

# Covid-19: Will the economic impact on women set gender equality back decades?

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The COVID-19 pandemic is not only a global health emergency but an economic one. UK Gross Domestic Product (GDP) shrank by 10.4% in quarter two of 2020 with an unprecedented fall of 20.4% in April (ONS, 2020b). Undoubtedly this will have a lasting impact on the labour market and exacerbate income inequalities particularly for women and minorities (Fasih *et al.*, 2020). Emerging projections show that the current global recession will “result in a prolonged dip in women’s incomes and labour force participation” (United Nations, 2020). This could be compared to the fallout of the 2008 financial crisis, however, there are stark differences which will have a greater negative impact on women (Alon *et al.*, 2020 and Queisser *et al.*, 2020) such as the sectorial differences in the impact on the labour market and the closure of all childcare facilities and schools. Although some argue that there are emerging signs of optimistic outcomes, such as the shift of household gender norms, the evidence is limited (Schulte and Swenson, 2020; Carlson *et al.*, 2020). This essay explores these factors from a feminist economic perspective and argues that the COVID-19 emergency will have a damaging impact on gender equality, potentially setting back progress by decades. It argues that government interventions that move beyond the traditional economic stimulus packages are required to ensure that the recovery is one that rectifies rather than entrenches gender inequality.

In the 2008 financial crisis the short-term job losses for men were higher than for women due to the volatility of typically male employment and the differences in sectorial employment between men and women (Alon *et al.*, 2020; Hoynes *et al.*, 2012). Typically, in a recession male dominated employment such as construction is more heavily impacted than health and education with higher levels of female employment. Conversely in the current COVID-19 crisis, the Institute for Fiscal Studies (IFS) found in February 2020 mothers were 9 percentage points more likely to have stopped paid employment than fathers (Andrew *et al.*, 2020) indicating an immediate negative impact on women. Overall, women earn less, have less job security and endure more domestic violence and are therefore less able to absorb economic shocks (United Nations, 2020). Furthermore the ‘stay at home message’ has meant that some forms of paid employment have shifted to homeworking. A study of the American labour market found that only 22% of women compared with 28% of male workers were able to telecommute and therefore continue to work from home (Alon *et al.*, 2020). Additionally, women are more likely to be in low paid employment, such as retail and hospitality, which has been disproportionately impacted by the pandemic due to the inability to work from home (Fasih *et al.*, 2020 and OECD, 2020).

The potential impact of this will be devastating for women, particularly for single parents who are reliant on a single income. Women are more highly concentrated in health and social care (79%) and education and childcare (81%) sectors and so are considered 'key workers' in the UK (ONS, 2020a) and therefore are somewhat protected in the immediate recovery (OECD, 2020). However, this comes at a price with these roles most at risk of exposure to COVID-19 (OECD, 2020). Family work patterns have been further impacted by the closure of all childcare facilities and schools which has the potential to further disproportionately impact women.

Although the formal economy has ground to a halt, the closures of school, childcare facilities and paid care have intensified the unpaid domestic labour which underpins the economy. The IFS found this will hit the long term earnings of women and regress the gender pay gap (Andrew *et al.*, 2020). Women are already disproportionately responsible for unpaid care and domestic labour with approximately 60% more unpaid work being carried out by women than men, spending on average 40 minutes per day more on childcare (ONS, 2016; Wishart *et al.*, 2019). These factors will set back any advances in gender equality, potentially rolling back progress by decades (United Nations, 2020). Even in families with two parents at home and the father on furlough while the mother telecommutes there continues to be this uneven divide in both unpaid childcare and housework.

Persistent and deeply entrenched social norms and gendered structures within households are exposed in evidence such as this comment from a participant in research by the IFS, "[My partner] is furloughed and yet my work telephone calls are interrupted by the children asking questions, while daddy is just watching Netflix" (Ascher, 2020). On average women can only work for one uninterrupted hour for every three that dads can do (Ascher, 2020). Children tend to go to mothers for care rather than fathers, with research finding that mothers both in employment and unemployed are spending approximately six hours per day providing childcare and home-schooling every working day during lock down (Ferguson, 2020). Early signs of the impact of this can also be found in academia where the Co-editor of Comparative Political Studies reported that journal submissions were up by 25% this April compared to last year; however this increase was solely in submissions from men (Flaherty, 2020). Men working from home are more able to commit to extra overtime and have more uninterrupted working hours to dedicate to their research however women pick up the domestic slack and accept this as a price to pay for "clinging on to a thread of a career" (McCarthy, 2020). Some early research suggests however that this new home working environment may have a positive impact on shifting the gender norms in the household. Carlson *et al.*, (2020) argues that prior to the pandemic, 26% of parents shared routine housework which increased to 45% during the pandemic, the result of men taking on more unpaid work. However, this is also a result of the withdrawal of market substitutes, such as female cleaners, therefore once the pandemic has passed the likelihood of the

continuation of this shift is questionable. Flexibility and home working may encourage this shift; however, the evidence is not strong to support this and there are no certainties on whether this shift will continue as the economy reopens. Furthermore, as unpaid work has increased for men, unpaid work for women has also intensified and weighs heavier on the shoulders of women with 70% of women solely responsible for educating their children (Carlson *et al.*, 2020).

COVID-19 has brought a new focus on the household due to the enforced multifunctionality (Teasdale, 2020). It has become a place for work, education, shielding as well as a living space. This could encourage policy changes that consider the diverse individual household dynamics, rather than the established focus on the household as a single unit. The unpaid work of women and the resulting economic inequalities have been exposed during the COVID-19 pandemic. To build the economy back in an inclusive way, this social value must become central to policy decisions and unpaid work that underpins the economy must be recognised. It is clear that without it the whole economic system would have collapsed in the crisis (Elson, 2017 and Teasdale, 2020). Key to creating a more gender equal economy is the provision of quality care and the valuing of those who work in that sector (Elson, 2017). According to the United Nations System of National Accounting, investment in care is still considered as consumption spending rather than capital investment and therefore it continues to be undervalued by policy makers when they are trying to recover from recession (De Henau *et al.*, 2016). De Henau *et al.* (2016) found that investing 2% of GDP in care would create almost 13 million jobs in the US and would decrease the gender pay gap. Conversely the same investment in construction would only create half of the jobs and increase the gender pay gap. This shift in priority must be central to building back the economy and would be a necessary shift away from the usual stimulus packages of infrastructure investment. However, this is not apparent in many of the emerging plans for rebuilding the economy. For example in Scotland the aim is to build a "robust, resilient wellbeing economy" (Higgins, 2020), however, the increased investment in infrastructure does not include a plan for investment in care despite there being widespread recognition of its value. UK Prime Minister Johnson has announced investment in physical infrastructure to restart the economy with a focus on 'build, build, build' (Gov.UK, 2020), but not 'care, care, care'. This traditional response to economic crisis will entrench inequality by focusing job creation on men who traditionally work within the construction industry.

Despite some positive outlooks the overall impact for women looks devastating, threatening to set back gender equality for decades (Ribeiro, 2020). Unless there are significant changes in the economic system and policy priorities, the short-term valuing of care and unpaid work will not last beyond the immediate crisis. Traditional stimulus packages will entrench gender inequality, occupational segregation by gender and the gender pay gap. Governments must include and listen to women and

women's organisations to transform the economy to a more inclusive gender equal economy through the valuation and provision of quality care work as well as understand the gross unequal distribution of unpaid work.

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