

## Special issue

### Economy in times of Covid-19

#### QUADERNI DI ECONOMIA DEL LAVORO



Quaderni di Economia del Lavoro n. 112

Labour Economics Papers, 2 issues per year, ISSN 0390-105X, ISSNe 1971-8470

<https://www.francoangeli.it/riviste/sommario.aspx?IDRivista=80&lingua=IT>

## Call for papers

The coronavirus Covid-19 pandemic that is rapidly spreading around the world has caused a widespread medical emergency as well as a serious and unprecedented economic crisis, which is both demand and supply driven. In Italy, as in many other countries, the quarantine measures introduced in order to slow down the diffusion of the virus lead to widespread interruptions in production throughout sectors deemed not to be essential for the economy, as well as sharp reductions in labour incomes, at individual and family level, with inevitable repercussions on consumption levels, investments and consequently on economic growth.

The latest OECD estimates suggest that sectors directly hit by the lockdown contribute up to one third of the GDP in the main world economies, while each additional month of social distancing could reduce the annual GDP growth by 2 percentage points. In mid-March ILO estimated an increase in the number of world-wide unemployed by more than 25 million people, and an increase in the number of working-poor up to 35 million people around the world. The lockdown measures are expected to involve almost 2,7 billion workers, that is four fifths of the world labour force.

The categories most hit by the recession are expected to be young workers, as well as those above 50 years of age, immigrants, women and the least protected workers (self-employed, temporary, and occasional). The existing inequalities may thus become more acute, both in the short and the long run. A non-marginal number of blue-collar workers, especially those on temporary contracts employed by small firms not affected by trade unions, are at the same time the most exposed to the risk of contagion as well as the risk of losing their job and income. On the other hand, the economic crisis sparked off by Covid-19, unlike the previous one which hit predominantly men, is expected to worsen the economic opportunities for women, accentuating the gender gaps in the labour market. School closures and the reduced opportunities of resorting to household and care workers, in contexts

dominated by familistic welfare models, will inevitably increase the burden on women, thereby also reducing their chances of resorting to smart working.

In Italy, the situation is particularly alarming considering the structural weaknesses of the economic system and the situation at the onset of the crisis, both in terms of economic growth and public debt, as well as the labour market position of disadvantaged workers. This is especially true for women and temporary workers, let alone persisting inequalities. Last but not least, the decades of cuts from the healthcare sector, in a state of emergency, may turn out to be critical for the possibility of health protection, which is undoubtedly an important global public good.

There is a clear need for extraordinary and urgent interventions aimed, on the one hand, at protecting the health of workers in the workplace and, on the other hand, at stimulating the economy and labour demand with a view to sustain employment and earnings, in particular for workers that are most hit by the crisis.

The amount of public expenditure necessary to face the crisis in some countries is not compatible with the restrictions imposed by the European commitments, especially for Italy where the estimated government debt could reach 150% of GDP.

The EU is thus called to act promptly on the measures being discussed, ranging from the suspension of the Stability and Growth Pact, to 'coronabond' emission, to a selective 'helicopter money', to the interventions that would allow for the European redundancy fund, or 'unconditional' use of ESM. Time is of essence in this emergency since the very process of European integration is at stake.

This Special Issue aims at contributing to the discussion on economic and social problems caused by the Covid-19 pandemic, and highlighting possible lines of intervention through economic policies at both national and international level.

In particular, we encourage economic papers along the following lines of research, which could guide both governments of single countries and the European institutions:

- How and to what extent does the pandemic affect employment opportunities and consumptions? Which policies are called upon to face increasing poverty, unemployment and inequalities?
- Did the protection of health, as a global public good of primary importance, received the necessary attention in the last decades? Which are the lessons that the pandemic has taught us, and which ones can be useful for future reforms of the public healthcare service?
- What are the interventions that the EU needs to put in place to ward off an economic decline for the whole continent and in order to preserve its role and credibility?

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Deadline for paper submission: 10<sup>th</sup> of September 2020