial short-term declines in some countries were recouped rapidly by the end of 2020. The pandemic might however change the structure of demand, with more people looking for houses outside city centres in order to benefit from larger properties with gardens and due to the declining need to commute due to increased teleworking. Rising house prices will eventually lead to higher rents, thus boosting the incomes of property owners. But given contractual and regulatory limitations, the adjustment of rents might take some time. In the long run, higher rents will increase inequality as they redistribute income from (relatively poorer) tenants to owners. This effect will be greater in countries with lower owner occupancy ratios.

8. Data from Eurostat PRC_HPI_Q.

Changes in income and wealth might not be the most harmful (if at all) effects of the pandemic. The current and future well-being of many people also depends on other factors changed by the lockdowns or infections. Mental health has deteriorated during the pandemic (Eurofound 2021). Poorer families with children and with less spacious housing are not coping easily with prolonged stays at home while kindergartens and schools remain closed.

Children from poorer families have less access to digital forms of learning and communication and are usually more reliant on personal care and teaching by professionals which their parents are often not able to provide. Children from migrant families have greater difficulties learning the languages of their host countries when deprived of opportunities to meet and communicate with native speakers (Ravens-Sieberer et al. 2021). As educational outcomes already depend too much on the class and educational background of the parents, such disparities are likely to increase. In the medium and long run, educational disparities translate into professional, career and income disparities set to become visible decades later (Engzell et al. 2021).

Still often reflecting traditional role models, the division of labour within families between women and men might disadvantage women further, impeding their participation in the formal labour market (Rubery and Tavora 2020). During the lockdowns, women have had to increase unpaid care work much more than men (EIGE 2021: Figure 12), thereby reducing paid work and probably entailing lost career opportunities.

Covid-19 itself is likely to kill and harm poorer people more than richer ones due to a higher incidence of previous health problems caused by inferior housing and nutrition. They are also more likely to be infected because of crowded housing and the fact that low-paid workers are less likely to work from home (OECD 2020a: Figure 3). People suffering from financial insecurity and unemployment are more likely to be afflicted by depression and other mental health problems (OECD 2021b). The pandemic is exacerbating the well-known inequality in life expectancy which is, on average, years higher for the rich than for the poor. The poor tend to have a higher incidence of pre-existing conditions such as obesity, head injuries or lead poisoning.⁹ As regards housing, more than 25% of households in Hungary, Latvia, Poland and Slovakia live in overcrowded conditions which make infection more likely (OECD 2020a: 8). There are not yet many studies assessing this connection in European countries. Research has identified a correlation between, on the one hand, infection or mortality, and, on the other hand, lower income or deprivation in the USA and, to a lesser degree, the UK, though not clearly for Germany (Wachtler et al. 2020). Given the emerging risk of long Covid, the poor might suffer more often from lasting effects reducing their productivity, employability and income, with corresponding repercussions in social protection systems.

9. Lead poisoning results from old water pipes and exposure to certain emissions which occur more often in neighbourhoods close to sites with environmental problems and with low-quality housing, i.e. neighbourhoods where poor people tend to live. For the effects see <https://www.who.int/news-room/fact-sheets/detail/lead-poisoning-and-health>

Conclusions: building back a more social Europe

The pandemic has highlighted existing and added new inequalities in an EU already shaped by considerable disparities in income and welfare. As shown in the previous sections, income disparities between countries increased, with the already suffering southern periphery of the EU (Greece, Italy, Portugal, Spain) hit hardest by the pandemic. Otherwise, poorer Member States tended to suffer less than richer ones. The fate of different industries varied substantially, with accommodation and food services virtually collapsing and information and communication booming. While hours worked declined in line with decreasing GDP, unemployment increased much less due to protective government policies. However, the rise in youth unemployment is worrying. Income and wealth disparities within countries increased but the inequality of disposable income remained relatively stable due to redistributive measures. The poorer layers of societies seem likely to suffer more from the long-term effects of the pandemic due to their exposure to health risks and educational deficits. But generally, the repercussions of the Covid-19 crisis were less catastrophic than feared due to the speedy and large-scale countermeasures which broke with old patterns and views of economic and social policies, both at national and EU level. Nonetheless, policies and their results still leave a lot to be desired. This section intends to briefly evaluate past and proposed policies with regard to their capacity to correct the four key dimensions of inequality analysed above.

Divergent growth: national governments adopted many unorthodox policies. As described above (Section 1; Table A1 in the Annex), monetary and fiscal policies followed an expansionary course, ditching the commitments to limit budget deficits and public debt prescribed by the Maastricht Treaty or even tightened in the wake of the financial crisis (Alcidi and Corti, this volume). Income protection schemes and subsidies not only supported their beneficiaries but maintained purchasing power and demand in national economies and beyond. Such policies seemed much more legitimate under the pandemic, as the economic and social problems were caused neither by booming and greedy markets nor, as often suggested, by happy-to-spend governments. When people and companies had to stop work under government decrees, they had good reason to expect to be compensated and protected by those governments.

Even so, despite these counter-recession measures, some countries, in particular in the southern EU, experienced much sharper drops in GDP and employment than others. Fortunately, the EU was not bent on repeating the ill-designed policies imposed on these Mediterranean Member States in the wake of the 2008 crisis and which slowed down growth and cohesion. Under the pandemic, the EU has been prepared to take unprecedented measures: the imperfect institutional structure of the Monetary Union has benefited from the introduction of debt instruments at EU level and the EU's willingness to provide grants to needy Member States rather than credits driving up their debt burdens (see Figure 2).

In the field of regional and cohesion policy, the EU should use its regional and structural funds to reduce income disparities between Member States. Supporting the Mediterranean countries, the NextGenerationEU fund approved during the crisis

sets the right regional priorities. A European industrial policy aiming for greater self-reliance in strategic fields (e.g. the production of vaccines and health-related personal protection equipment) could open opportunities for strengthening manufacturing in poorer Member States. Given the fact (see Figure 3 above) that the reduction of EU-wide inequality is mainly driven by stronger growth in poorer Member States, such an effort to reduce EU-wide inequality could help reduce competition between workers in the EU, thereby countering the disgruntlement behind Brexit and nativist populism.

Industrial bailouts: the programmes adopted constitute a de facto industrial policy, the goals of which were often not clearly defined but followed protective interests. Such bailouts may turn out to be problematic when protected and subsidised companies prove unable to survive in the long run, once state aid is withdrawn (Grömling 2021; Hutter and Weber 2020). In this respect, the US approach of not protecting specific jobs but just incomes is better suited to letting disruptive adjustments of employment patterns run their course. Many governments added to these protective measures (i.e. stabilising existing jobs, incomes and economic activities), enacting further future-oriented programmes (Dauderstädt 2021c). Large (stimulus) programmes encompassed investments in infrastructure, housing, research and development to promote a more modern, climate-friendly and digital economy. Of course, governments also spent enormous sums on health (personal protective equipment, hospitals, testing, vaccinations, etc.) that stimulated the economy, benefiting the respective industries. A more far-sighted approach (as proposed by Creel et al. 2020) would have supported those industries more likely to be the pillars of sustainable growth, for instance railways rather than airlines. The priorities of the Recovery and Resilience Facility (RRF), i.e. climate investment (at least 37% of funds used) and digital transition (at least 20%), point in the right direction.

Employment: with regard to employment and social protection, many existing programmes were extended and new ones introduced (Dauderstädt 2021c; Eurofound 2020; OECD 2020b; Spasova et al. 2021). Some governments are promoting future employment through subsidised training (e.g. France, Germany, Sweden) or the easing of temporary employment restrictions (Italy). Active labour market policies are set to play an increasingly important role in overcoming the employment problems caused by the pandemic (OECD 2021c). To reduce the unequal impact of recessions on employment in different countries, the EU (see Figure 7) could adopt an EU-wide unemployment insurance as a kind of re-insurance, similar to the federal-level US system (Dullien 2014; Maselli and Beblavy 2015). A first step in this direction has been taken with the Support to mitigate Unemployment Risks in an Emergency (SURE) loan programme (European Commission 2020a).

Inequality: generally speaking, most support programmes have protected past incomes (and thus their unequal distribution) rather than trying to use the opportunity to reduce disparities. While all these measures have served to cushion the economic cost of the crisis, they were not guided by a clear view of, let alone a priority for, protecting the poor and weak. Though without them income inequality would have increased much more (see Figure 3), in many cases the primary beneficiaries were the middle class, wealthy households and companies. Profits recovered fast (see Table A5 in the Annex), and asset

prices exploded. In some cases, companies receiving state support paid dividends to their shareholders and bonuses to their top managers.¹⁰ A truly social strategy would have targeted weaker households more directly by offering cash, better schooling and training, and investing more in housing for the poor. Interestingly, a policy adopted by Japan, Korea and the USA (at federal level), namely universal cash transfers, did not appeal to European governments (OECD 2020b: Table 1). Such schemes benefit the poor relatively more than the rich.¹¹ As regards wages (see Table A5 in the Annex), the EU could require Member States to introduce a minimum wage of at least 60% of the median wage (Lübker and Schulten 2021), as seen by the EU Commission's Proposal on adequate minimum wages in the EU (European Commission 2020b).

The next opportunity or challenge to correct the pro-rich bias comes when public budgets have to be rebalanced. Hopefully, another wave of austerity policies as implemented in the wake of the financial crisis will be avoided, with the tax burden shifted onto the shoulders of the rich and the winners of the crisis. Several international efforts to fight tax avoidance and introduce global minimum taxes on business, financial transactions and climate-harming activities point in the right direction.

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10. A case in point is Deutsche Bank; see <https://www.ft.com/content/35faa596-3f1d-40a3-9c2c-146ac9d09454>

11. The poor even might receive more money (at least for a certain period) than their usual income, as was the case among low-wage workers in the USA.

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Annex

Table A1 Increasing deficits and debt

Country	Net lending/borrowing (% of GDP)				Gross debt position (% of GDP)				
	2019	2020	2021	2019-21	2019	2020	2021	2019-2021	Δin%
Austria	0.7	-9.6	-6.5	-16.8	70.5	85.2	87.2	16.7	23.6
Belgium	-1.9	-10.2	-7.3	-15.6	98.1	115.0	115.9	17.8	18.2
Bulgaria	-1.0	-3.0	-3.9	-6.0	18.4	23.8	25.5	7.1	38.6
Croatia	0.4	-8.0	-3.9	-12.2	72.8	87.2	86.3	13.5	18.5
Cyprus	1.5	-5.0	-3.2	-9.7	94.0	118.2	113.0	18.9	20.1
Czechia	0.3	-5.9	-7.8	-13.9	30.2	37.6	44.0	13.7	45.4
Denmark	3.8	-3.5	-1.8	-9.0	33.0	43.4	41.6	8.6	26.0
Estonia	0.0	-5.4	-7.1	-12.5	8.4	18.5	25.1	16.7	198.0
Finland	-1.0	-4.8	-4.3	-8.1	59.3	67.1	68.8	9.5	15.9
France	-3.0	-9.9	-7.2	-14.1	98.1	113.5	115.2	17.1	17.5
Spain	-7.8	-4.8	-4.3	-8.1	59.3	-20.5	-6.5	-61.8	-61.8
France	-12.3	-9.9	-7.2	-14.1	98.1	-14.2	10.5	-45.3	-45.3
Germany	1.5	-4.2	-5.5	-11.2	59.6	68.9	70.3	10.6	17.8
Greece	0.6	-9.9	-8.9	-19.3	184.9	213.1	210.1	25.2	13.6
Hungary	-2.0	-8.5	-6.5	-13.0	65.3	81.2	80.0	14.7	22.5
Ireland	0.5	-5.3	-5.5	-11.3	57.4	59.8	63.2	5.8	10.1
Italy	-1.6	-9.5	-8.8	-16.7	134.6	155.6	157.1	22.6	16.8
Latvia	-0.4	-3.9	-6.7	-10.2	37.0	45.5	47.2	10.2	27.6
Lithuania	0.3	-8.0	-6.1	-14.4	35.9	47.0	49.5	13.6	37.9
Luxembourg	2.4	-3.8	-1.5	-7.7	22.0	25.5	26.8	4.8	21.9
Malta	0.5	-9.0	-5.7	-15.2	42.0	55.4	57.9	15.9	37.8
Netherlands	2.5	-5.6	-4.3	-12.4	47.6	54.0	56.1	8.5	17.8
Poland	-0.7	-8.2	-4.7	-12.2	45.7	57.7	57.4	11.7	25.6
Portugal	0.1	-6.1	-5.0	-11.2	116.8	131.6	131.4	14.6	12.5
Romania	-4.6	-9.7	-7.1	-12.3	36.8	50.1	52.6	15.8	42.9
Slovakia	-1.4	-7.3	-7.1	-13.0	48.5	60.7	64.0	15.5	32.0
Slovenia	0.5	-8.5	-6.2	-15.2	65.6	81.5	80.5	14.9	22.8
Spain	-2.9	-11.5	-9.0	-17.6	95.5	117.1	118.4	22.8	23.9
Sweden	0.5	-4.0	-3.9	-8.4	35.1	38.5	40.4	5.3	15.0
United Kingdom	-2.3	-13.4	-11.8	-22.9	85.2	103.7	107.1	21.9	25.7

Source: IMF WEO data base (accessed April 2021) and calculations by the author.

Table A2 GDP*

Country	2019-Q4	2020-Q1	2020-Q2	2020-Q3	2020-Q2	2020-Q3
Finland	108.9	108.2	103.2	106.6	107.0	5.7
Estonia	140.6	139.0	131.7	135.0	137.9	8.9
Lithuania	141.7	141.3	132.5	140.6	140.3	9.2
Denmark	119.5	118.0	110.1	117.0	117.7	9.4
Sweden	120.9	120.6	111.5	118.6	118.4	9.5
Greece	84.3	84.6	73.3	75.6	77.6	11.0
Ireland	185.3	178.0	174.2	194.8	184.9	11.0
Netherlands	114.3	112.5	103.0	111.0	110.9	11.3
Luxembourg	130.7	128.7	119.3	130.4	132.5	11.4
Bulgaria	126.6	127.2	114.4	119.3	121.8	12.2
Latvia	134.6	131.5	122.3	130.7	132.2	12.3
Poland	139.2	138.8	126.3	136.3	135.4	12.9
Germany	116.6	114.3	103.2	112.0	112.4	13.4
Czech Republic	124.8	121.0	110.5	118.0	118.8	14.4
Cyprus	112.7	112.1	97.4	106.0	107.6	15.3
Austria	114.5	111.0	99.1	110.8	107.8	15.4
Romania	141.8	142.6	125.9	132.8	139.2	16.0
EU 27	114.7	110.9	98.5	109.9	109.4	16.2
Slovak Republic	127.7	121.2	111.2	124.1	124.4	16.6
Belgium	114.6	110.7	97.6	109.0	108.8	17.0
Slovenia	120.8	115.0	103.3	116.0	114.7	17.5
Italy	100.6	95.0	82.7	95.8	93.9	17.9
Croatia	112.7	111.5	94.2	102.0	104.7	18.5
Portugal	107.7	103.4	89.0	101.0	101.2	18.7
Hungary	131.9	131.2	112.5	124.9	126.5	19.4
France	112.6	106.0	91.7	108.6	107.0	20.9
Spain	111.3	105.3	86.6	101.4	101.4	24.7
UK	117.8	114.3	92.8	107.7	n.a.	25.0
Malta	165.7	161.6	138.7	149.8	155.5	27.0
United Kingdom	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note: * 2010=100; ordered by the decline between 2019-Q4 and 2020-Q2, right column.

Source: EuEurostat (NAMQ_10_GDP) and calculations by the author.

Table A3 Changes of employment in selected industries in the EU-27 between 2019 and 2020 (the 2nd and 4th quarter respectively; in percent)

Industry (NACE)	Q2 2019– 2020	Q4 2019– 2020
Total - all NACE activities	-2,5	-1,5
Agriculture, forestry and fishing	-1.8	-2.4
Mining and quarrying	5.1	-3.5
Manufacturing	-1.5	-1.0
Electricity, gas, steam and air conditioning supply	7.2	6.1
Water supply; sewerage, waste management and remediation activities	-3.6	-2.9
Construction	-6.7	-3.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	-6.2	-3.8
Transportation and storage	-6.6	-4.9
Accommodation and food service activities	-17.5	-18.4
Information and communication	9.3	10.4
Financial and insurance activities	1.0	2.7
Real estate activities	4.9	12.0
Professional, scientific and technical activities	2.0	-0.4
Administrative and support service activities	-10.1	-9.9
Public administration and defence; compulsory social security	3.0	5.3
Education	1.3	3.3
Human health and social work activities	-1.3	-1.2
Arts, entertainment and recreation	-6.6	-10.2
Other service activities	5.9	3.3
Activities of households as employers	-18.5	-8.0

Source: Eurostat and calculations by the author.

Table A4 Unemployment rates by country and age group

Region/ Country	March 2020		August 2020		February 2021		Change between March and August 2020	
	all	-25	all	-25	all	-25	all	-25
	In percent of active population						Percentage points	
European Union - 27	6.4	14.9	7.8	18.2	7.5	17.2	1.4	3.3
Eurozone	7.1	15.4	8.7	18.9	8.3	17.3	1.6	3.5
Belgium	4.9	11.9	6.5	17.5	5.7	n.a.	1.6	5.6
Bulgaria	4.4	13.3	5.1	14.7	5.3	16.3	0.7	1.4
Czechia	2	7.2	2.7	7.6	3.2	9.3	0.7	0.4
Denmark	4.8	10.3	6.2	11.8	6.1	11.1	1.4	1.5
Germany	3.8	5.8	4.5	6.5	4.5	6.1	0.7	0.7
Estonia	5.1	10.5	7.7	22.7	7.2	16.8	2.6	12.2
Ireland	5	12.6	6.6	17.8	5.8	14.9	1.6	5.2
Greece	15.9	34.4	16.9	36.1	n.a.	n.a.	1	1.7
Spain	14.4	33.8	16.7	42	16.1	39.6	2.3	8.2
France	7.4	18.8	9.3	22.3	8	19.2	1.9	3.5
Croatia	6.5	17.4	8.3	24.2	7.1	n.a.	1.8	6.8
Italy	7.4	27.8	9.9	31.4	10.2	31.6	2.5	3.6
Cyprus	6.3	13.4	8.5	21.4	6.8	n.a.	2.2	8
Latvia	7.4	15.6	8.6	14	8.7	15.9	1.2	-1.6
Lithuania	7.2	17	9.8	22.8	9.6	17.5	2.6	5.8
Luxem- bourg	6.5	20	6.8	23.4	6.7	21.4	0.3	3.4
Hungary	3.4	11.1	3.8	11.3	4.5	13.6	0.4	0.2
Malta	3.9	10.8	4.6	11.2	4.4	10	0.7	0.4
Nether- lands	2.9	6.3	4.6	11.3	3.6	9.4	1.7	5
Austria	4.8	10.4	5.6	10.2	5.7	9.6	0.8	-0.2
Poland	3	9.5	3.3	11.2	3.1	14.8	0.3	1.7
Portugal	6.3	18.1	8.1	26.3	6.9	21.6	1.8	8.2
Romania	4.5	18.2	5.3	18	5.7	n.a.	0.8	-0.2
Slovenia	4.5	10.5	5.2	15.6	4.9	n.a.	0.7	5.1
Slovakia	6	16.5	7.2	20.8	7.3	20.6	1.2	4.3
Finland	6.7	20.7	8.5	22.8	n.a.	n.a.	1.8	2.1
Sweden	6.8	19.5	9	26.6	8.9	23.6	2.2	7.1
United Kingdom	3.9	11.9	4.7	14.6	n.a.	n.a.	0.8	2.7
Standard deviation	3.0	7.2	3.4	8.5	n.a.	n.a.	0.7	3.2

Source: Eurostat and calculations by the author.

Table A5 Adjusted wage share (as a percentage of GDP)

Region/Country	2019	2020	2021
European Union	55.3	56.6	55.7
Eurozone	56.0	57.3	56.4
Belgium	59.2	62.3	60.8
Bulgaria	58.4	61.8	61.7
Czechia	51.8	53.3	51.2
Denmark	54.2	56.0	54.6
Germany	58.9	59.7	58.6
Estonia	55.0	57.0	55.3
Ireland	33.0	34.3	32.7
Greece	51.9	55.1	53.3
Spain	53.2	56.1	54.5
France	57.3	58.0	57.4
Croatia	53.9	59.6	56.4
Italy	52.7	52.2	53.4
Cyprus	50.1	50.4	49.3
Latvia	56.2	58.8	57.6
Lithuania	52.3	52.7	51.8
Luxembourg	52.6	53.3	52.7
Hungary	44.3	46.0	45.0
Malta	49.5	53.3	52.9
Netherlands	57.4	60.3	58.0
Austria	55.1	57.3	55.1
Poland	49.4	50.3	48.9
Portugal	52.3	54.5	53.4
Romania	49.6	53.6	52.9
Slovenia	62.6	66.4	63.6
Slovakia	49.5	51.8	50.4
Finland	52.5	53.7	52.3
Sweden	49.7	50.6	49.4
United Kingdom	58.6	61.4	59.7

Source: Ameco and calculations by the author.

Table A6 Income distribution and poverty (2019)

Region/country	Net market income	Disposable income	Difference (redistribution)	Poverty
				In %
S80/S20 (quintile) ratio				
European Union	8.43	5.09	3.34	21.4
Eurozone	7.91	4.98	2.93	20.8
Belgium	7.66	3.61	4.05	19.5
Bulgaria	10.74	8.10	2.64	32.8
Czechia	4.22	3.34	0.88	12.5
Denmark	9.51	4.09	5.42	16.3
Germany	9.00	4.89	4.11	17.4
Estonia	7.05	5.08	1.97	24.3
Ireland	11.93	4.03	7.90	20.6
Greece	6.94	5.11	1.83	30.0
Spain	8.56	5.94	2.62	25.3
France	7.35	4.27	3.08	17.9
Croatia	6.58	4.76	1.82	23.3
Italy	7.54	6.01	1.53	25.6
Cyprus	6.03	4.58	1.45	22.3
Latvia	8.03	6.54	1.49	27.3
Lithuania	9.41	6.44	2.97	26.3
Luxembourg	9.00	5.34	3.66	20.6
Hungary	5.00	4.23	0.77	18.9
Malta	5.32	4.18	1.14	20.1
Netherlands	6.43	3.94	2.49	16.5
Austria	7.10	4.17	2.93	16.9
Poland	6.12	4.37	1.75	18.2
Portugal	6.60	5.16	1.44	21.6
Romania	9.11	7.08	2.03	31.2
Slovenia	5.03	3.39	1.64	14.4
Slovakia	4.46	3.34	1.12	16.4
Finland	7.71	3.69	4.02	15.6
Sweden	10.92	4.33	6.59	18.8

Source: Eurostat and calculations by the author.