Title: Internet use and job market sentiment: An early assessment of COVID-19 pandemic shock across the EU

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Abstract: This research project investigates to what extent the widespread of internet access cushioned the job market sentiment during the outbreak of the COVID-19 pandemic. The empirical strategy applies a novel regional data set, constructed from the Google Trends reports for the EU in the first quarter of 2020. The findings suggest that while the overall impact of the pandemic spurred the online interest in unemployment-related topics, the effects were less severe in regions with more frequent internet use and where internet is more commonly related to business or civic activities. This cushioning effect is, however, short-lived. By the time the contagion reached 100 infections in a country, the difference between regions with frequent and infrequent internet access disappears.

Data Description: The study relies on daily search interest in the unemployment topic as reported by Google Trends for the EU. Overall, the set comprises 353 micro EU regions. To guarantee the widest coverage and representativeness at daily frequency, the data feed needs to be regularly updated. The values represent search interest over time, and they are standardized to a scale between 0 and 100. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular as during the peak. The data set is complemented by the daily situation reports from the European Centre for Disease Prevention and Control (ECDC). Concerning the regional internet use, the data tables for several categories are delivered by the Eurostat.

JEL Codes: J60, J63, R11, L86

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