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## **Responding to COVID 19: Gender Inequality Challenges**

Tamara Maria NAE<sup>1</sup>, Narcisa Alexandra PANIE<sup>2\*</sup>

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### **Abstract**

*Gender inequality is a major issue present all over the world including in the European Union. Policies promoted to reduce gender inequality have contributed to an improvement of the situation but have not resolved it. In the context of the "lockdown" created by the spread of the COVID-19 virus, the entire population suffered, but women were significantly more affected. The effects felt on the labour market were significant and immediate, both on demand and on labour supply. Thus, many people lost their jobs, some became unemployed, and others had to quickly adapt to new changes (telework, reduced wages, changes in work, etc.). Women represent the category of employees most affected by the rules on social distance because the areas that suffered the most were those in the light industry: education, hotel and restaurant services, care and beauty services, etc. In this article, we will analyse the evolution of gender inequality in the EU in recent years as well as the effects of the COVID-19 pandemic on it and we will suggest some policy recommendations. The pandemic is deepening pre-existing inequalities, exposing the vulnerabilities in social, political and economic systems, which led to an increase in the unemployment rate among women and also in the inequality reflected by the pay gap.*

**Keywords:** Gender inequality, COVID-19 pandemic, unemployment rate for women.

**JEL Classification:** J16, E24, J70

### **1. Introduction**

Ensuring equality between women and men in education, political and economic decision process, labour market, earning potential, is essential to build a sustainable, inclusive and resilient Europe, with a higher growth potential. The European institutions are increasingly concerned about gender inequality. The introduction of the European Pillar of Social Rights has brought to the fore a greater importance of gender equality in the European Semester.

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<sup>1</sup> Bucharest University of Economic Studies, Bucharest, Romania, nae.tamara@gmail.com.

<sup>2</sup> Bucharest University of Economic Studies, Bucharest, Romania, panie.narcisa.alexandra@gmail.com.

\* Corresponding author.

The entire European Union is now facing different levels of gender inequality and this is why the situation created by the current global crisis requires urgent responses in order to mitigate the economic and social impact. In terms of economic sectors, among the most affected are the social sectors, and in terms of population, women are the most vulnerable category. Given the existing concerns about reducing gender inequalities, the Covid-19 pandemic deepens inequality by further jeopardizing the prospects for sustainable, inclusive growth as well as economic resilience.

The purpose of this article is to analyse the evolution of gender inequality, both before and during the pandemic crisis, with a view to recommend a set of viable measures that will have the effect, in the short term, in mitigating economic and social impact, and in the long term, in considerably reducing gender inequality and increasing women's participation in the labour market.

## **2. Problem Statement**

Nowadays, people face challenges that have an immediate impact in terms of lifestyle, work and income. The COVID-19 pandemic affects all countries, destroys jobs, creates poverty and jeopardizes the gains of gender equality of the recent decades (Fabrizio et al., 2020).

Regarding women's participation in the labour market, Lagarde (2013) affirms that for a decade or more, women's participation in the workforce has been stuck at about 50 percent, whereas male participation has remained consistently – and comfortably – close to 80 percent. Another study that analyses the difference between women and men in the labour market highlights that across countries, the average female labour force participation rate is still 20 percentage points lower than the male rate, and gender gaps in wages and access to education persist (Fabrizio, et al., 2020). Closing gender gap in employment could increase GDP in some countries by 35% of which 7-8 percentage points are productivity gains due to gender diversity (Lagarde, 2019).

Gender inequality is correlated with human development, more exactly, there is research concluding that low inequality in human development required reducing the loss coming from gender inequality. Investing in women's equality and lifting both their living standards and their empowerment are thus central to the human development agenda and to achieving the Sustainable Development Goals (United Nations Development Programme, 2020).

The current crisis caused by the spread of the COVID 19 virus is different from all other crises, due to an unprecedented output contraction and the fastest increase in unemployment on record. If in the 2008 crisis more men were affected, this time it is estimated that women will be most affected by the COVID crisis because the current crisis has a big impact on service occupations with high female employment shares, such as restaurants and hospitality (Alon T. et al., 2020).

An analysis of the costs of the pandemic with COVID-19 in the US, in terms of both the health risks and economic burdens, shows that they will be borne by the most disadvantaged categories of society. The authors mention a vicious circle

present in this crisis, the pandemic will affect inequalities and the increase in inequalities will exacerbate the spread of the virus and will undermine any ensuing economic recovery efforts. Moreover, the overall increase in household production time is likely to fall mostly on women, further widening the gender gap in contributions to household work – a key source and marker of gender inequality (Nassif-Pires L. et al., 2020). Another effect caused by social distancing is related to the deterioration of mental health, which is estimated to affect especially women (Etheridge and Spantig, 2020).

The International Labour Organisation (2020) proposes several measures for the post-COVID-19 world of work like: free from discrimination and gender stereotypes, more time and money to care, more women leading the way, free from violence and harassment. Other studies recommend measures like relaxing eligibility of social protection programs more long-lasting. This type of measure can enhance automatic stabilizers and help tackle rising poverty and inequality (International Monetary Fund, 2020).

### **3. Aims of the research**

The present research focuses on the evolution of gender inequalities in the European Union. We analyse the situation of gender inequality before the crisis caused by COVID-19 as well as after its onset. We demonstrate through a qualitative analysis of the data that the health crisis has accentuated gender inequalities, we analyse the measures taken by the EU member states and we make some recommendations.

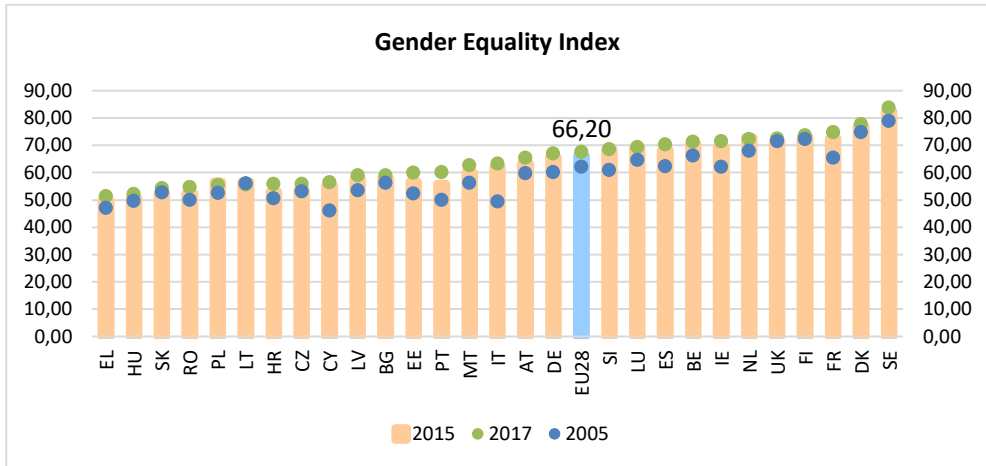
### **4. Research Methods**

For this analysis we used the deductive method, and we established the hypothesis of the paper, namely that the crisis generated by COVID-19 accentuated the problem of gender inequalities. Using deductive reasoning we collected data and studied research on this issue. We collected data on gender inequalities at EU level before the COVID-19 crisis and made graphs showing their evolution. To demonstrate that the COVID-19 crisis has exacerbated gender inequalities, we used the data available at this time as well as recent research or studies by various institutions that predict the impact of this crisis. We presented the research results using the descriptive method.

### **5. Findings**

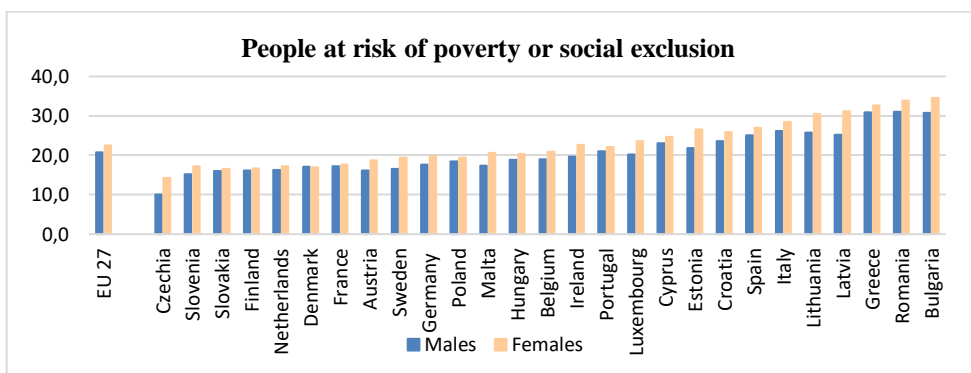
Gender inequality is present all over the world, including in the European Union. Whether we refer to the payment of work, the employment rate on the labour market, management positions, the level of education, family responsibilities, women are disadvantaged compared to men. One of the fundamental objectives of the EU is to achieve social cohesion, which can only be accomplished if specific convergence processes are carried out, including the convergence process on gender equality. Various measures have been taken at EU

level to make progress in achieving equality between women and men. As can be seen in Figure 1, the EU Gender Equality Index increased by 4 points in the period 2005-2017. Although there has been an increase in the index, this increase is insignificant, and some EU countries, such as Lithuania, Poland and the Netherlands, have seen a decrease in the index between 2015 and 2017.



**Figure 1. Gender inequality index**  
 Source: Gender inequality index 2019

At EU level, we find substantial differences in the participation of women and men in the labour market, the level of pay and the risk of poverty or social exclusion. The lower the rate of integration of women into the labour market is, the higher risk that they will suffer from poverty or social exclusion and will be much more affected by economic instability.

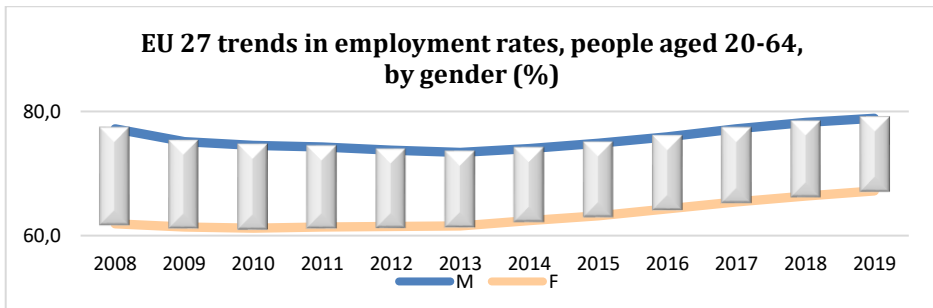


**Figure 2. People at risk of poverty or social exclusion by sex (2018)**  
 Source: Eurostat

Both inequality and poverty are considered crucial current economic and social issues, with negative macroeconomic consequences. Reducing the risk of poverty

and social exclusion is a key component in the growth strategies of the European institutions. Despite the efforts and importance offered, the gap still persists.

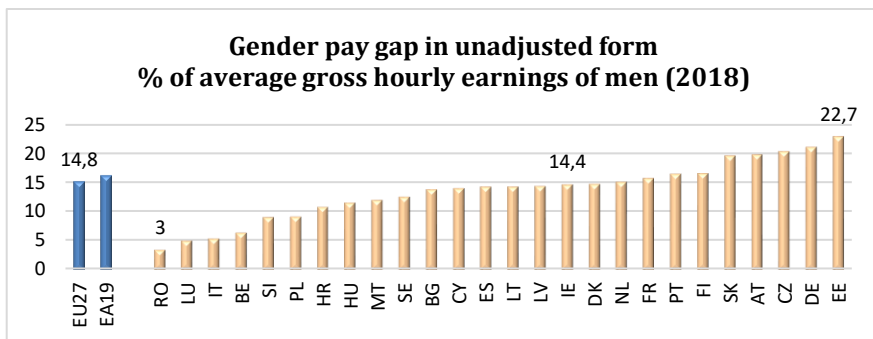
Regarding people at risk of poverty or social exclusion, we note that in all EU countries, women are much more at risk, but the gender gap varies between countries depending on the measures and policies adopted, but also on the role of women in economic and social activities. The biggest difference is observed in Central and Eastern European states.



**Figure 3. EU 27 trends in employment rates, people aged 20-64, by gender (%)**  
Source: Eurostat

Employment rates in the EU continue to improve in line with continued growth and improved labour market conditions. Even though the employment rate of women is constantly increasing, gender inequality in the labour market persists. In 2019, the employment rate of men was 78.9%, compared to 67.2%, the difference being 11.7 percentage points

There are many studies (Ostry and others 2018; Lagarde 2018) showing that the inclusion of women in the labour market and their involvement would bring considerable benefits because men and women bring the same contribution to the labour market, the difference lying in skills, ideas and visions.



**Figure 4. Gender pay gap in unadjusted form % of average gross hourly earnings of men**  
Source: Eurostat

The pay gap between women and men is considerable, but it varies from country to country depending on the characteristics of the labour market. For example, there are countries with a gap of less than 10% such as Poland, Slovenia, Belgium, Italy, Luxembourg, Romania, but there are also countries with considerable differences of over 20% like Czech Republic, Germany, Estonia.

It is important to note that a smaller gap does not necessarily mean that women are paid better in general. A lower pay gap between women and men frequently occurs in countries with a lower employment rate. A high wage gap is usually characteristic of a labour market in which women are more concentrated in the social or low-wage sectors (Romania's example) or in which a considerable share of women are employed part-time.

## **Gender Inequality and COVID-19 crisis**

From health to the economic sector, but also to social protection, women around the world face major challenges in terms of equal opportunities. Despite the progress made in recent years, inequality between men and women in the labour market remains a challenge in achieving economic growth. Equality between women and men is an important goal in the development process. The lower the gender inequality is, the more achievable the development prospects of a society are. Creating better opportunities for women can help both mitigate the negative impact of declining employment and increase education among the population.

The alarming spread of COVID19 across Europe has generated an economic crisis with socio-economic effects that are destroying economic and social cohesion. The impact of the pandemic on the labour market is felt more among women as they tend to work mostly in the social sectors, which have been severely affected by the "lockdown".

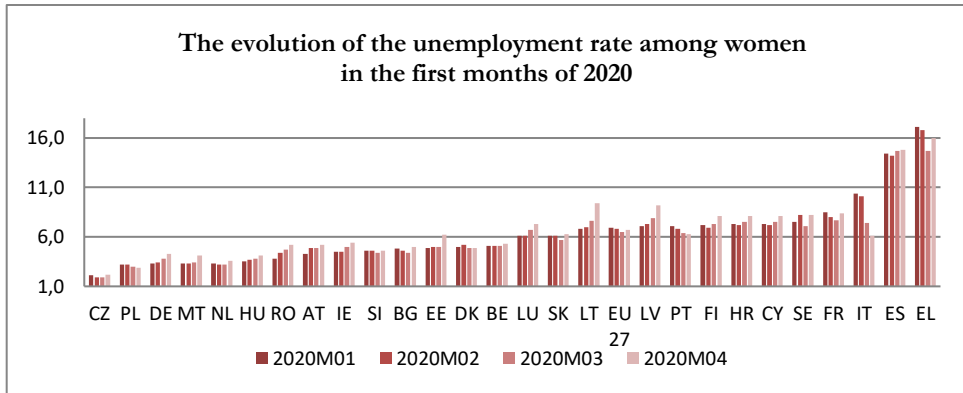
Compared to the previous crises that hit the global economy, where the effects were pronounced on heavy, male-dominated industries, such as the manufacturing and construction sectors, the crisis caused by the Covid-19 pandemic has spread more in the social sectors, education, health, hotel services, etc., which tend to have a much higher share of women.

For many households, measures taken during the pandemic have exacerbated the economic situation and further diminished women's decision to engage in paid work. Thus, women's incomes as well as employment in the labour market are declining.

Given the pandemic context, social sectors such as education, hotel services, beauty and care services, etc., were forced to suspend or substantially restrict their work, therefore a very high percentage of women lost their jobs. Many women have had to work from home and take care of children at the same time, or oversee the process of children's online courses.

EU countries have experienced significant variations in terms of unemployment among women. Thus, it increased in the first months of 2020 as shown in the chart below. At EU27 level, the average unemployment rate for women is around 6.9% in the first months of 2020 compared to 6.7% in 2019. Regarding the European

Union countries, the evolution was not identical, with some countries registering increases in January and February and other states registering increases in March and April. Italy, Spain, Greece are countries where the unemployment rate among women increased in the first two months of the year and Romania, Germany, Finland, Lithuania are countries that recorded increases in March and April. Preliminary data for June show that the situation for some countries continues to worsen, the unemployment rate among women also increasing in June in Spain, Denmark, Malta, Austria.



**Figure 5. The evolution of the unemployment rate among women in the first months of 2020 (%)**

Source: Eurostat

The health crisis caused by the spread of the COVID19 virus has put pressure on health systems and on the entire economy. The heavy burden caused by the pandemic is felt by both the population and the economic agents. The number of cases has rapidly risen in the member states and forced the authorities from many states to establish a state of emergency and restrict the right of movement of the population. European economies have experienced a shock of both supply and demand at the level of markets that have required immediate and coordinated measures.

One of the most affected sectors of the economy is tourism. The ban on non-urgent travel on national and EU territory has had a major impact on tourism but also on hospitality services. In these areas, the number of employed women is higher than that of men, the International Labour Organization estimating that women make up between 60%-70% of all workers in the tourism industry. Moreover, young women, migrant workers and the rural population work in this sector, many of them earning the minimum wage. The European Parliament estimates that about 13 million people work in the tourism industry, and the losses that this sector will suffer are estimated at about 1 billion euros per month. In one of the most affected countries in the EU, Italy, the Italian Tourism Federation points out that Italy stands to lose around 60% of its tourists this year.

The measures taken by EU member states for the protection of women, severely affected by the health crisis, are multiple, but mainly refer to unemployment benefits for the dismissed, maintaining open nurseries for children of families that are working in the front line, benefits for those who had own business.

Most states decided to close kindergartens and schools, which created an additional problem for parents who worked from home and had to take care of children at the same time, but also for parents who worked in the front line. Austria, France, Germany and the Netherlands have allowed some childcare facilities to remain open, with a skeleton staff, to look after the children of essential service workers. Italy has introduced vouchers for alternative care arrangements, worth € 600 (€ 1,000 for health workers) or working parents with children have the possibility to take 15 days of parental leave, at 50 per cent of pay if the children are below the age of 12, and unpaid if they are older. In the United Kingdom, some cooperatives have used their own funds and contributions from community members to support childcare services for COVID-19 frontline workers. In Romania, extra days off have been introduced for working parents. In Germany, childcare benefits have been expanded to support low-income parents, and access to basic income support has been made easier for the self-employed.

The COVID-19 outbreak has shown that the health system was not prepared for a pandemic due to the low investment in this sector. The large number of patients, the lack of necessary materials and equipment, quickly put pressure on the health system. This pressure was felt most by employees in the medical system, who in many European countries began to take very long shifts without adequate protective equipment. According to the International Labour Organization, there are approximately 136 million workers worldwide in the health and social work sectors, 96 million of whom being women. At the level of the European Union, the percentage of women among all workers employed in health and social work is between 61-70% in Italy, between 71-80% in countries such as Romania, Spain, France, Hungary, Germany and between 81-90% in Poland, Portugal, Czech Republic, and Lithuania. Thus, even in this situation, women were more exposed to contact the virus, they often worked overtime on low wages, and after work they also took care of household chores. Many of them also felt high emotional stress caused by the fear of transmitting the virus to family members.

The European Commission's forecasts for the evolution of GDP at EU level in 2020 are not encouraging (Annex 1). If the spring forecast indicates a contraction in GDP of EU27 of 7.4%, the summer forecast increased the percentage to 8.3%. Among the most affected countries will be Spain, Italy, France, Croatia, Portugal, which also record the highest number of cases of COVID19 infections. This is a difficult time for all EU countries, with the economy slowing down, the number of unemployed rising and the risk of small businesses going bankrupt. The socio-economic effects of this pandemic must be taken seriously by local authorities and EU institutions. Complementary measures are needed to help women who have lost their jobs and those who will lose them, such as unemployment benefits, retraining courses, vouchers for the goods needed to raise children. If effective measures are



not implemented, the number of women at risk of poverty or social exclusion will increase alarmingly, as will the number of children in their care.

## 6. Conclusions

Through our research we have shown that in the current crisis caused by the COVID-19 virus, women have been much more affected than men. We analysed data on gender inequalities in the EU before the pandemic and data available since the beginning of the health crisis. As a conclusion, women have been more affected because they are the majority in the social fields that have suffered from this crisis. The UE economy is forecast to contract by 8.3% in 2020, which means that many women will lose their jobs. At national and European level, coordinated and effective measures are needed to reduce socio-economic effects that negatively affect economic and social cohesion and increase inequalities.

A more resilient, inclusive and sustainable economy requires action to promote gender equality by the government. It is very important that during and after the COVID-19 crisis, concrete measures be put in place to place women's work at the heart of response plans and subsequently recovery.

The main recommendation to reduce gender inequality in the European Union is to create favourable conditions for women in the labour market and to encourage them to engage in paid work.

Another recommendation concerns investment in education and educational infrastructure so as to create the favourable framework for better inclusion in the education system. At the same time, subsidies for mothers and children are needed to encourage the birth rate so that they are not exposed to the risk of poverty or social exclusion.

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## Appendix

Country	2019	Spring 2020 forecast	Summer 2020 forecast
<b>EU 27</b>	1.5	-7.4	-8.3
<b>Euro area</b>	1.3	-7.7	-8.7
<b>Belgium</b>	1.4	-7.2	-8.8
<b>Germany</b>	0.6	-6.5	-6.3
<b>Estonia</b>	4.3	-6.9	-7.7
<b>Ireland</b>	5.5	-7.9	-8.5

<b>Country</b>	<b>2019</b>	<b>Spring 2020 forecast</b>	<b>Summer 2020 forecast</b>
<b>Greece</b>	1.9	-9.7	-9.0
<b>Spain</b>	2.0	-9.4	-10.9
<b>France</b>	1.5	-8.2	-10.6
<b>Italy</b>	0.3	-9.5	-11.2
<b>Cyprus</b>	3.2	-7.4	-7.7
<b>Latvia</b>	2.2	-7.0	-7.0
<b>Lithuania</b>	3.9	-7.9	-7.1
<b>Luxembourg</b>	2.3	-5.4	-6.2
<b>Malta</b>	4.7	-5.8	-6.0
<b>Netherlands</b>	1.7	-6.8	-6.8
<b>Austria</b>	1.6	-5.5	-7.1
<b>Portugal</b>	2.2	-6.8	-9.8
<b>Slovenia</b>	2.4	-7.0	-7.0
<b>Slovakia</b>	2.4	-6.7	-9.0
<b>Flinland</b>	1.1	-6.3	-6.3
<b>Bulgaria</b>	3.4	-7.2	-7.1
<b>Czechia</b>	2.6	-6.2	-7.8
<b>Denmark</b>	2.4	-5.9	-5.2
<b>Croatia</b>	2.9	-9.1	-10.8
<b>Hungary</b>	4.9	-7.0	-7.0
<b>Romania</b>	4.1	-6.0	-6.0
<b>Poland</b>	4.1	-4.3	-4.6
<b>Sweden</b>	1.2	-6.1	-5.3