

# **The COVID-19 pandemic and labour market inequalities experienced by migrants in Germany**

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## Introduction

The COVID-19 pandemic has exposed many existing inequalities and the persistent gaps of welfare systems in addressing the increasing vulnerabilities of particular migrant groups. In Germany, federal government has tackled the pandemic crisis primarily as a health crisis and secondly as an economic crisis. Although anti-pandemic measures, such as lockdowns, business and school closures, social distancing, and travel restrictions, were accompanied by policies aimed to reduce the economic and social effects, the negative effects of the pandemic on particularly vulnerable groups were exacerbated. The efforts given to counteract these increasing social inequalities during the pandemic remain marginal.

To understand the impact of the COVID-19 pandemic on migrants in the labour market, it is important to consider how structural disadvantages generated by the existing legal frameworks, welfare exclusions and restrictions to formal recognition of migrants' qualifications produce the contexts for precarious employment. Welfare protections introduced during the pandemic have been mostly inaccessible for migrant workers and their families. Charities and campaign groups working with migrants have continued to state that the interests of vulnerable groups have not been addressed by government. Adopting an intersectional lens, this Briefing explores the labour market conditions of migrant workers in Germany and the limited effects of welfare reforms in tackling their social exclusion.

## Labour and welfare policies during COVID-19 and their effects on particular groups

In Germany, two periods of strict lockdowns were implemented in the first two years of the COVID-19 pandemic. The first lasted from March to May 2020 and the second started in October 2021 and became much more stringent from December onwards, with the closure of nurseries and schools until April 2022. The various decisions in relation to the management of the pandemic were made at the federal, state, and municipal levels of government. Initially, most of the political decisions were taken at federal level and were perceived as successful in terms of disease control, while there was an increasing political struggle between federal and state governments in the fall and winter of 2020/2021 in relation to the measures to be implemented next (Krannich, 2022). Policy responses targeting vulnerable groups depended on how different governments perceived the risks and implications for various groups, and how evidence and potential solutions were presented to them by experts. Government social policy responses included policies on furlough measures and tackling underemployment, social security and policies targeting the economically vulnerable (Capano et al., 2020).

An important institutional tool to guide responses to the pandemic was the infection protection law (Infektionsschutzgesetz, IfSG). Most measures at a federal level were taken in accordance with this legal tool<sup>1</sup> (Krannich, 2022), including welfare measures. The auxiliary program aimed for supporting the economy and workers passed on 23 of March 2020 included financial support measures for small businesses and self-employed. The relief package had a value of 156 billion euros and was accompanied by a rescue fund of 600 billion euros for small and large companies (BMF, 2021). Other measures followed, including a *Corona Stimulus Plan* of about 130 billion euros in June 2020. In total, the German government spent more than 1,000 billion euros to help the economy in 2020. In terms of labour and social security policies, Germany adopted furlough payment measures and implemented social protection packages (Sozialschutzpaket 1-3)

which eased access to basic social security (SGB II) and aimed to counteract negative social consequences, (Krannich, 2021, p. 165).<sup>2</sup> However, many people who were employed in precarious conditions or were not entitled to basic social security (SGB II), such as many Eastern European workers, could not access any support (Safuta and Noack, 2020; Nowicka et al., 2021).

For many migrants in precarious conditions, the pandemic has meant an additional risk of vulnerability given the risks to loss of income. Dörre (2009) explains that “an employment relationship can be described as precarious if, as a result of their work, employees fall significantly below a level of income, protection and social integration that is defined and recognised as the standard in contemporary society” (p. 43). The context for precarious employment is often the result of structural disadvantages due to legal frameworks and interlinking aspects of legal and qualification recognitions, which was exacerbated by the pandemic. It results from a missing legal recognition of migrant workers’ status, or de-skilling through the lack of recognition of educational or labour credentials. The German economy was severely hit by the virus control measures; the GDP decreased by 5% in the first quarter and almost 12% in the second quarter of 2020 (Statistisches Bundesamt, 2021). Companies registered over 10 million employees on short-term work, while unemployment rose from 169,000 to 2,813,000 in May 2020 alone (Krannich, 2022, p. 161).

Emerging research has shown the differential impact of pandemic-related measures on various sectors of the economy and worker groups. Labour market analysis has found that migrants were most impacted in terms of job losses and precarity, due to already existing structural disadvantages on the labour market (Brücker et al., 2021a; Rude, 2021). For example, temporary employment contracts, shorter tenures, and differences in employment structures led to disproportionate job losses among migrants. People from migrant backgrounds were more affected than German nationals, as between April and September 2020 unemployment rates rose to 14% for migrant workers, compared to 2% for

non-migrant workers. The unemployment rates for migrant women were higher than those for migrant men, at 8% compared to 3%, respectively (Brücker et al., 2021). Other particularly affected groups were those in long-term unemployment, refugees and young people entering the labour market (Polloczek and Shwuchow, 2021). The effects on refugees also varied in terms of countries of origin, showing that people who arrived since 2013 and those from non-European countries<sup>3</sup> have been more affected than any other group (Brücker et al., 2021b; Bendel et al., 2021).

Mitigation measures aimed at protecting workers were focused on particular areas of the economy and the prioritisation of certain workers, in terms of what was labelled as their “systemic relevance”. However, this prioritisation was ambiguous and led to the exclusion of many children from education and related services, as their parents working in sectors not seen as “priority” could not access childcare. Workers who could switch to working from home were at an advantage, while those in services, food and manufacturing, agriculture and the health sector were particularly affected (Krannich, 2022). Those working in these sectors were also faced with a higher risk of contagion, resulting in a logic of “the more precarious work and working conditions, the higher the infection rates” (Braunsdorf and Rother, 2020; McNamara et al., 2021). In the meat industry, for example, where most workers come from Eastern European countries (Romania and Bulgaria mainly), the virus could spread more easily due to overcrowded living conditions and the poor working conditions in these companies. During 2020, one such case was reported in the Tönnies Company in the municipality of North Rhine Westphalia (Süddeutsche Zeitung, 2020a), but despite the critiques, the company management blamed the workers themselves for the contagion.

The Expert Commission set up as an external advisory board for the German government during the pandemic, constituted only in December 2021 was meant to provide on-going evidence-based support for policy measures. The Commission was composed of 19 experts, with a majority legal and medical experts (16) and

social scientists (3). This imbalance was reflected in the final report of the Commission, with a short section on “Families, mothers, children, and vulnerable groups” to examine the question of social impact of the pandemic. Many unions and NGOs have continued to state that the needs and interests of vulnerable groups have not been sufficiently considered or addressed (Bericht der Expertenkommission, 2022). Moreover, these impacts need to be explored from an intersectional perspective.

Intersectionality theory argues that social categories such as gender, race, class, and sexuality work together to create distinct identities and social locations that are more meaningful considered together (Lutz, 2015). Intersectionality Based Policy Analysis (IBPA) approaches the ways specific policies address the multilevel social locations, factors, forces, and power that shape and influence the lives, wellbeing, and health within and between actors in societies (Palència et al., 2014). An intersectional analysis shows that there have been important gaps in the policies aimed at reducing the negative effects of the COVID-19 pandemic.

### **Migrant groups in the labour market: Precarious employment and access to social security**

In Germany, social benefits are most commonly tied to formal employment (a German work contract) or, for basic social security (SGB II), to one’s capacity for employment (Erwerbsfähigkeit), their residence and legal status. However, during the COVID-19 pandemic, many people fell outside the formal social protection provisions. Those unemployed or working in the informal economy or employed by private employers, such as live-in care workers mainly from Poland and the Ukraine, remained without support (Krannich, 2022). People in precarious employment or informal employment and without regular status were excluded from most benefits of social security, paid sick leave, and other national relief funds (Bendel et al., 2021; Flüchtlingsrat, 2022; Knipper et al., 2021). Refugees were left with minimum income support, while having

even fewer job opportunities and facing the uncertainty on their asylum applications, given the reduced services provided by institutional services or even their complete closure (Flüchtlingsrat, 2022; Caritas, 2022).

The pandemic and related control measures also stopped the positive trend towards employment growth for migrants, dropping from 5.8% in 2019 to 1.4% in 2020 (Brücker et al., 2021b). The disruption to labour market policies had a negative impact not only on rising unemployment, but also on migrants’ opportunities for language learning and education. In their study, Brücker et al. (2021a) found that integration and language courses were either cancelled (11%) and interrupted (73%). While 66% of the education and qualification actions continued, 31% were interrupted, and 3% were cancelled altogether during the lockdowns (p. 26). The long-term impact on these groups is not yet clear and we are far from a full recovery (Brücker et al., 2021b). Given increasing uncertainty and the economic crisis post-pandemic and the impact of the Russian invasion of Ukraine, the development of labour market integration for refugees and other migrants remains under pressure.

In relation to furlough payments, trade unions have criticised the implementation of these measures as payments were often not available for individuals in precarious employment or insufficient to cover loss of earnings. Many EU-born workers without German contracts or in temporary employment were excluded from accessing furlough payments. Others who were excluded or who had insufficient access to relief were those in low paid jobs, those in temporary work, workers with subcontracts, employed part-time or on one-off contracts and those self-employed<sup>4</sup>. Migrants in these groups could not cover their living expenses as the furlough payments were low or they did not receive any; many were therefore dependent on Basic Welfare (SGB II) which, as unions and social organisations have argued, did not cover basic needs. Furthermore, not all were eligible to Basic Welfare (ver.di, 2021, p. 9).

## Gendered inequalities and intersectionality

Refugee and other migrant women were particularly affected by the negative impacts of the pandemic-related measures, as they are mainly employed in sectors that required them to continue working in person, with low paid jobs and already at a higher risk of poverty. Migrant women are disproportionately employed in the food and manufacturing industries, cleaning, catering and hotels, which were strongly impacted by the pandemic (Rude, 2021). In addition, refugee women faced additional challenges in accessing employment (Brücker et al., 2021a). Pre-existing structural disadvantages deepened, such as limited access to language courses, delays in the recognition of qualifications and prior learning were further complicated. Additionally, migrant women faced the double discrimination of their unequal positioning in the labour market and the existing gender pay gap. Currently, the pay gap between male nationals and migrant women is about 21%. Challenges in their efforts to find work have increased due to lockdowns and institutional closures, while restrictions to women's mobility, care duties and the uncertainty over their futures have had a negative psychological impact (Bendel et al., 2021).

A group particularly affected was that of live-in care workers. Almost 500,000 live-in care workers from Poland, Bulgaria, Romania and Ukraine are currently working in Germany (Safuta and Noack, 2020). However, most of them are not protected by the German labour laws due to unclear areas in contract policy. Only a few have formal German work contracts, as most of these workers are allowed to work as carers under EU regulations (in accordance with the EU posted workers' directive) or self-employed in their home countries, while others are directly employed by the families. As a result of this, it is estimated that 90% of all migrant care workers in Germany work without a formal contract (Safuta and Noack, 2020). Therefore, in addition to low pay and precarious working conditions, most could not access German relief funds during the pandemic, while facing the additional challenges of being

unable to return to their families or not being able to work. German employers responded to the pandemic through the extension of live-in care worker rotas (Leiblfinger et al., 2020). As most of the care workers could not travel home, their working conditions worsened. They stayed isolated in households, working on call 24/7, which increased the psychological burden of their jobs. As care agencies demanded the exemption of live-in care workers from border crossing restrictions, the German state tacitly did not enforce quarantine regulations of care workers (Leiblfinger et al., 2020, p. 146).

For migrant women, participation in the labour market was also affected by the reduced provision or closure of basic social services such as childcare and the subsequent increase in their domestic care duties. As women were more likely to take on the domestic care roles, they had to cope with childcare and home schooling of children, while many also lost their jobs. The needs of women in precarious employment or who had suddenly lost work were not addressed. Although there were variations in access to childcare at different points of the pandemic and local exceptions, difficulties in access to childcare remained a significant burden for women during the pandemic.

Single parent families also faced particular difficulties (Caritas, 2021). The number of single-parent families has increased over the last few years; in 2020, almost one in five of all families in Germany were single-parent families. These families continue to be at high risk of poverty and a related risk of child poverty. Half of all families that currently receive basic income security in Germany (SGB-II) are single parent families (Funcke and Menne, 2020). Although most single parents work, they have a lower overall income per year. Single mothers are more likely to be employed in short-term contracts and under their level of qualification, on atypical schedules, or needing to work full time to escape poverty. For these parents, childcare also became a significant challenge during the pandemic. Many single mothers had to manage work and childcare from home or even lost their jobs as a result. For single migrant mothers, losing a job posed a particular risk, as many migrants, including from

EU countries, are not entitled to basic social security (SGB II), and therefore also faced the risk of absolute poverty or becoming homeless (Stahl, 2022).

## Conclusion

During the COVID-19 pandemic, the German government has adopted work and welfare measures aimed at mitigating the negative impacts of the pandemic, with information provided on websites and hotlines in different languages to ensure migrants could access this. In terms of health care, the government offered access to free testing and emergency healthcare, including for refugees and undocumented migrants (Krannich, 2022). However, these policy efforts were not enough to mitigate the risk of infection and the impact of the pandemic. Many of these negative effects were tied to other structural inequalities, such as overcrowded housing and limited access to economic resources, due to restrictions in accessing labour. These aspects have contributed to the long-term, ongoing negative outcomes for these groups' labour market integration (Krannich 2022; Mediendienst Integration, 2021).

The formal social protection gaps and precarious employment are issues which predate the COVID-19 pandemic. The limitations in access to basic social security tied to legal status show that there is a need to address vulnerabilities from an intersectional perspective, to provide better access for vulnerable groups to social support. This is particularly the case when examining the connection between legal status and rights. Some European countries, such as Portugal and Italy, have used the pandemic to introduce programs for the regularisation of undocumented migrants and to give increased access to social security and health services (Bendel et al., 2021). The existing settings and structural inequalities in Germany perpetuate existing inequalities between men and women, for example, through the gendered pay gap, resulting in unequal income risks for men and women, especially when considering their differential migration backgrounds and other risks, such as being a single parent or chronically ill (Bonin et al., 2020). Many migrant were not included in relief

programs during the pandemic because they had no occupational status. Unions such as ver.di (2022) and charity organisations such as Caritas (2021) and the Paritätischer Wohlfahrtsverband Germany have called for efforts to better support the employment of migrants currently not in work, to counteract the negative effects of the pandemic, and help close social protection gaps.

This briefing has provided an overview of Germany's response to the significant effects of the pandemic on migrant groups and the gendered economic consequences of the pandemic. Many gaps still remain, including understanding better the likely long-term effects of the pandemic on migrant women and their families. To address the intersecting effects of gender, race and migration status, disaggregated data is needed (Lokot and Bathia, 2020). This is a key priority issue if we are to fully understand migrant women's experiences of economic inequalities. Furthermore, policies must be designed and evaluated following a diversity and intersectional mainstreaming approach, to better address the particular inequalities facing different groups.

The GEN-MIGRA Project is jointly funded under the Trans-Atlantic Platform for Social Sciences and Humanities (T-AP). Bringing together researchers and practitioners from four countries- Brazil, Germany, Poland and United Kingdom- it researches the impact of the pandemic on migrant women and their families. Find out more at: [www.genmigra.org](http://www.genmigra.org)

## Footnotes

<sup>1</sup> “Drittes Gesetz zum Schutz der Bevölkerung bei einer epidemischen Lage von nationaler Tragweite” (Third law to protect the population in a pandemic, §28a IfSG).

<sup>2</sup> Sozialgesetzbuch II (SGB II) is the German Social Code that regulates basic welfare provision.

<sup>3</sup> Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia and Syria.

<sup>4</sup> Furlough Payments (Kurzarbeitergeld) were only available to a limited extent for low-skilled workers, low-wage workers, the self-employed and foreign employees, temporary workers, part-time employees and contract workers (ver.di, 2022).

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