

Women's employment impact during Covid-19: A gendered analysis of labour market disruption (2020–21)

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Abstract

The COVID-19 pandemic of 2020–21 inflicted a disproportionately severe shock on women's employment globally, earning the crisis the designation 'shecession' — a gendered recession. This paper examines the differential impact of the pandemic on women's labour force participation, employment rates, working hours, and income across advanced and developing economies. Drawing on data from the International Labour Organization (ILO), World Bank, UN Women, OECD, and national statistical agencies, the study finds that women lost jobs at higher rates than men in the first wave of the crisis, faced disproportionate burdens of unpaid care work, and were concentrated in the hardest-hit sectors — hospitality, retail, personal services, and informal work. The paper analyses regional variations, the role of pre-existing gender inequalities, and the adequacy of policy responses, and concludes with recommendations for building a gender-responsive post-pandemic recovery.

Keywords: Shecession, women's employment, COVID-19, gender gap, labour force participation, unpaid care work, informal economy, gender-responsive policy

Introduction

The COVID-19 pandemic precipitated the most severe global labour market contraction since the Second World War. According to the International Labour Organization, the equivalent of 255 million full-time jobs were lost globally in 2020 alone — four times the losses recorded during the 2008–09 Global Financial Crisis. Yet this aggregate figure conceals a profoundly unequal distribution of the burden. Women, already occupying a structurally more precarious position in the global labour market, suffered job losses and income disruption at rates consistently above those of men.

The gendered character of the pandemic recession was not coincidental. It reflected the intersection of three structural factors: women's concentration in the sectors most directly devastated by lockdowns and social distancing (hospitality, retail, personal care, domestic work); women's disproportionate responsibility for unpaid care work in households, which surged as schools closed, elderly relatives required care, and domestic labour intensified; and women's higher prevalence in informal, part-time, and

temporary employment — forms of work with the least access to social protection and income support.

This paper examines the evidence on women's employment outcomes during 2020–21, assesses regional and sectoral dimensions of the shock, analyses the policy responses implemented by governments, and reflects on the structural changes required to ensure that the recovery does not replicate the pre-pandemic gender inequalities that made women so vulnerable to this crisis.

The Global Labour Market Shock: A Gendered Overview

1. Employment and Job Loss

Global female employment fell by approximately 54 million jobs in 2020, compared with a loss of 60 million jobs for men — but because women's total employment base is smaller, the proportional loss was greater for women. The ILO's World Employment and Social Outlook 2021 reported that the global female employment rate fell from 46.8% in 2019 to 43.6% in 2020 — a decline of 3.2 percentage points — compared with a male employment rate decline of 2.8 percentage points over the same period.

Table 1: Global Gender Labour Market Indicators, 2019 vs 2020

Indicator	Women (2019)	Women (2020)	Men (2019)	Men (2020)
Employment Rate (Global)	46.8%	43.6%	72.3%	69.5%
Labour Force Participation Rate (Global)	47.8%	45.0%	74.3%	71.3%
Employment loss (millions)	—	–54 million	—	–60 million
Unemployment Rate (Global)	5.4%	5.8%	5.3%	5.5%
Informal Employment Share	~58%	~60% (est.)	~55%	~57% (est.)

(Source: ILO World Employment and Social Outlook, 2021) ^[1,6]

A particularly significant feature of the 2020 shock was the large-scale withdrawal of women from the labour force altogether — not simply into unemployment, but out of active job search. This 'discouraged worker' effect meant that headline unemployment statistics significantly understated the true decline in women's labour market

engagement. In the United States, approximately 2.5 million women left the labour force between February 2020 and February 2021, compared with approximately 1.8 million men. The US female labour force participation rate fell to 57% by April 2020 — a level not seen since 1988.

2.2 Working Hours and Income Loss

Even among women who retained employment, hours worked and earnings declined sharply. The ILO estimated that global working hours fell by 8.8% in 2020 [2] relative to the fourth quarter of 2019 — equivalent to 255 million full-time jobs. Women in part-time and casual employment — disproportionately so compared to men — experienced the heaviest cuts in hours. In the European Union, women were more likely than men to have their hours reduced to zero under job retention schemes, effectively placing them in a status of 'employed but not working'. Income effects were severe. A McKinsey Global Institute analysis estimated that women account for 39% of global employment but suffered 54% of total job losses in 2020. The sectors responsible for this outsized income loss were concentrated in service industries: accommodation and food services, arts and entertainment, retail, personal care, and

domestic work — all of which are characterised by high female employment shares and were subject to the most stringent lockdown restrictions.

Sectoral and Occupational Analysis

1. Hardest-Hit Sectors

The pandemic's employment impact was highly sector-specific, and the sectors hardest hit were those with the highest female employment concentrations. Hospitality and food services globally employ women at rates of 55–65%, yet these sectors saw employment contractions of 20–40% during lockdown periods. Retail trade — another heavily female-dominated sector — contracted sharply as physical stores closed, even as e-commerce expanded employment in warehousing and logistics, sectors with markedly lower female representation.

Table 2: Sectoral Employment Impact and Female Concentration

Sector	Female Employment Share (Pre-COVID)	Employment Change 2020 (Approx.)	Female Job Loss Concentration
Accommodation & Food Services	55–65%	–20 to –40%	Very High
Retail Trade	50–55%	–10 to –20%	High
Arts, Entertainment & Recreation	45–50%	–25 to –45%	High
Personal Care & Domestic Work	70–80%	–15 to –30%	Very High
Healthcare & Social Work	70–75%	Mixed (frontline)	High (risk exposure)
Education	60–70%	–5 to –15%	Moderate
Manufacturing	35–40%	–5 to –10%	Moderate
ICT & Finance	25–35%	+5 to +10%	Low

(Source: ILO, OECD, McKinsey Global Institute, 2020–21) [1, 2, 3, 4]

Healthcare and social work presented a paradox: heavily female-dominated but not subject to employment loss — rather, women in these sectors faced heightened occupational health risks as frontline workers, higher rates of COVID-19 infection, psychological burnout, and in some countries, reduced pay as budgets were reallocated. Domestic workers — among the most vulnerable workers globally, predominantly women and often migrants — faced a double jeopardy: those living with employers were sometimes effectively trapped and unable to leave abusive situations, while those living out frequently lost all income as employers terminated contracts.

2. Informal Economy

Globally, approximately 740 million women — representing around 58% of all employed women — work in the informal economy, compared with about 55% of men. Informal workers typically lack access to paid sick leave, unemployment insurance, and job protection legislation. For these workers, the pandemic meant an immediate and near-total loss of income with virtually no social protection safety net. The ILO estimated that in the first month of the crisis, 1.6 billion informal economy workers — disproportionately women — faced serious threats to their livelihoods. In South Asia and Sub-Saharan Africa, where female informality rates are highest, the shock was acute. In India, women employed in the informal sector — as domestic workers, street vendors, home-based workers, and agricultural labourers — lost income rapidly when lockdowns were imposed in late March 2020. A survey by the Self-Employed Women's Association (SEWA) found

that more than 80% of its members had lost income entirely within the first week of the national lockdown. Emergency transfers provided by state governments were important but reached only a fraction of those in need.

Regional Analysis

1. South Asia

South Asia saw some of the most severe impacts on women's employment. India's female labour force participation rate, already among the lowest in the world at approximately 20–23% before the pandemic, fell further during the first lockdown. The Centre for Monitoring Indian Economy (CMIE) reported that women's employment fell by approximately 17 million in April 2020 alone, compared to a loss of 61 million among men — but given women's lower starting base, the proportional loss was similarly devastating. Recovery was also slower for women: by early 2021, women's employment had recovered to approximately 80–85% of pre-pandemic levels, while men's recovery was faster.

Bangladesh, where the garment sector employs roughly 3.5 million workers of whom over 80% are women, saw significant order cancellations from global brands during 2020. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) reported a loss of approximately USD 3.15 billion in orders in the first half of 2020, triggering factory closures and widespread layoffs. Many women workers were dismissed without severance pay, in violation of labour law, and had no recourse given weak enforcement capacity.

2. Sub-Saharan Africa

In Sub-Saharan Africa, women's high concentration in informal trade, agriculture, and domestic work made them acutely vulnerable. A World Bank analysis found that women in the region were 7 percentage points more likely than men to lose their jobs or businesses during the pandemic. Cross-border trade — an important livelihood source for women traders — was severely disrupted by border closures. Gender-based violence also surged during lockdowns across the region, further undermining women's economic agency and wellbeing.

3. Advanced Economies

In OECD countries, the pattern was somewhat different. Job retention schemes — furlough (UK), Kurzarbeit (Germany), the Paycheck Protection Program (US) — cushioned the headline employment impact for both men and women. However, women were more likely to be employed in non-standard arrangements that made them less eligible for these schemes. In the United States, the lack of universal paid family leave meant that mothers — particularly those with young children — faced impossible trade-offs between employment and caregiving.

Table 3: Employment Rate Changes by Gender, Selected Countries, 2019–2020

Country	Female Emp. Rate Change (2019–20)	Male Emp. Rate Change (2019–20)	Gender Gap in Change
United States	-5.4 pp	-4.1 pp	-1.3 pp (women worse)
United Kingdom	-2.1 pp	-2.3 pp	Roughly equal
Spain	-3.5 pp	-4.0 pp	Men slightly worse
Canada	-4.8 pp	-4.2 pp	-0.6 pp (women worse)
Japan	-1.0 pp	-0.8 pp	Roughly equal
India	-4.2 pp (est.)	-2.1 pp (est.)	-2.1 pp (women worse)
Mexico	-6.3 pp	-3.8 pp	-2.5 pp (women worse)
South Africa	-6.1 pp	-4.2 pp	-1.9 pp (women worse)

(Source: OECD, ILO, National Statistics Agencies)

Spain and the UK show an interesting contrast to the US pattern: in these economies, the sectoral composition of female employment and the coverage of job retention schemes combined to produce outcomes closer to gender parity in formal employment loss, though informal and part-time workers remained poorly protected. Mexico and South Africa showed among the largest gendered employment gaps, reflecting high female informality and weaker social protection systems.

The Unpaid Care Work Burden

Perhaps the most structurally significant dimension of the pandemic's gendered impact was the massive increase in unpaid care work. School closures, the suspension of childcare services, and the increased care needs of elderly or ill household members created an enormous additional care burden — and in household after household, this burden fell predominantly on women.

UN Women and the ILO estimated that globally, women already performed three times as much unpaid care work as men before the pandemic. During the pandemic, this ratio worsened. A survey of 16 countries conducted by UN Women in 2020 found that women increased their daily unpaid care hours by more than men in every country surveyed. In the United Kingdom, women performed an average of 3.6 hours per day of childcare during the first lockdown, compared with 2.3 hours for men. In the United States, mothers with young children reduced paid work hours at four to five times the rate of fathers in the spring of 2020.

This care burden directly affected labour market participation. Women with children under five were significantly more likely to exit the labour force or reduce hours than women without children, and the differential with men was widest for this group. Single mothers faced the most acute trade-off: with no partner to share childcare and no affordable substitute care available, many had no viable path to continued full-time employment. In the United States, single mothers' employment fell by 7.5% in the first quarter of 2020 alone.

The pandemic also exposed the hidden economic value of care work that markets systematically undervalue. When

schools and care facilities closed, the implicit subsidy they provide to women's labour market participation was abruptly withdrawn, revealing the structural dependency of formal employment patterns on affordable, accessible care infrastructure. This recognition has catalysed renewed policy attention to public investment in care systems as an economic and gender equality imperative.

Mental Health, Gender-Based Violence, and Broader Wellbeing

The economic disruption of the pandemic intersected with a parallel crisis in women's mental health and physical safety. Numerous studies conducted in 2020 and 2021 documented elevated rates of depression, anxiety, and psychological distress among women compared with men — driven by the combination of employment loss, caregiving overload, social isolation, and in many cases, exposure to domestic violence.

Gender-based violence surged globally during lockdown periods. The UN Secretary-General described a 'shadow pandemic' of violence against women, with domestic abuse hotlines reporting call increases of 25–75% across multiple countries including France, the UK, Australia, and Canada. In South Africa, reported cases of domestic violence increased by 37% in the first week of lockdown. Economic stress, confined living spaces, reduced access to support networks, and the suspension of domestic violence services combined to create acute danger for women in abusive households.

Financial independence is a critical protective factor against domestic violence. When women lost employment and income during the pandemic, their economic leverage within households diminished, reducing their ability to exit dangerous situations. This intersection of economic and physical insecurity represents one of the most serious gendered harms of the pandemic, and one that standard labour market statistics do not adequately capture.

Policy Responses: Adequacy and Gender Sensitivity

1. Social Protection Measures

Governments across the world implemented emergency social protection measures in 2020–21 ^[6], including job

retention schemes, cash transfers, extended unemployment benefits, and food assistance. However, the gender-sensitivity of these measures was highly variable. Job retention schemes — the dominant policy tool in high-income countries — were most effective for workers in formal, standard employment relationships. Women's overrepresentation in informal, part-time, and domestic work meant they were systematically less covered.

The expansion of cash transfer programmes was more inclusive in design, but benefit levels were often insufficient to compensate for income loss, and administrative barriers (documentation requirements, digital access gaps) disadvantaged women, particularly in developing countries. India's PM-KISAN scheme and free ration distributions reached significant numbers of women, but the self-employed and informal workers — the most vulnerable — fell through the gaps of most formal transfer programmes.

2. Childcare and Care Policy

The closure of schools and childcare facilities was the most immediate driver of women's labour market exit in many countries, yet the restoration of these services was often slow and incomplete. Countries with strong public childcare systems — notably the Nordic countries — were better positioned to reopen care facilities safely and maintain women's labour force participation at closer to pre-pandemic levels. Countries relying on private, market-based care — the United States, the United Kingdom, and most developing countries — left care provision to individual families, with the burden falling primarily on women.

Canada's announcement in the 2021 federal budget of a national childcare programme — inspired partly by the pandemic's demonstration of care's economic centrality — was a landmark policy response. The US American Rescue Plan of March 2021 included USD 39 billion in child care relief funding, explicitly motivated by the 'shecession' evidence. These represent important recognition that care infrastructure is an economic policy priority, not merely a social one.

3. Gender Disaggregated Data and Analysis

A significant gap highlighted by the pandemic was the inadequacy of real-time, gender-disaggregated labour market data in many countries. Without timely, sex-disaggregated data on employment, hours, income, and sector, policymakers struggled to identify and respond to the gendered dimensions of the shock. UN Women, the ILO, and the World Bank have since called for systematic improvements in data collection and reporting systems to enable gender-responsive crisis monitoring and policy design.

Recovery Trends and Structural Risks

By 2020–21, early signs of employment recovery were visible in many economies as vaccines were administered and lockdowns eased. However, the recovery itself showed gendered characteristics. In the United States, employment in male-dominated sectors (construction, manufacturing) recovered more quickly as fiscal stimulus prioritised infrastructure and production. Service sectors — where women are concentrated — recovered more slowly, particularly in hospitality, arts, and personal services, which remained constrained by continuing public health restrictions into 2021.

The ILO's March 2021^[1] assessment found that global female employment was still 13 million below its pre-

pandemic level, while male employment had largely recovered its 2019 baseline. The pandemic risked cementing a 'scarring' effect for women — long-term reductions in labour force attachment, career progression, and lifetime earnings resulting from the involuntary exits of 2020. Research on previous recessions suggests that employment gaps of 6–12 months can have persistent negative effects on wages and promotion prospects, particularly for younger women.

There was also a risk that remote working norms, accelerated by the pandemic, could embed disadvantages for women if remote workers face informal penalties in promotion and visibility — the so-called 'proximity bias'. Conversely, where flexible working becomes genuinely normalised for both men and women, it could reduce the motherhood penalty and enable more equal sharing of care responsibilities.

Conclusions and Policy Recommendations

The COVID-19 pandemic exposed and amplified the structural vulnerabilities in women's labour market position that pre-existing gender inequalities had created. The 'shecession' was not an accident of timing — it was the predictable consequence of women's concentration in precarious, informal, and care-intensive work, combined with inadequate social protection systems and unequal distribution of unpaid care responsibilities. Reversing these outcomes requires both immediate crisis response and structural transformation.

Five priority policy directions emerge from this analysis. First, universal social protection coverage must be extended to informal and non-standard workers — primarily women — through reforms that decouple benefit access from formal employment status. Second, public investment in care infrastructure (childcare, elderly care, disability care) must be recognised and resourced as both an economic and gender equality policy, creating jobs for care workers while enabling women's labour force participation. Third, gender-responsive fiscal and recovery packages must explicitly analyse distributional impacts by sex and prioritise sectors and workers where women are concentrated. Fourth, policies to address gender-based violence must be treated as integral to the economic recovery response, recognising that economic insecurity and domestic violence are deeply intertwined. Fifth, data systems must be strengthened to produce timely, sex-disaggregated labour market data that enables evidence-based gendered policy design.

The pandemic has, despite its devastation, created a window of political attention and policy innovation that could catalyse meaningful progress on gender economic equality — but only if governments, international organisations, employers, and civil society sustain the commitment to gender-responsive recovery beyond the immediate crisis period. The 'shecession' need not become a permanent setback; with the right policies, it can become a turning point.

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