Women’s economic empowerment at a time of crisis: can COVID-19 be different?

By Cecilia Reategui and Andrew Rowell

COVID-19 is a health crisis with far-reaching social and economic consequences, both immediate and stretching into an unpredictable future. Investing in Women recently commissioned a rapid literature review to examine the impacts of COVID-19 and previous pandemics and recessions on the economic position of women. The study, conducted by Professor Marian Baird and Associate Professor Elizabeth Hill from the University of Sydney, also includes analysis on actual and potential impacts in Southeast Asia, as well as risks and opportunities looking ahead.

The review touched on past health crises such as Ebola and Zika and a range of
past financial crises to delve into the impact of previous recessions and pandemics on women’s economic position. The findings are unequivocal: women fare worse than men, for a range of reasons. Women tend to earn less than men and have less access to productive assets than men. This limits women’s ability to develop their capabilities, make strategic choices and participate on equal terms with men.

Segmentation of labour markets also plays an important role. Employers, educators and families often have strong views about what jobs are suitable for women or for men. Women are over-represented in lower paid occupations and many of these have been hit hard in the current crisis: retail, travel and hospitality. Employers will often regard women as ‘secondary earners’ and preference male employees in any downsizing. In previous crises, there is clear evidence of women’s formal employment declining, and more so than for men.

Analysis of past recessions cited in the review reveals that the negative socio-economic effects sustain as long as seven years, with the strongest impacts felt after three years. Given the deep and wide-ranging impacts of COVID-19, we cannot view this as something that will pass over quickly. From where we stand in mid-2020, we need to plan for the short, medium and long term. If not addressed properly, we will see persistent negative outcomes exacerbating pre-existing gender inequalities, leaving women with lower earnings and bargaining power.

The study also highlights how the pandemic has exacerbated pre-existing gender division of labour and added to women’s double burden of paid and unpaid care work. Social distancing strategies across the globe have devolved work, care and domestic duties to the household, as flagged by UN Women. This has produced a crisis in care, which has been intensified by the closure of schools and day care centres as part of the COVID-19 containment strategy, with UNESCO reporting 1.52 billion students at home. Entrenched social norms in Southeast Asia have seen an increase in unpaid work for women with a large number responsible for homeschooling, cooking, cleaning and childcare (even while working from home), caring for elderly family and neighbours, procuring essential household items.
under the conditions of social distancing, and maintaining more rigorous cleaning regimes.

Government responses have varied in Southeast Asia. Vietnam acted early and decisively to the health crisis, while the Philippines initially had a more reserved response requiring subsequent catch-up. Currently, the responses in all countries are more structured and have integrated economic initiatives such as cutting interest rates and providing income support, tax exemptions and microloans, and in the Philippines, guidelines for flexible work arrangements and telework. However, the policies put in place are seldom gender-specific, contributing to the added pressure and disadvantage women face in the current pandemic.

So, if we know why previous crises have exacerbated gender inequality, can we make this crisis different? There are well-known strategies that are often neglected but which can make a significant difference. One is to ensure that policy analysis around the pandemic is based on a clear understanding of the different experiences and needs of women and men. Investing in Women commissioned this study to contribute to this evidence base for policymakers. Another approach is to ensure that women are included in leadership roles when responses to the pandemic are being formulated – whether as CEOs and senior business managers, entrepreneurs, or at the highest levels of government.

There are clear opportunities emerging to take advantage of the changes wrought by COVID-19. One example is that the lockdowns have been an opportunity to rethink workplaces and question rigid work practices. Greater flexibility around working from home will benefit women. Having men at home is also an opportunity to demonstrate greater sharing of unpaid care work. These forced changes provide a chance to question and to disrupt long-standing traditional gender roles. This can highlight positive outcomes in moving away from the gender norms that limit economic choices for both women and men.

Like previous crises, the COVID-19 pandemic will have clear gendered impacts. We need policymakers and the private sector to understand the benefits gender
equality brings: both in order to better protect women from the immediate and disproportionate impacts of the economic downturn, and to position their economies for stronger performance through the period of economic recovery. Let’s do it differently this time.

The post is part of the #COVID-19 and Asia series.

About the author/s

Cecilia Reategui
Cecilia Reategui is Research Manager at Investing in Women, an initiative of the Australian Government.

Andrew Rowell
Andrew Rowell is Director of Monitoring, Evaluation and Learning at Investing in Women, an initiative of the Australian Government.