

# She-cession: The Gendered Impact of COVID-19

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## ABSTRACT

The COVID 19 Pandemic has made the world witness a sharp decline in the employment rates, but what is more concerning is that it has caused a “she-cession”. A she-cession is an economic downturn where job and income losses adversely affect women more than men. As per empirical evidence, the she-cession isn't just lingering, but is getting worse. So, a comprehensive approach that addresses the root causes of the she-cession and thereby paves the way for a she-recovery is crucial. Turning the she-cession into she-recovery is even more challenging in developing countries like India, where women face discrimination on a wide range of grounds. Though, it might take a lot of time to achieve gender parity in the workforce, but with the implementation of certain policies and practices, the world will eventually converge towards a she-recovery situation.

**KEYWORDS:** *she-cession, she-recovery, female labour force participation rate, COVID 19 Pandemic, inequality, employment*

**JEL Classification:** E24, J16, J21

## I. INTRODUCTION

The impact of COVID 19 on employment has been significant and far-reaching. The pandemic has caused millions of people to lose their jobs as businesses have closed or reduced their operations due to lockdowns, supply chain disruptions, and reduced demand. Industries such as hospitality, travel, and retail have been particularly hard hit. However, women have experienced higher rates of job loss than men during the pandemic, particularly in the female dominated industries such as hospitality, personal care services, retail, and education. Women are also more likely to work in part-time or low-wage jobs without benefits, leaving them more vulnerable to job loss and financial instability. Furthermore, the pandemic has exacerbated existing gender inequalities, such as the unequal burden of caregiving responsibilities that fall disproportionately on women. Women of colour have been particularly hard hit by the she-cession, as they are more likely to work in sectors that have been heavily impacted by the pandemic and face systemic barriers to economic security. This paper has provided us with empirical evidence as to how much the female labour force participation rate has declined post COVID 19

Pandemic. It also addresses the root causes behind such an economic downturn and how the situation is graver and appalling in developing countries. Finally, the paper talks about some policy suggestions that governments and employers can undertake to address these challenges and build a more resilient and inclusive labour market that prioritize gender equity and promote the economic empowerment of women.

## II. Empirical Evidence

Female Labour force participation rate is the proportion of the female population ages 15 and older that is economically active: all people who supply labour for the production of goods and services during a specified period. It depicts the percentage of women who are either employed or actively looking for work out of the total female population that is of working age. It is a measure of the extent to which women are engaged in the labour force and contributing to the economy. The labour force participation rate is an important indicator of economic activity and can be influenced by a variety of factors such as cultural norms, government policies, and economic conditions. A higher female labour force participation rate can lead to greater

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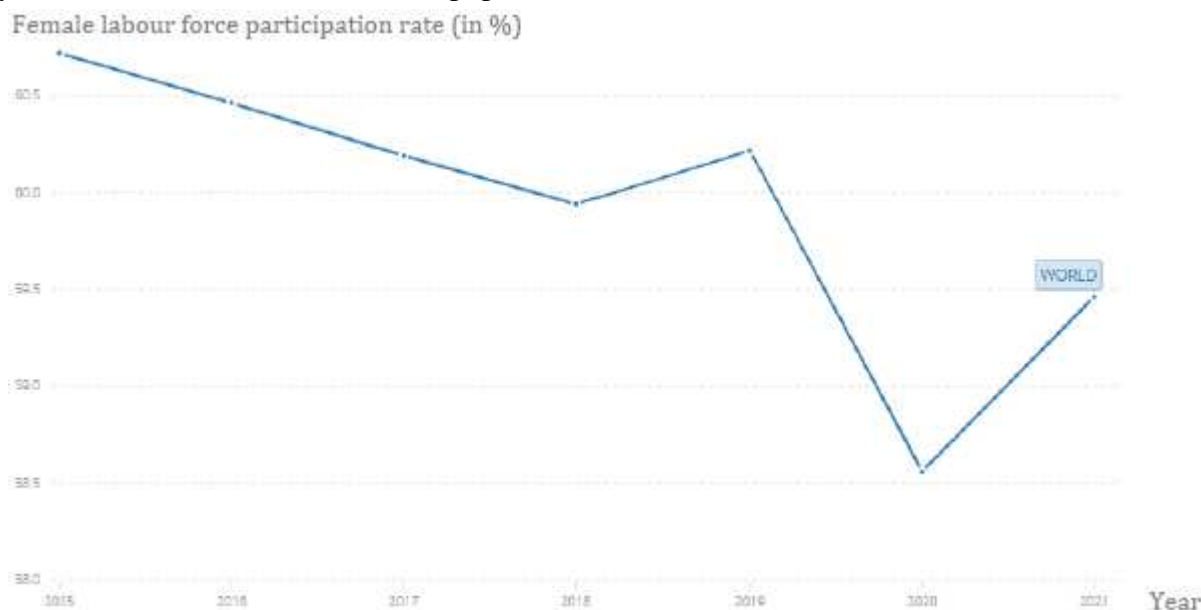
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economic growth and social empowerment for women. However, after the outbreak of COVID 19, the employment rates have seen a sharp decline, but what has been observed is that there the fall in employment rates have hit the female population

more deeply compared to men. The following graph (based on World Bank's data) depicts the trend in the female labour force participation rate over the years, and how it witnessed a drastic fall post COVID 19 Pandemic:



**Fig 1. Female Labour Force Participation Rate in the World from 2015 to 2021**

As per the data provided by World Bank, the labour force participation rates are as follows-

	Labour Force Participation Rate				Labour Force (ages 15 years and older)			
	Male (% ages 15 and older)		Female (% ages 15 and older)		Total (in millions)		Female (% of labour force)	
	2015	2021	2015	2021	2015	2021	2015	2021
East Asia and Pacific	76.2	73.6	59.6	58.9	1258.4	1279.6	43.8	44.4
Europe and Central Asia	65.4	64.7	51.3	51.6	433.2	435.9	46.1	46.4
Latin America and Caribbean	76.6	73.9	50.7	49.8	289.3	301.01	41	41.5
Middle East and North Africa	71.6	70.4	20.2	18.2	142.9	153.2	20.6	19.4
North America	68.6	67.3	56.5	56.1	179.5	185.8	46.1	46.3
South Asia	76.3	73.9	24.7	24.8	632.6	655.9	23.7	24.4
Sub-Saharan Africa	72.6	72.4	60.7	60.4	384.6	451.2	46.3	46.2
World	73.8	71.9	47.7	47.1	3320.5	3462.6	39.4	39.7

The data provided in the table gives an overview of the labour force participation rates and labour force statistics for different regions of the world between the years 2015 and 2021. The labour force participation rate measures the proportion of the population that is either employed or actively seeking employment, and is expressed as a percentage of the total population aged 15 years and older. The labour force represents the total number of people who are either employed or unemployed but seeking work.

The world, as a whole, has witnessed a fall in both the male and female labour force participation rates over the years. However, the data depicts that the female labour force participation rate is generally lower than the male rate, and this gender gap has not significantly narrowed between 2015 and 2021. Overall, the data indicates that there are still significant differences in the labour force participation rates among regions of the world and more importantly between genders. Thus, the data underscores the importance of promoting greater labour force participation, particularly for women. So, policies and interventions to address the underlying causes of low labour force participation rates will be critical to ensure inclusive and sustainable economic growth.

### III. Root Causes

The pandemic did not create new gender inequalities in the workforce, but it is noteworthy that it did substantially exacerbate existing inequalities. The most prevailing inequalities for women include unequal pay, sexual harassment, racism, and greater inequities in promotion and raise negotiation practices compared to their

male counterparts. Women are also often overrepresented in certain sectors such as health, social services, and education; and are underrepresented in other sectors such as professional, scientific, financial, and technical services. Women also face barriers in advancing into leadership roles, despite being more educated than men on average and constituting nearly half of the workforce. Moreover, the Pandemic has aggravated the situation many folds. The root causes of the COVID 19 Pandemic induced she-cession are complex and multifaceted. Several factors that have contributed to the disproportionate impact of the Pandemic on women's employment and economic security are listed below:

**Occupational segregation:** Women are more likely to work in industries that have been disproportionately affected by the pandemic, such as retail, hospitality, and healthcare. Many of these jobs have also been undervalued and underpaid, exacerbating the economic insecurity faced by women.

**Caregiving responsibilities:** With the closure of schools and childcare facilities, many women have had to take on increased caregiving responsibilities, making it difficult for them to maintain their employment or advance in their careers. Women are more likely to take on caregiving responsibilities, and the lack of affordable and accessible childcare options has created an unsustainable situation for many working mothers.

**Gender wage gap and discrimination:** Women face persistent gender wage gaps and discrimination in the labour market, which have further exacerbated the economic insecurity faced by women during the pandemic. Women are also more likely to work in part-time or temporary positions, which provide less job security and fewer benefits.

**Informal economy:** Women are more likely to work in the informal economy, which has been particularly hard hit by the pandemic. Women who work in the informal economy often have limited access to social protection, such as unemployment benefits or sick leave, making them more vulnerable to income losses and economic insecurity.

**Lack of social protections:** Women are more likely to work in jobs without access to paid leave, health insurance, or other benefits that can help provide a financial cushion during times of economic downturn. This lack of social protection can further deteriorate economic insecurity for women during a crisis like the COVID-19 Pandemic.

#### **IV. Developed and Developing Countries**

Unlike any other modern recession, the downturn triggered by the COVID-19 Pandemic has created larger employment losses for women than for men globally. In developed countries, women have been disproportionately affected by job losses and reduced working hours during the pandemic due to their overrepresentation in sectors such as hospitality, retail, and healthcare. Women also tend to work in more precarious and part-time jobs, which has made it difficult for them to access financial assistance and social protections during the pandemic.

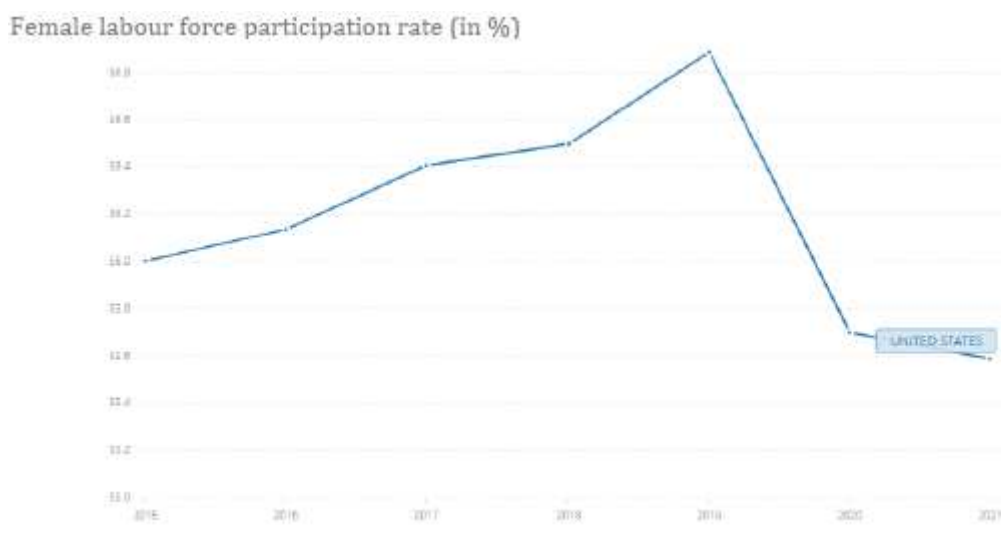
##### **Example: She-cession in the US**

Based on data from all US recessions since 1949, it has been observed that the 2020 recession deviates most sharply from the historical norm in its disparate gender impact. The fact that job losses are much higher for women not only matters for gender equality, but also reduces families' ability to offset income losses, producing a deeper and more persistent recession. Not too long ago, the term 'man-cession' gained currency to describe the disproportionate impact of recent recessions on men's employment (Johnson 2009, Wall 2009). In the Great Recession of 2007-2009, millions of men in sectors such as construction and manufacturing lost their jobs, while women experienced meagre employment losses.

Man-cessions became the norm starting in the 1970s, a time when women's labour force participation was sharply increasing. This trend has been observed till 2019, but the question is, what led the US economy to notice such a trend in its labour force participation rate? One force behind such a trend is the big, structural changes that took place in the US economy over the past half century. In particular, manufacturing has declined as a share in the economy and services have increased. The decline in manufacturing has tended to reduce male participation rates, and the increase in services has tended to increase female participation rates. Manufacturing used to hire a lot of relatively low-skilled, low-educated workers, most of whom were men. Technology, however, has made manufacturing much more productive. Such advancements in technology have reduced the necessity of these low-skilled line workers and so, the kind of workers that the manufacturing sectors then started hiring were highly educated software engineers. Hence, the decline in manufacturing jobs have hit the low-skilled and low-educated male workers pretty hard. These workers were then unable to find jobs in other

sectors of the economy as well. On the other hand, women have benefited from a shift to the service economy. Sectors that traditionally employed a lot of women such as education and healthcare, have in fact grown over the years. It has also been observed that compared to men, women have increased their education levels. Overall, more and more women found employment in relatively stable sectors such as education, healthcare, and other parts of the service economy, which eventually led to a rise in the female labour force participation rate in the US.

However, as a consequence of the Covid-19 pandemic in 2019, the US economy entered its sharpest economic downturn since the Great Depression. This recession has been qualitatively different from other recessions not just in its cause, but also in the patterns of its labour market impact. Arguably, the sharpest deviation from the historical norm is the impact of the recession on the employment of women versus men. The sectors which have a high female labour force representation, such as hospitality and retail, have been the hardest hit sectors in the Pandemic. The challenges caused by the Pandemic are even greater for women who are self-employed, or those working in the informal sector as domestic workers or street vendors, due to the precarious nature of their jobs. It has also been observed that with the closure of schools, women have been burdened with increased childcare responsibilities with their professional lives. Also, during the Pandemic, more men have been given job promotions than women. All these factors have contributed to the decline in the female labour force participation rate in the US economy post Pandemic. The following graph depicts the increasing trend in the female labour force participation rate in US, and how the COVID 19 Pandemic has led to a sharp decline in the rate:



**Fig 2. Female Labour Force Participation Rate in the United States from 2015 to 2021**

Nevertheless, the severity of the she-cession in developing countries is more pronounced and can be attributed to various factors, such as the overrepresentation of women in the informal economy, limited access to social protections, weak labour protections, and gender inequalities.

In developing countries, women are often concentrated in low-paid, low-skilled, and informal jobs, which have been hit hardest by the pandemic. This has resulted in job losses, reduced working hours, and lower wages for women. Additionally, many women are employed in sectors that have been directly affected by the pandemic, such as hospitality, retail, and tourism. Women in developing countries are also more likely to work in sectors such as agriculture and textiles, which have been severely impacted by supply chain disruptions and reduced global demand. Moreover, women in developing countries often have limited access to social protections, such as paid sick leave, maternity leave, and healthcare benefits. This makes it difficult for them to cope with the economic and health consequences of the pandemic.

Weak labour protections and gender inequalities in developing countries further exacerbate the she-cession. Women often face discrimination in the workplace, including unequal pay, limited access to promotions, and harassment. Women in developing countries also tend to have less access to education and training, which limits their opportunities for upward mobility.

#### **Example: She-cession in India**

Even before the COVID-19 pandemic, the female labour force participation rate in India was low compared to other countries. In the last century, the world has witnessed great strides in terms of women's economic participation. On an average, the female labour force participation rate (FLFPR) increased from 40 percent to 51

percent for the OECD countries during 1960-2016. On the other hand, the Indian subcontinent, home to 17 per cent of the world's women population, is in the company of 9 countries where FLFPR has plummeted.

According to International Labour Organization estimates, India's FLFPR dropped from 32% in 2005 to 21% in 2019 – the lowest rate in South Asia, and among the lowest in the world. This precipitous drop in women's engagement in the labour market has attracted the attention of academics and policymakers alike. Though in terms of absolute numbers more men lost their jobs by April 2020 (over 100 million men against 17 million women) but in percentage terms the impact of COVID-19 on women's employment is proportionately greater and worse (women's employment dropped by 39% against 29% decline in men's employment). The situation continues to be deteriorating even today.

Low FLFPR in India is necessarily a complex social phenomenon. There is low support in the Indian society for working women. This arises from patriarchal structures, which dictate that women prioritise their domestic responsibilities over professional aspirations. According to 2014 OWID data, India's female-to-male ratio of time devoted to unpaid care work stands at 9.83, which is the third highest in the world. Therefore, 62.1 per cent of the women in 15-59 age group were involved in domestic duty participation in 2017-18. The cultural norms that place the primary responsibility of routine domestic tasks on women, limit their ability to participate in the labour market.

During the period 2012-2018, 65 million men and 63 million women were added in the Indian working age population. The LFPR for men remained stagnant while the LFPR for women observed a downward trend depicting the job market was able to absorb the growing number of male workers but it was not the case for female workers. Women have borne the brunt of this growth mainly because of two reasons. First, the mechanisation of agriculture including seed drills, threshers etc have reduced manual jobs that were mostly performed by women. Second, India's manufacturing sector has not created labour intensive jobs that could be taken up by women who have been displaced from agriculture.

According to the most recent Periodic Labour Force Survey, out of the population of working women, more than 90 percent work in the informal sector. Informal jobs entail increased exploitation, harassment, poor working conditions and lack of mobility. This acts as one of the main impediments to female participation.

Nonetheless, the Pandemic has caused further deterioration of the already existing dire situation of female labour force participation rate in India. Therefore, the she-cession in India has significant implications for gender equality and women's economic empowerment, and highlights the need for policies and programs that support women's employment and economic status. The following graph depicts the declining trend in the female labour force participation rate in India, and how the COVID 19 Pandemic has aggravated the situation:



**Fig 3. Female Labour Force Participation Rate in India from 2015 to 2021**

## V. The Way to She-covey

"She-covey" is a term used to describe the potential for women's employment and economic security to be a key driver of post-pandemic recovery. The term recognizes that women have been disproportionately affected by the COVID-19 pandemic and that

targeted policies and actions are needed to address gender inequalities in the workplace and beyond. So, policy makers and companies can come up with certain policies and initiatives that address the barriers that women face in accessing quality employment opportunities and balancing work and

caregiving responsibilities. Given below are a few suggestions that will support women's economic participation and leadership, thereby helping the world to recover from the abysmal she-cession.

**Providing flexible work arrangements:** Companies can provide flexible work arrangements such as remote work or reduced hours to help women balance work and family responsibilities.

**Addressing childcare and eldercare needs:** One of the main barriers to women's participation in the workforce is the lack of affordable and accessible childcare and eldercare. Governments and companies can provide support for childcare and eldercare to help women balance work and caregiving responsibilities towards their families.

**Addressing gender bias and discrimination:** Gender bias and discrimination in the workplace, one of the most predominant issues in developing countries, can prevent women from achieving their full potential. Companies can address gender bias and discrimination by promoting diversity and inclusion, ensuring that women are represented in leadership positions and decision-making processes, and providing equal pay and opportunities for advancement.

**Supporting women's leadership:** Governments and companies can support women's leadership by ensuring that women are represented in leadership positions and decision-making processes.

**Investing in reskilling and upskilling:** Governments and companies can invest in reskilling and upskilling programs to help women who have lost their jobs or have been forced to leave the workforce due to the pandemic. This can help women acquire new skills and knowledge that are in demand in the post-pandemic economy.

**Ensuring access to social protections:** Providing access to social protections such as unemployment benefits, sick leave, and healthcare can help to reduce the economic insecurity that women may face during periods of job loss or economic uncertainty.

## VI. Concluding Remarks

The she-cession has had a significant impact on women's employment and economic security, particularly in the wake of the COVID-19 Pandemic. The Pandemic has highlighted the systemic inequalities that women face in the labour market, including

the gender pay gap, unequal access to promotions and leadership roles, and discrimination in hiring practices and workplace. Women are also disproportionately affected by caregiving

responsibilities, which can hinder their work-life balance and thereby limit their employment opportunities. While the she-cession has had a significant impact on women's employment across the globe, the severity of the impact may be greater in developing countries where women face additional barriers to employment and economic security. To overcome the she-cession, a concerted effort from policymakers, employers, and society as a whole is required to tackle the structural and cultural barriers that women face in the labour market and to promote gender equity and women's economic empowerment. Overall, addressing the she-cession is essential for promoting a more equitable and inclusive society and ensuring that women are able to fully participate in the labour market and contribute to economic growth and stability.

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