



EMN – OECD webinar Inform n°1

EU and OECD Member States responses to managing
residence permits and migrant unemployment
during the COVID-19 pandemic

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***Migrants' employment in the
context of COVID-19 pandemic***

Outline

Impact of COVID-19 pandemic on the economy and the labour market

Pre-Covid-19 situation of employment among TCN in the EU

Potential impact of COVID-19 recession on employment among TCN

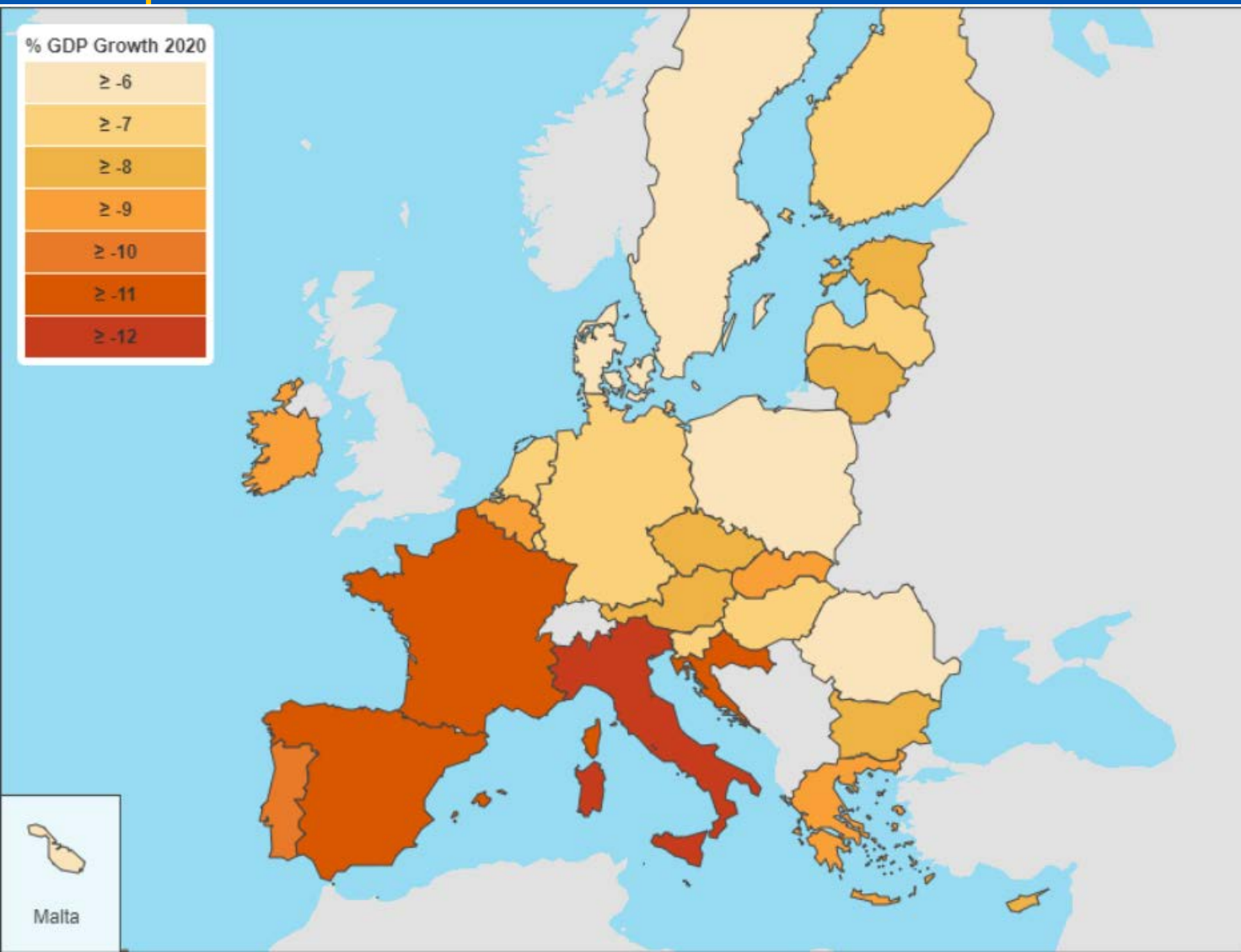
- Evidence from the past : impact of 2009 recession
- Factors of vulnerability
- First data available on the impact for TCN

Some policy considerations

Summary of main points

EC Economic forecasts (Summer 2020)

A deep recession with wide divergences



Deepest output contraction since World War II

EU economy forecast to contract by 8.3% in 2020 before recovering partially (5.8%) in 2021

Highly asymmetrical nature of the impact across countries and industries

Sharpest declines in trade, transport, accommodation and food services as well as arts, entertainment and other services

Limited impact on employment and unemployment levels **until now...**

[Employment ↓ by *only* 0.1% in the EU in 2020Q1... and unemployment ↑ *only* to 6.7% in May from 6.4% in March]

Due to:

- Sharp decline in the number of hours worked
- Extended short-time work schemes
- Statistical issue : some people without job were not counted as unemployed
- Lay-offs been made legally more difficult in some Member States

...but some negative forecasts for the future

Due to :

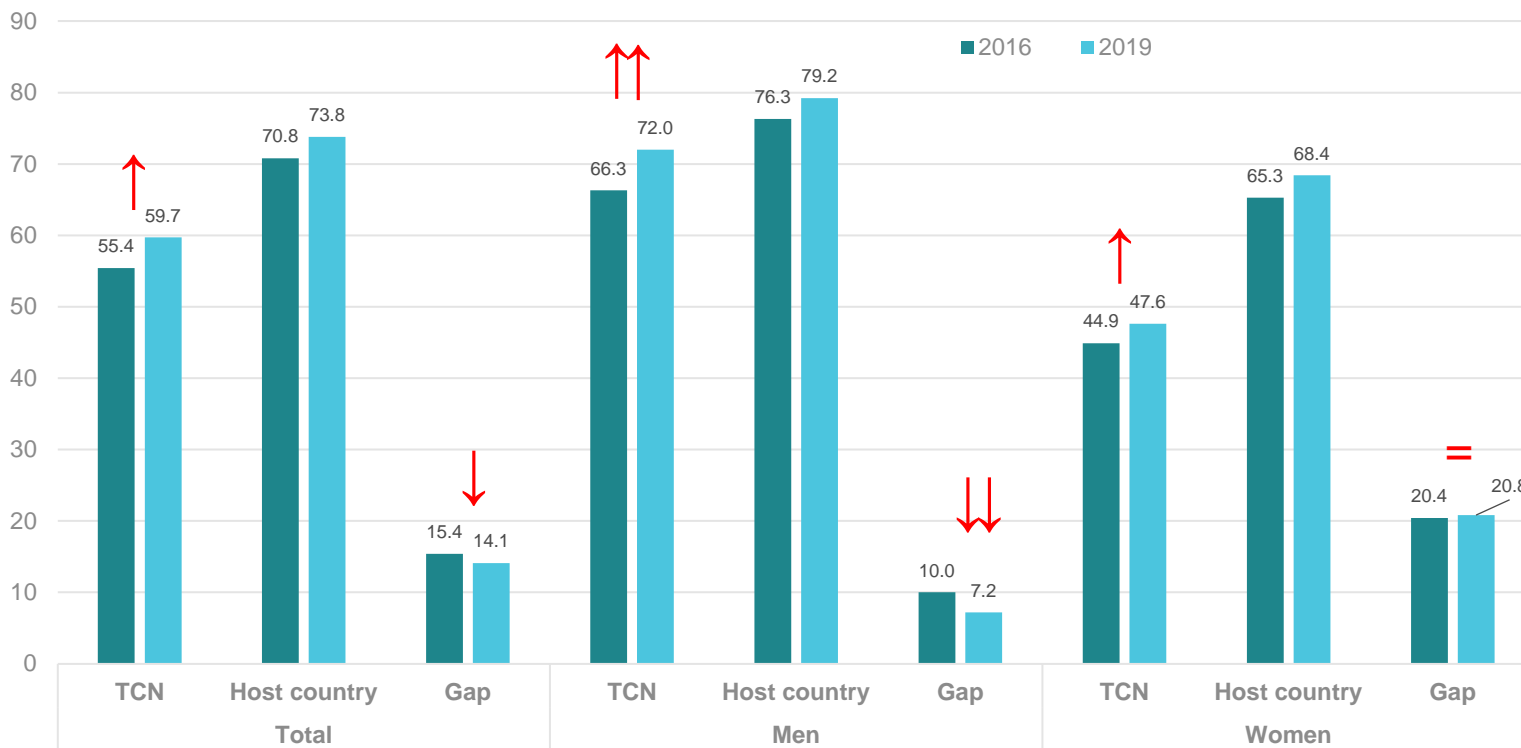
- Short-time work subsidy schemes limited in time
- Companies likely to face liquidation or bankruptcy
- Continued social distancing measures
- Likely to be most affected: unstable, low-paid, part time, youth, self-employed *versus* those able to work remotely and/or employed in the public sector or critical sectors

	Spring 2020 forecast			
	2018	2019	2020	2021
Employment (change in million)	2.7	2.0	-8.9	6.3
Unemployment (levels in millions)	15.5	14.4	19.6	17.3
Unemployment rate (% of labour force)	7.2	6.7	9.0	7.9

Source: EC Spring Economic Forecasts

Pre-COVID-19 situation: recent progress in employment among third-country nationals (TCN)...

Employment rate (20-64), 2016-2019 (EU-27)



Employment rate among TCN increased in all MS ..

... and by more than 5 % points in 8 MS (LU, NL, IE, AT, PT, EE, DE, FR)

Gap reduced but only by 1.3% point (2.8% points among men but no change among women)

... but still some serious labour market gaps to address

Large gaps affecting in particular migrant women (employment, inactivity)

Job quality (lower skilled jobs, lower pay, temporary contracts, concentration in certain occupations and sectors)

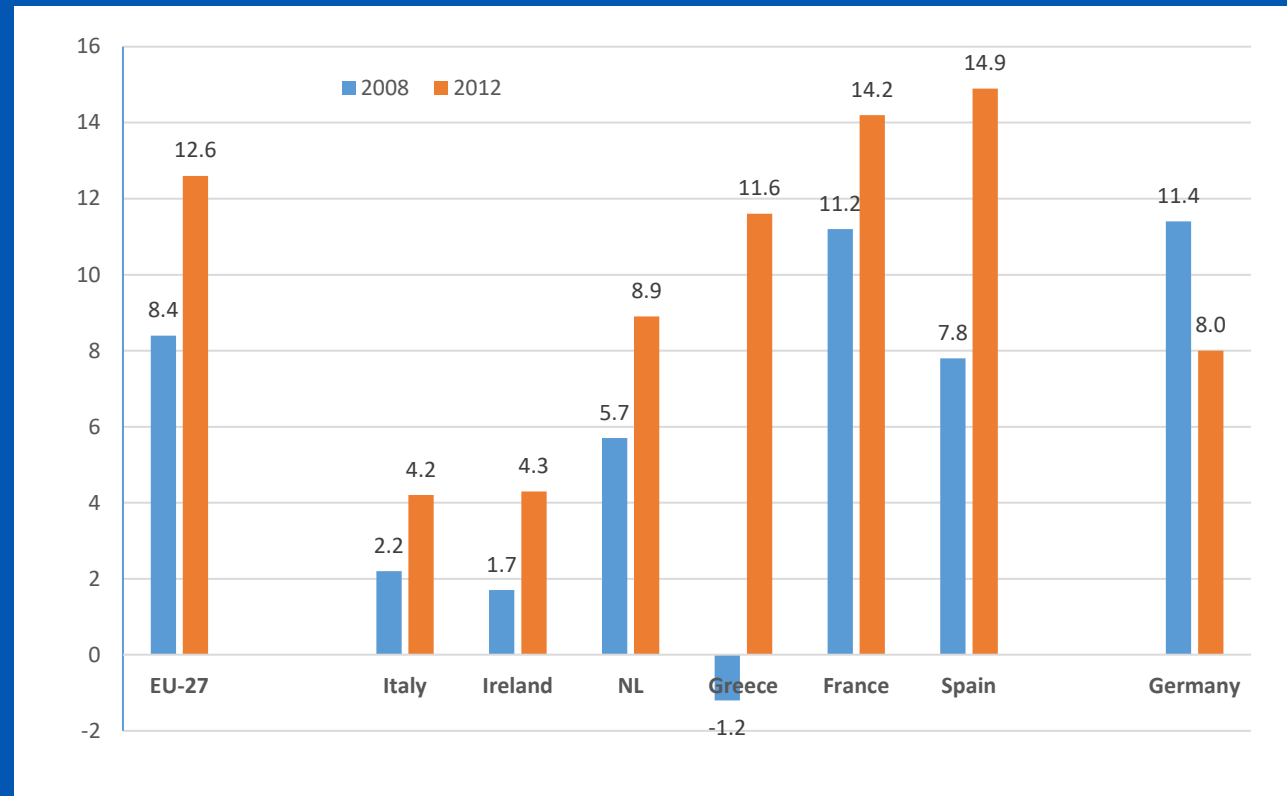
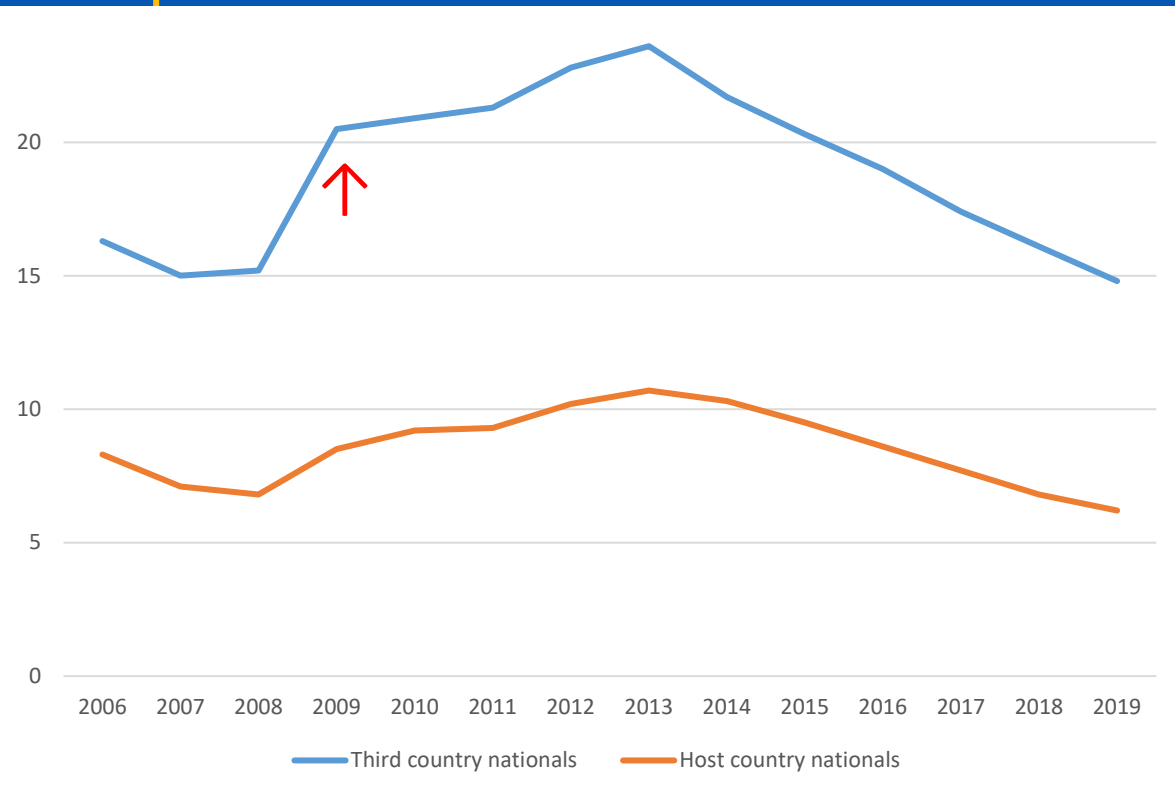
Only partly explained by average level of education/skills

As a result: poverty and social exclusion

Lesson from the past : the long-term impact of 2009 recession

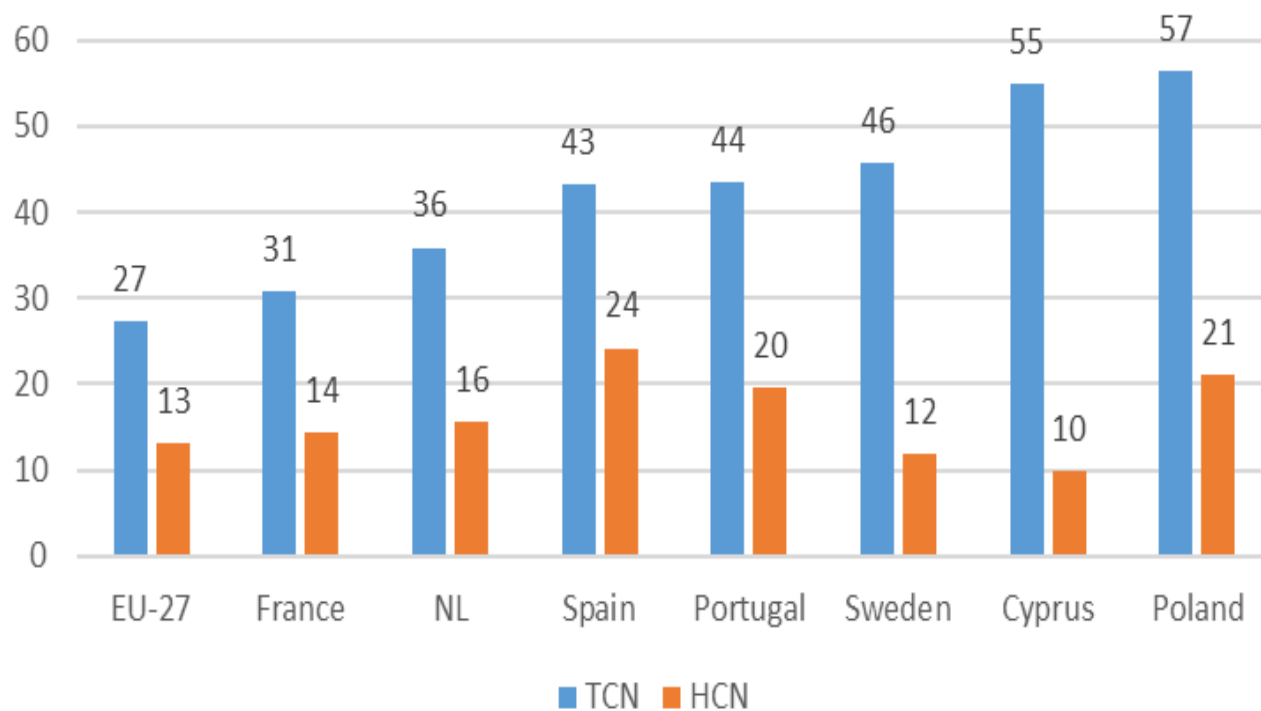
Unemployment rate took >10 years to come back at pre-crisis level (EU-27)

... and the gap with 'host country nationals' reached very high levels, especially in some countries



Factors of vulnerability for TCNs' jobs

Share of temporary contracts among employees
(2019)



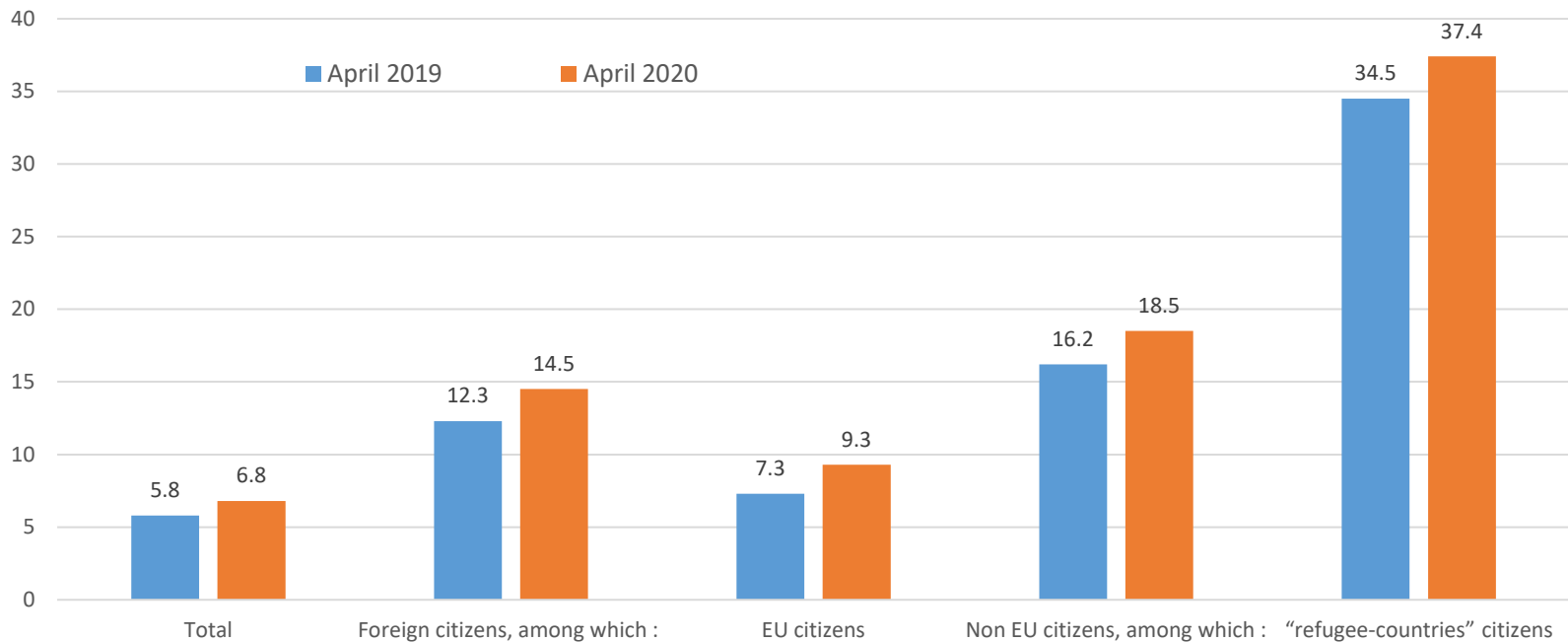
- Share of **temporary contracts** (as well self-employed and some atypical forms of employment)
- **Job tenure**
- Distribution across **sectors** and **occupations** (including share of public sector)
- **Size** of companies
- Other factors **specific** to the current situation: whether job is “**teleworkable**”, whether it’s considered as ‘**key occupation**’

See recent paper by JRC: *A Vulnerable Workforce: Migrant Workers in the COVID-19 Pandemic (2020)*

First signs of “asymmetrical impact” (1)

Germany:

Unemployment rate on the rise since last year:



- Increase by **180.000** in the number of unemployed with foreign citizenship between **March and June 2020**
- In comparison to persons in employment, the increase in unemployment represents +2.6% for 'EU foreigners' versus **+5.2% for TCN** (among which +13.4% for 'refugee-countries' citizens)

Source: IAB, Zuwanderungsmonitor July 2020
<https://www.iab.de/de/daten/zuwanderungsmonitor.aspx>

First signs of “asymmetrical impact” (2)

Spain:

- Changes not yet visible/measurable in terms of unemployment
- Decrease by **more than 1 million** in number of persons in **employment** between 2020 Q1 and 2020 Q2
- ...among which 245 000 foreign citizens
- Decrease in employment **twice larger** for foreign (-10.1%) than for host Spanish nationals (-4.8%)

Source: INE, Encuesta de Población Activa, July 2020

https://www.ine.es/en/daco/daco42/daco4211/epa0220_en.pdf

First signs of “asymmetrical impact” (3)

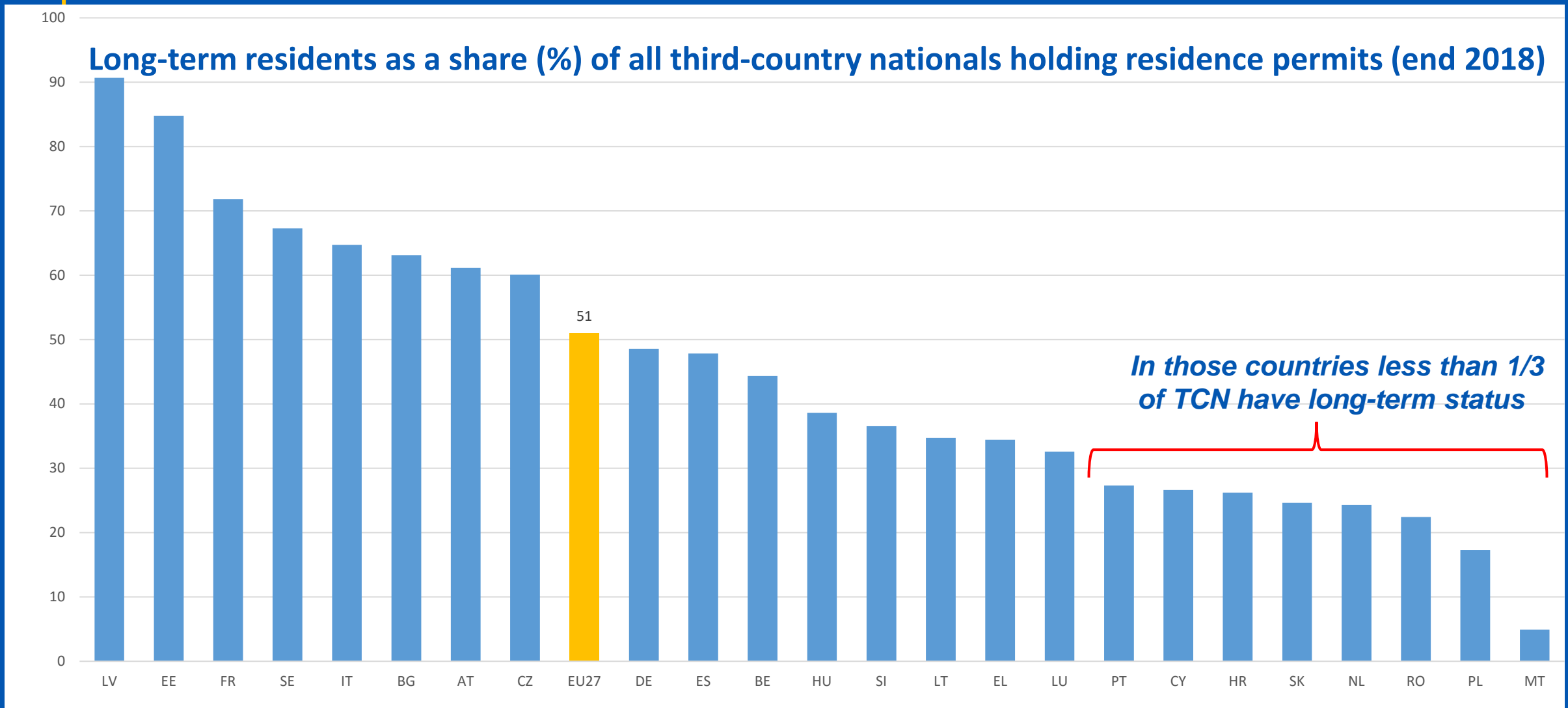
Sweden

- Projections for 2020-21 period
- Those that **entered the labour market recently**, notably young people and (some of the) migrants, to be the **hardest hit**
- Employment rate of the **foreign-born** expected to ↓ **from 66.6% in 2019 to below 60 % in 2021**
- Larger ↓ (-6.6 pps) than the one expected for **native-born** (-4 pps, from 82.2 to 78.2%)
- Would mean **lowest employment rate** for foreign-born since 2000



Source: Swedish PES report, *Arbetsmarknadsutsikterna våren 2020*
<https://ec.europa.eu/migrant-integration/news/sweden-covid-19-crisis-will-lead-to-the-lowest-employment-rate-of-immigrants-in-two-decades>

For those TCNs losing their jobs, potential protective role of long-term status (at least when based on EU Directive)



Some policy considerations

Unknowns about the **impact of policy measures** on migrants compared to other workers (short-time working schemes, recovery plans,...)

‘European Semester’ **recommendations** to EU Member States include “points to watch” on migrants’ situation in terms of employment (BE, SE, NL, FI, MT), education (BE, AT, DE, SE, EL, IT) and access to social protection (EL, CY, MT)

JRC paper on migrant workers’ vulnerability suggests measures related to employers’ incentives to renew contracts, income support schemes for migrants and access to healthcare

Updated mapping of measures for migrants during COVID on **European website on integration**: <https://ec.europa.eu/migrant-integration/news/covid-19s-impact-on-migrant-communities>

Summary of main points

Strong recession with uncertain labour market impact

Recent progress in employment among migrants.. but likely to vanish

...due to vulnerability factors, in particular temporary contracts

First signs of 'asymmetrical' impact in some EU countries

Potential protective role of (EU) long-term status

Unknowns about impact of policy measures (on migrants compared to other workers)

Some recommendations to avoid disproportionate impact

Thank you

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