BRIEF #2 FOR SERIES *COVID-19: DISRUPTION, DENUDATION AND DAWNING*
SEPTEMBER 11, 2020

THE STORY SO FAR: COVID-19, THE CANADIAN LABOUR MARKET, AND WOMEN

LUANN GOOD GINGRICH
ANDREW MITCHELL

The Story So Far:
COVID-19, the Canadian Labour Market, and Women

Luann Good Gingrich and Andrew Mitchell

Economists and policy analysts note that the brunt of the recession has been borne by women, referencing a "she-cession". As we eagerly turn our attention to economic recovery, some have noticed a lag for women in labour market indicators and the need for a "feminist recovery plan" or "she-covery".

In the second in this series of briefs looking at the labour market impacts of the COVID-19 pandemic, we examine the differing impacts between men and women. We focus on workers aged 15-64 using data from the monthly Labour Force Survey (LFS) conducted by Statistics Canada.[1]

We know that women are disproportionately represented in jobs that are low wage and precarious, and that even in Canada, women working full-time earn $0.75 for every dollar earned by a man.[2] So it is not surprising that the labour market impacts of the global health and economic crisis have been unevenly felt by men and women. Early on in the pandemic, economist Armine Yalnizyan coined the economic downturn caused by the pandemic as the first "she-cession", and claimed that the consequences of that trend could last much longer than the health crisis. She reported that "Recessions are defined by both depth and duration," and this downturn could be an especially long slog for many female workers. Moreover, high-risk jobs in the pandemic are held predominantly by women (Faraday, April 2020), resulting, for example, in a high proportion (36% in Ontario) of COVID-19 cases that have been among women working in health care, and of those, 45% were immigrants and refugees[3](Guttmann et al., 2020). We know that "over half of all female workers (56%) are employed in occupations involving the "5 Cs': caring, clerical, catering, cashiering, and cleaning" (Canadian Women's Foundation, Resetting Normal) – jobs that are feminized and thus devalued, yet "essential" in containing the pandemic and leaving women more vulnerable to contracting the virus. To the extent possible using the LFS public use data from January to July 2020, we examine these issues in this brief.

[1] See Statistics Canada, Labour Force Survey (LFS). We note that the LFS defines gender in binary terms, requiring respondents to identify as either male or female. While there are important gender inequalities that cannot be examined with this dataset, our emphasis for this brief is the effects of the *devaluation of the feminine*, which is evidenced, in part, by the uneven labour market effects of COVID-19 for men and women.

[2] https://canadianwomen.org/the-facts/the-gender-pay-gap/.

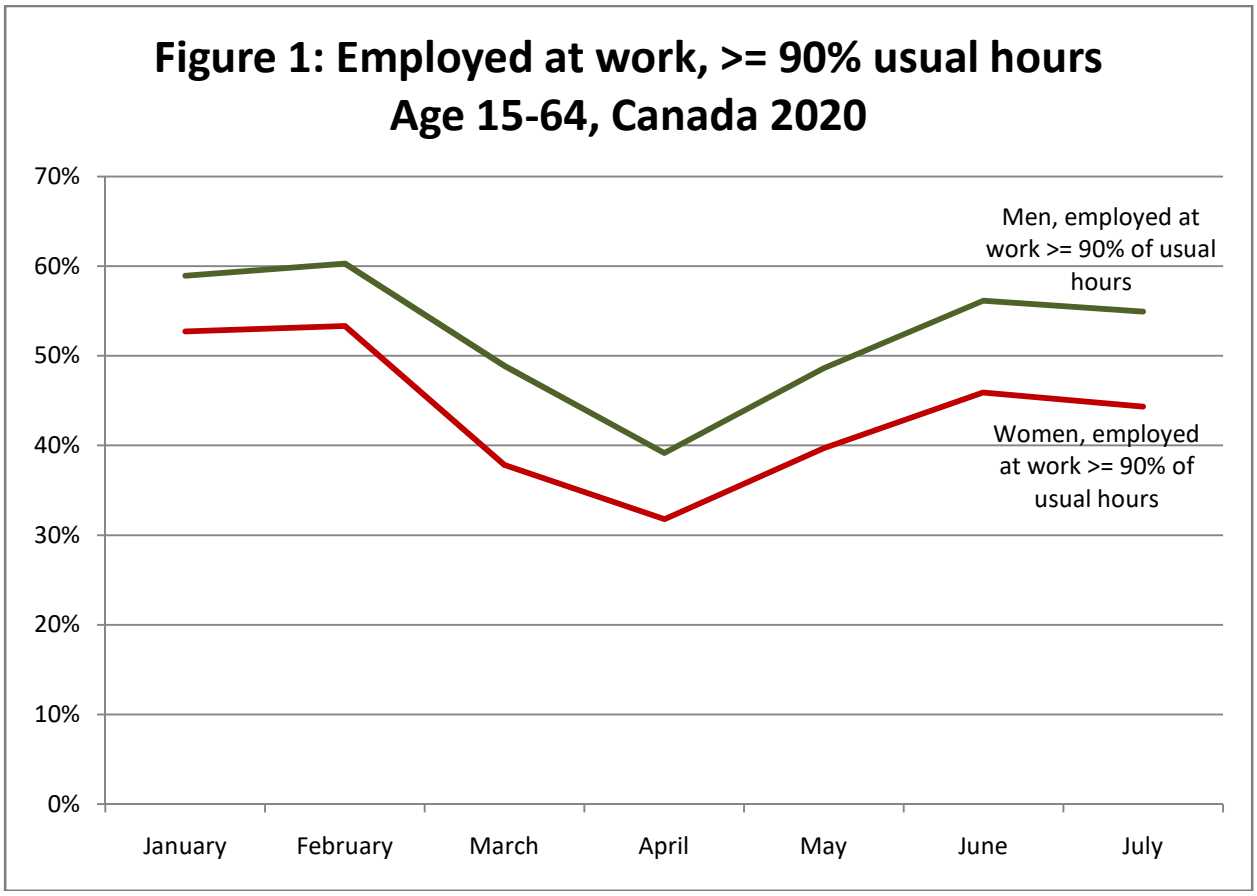
[3] We refer the reader to our first brief, "COVID-19, the Canadian Labour Market, and Immigrants." The pandemic has made plain the *intersectionality* of a valuation system based on"imperialist white supremacist capitalist patriarchy" (bell hooks, 2016).

Employed, at work and absent

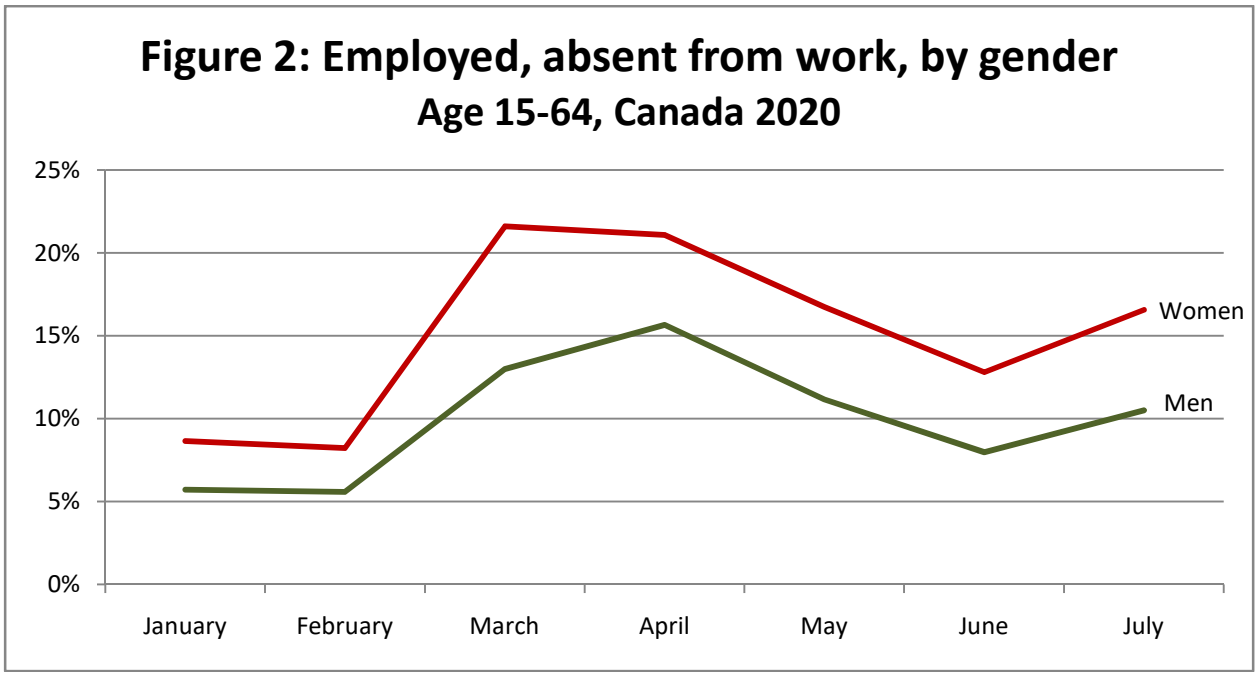
Figure 1 shows the percentage of the population (working age 15-64 years) who were employed and at work over the first seven months of 2020. Both genders experienced a dramatic decline in the numbers working at or near their usual hours, reaching its lowest point in April when only 52% of men in the labour force, and 47% of women were at work at or near their usual hours. By April there were nearly 4.7 million fewer people employed, and at work, in Canada than in February, and 52% of the drop was among women, whereas women comprised just 48% of those employed and at work in February.

While women are, in general, less likely to be at work at or near their usual hours, the gap between men and women widened over the period as employment for men recovered more quickly.

At the same time, the proportion of men and women at work at less than 90% of their usual hours rose in March and April, but declined again between May and July.



The numbers employed but absent from work grew from 8-9% of the labour force for women and 6% for men pre-pandemic to nearly 21% and 16% respectively in April (Figure 2). Thereafter the proportions declined, but again more rapidly among men, meaning the gap between men and women widened here as well. In July, both men and women again experienced an increased absence from work, likely due to the increase in numbers absent for vacation.



By May, employment numbers started showing some recovery, but not as quickly for women. In May, there were almost 2.2 million fewer employed people in Canada than in February, and 57.6% of the drop was among women.

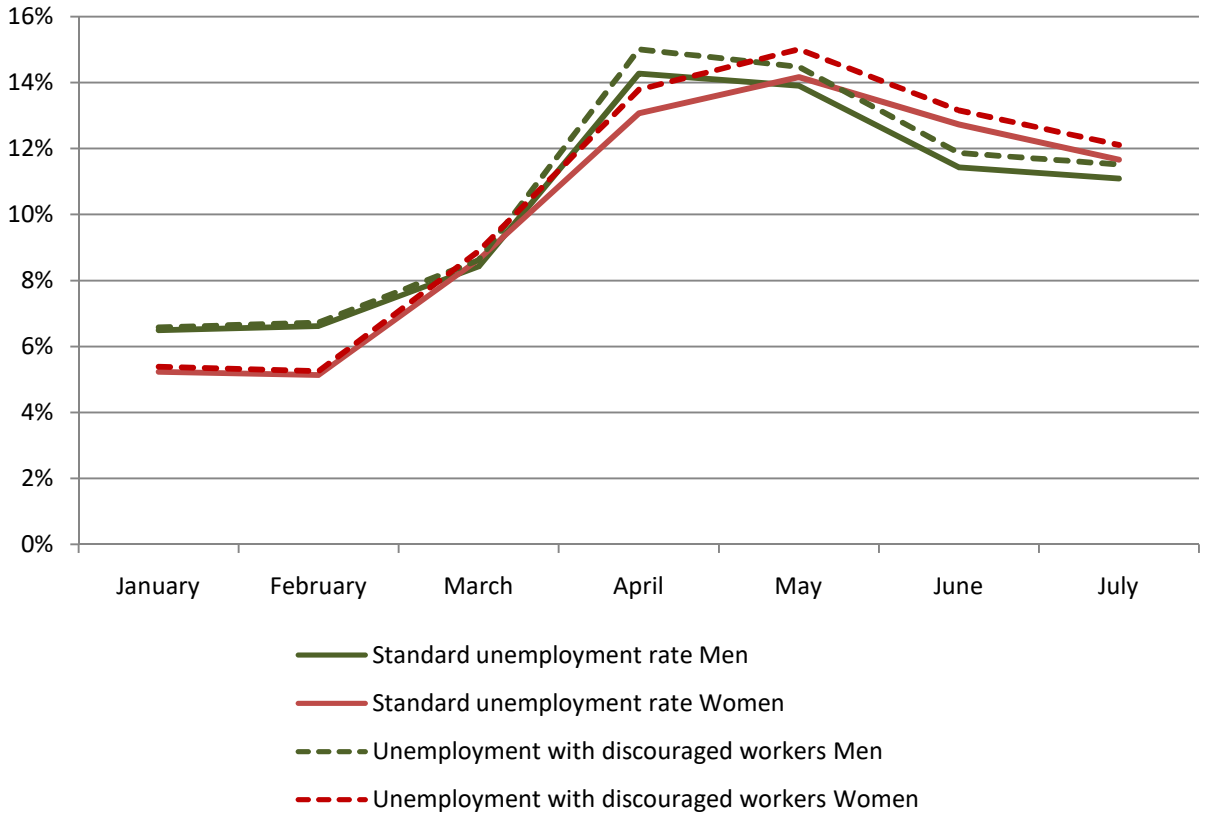
Unemployment

The traditional unemployment rate (referring only to those who are actively seeking employment) was higher among men in the first two months of 2020 (Figure 3). By March, male and female unemployment rates were virtually identical, after which male unemployment rates rose again, surpassing again the female unemployment rate. However, we note that from February to July, two-thirds of the decline in total employment occurred among women. Furthermore, from May to July, unemployment rates declined more rapidly among men and fell below unemployment rates for women, indicating an earlier and faster recovery for men. We note also that in March, May, June and July, the unemployment rate for women surpassed that for men for the first time in over three decades (see RBC Economics, July 16, 2020).

When 'discouraged' workers – those who would like to work, but have not searched because they believe no work is available – are added to the analysis, we see that in January 2020, there was little difference between traditional unemployment rates and unemployment rates that include discouraged workers. However, as pandemic-related unemployment took hold, the gap between these two measures of unemployment widened, as the numbers of 'discouraged workers' increased. By June, men had seen some recovery in unemployment rates. There were nearly 1.3 million more people out of work (unemployed plus discouraged workers) in June than in February, and 57% of them were women. However, the same male-female pattern remained, with male unemployment falling more rapidly than female unemployment, with and without discouraged workers.

Throughout the first four months of the pandemic, women were also more likely to be outside the labour market entirely – that is, not working and not searching for work. While it is true that women are more likely to be outside the labour market (in January and February of 2020, about 25% of women ages 15-64 were not in the labour force, compared with 19% of men), and the numbers of men and women leaving the labour force entirely increased during the pandemic period, still the gap between men and women widened over the pandemic period, meaning women were more likely than men to drop out of the labour market entirely. By July about 9% more women than men had dropped out of the labour market entirely, compared with 6% pre-pandemic (25% of women versus 16% of men).

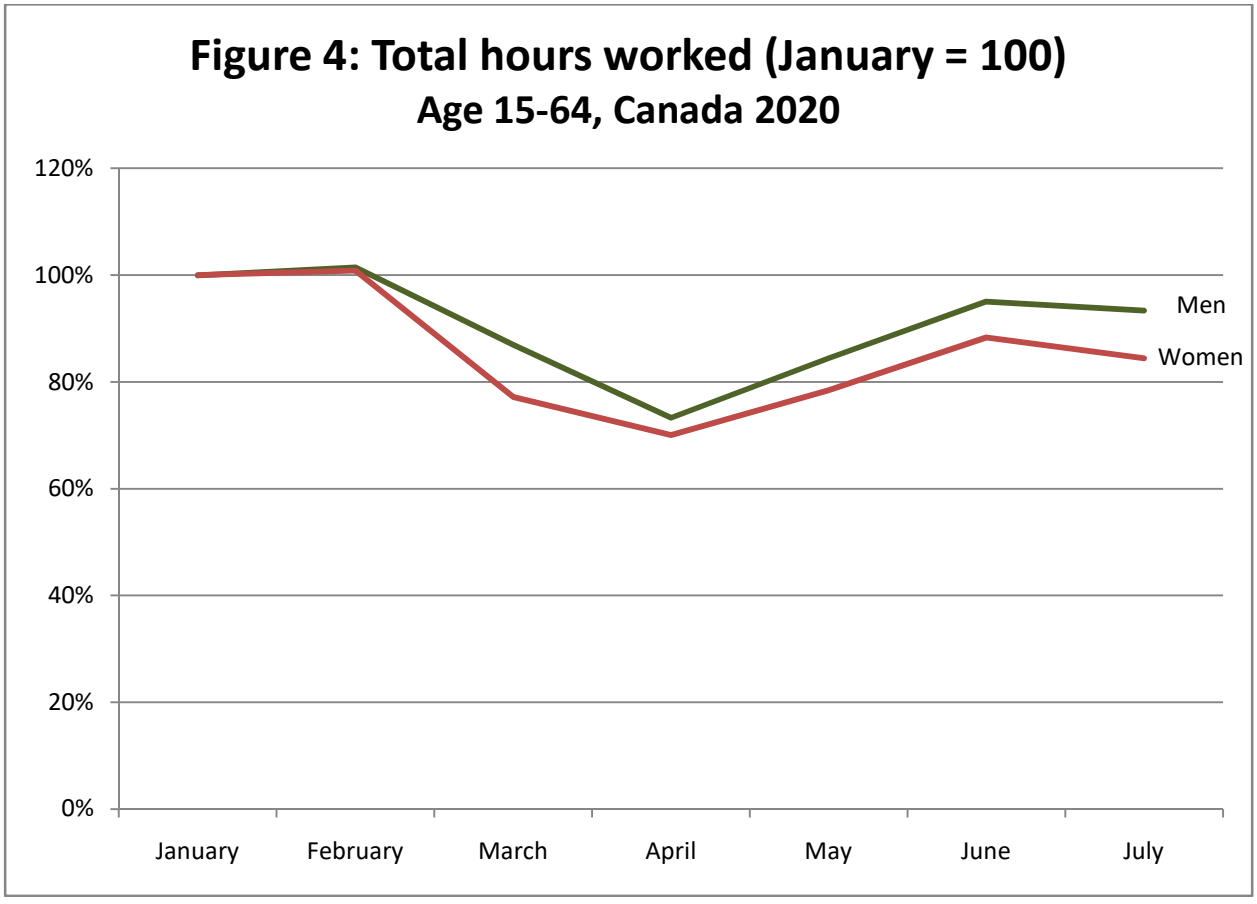
Figure 3: Traditional unemployment rate, plus discouraged workers
Age 15-64, Canada 2020



Hours and earnings

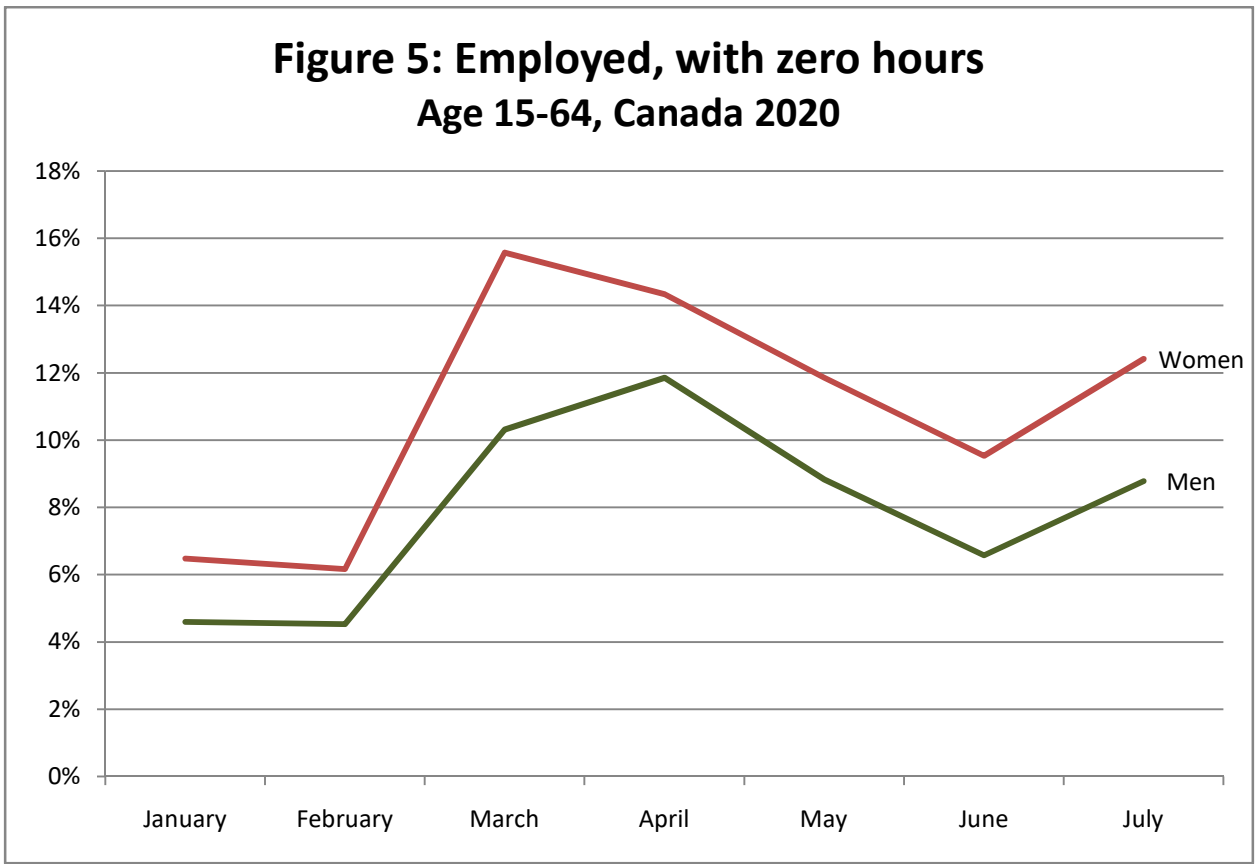
Lost hours peaked for both men and women in April 2020. Figure 4 shows the relative decline in the total weekly hours worked among men and women. Setting January as the reference point equal to 100, hours worked among men fell to 73% of their January level in April. But hours declined more rapidly among women, falling to 70% of total hours worked in January.

As the economy gradually re-opened there were gains among men and women, but again total hours worked recovered faster for men. By July, weekly hours worked among men were 93% of their January level, but only 84% among women. Using 35 hours per week as the full-time equivalent, this translated into approximately 0.6 million fewer jobs among men and nearly 1.2 million fewer jobs among women.



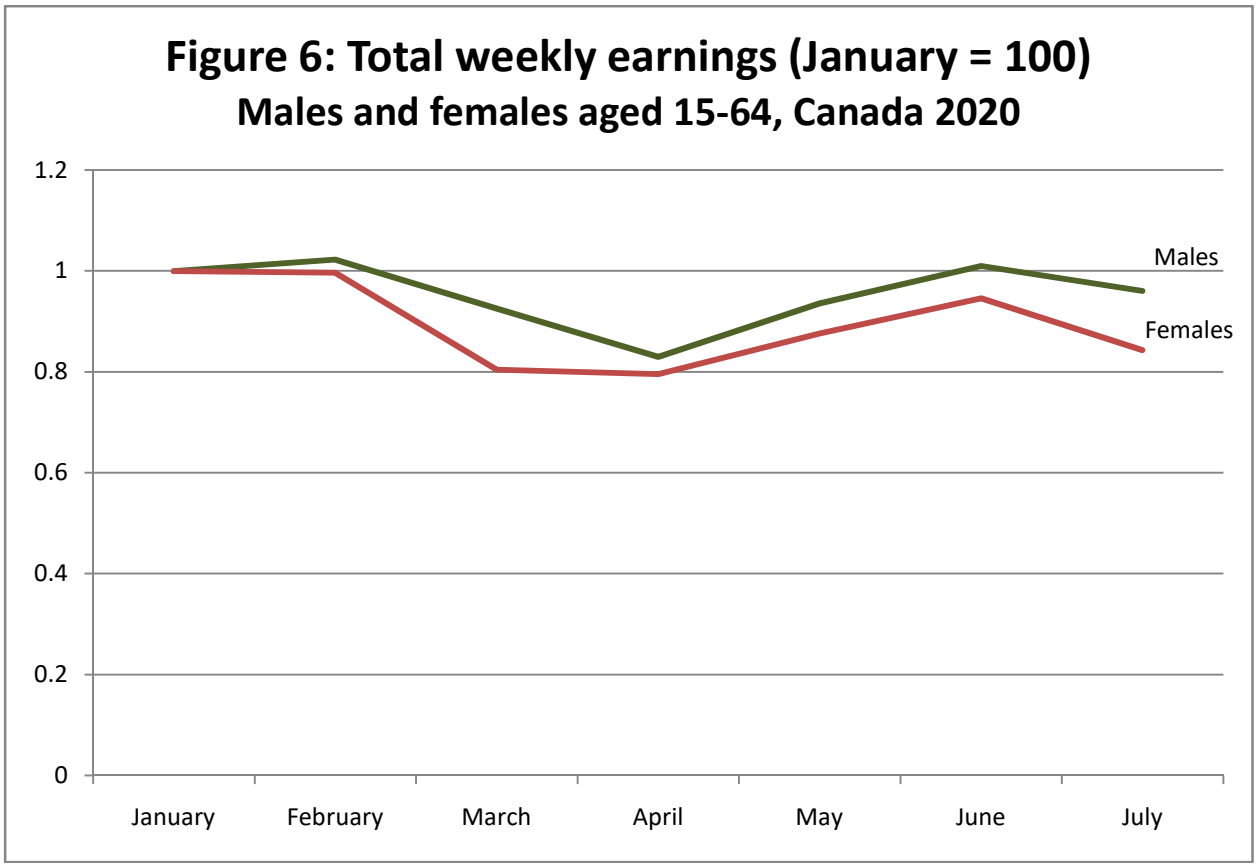
Job loss is the most visible and obvious effect of the COVID pandemic, however many people remained employed, yet worked no hours. Figure 5 shows that the numbers of workers who were employed but report no hours of paid work rose from January-February through March and April, from around 5% of men and 6% of women to reach a high point in March-April at around 16% of women and 12% of men. After April the numbers declined to around 12% and 9% respectively, but were still double the pre-pandemic levels.

Figure 5: Employed, with zero hours
Age 15-64, Canada 2020



As with hours worked, total estimated weekly earnings declined for both men and women. Among men, total weekly earnings for men declined to 83% of the level in January by April 2020, while among women declined to 80% of the pre-pandemic level in March and remained at that level in April. Weekly earnings rose again in May and June, reaching 100% of the pre-pandemic level among men in June, and 95% among women, then dropping again in July to 96% for men and 84% for women (Figure 6).

Figure 6: Total weekly earnings (January = 100)
Males and females aged 15-64, Canada 2020



Permanent and temporary layoffs

Although the number of permanent layoffs increased over the spring of 2020, the sheer number of temporary layoffs rose much more dramatically, to approximately two and a half times the level in January. As a result, the proportion of layoffs that were considered permanent fell in the early weeks of the pandemic. It rose again in June and July as the number of temporary layoffs fell, while permanent layoffs remained at or near the levels experienced through April and May.

Figure 7 shows both the change in temporary and permanent layoffs in percentage terms, compared to the level in February. Temporary layoffs are plotted on the left hand vertical axis and it shows a much more dramatic increase among women, peaking in April at 50 times the February level. Among men, temporary layoffs increased by 16 times in April. Thereafter temporary layoffs dropped for both women and men so that by July temporary layoffs were down to 'only' three times their normal level among men and 16 times normal for women.

In contrast, permanent layoffs increased from February, and continued to increase throughout the period. In Figure 7 permanent layoffs are plotted against the right vertical axis. Among men, permanent layoffs were over 40% higher in April than in February. Among women, permanent layoffs in April were almost exactly double the February level.

Figure 7: Change in permanent and temporary layoffs
Age 15-64, Canada 2020

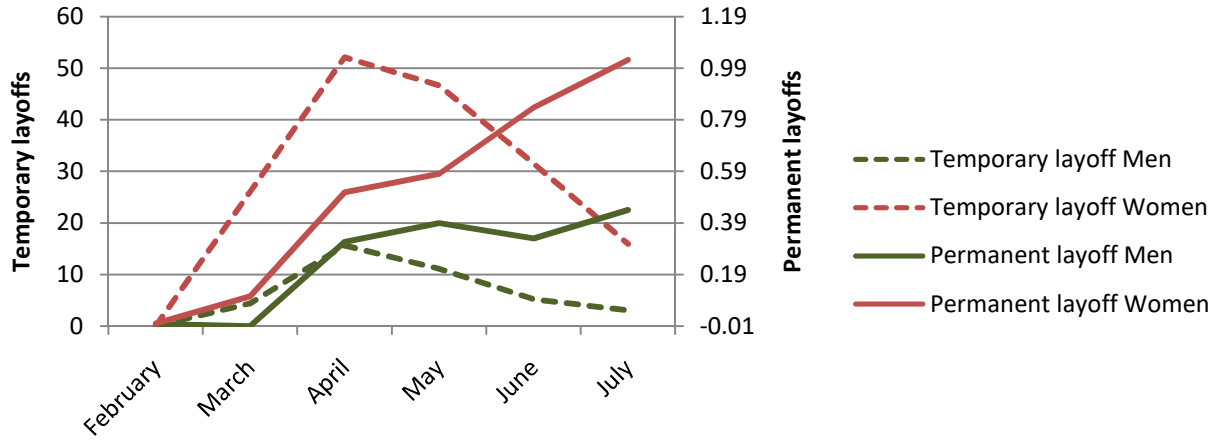
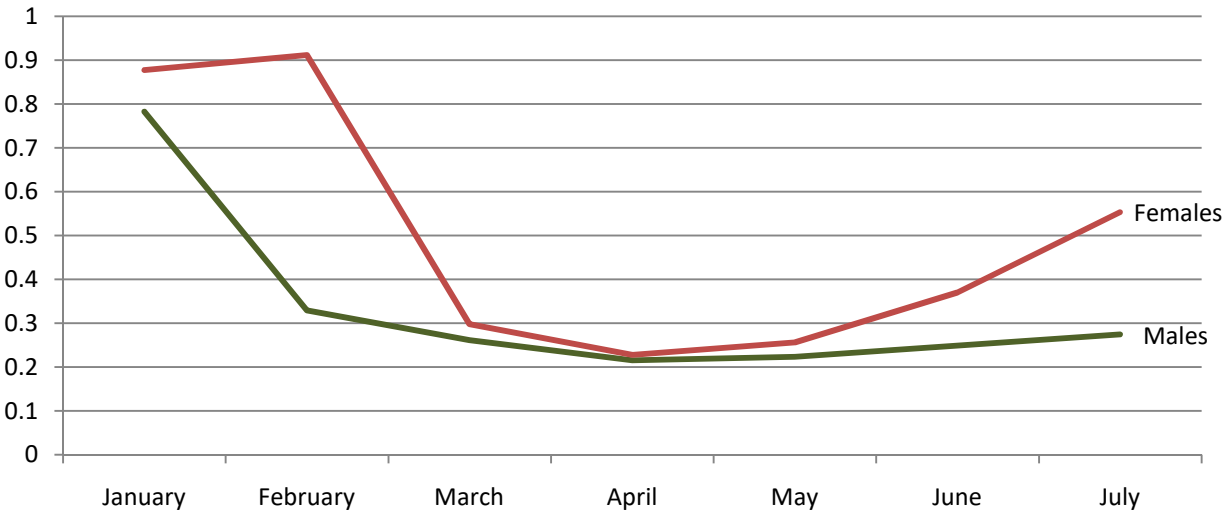


Figure 7: Percent of layoffs that were permanent
Age 15 - 64, Canada 2020



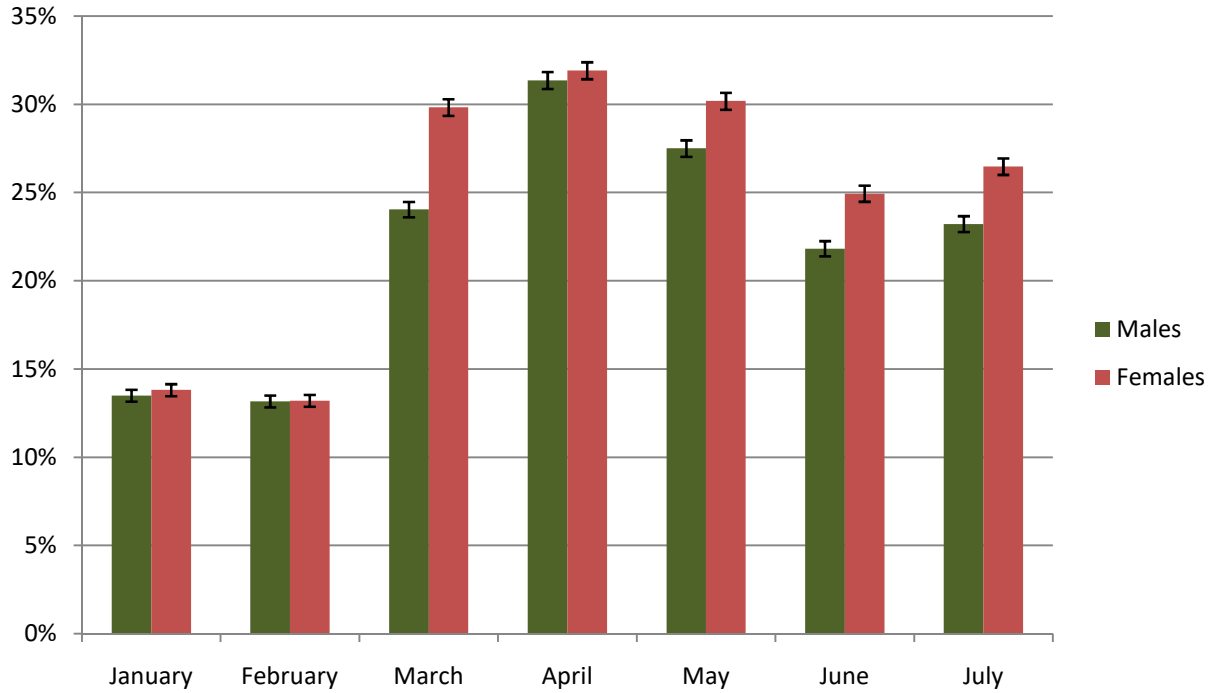
Labour force underutilization

In brief #1 we combined our estimates of 1) unemployment, 2) those outside the labour force who did not search for work but who nevertheless wanted to work, and 3) those who worked but at greatly reduced hours (less than half their usual hours), to arrive at a composite measure of labour force underutilization (Labour Force Survey, May 2020).

In Figure 8 we again use this measure to compare the experiences of men and women through the COVID period. As in brief #1 we have added 95% confidence intervals to the estimates (the small bars that extend above and below the estimate) to indicate those months where differences are not statistically significant (i.e. could have arisen by chance – January, February, April) and months in which we can be confident the differences are real (March, May, June and July).

In January and February, men and women had similar (and much lower) levels of underutilization. However, in every month since then, apart from April, women have experienced higher rates of underutilization. This is, of course, entirely consistent with our observations of the disproportionate impact of the pandemic on women in terms of unemployment with and without discouraged workers considered, working at reduced or no hours, or leaving the labour market entirely.

Figure 8: Labour force underutilization, age 15-64
Canada 2020



Employment Insurance and CERB benefits

Our discussion of Canada's pandemic-induced recession's disproportionate impact on women leads us to investigate how the federal government's new support programs for the unemployed, the Canada Emergency Response Benefit (CERB) have met this crisis. First, we note that women are typically under-represented among EI beneficiaries. Despite making up around 48% of the total number officially unemployed, a relationship that has been consistent for the past decade, women were only between 36 and 40% of regular EI beneficiaries, depending on the year.[4]

Earlier we calculated that at the lowest point, in April, the numbers employed and still working had dropped by 4.7 million, with women accounting for 52% of this drop. The gender distribution of CERB beneficiaries however, still indicates under-representation among women, making up only about 49% of applicants to the program.

There is quite a bit of variation across Canada around this average. Newfoundland and Labrador, Quebec and the Northwest Territories are noticeably below the average, and Manitoba and British Columbia are slightly above.

[4] Figures not shown. Available from the authors on request.

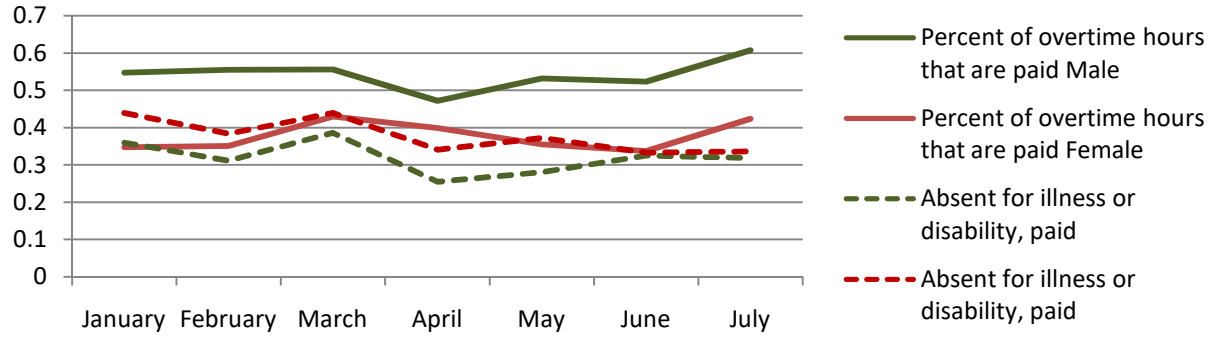
Paid overtime and sick days

The total number of overtime hours fell among both men and women from March through May. However, the proportion of overtime hours among women that were paid rose in March, April and July (Figure 9). Among men, it remained relatively constant apart from a decline in April.

Access to paid sick time is of particular significance due to this pandemic period, especially since many essential workers are employed in low-wage, precarious jobs, often without benefits (including paid sick days) and are more vulnerable to infection. Coronavirus outbreaks in long-term care homes and among migrant farm workers, for example, may be in part a reflection of people feeling compelled to work even when ill, and/or to avoid testing if possible, in the absence of paid sick days. Figure 9 also shows us that a minority of men and women received pay for time taken off due to illness or disability. While a greater proportion of women reported receiving pay for sick days, that proportion declined over the period, from 44% in January to the 35% range from April onwards.

In early 2020 around one-third of men received pay for such absences but this declined to less than 30% in April and May before returning to the previous levels.

Figure 9: Paid overtime and pay for absence due to illness or disability
Age 15-64, Canada 2020



Workers with children

It has been observed that in terms of aggregate hours worked, the parents of young children appear to be recovering more slowly than others. This, it is argued, can be attributed to a lack of child care.

To examine this issue we look at average weekly hours, as a percentage of the February average, by gender and age of the youngest child in the family, with those unemployed or not in the labour force assigned zero hours. In Table 1 the results of this calculation show that, for example, in April women with children under age 6 had only 67% of the weekly hours that they had in February. And by June they had only recovered to 82% of their February hours, compared with 87% or higher among women with only older children.

Table 1: Weekly hours, as a percentage of February
By gender and age of youngest child
Parents age 15-64, Canada 2020

Gender and age of youngest child	January	February	March	April	May	June
Men:						
Youngest child less than 6 years	1.00	1.00	0.86	0.72	0.83	0.92
Youngest child 6 to 12 years	0.99	1.00	0.83	0.76	0.84	0.94
Youngest child 13 to 17 years	0.99	1.00	0.83	0.74	0.85	0.92
Youngest child 18 to 24 years	1.00	1.00	0.88	0.75	0.84	0.91
Women:						
Youngest child less than 6 years	0.97	1.00	0.71	0.67	0.76	0.82
Youngest child 6 to 12 years	0.99	1.00	0.72	0.71	0.80	0.87
Youngest child 13 to 17 years	0.98	1.00	0.75	0.72	0.81	0.90
Youngest child 18 to 24 years	0.99	1.00	0.77	0.71	0.78	0.87

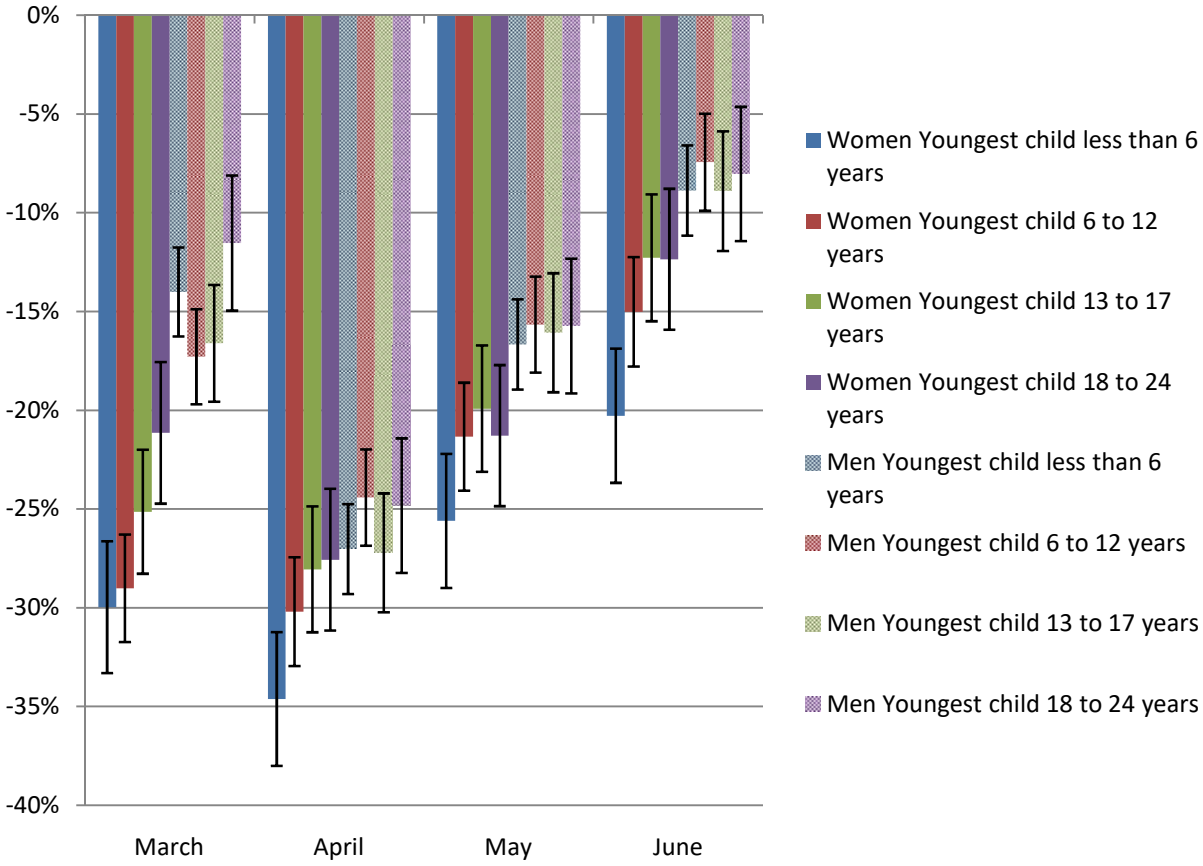
We then use this as a dependant variable in a standard linear regression, controlling for province, age, marital status, education, industry and month. Separate models were run for each age of youngest child group, and women versus men.

The key results strongly support the hypothesis that a lack of child care may be interfering with the return of parents of younger children to the work force, women in particular. Figure 10 shows the key parameter estimates (with 95% confidence intervals) for each month. It shows firstly, that women had larger declines in hours than men. Second, there is a clear pattern whereby women with young children experienced the largest declines – more than women with only older children, and more than men with children of any age. Mothers with young children have also experienced the slowest recovery.

While some of these differences were not statistically significant, many key results were still highly significant, after controlling for all of the variables identified above. In March, women with a child under the age of six had a larger decline in hours than women whose youngest child was over the age of 18. In April that difference was still significant, although very close. In May, there was no difference among the groups of female parents. However, by June, as economic recovery progressed, parents of older children had a more rapid recovery than parents of childcare-aged children. In fact, mothers of children under six were statistically different from women whose youngest child was aged 13-17, and those whose youngest child was 18-24.[5]

[5] Complete results are available from the authors on request.

Figure 10: Percent change in weekly hours from February, by age of youngest child
Age 15-64, Canada 2020



Conclusions

In summary, we see from our analyses:

- About two-thirds of the decline in total employment between February and July occurred among women;
- Women have experienced COVID-19 related layoffs, both permanent and temporary, at rates that greatly exceed those of men;
- Women's rates of underutilization have risen from being comparable to men, to exceeding male levels, and remaining higher, as recovery among men has proceeded more rapidly;
- Recovery for men started sooner and has been more rapid than for women on an array of measures: employed and worked 90% or more of their usual hours, employed but absent from work; unemployment, hours worked and earnings; and
- Women with young children have been hit especially hard with lost hours of work.

Similar to our conclusions in brief #1 that considered the labour market impacts of COVID-19 for immigrants, our data show that labour market participation does not yield even opportunities for men and women. We know that women are overly represented in devalued and precarious job sectors – the very same work that is suddenly recognized to be "essential" to keep our families and communities safe in the pandemic.

This gender comparison highlights striking disparities in economic and labour market impacts and recovery for men and women, revealing that social systems, policies, practices and institutions do not function to equally support and advance all workers in the labour force.

Economists and policy analysts have emphasized concerns that an economic recovery plan must address gender disparities in the impacts and experience of COVID-19. For example, the Canadian Centre for Policy Alternatives (CCPA), Unifor, Fay Faraday and the Canadian Women's Foundation, and Carmina Ravanera (Institute for Gender and the Economy at the University of Toronto's Rotman School of Management) and Anjum Sultana (YWCA) have released economic recovery plans for Canada that take into account the disproportionate labour, income and health implications endured by women, immigrants, Indigenous and racialized workers. Three key issues for women are

highlighted in these alternative recovery plans: paid sick leave; reforms to employment insurance (EI); and universal public child care. Similarly, our analyses draw attention to these three key employment benefit issues, all considered essential to an effective economic recovery:

Paid Sick Days:
The importance of paid sick days has not received the attention it deserves in protecting public health and ensuring self-isolation directives are followed. The Decent Work and Health Network (DWHN), in their "first report of its kind in Canada" on paid sick days, note that according to 2016 Census data, "58% of workers in Canada — and over 70% of workers making less than $25,000 — have no access to paid sick days." (See also Yalnizyan, 2020.) In Canada, paid sick days are only legislated in Quebec (2 days), PEI (1 day after 5 years of employment), and for federally regulated workers (3 days). Rather than closing the gap in paid sick days during the pandemic, governments responded by introducing unpaid, temporary leaves that are restricted to COVID-related reasons. Indeed, the LFS shows that proportion of workers (men and women) reporting paid sick days declined over the course of the pandemic. As for gender differences, more women than men started out with paid sick days at the beginning of the year, but more dramatic declines were seen over the months of the pandemic for women to almost even proportions, and women did not recover to previous levels as did men.

On July 16, Prime Minister Trudeau announced the Canada Recovery Sickness Benefit, a pan-Canadian paid sick leave program as part of the federal "Safe Restart Agreement", which is to provide up to 10 days paid leave ($500/week for up to two weeks) due to COVID-19 for workers who do not have access to a similar benefit. It will come into effect on September 27, 2020 for one year. Perhaps better late (and temporary) than never.

Employment Insurance:
The exclusive qualifying rules for Canada's EI program, making the most vulnerable workers ineligible to receive the benefits to which they contribute, have been long challenged. (See, for example, CCPA reports from 2010 and 2019.) As the planned end of the Canada Emergency Response Benefit (CERB) approached (initially scheduled for the end of August 2020), a CCPA study (August 10, 2020) reported that more than 80% of

the 4.7 million Canadians currently on CERB will be worse off or receive nothing at all under the current EI regime. More than half (57%) of those at risk are women. (See also CCPA reports from July 31 and August 14, 2020.) Our data show that without changes to the EI program, many women who have been relying on the CERB may be unable to access EI when the switch is made.

Perhaps heeding these calls for EI reforms to keep pace with "a labour market that is now rife with temporary and other precarious forms of employment," on August 20, Canada's federal government announced an extension to the CERB from 24 to 28 weeks, until October 3. In addition, Ottawa will institute a "simplified Employment Insurance (EI) program, effective September 27, 2020, to provide income support to those who remain unable to work and are eligible, and introducing a new suite of temporary and taxable recovery benefits to further support workers" (Employment and Social Development Canada, August 26, 2020).

Childcare:

Research has consistently shown that, even with recent shifts toward more even sharing of childcare and household work among men and women, the bulk of reproductive labour lands on women. With closures of schools and childcare centres, many women who would otherwise be engaged in paid work have likely ended up engaged full time in unpaid care work. Our data clearly show that employment gaps (measured by loss of hours) between men and women during the pandemic months are widest for parents with young children followed by parents with school age children, even once we control for age, education, marital status, province, or industry.[6] Some fear that this rapid exit of women from the labour force "may result in setbacks for women even when they return to work; research on the effect of employment gaps on the division of household labour indicates that the longer the duration of their employment interruption, the more likely mothers are to perform additional housework" (Kim de Laat, April 2020).

[6] Qian & Fuller (2020), using a different sample and methodology, found somewhat different results. They concluded that parents of school age children (age 6-12) were less likely to be employed than parents of younger children.

Not only has the pandemic dramatically disrupted the way we work, the global health crisis has exposed the way we value (and devalue) certain workers and work. The *devaluation of the feminine* – a social phenomenon that is as old as the hills – shows up in the various ways in which the immediate and ongoing adverse labour market impacts of COVID-19 are experienced differently for women and men.

We will further explore the labour market impacts of COVID-19 for young workers as well as income in forthcoming briefs. Watch the Global Labour Research Centre's website for more of Canada's labour story.

Luann Good Gingrich, PhD is Director of the Global Labour Research Centre and Associate Professor of Social Work at York University.

Andrew Mitchell is a research associate with the TASC project, York University and an independent researcher and statistician, Thinking Cap Consulting.