



FEATURE

Gender equality, dealt a blow by COVID-19, still has much ground to cover

At the brink of squandering past gains

Akrur Barua

Female participation in the labor force picked up after the pandemic's worst phase in 2020, but remains under threat from risks that, if left unaddressed, could wash away the progress made in gender equality in the past decade.

A MAJOR WORRY ABOUT COVID-19's economic impact is the widening gender disparity in the labor market. According to the International Labour Organization (ILO), female employment around the world declined by 4.2% in 2020 compared to the previous year, which is worse than the corresponding 3% decline in male employment.¹ The pace of decline was the highest in the Americas (9.4%), followed by the Arab states (4.1%) and the Asia/Pacific region (3.8%).² This decline in female employment, along with women's reduced participation in the labor force,³ is a major setback to efforts over the past two decades at increasing gender equality.⁴ And it also came at a time when violence against women soared, as many women found themselves restricted inside their homes with abusive partners due to pandemic-induced lockdowns and social distancing measures.⁵

However, with the pickup in economic activity since the second half of 2020 and a significant increase in the scale and pace of vaccinations around the world in 2021, female employment has recovered some of the lost ground. Yet this recovery isn't without risks. Any reversal in gains in the fight against COVID-19 due to new variants that can bypass the protection offered by vaccines may dent the recovery in sectors such as hospitality, food services, and personal care where the share of women in total employment is relatively high.⁶ Moreover, in countries where women have traditionally lagged far behind men, returning to the job market after losing out in 2020 may prove

harder for mothers who took up extensive child care responsibilities during the pandemic. And as government aid fizzles out in many parts of the world, single parents will find it even more difficult to keep up with child care and other household expenses.

The pandemic has had a greater impact on women than on men

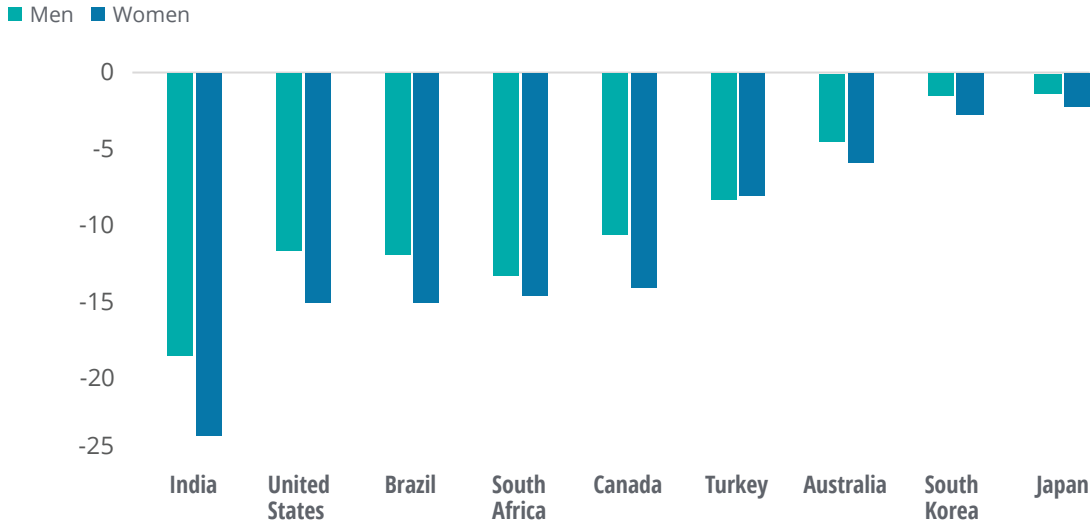
Female employment fell at a faster pace than male employment in most of the major world economies in the first half of 2020, when the pandemic's impact on the labor market was the harshest. In the United States, female employment fell by 17.9% between February and April 2020 compared to a 13.9% decline in male employment. Similarly, in Canada, the pace of decline in female employment during this period was 2 percentage points higher than that for men.

A global comparison, however, isn't easy given the lack of standardized labor market data. Nonetheless, by relying on the ILO⁷ data for ease of comparison, it is clear that in most countries in the Americas, Africa, and Asia (barring Turkey), women in the labor market suffered more than men during the first phase of the pandemic (figure 1). In India, for example, female employment fell by 23.8% between Q4 2019 and Q2 2020, which is far higher than the 18.5% decline in male employment.

FIGURE 1

Job losses for women in the first phase of the pandemic was higher than for men in key economies

Change in employment between Q4 2019 and Q2 2020 (%)



Note: For ease of comparison, data is sourced from the International Labour Organization and cross-checked with individual country statistics for any major discrepancy. For the United States, Canada, Japan, South Korea, India, and Australia, the latest available data is till Q3 2021; for the others, data is available till Q2 2021.

Sources: International Labour Organization; Haver Analytics (using country sources); Deloitte economic analysis.

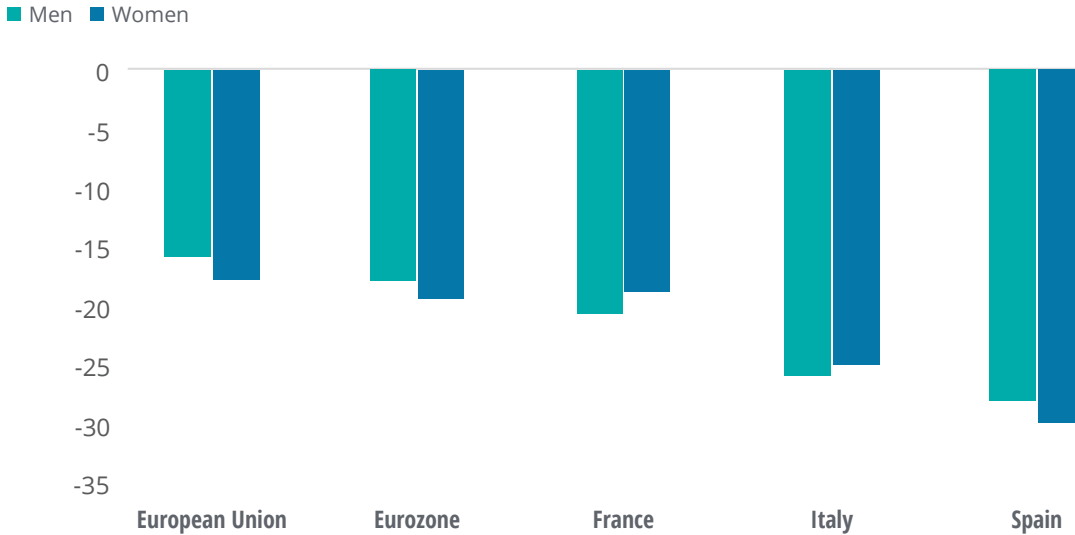
Figure 1 also reveals that the pandemic’s impact on female employment has varied across countries. While this variance may be actual, it is likely that cross-country employment comparisons during the pandemic are made difficult by the vast differences in degree and nature of government intervention in labor markets across economies in 2020. In the Eurozone, for example, it appears that from Q4 2019 to Q2 2020 the fall in female employment (–3.1%) was less than that of male employment (–3.3%). However, the data on employment mars the actual impact on the labor market in the region given far-reaching job-retention schemes that existed before the onset of the COVID-19 pandemic and the new ones added as a response to it.⁸ So, if

instead of employment numbers we look at the number of hours worked,⁹ we find that not only did the pandemic hit the labor market harder than employment numbers suggest, but it also impacted women more than men. Total hours worked by people aged 20–64 fell by 18.5% in the Eurozone between Q4 2019 and Q2 2020, with the contraction for women (–19.4%) higher than that for men (–17.9%). As figure 2 shows, the dent to female employment was more severe in the wider European Union as well, but there is a fair bit of variation within countries—women fared worse than men in Spain but were relatively better off in France and Italy.

FIGURE 2

Hours worked by women fell more than that of men in the Eurozone in Q4 2019–Q2 2020

Change in total hours worked between Q4 2019 and Q2 2020 (%)



Note: The data shows hours worked by those in the age group 20–64 years.

Sources: Eurostat; Deloitte economic analysis.

The pandemic hit sectors that account for a relatively large share of female employees

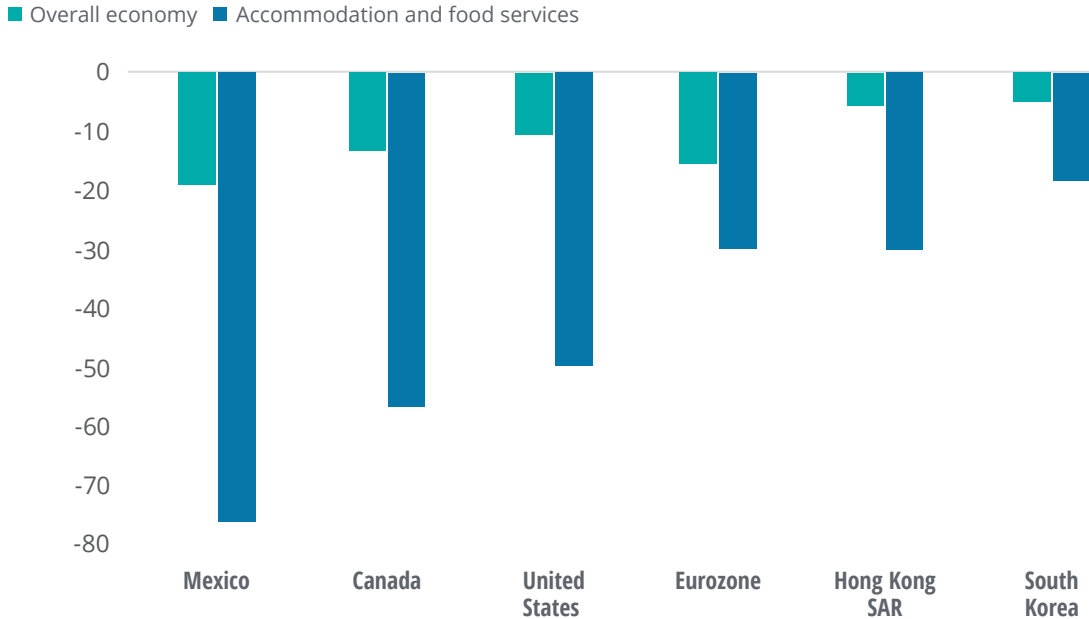
There are two key reasons women bore the brunt of the pandemic in 2020 to a greater degree than men. First, some of the hardest-hit sectors due to COVID-19 were those where the share of female employment relative to their total employment is higher than that for men. In most economies, women are more likely to dominate sectors such as hospitality, food services, and personal care. In the Eurozone, for example, the accommodation and food services sector accounted for 6% of total

female employment in 2019 compared to 4.6% for men. And the number of female employees in the sector that year was higher than that of men. This difference varies within the Eurozone, with countries such as Greece having a much higher proportion of women in the sector than Germany. In the United States, too, leisure and hospitality accounted for larger numbers and shares of women in the sector's workforce than men. Unfortunately, these sectors turned out to be some of the most affected ones in the first half of 2020 (figure 3) when strict social distancing measures and consumers' concerns about health dented sales and employment.

FIGURE 3

Accommodation and food services fell by more than the wider economy in the first half of 2020

Change in industry value added between Q4 2019 and Q2 2020 (%)



Notes: For the Eurozone, we have clubbed the “Arts, entertainment, and recreation” sector with the accommodation and food services sector. For Mexico, accommodation and food services sector is called “Temporary accommodation and food and beverage preparation.” For Canada, we have taken quarterly averages from monthly industry value-added data.

Sources: Haver Analytics (using country and regional sources); Deloitte economic analysis.

Second, as people moved indoors to stay safe from the virus and many businesses turned to remote work, women generally took up a greater share of household chores than men. And with child care facilities—a critical enabler of careers of mothers—barely available during that period and schools moving online, child care duties fell predominantly on women. According to a report by the European Commission, women in the European Union spent more hours in child care (62 hours per week) compared to men (36 hours) in 2020; women also logged more hours per week on housework than men.¹⁰ For some working women, this has led to a

deterioration in work/life balance while many others have dropped out of the labor force to more unpaid care work at home.¹¹

Female participation in the labor force declined in 2020

With female employment falling sharply and many women moving out of the labor force, female labor force participation rates dropped in the first half of 2020. Figure 4 shows the decline in participation rates in countries across the Americas, Europe,

Asia, and Africa between Q4 2019 and Q2 2020. In South Africa, for example, the female labor force participation rate declined by 11 percentage points during this period, while in Brazil it dropped by 7.8 percentage points. Figure 4 also reveals that in many countries, the decline in participation rate for women was higher than that for men. For example, in Canada and Brazil, the decline in female labor force participation rates was a percentage point or more higher than for men.

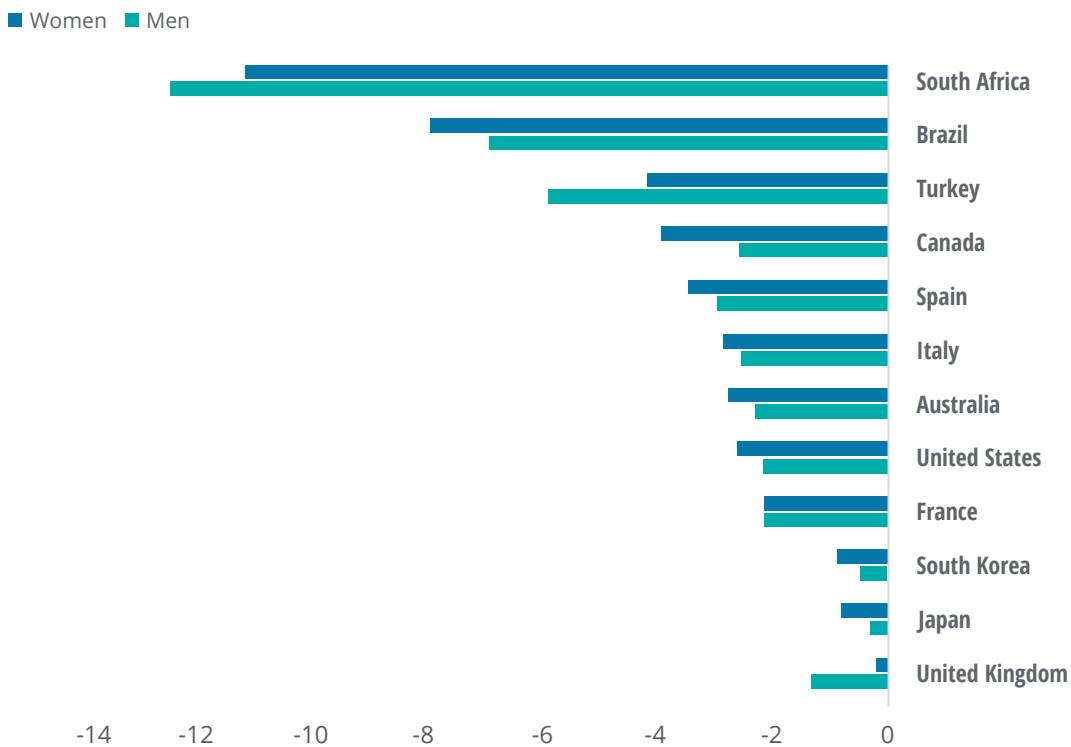
such as the Arab states and Southern Asia where female involvement in the labor market was already very low before the pandemic. For example, in Southern Asia, female labor force participation was a meager 23% in 2019 compared to 77% for men. While labor force participation declined for both men and women in 2020, the decline in the rate for women to 21%, according to estimates by the ILO, is a further setback to the already slow progress in gender equality—compared to Western economies—over the past few decades.

While the decline in female participation rates across the world is worrying, of particular concern is falling participation in certain parts of the world

FIGURE 4

Labor force participation rate fell for women in 2020 and in some countries by more than men

Change in the female labor force participation rate between Q4 2019 and Q2 2020 (percentage points)



Note: For ease of comparison, data is sourced from the International Labour Organization and cross-checked with individual country statistics for any major discrepancy.

Sources: International Labour Organization; Haver Analytics (using country sources); Deloitte economic analysis.

Female participation in the workforce has recovered but there's still much ground to cover

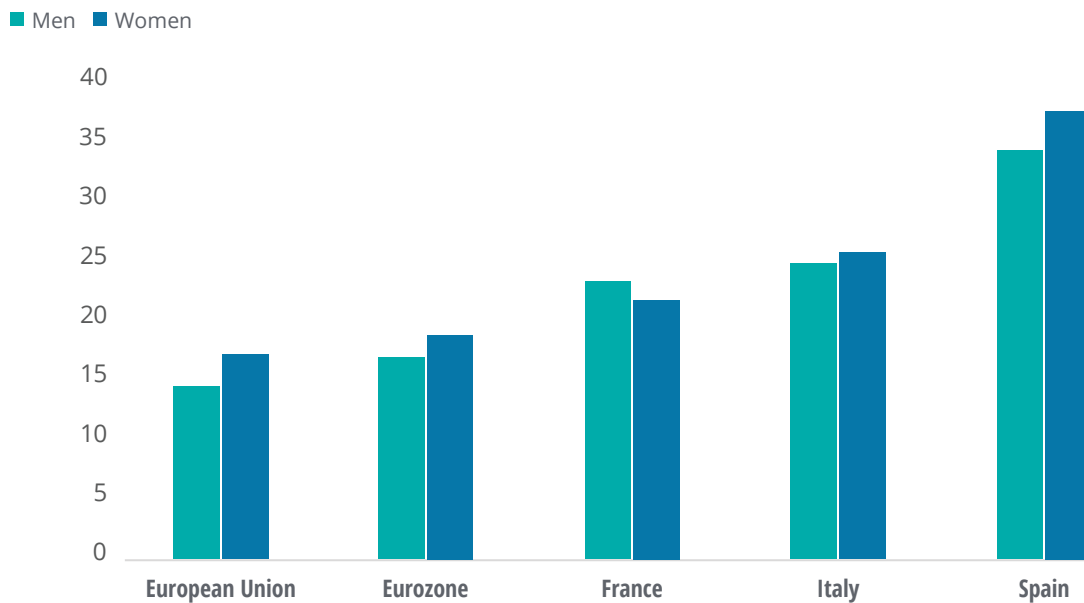
Thankfully, post the worst phase of the pandemic in 2020, the labor market has started to recover. Female employment has been going up—in fact, in some countries, it has been rising faster than the male employment. In the United States, female employment has gone up by 18.4% since the

trough of April 2020, higher than the 14.6% gain in male employment during this period. Similarly, the recovery in female employment has been faster in Canada, Spain, Italy, France, South Korea, and Australia since Q2 2020. In Europe, analysis of total hours worked for people aged 20–64 years also reveals that total hours worked in the Eurozone and the wider European Union has gone up faster for women than men during this period (figure 5).

FIGURE 5

Hours worked by women have surged more than men in the Eurozone and European Union since Q2 2020

Change in total hours worked between Q2 2020 and Q2/Q3 2021 (%)



Notes: The data shows hours worked by those in the age group of 20–64 years. For Spain, the latest data is till Q3 2021, while for the others, the data is till Q2 2021.

Sources: Eurostat; Deloitte economic analysis.

In fact, female employment in some economies such as France, Spain, and South Korea is now higher than the corresponding number before the pandemic. However, in other countries, female employment is yet to get back to the levels last seen in 2019 (figure 6). According to ILO estimates,

global female employment in 2021 will still be about 13 million lower compared to 2019, while male employment will surpass the prepandemic levels.¹² Similarly, in some countries, female labor market participation is yet to regain the ground lost during 2020 (figure 7).

FIGURE 6

Female employment was still below prepandemic levels by Q3 2021 in some countries

Change in employment between Q4 2019 and Q2/Q3 2021 (%)

	Men	Women
<i>Countries with female employment higher than prepandemic levels</i>		
France	1.1	2.1
Turkey	3.5	1.6
Australia	0.6	1.4
South Korea	0.6	1.3
Spain	-0.2	1.0
<i>Countries with female employment lower than prepandemic levels</i>		
India	-0.7	-0.2
Japan	-1.4	-0.6
United Kingdom	-2.4	-0.7
Canada	1.6	-1.4
Mexico	-0.2	-1.7
Italy	-2.2	-2.3
Germany	-3.8	-3.6
United States	-2.4	-4.3
Brazil	-6.2	-8.7
South Africa	-8.1	-10.3

Notes: For ease of comparison, most of the data is sourced from the International Labour Organization. For South Korea, Japan, Spain, the United States, Canada, India, and Australia, the latest available data is till Q3 2021; for others, the data is till Q2 2021.

Sources: International Labour Organization; Haver Analytics (using country sources); Deloitte economic analysis.

FIGURE 7

Female participation in the labor force has recovered for some countries, but it hasn't for others

	Q4 2019		Q2/Q3 2021	
	Men	Women	Men	Women
<i>Countries with female participation higher than or equal to prepandemic levels</i>				
Australia	70.9	61.2	71.0	61.7
Canada	69.5	61.2	70.7	61.4
South Korea	73.5	54.1	72.9	54.1
Japan	71.6	53.7	71.5	53.8
Spain	63.4	52.9	63.4	53.6
France	59.7	51.5	59.7	52.0
<i>Countries with female participation lower than prepandemic levels</i>				
United States	69.0	57.8	68.1	56.2
Germany	68.2	57.2	65.8	55.4
Brazil	72.5	53.6	68.6	49.2
South Africa	62.5	48.8	60.3	46.4
Mexico	77.1	45.4	75.9	43.9
Italy	59.1	41.4	57.8	40.3
Turkey	71.6	33.8	70.3	32.9

Notes: For ease of comparison, most of the data is sourced from the International Labour Organization. For South Korea, Japan, Spain, the United States, Canada, and Australia, the latest available data is till Q3 2021; for the others, data is available till Q2 2021.

Sources: International Labour Organization; Haver Analytics (using country sources); Deloitte economic analysis.

The drag on the wider labor market and on female employment in general is expected given that certain sectors of the economy such as tourism, hospitality, food services, and personal care are yet to bounce back to the prepandemic levels of output. With women mostly concentrated in these sectors, it is not surprising that employment gains for women in some countries are still lower than prepandemic levels. Any emergence of new variants of the virus¹³ that are more infectious and

may dodge some of the protection offered by existing vaccines will only push up risks for these sectors. As for popular international travel destinations in Europe and Asia, the return of foreign tourists will be complicated by domestic rules on travel and quarantine, and differing protocols on recognizing vaccine certificates.¹⁴

The slow pace of vaccination in some countries, including for children,¹⁵ coupled with the rise of

new variants of the virus may also delay complete reopening of schools and day care facilities. This is likely to weigh on the pace of return to the labor market of mothers who gave up their jobs to take care of their children during the pandemic. Even if schools and day care centers become available, traditional dynamics of the labor market will slow the return of mothers while some of them, especially those with children who are unvaccinated, may not prefer to return to work.¹⁶ There are also other factors at play. In India, for example, married men are more likely to return to the labor force after losing jobs during the lockdown than married women due to gender-related roles at home and other socioeconomic factors.¹⁷ Factors such as these will serve as setbacks to the efforts at strengthening gender equality across the world, especially in countries where the labor force has traditionally been the bastion of men.¹⁸

There's much more going on for women than just employment woes

The disparity of the pandemic's impact on men and women is evident even outside the labor market. During the pandemic, government support helped bridge the gap for families most affected by the pandemic. But, now with the gradual withdrawal of fiscal support, poorer households are suddenly left worrying about their future. Single mothers, especially those working in sectors still reeling from pandemic-related woes, are most at risk, including risks from heightened income loss and even poverty.¹⁹

Even in households where an adult woman has lost her job and her male counterpart hasn't, the consequences of a dip in income translates to a loss in the bargaining power for women, especially in some developing and emerging markets.²⁰ According to the United Nations' latest progress report on global sustainable development goals,

the pandemic has not only dented progress in key goals on gender equality but also reversed key gains over the years in expanding the rights of women worldwide.²¹

Moreover, since the start of the pandemic, women appear to have also faced greater violence, including domestic violence. Lockdowns and social distancing restrictions have meant that women have spent more time at home in isolation with abusive partners. Particularly in poorer nations, cramped living conditions have added to the problem.²² This has also, in some cases, led to rising risk of homelessness among women. In England, homelessness due to domestic abuse went up by 12% between April and June 2021 compared to a year before, which is approximately 30% higher than the figure during the same period in 2019.²³

A targeted strategy to help women is the need of the hour

The ongoing struggle to ramp up vaccination rates and deal with the emergence of the new variants of the virus may continue to limit female participation in the labor force. So, what can be done? While a government-led support to the economy may be fiscally unsustainable, especially for countries with weak government balances, public policy can step in with targeted measures such as aid for single mothers. Second, to enable greater mobility across sectors, fiscal assistance in coordination with the private sector for skills development programs may be a handy tool, especially to help women who lost their jobs or those in financial distress seeking higher-income jobs in a different sector. Finally, across developed, emerging, and developing worlds, there needs to be an increased effort to monitor and track gender violence at the household level with key strategies to counter it. If all this isn't done, the gains in gender equality made over the past decade in many parts of the world may just fizzle out.

Endnotes

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7. While monthly data is available for some countries like the United States, Canada, South Korea, and Japan, for others, data is given quarterly. Hence, we have used quarterly data for cross-country comparisons. Q4 2019 is assumed as the prepandemic period, on average, while Q2 2020 is assumed as the period before the nascent recovery in many economies as they came to grips with the pandemic. While some of the data is from country sources (sourced through Haver Analytics), other data is from the International Labour Organization (ILOSTAT).
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About the authors

Akrur Barua | abarua@deloitte.com

Akrur Barua is an economist with the Research & Insights team. As a regular contributor to several Deloitte Insights publications, he often writes on emerging economies and macroeconomic trends that have global implications, such as monetary policy, real estate cycles, household leverage, and trade. He also studies the US economy, especially demographics, labor market, and consumers.

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Practice leadership

Dr. Patricia Buckley

Managing director | Deloitte Services LP
+1 703 254 3958 | pabuckley@deloitte.com

Patricia Buckley, Deloitte Services LP, is the managing director for economics with responsibility for contributing to Deloitte's Eminence practice with a focus on economic policy.

Akrur Barua

Executive manager | Deloitte Services LP
+1 678 299 9766 | abarua@deloitte.com

Akrur Barua is an economist with the Research & Insights team.

Industry leadership

Dr. Patricia Buckley

Managing director | Deloitte Services LP
+1 703 254 3958 | pabuckley@deloitte.com

Patricia Buckley, Deloitte Services LP, is the managing director for economics with responsibility for contributing to Deloitte's Eminence practice with a focus on economic policy.

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