

For a More Gender-equal World After Covid-19 Pandemic

Simonetta ZARRILLI & Mariangela LINOCCI

Executive Summary

- ▶ The impact of the COVID-19 crisis is not gender neutral, as it affects men and women differently. Globally, women are more vulnerable to economic shocks wrought by crises, as also shown by past emergencies of international concern. Therefore, policy responses should not be gender-blind or else the coronavirus pandemic risks reversing decades of progress on gender equality.
- ▶ Trade and trade policy can be a powerful driving force in supporting the global efforts towards the realization of women's economic empowerment and gender equality: promoting women's participation in trade and ensuring that the benefits from trade reach women and men equally can contribute to the achievement of more inclusive and gender-equal economies after the pandemic.

The coronavirus crisis has had so far wide-ranging effects on economic, social and environmental spheres, and risks making the achievement of critical development goals beyond reach. COVID-19 is also threatening to reverse decades of progress on gender equality and women's empowerment, notably in the areas of poverty eradication, educational attainment, decent work and economic participation. Most types of crises tend to exacerbate gender inequalities, hence policies and recovery measures should be gender-responsive.

Economic downturns such as the one we are witnessing with the coronavirus crisis are typically not gender neutral. They affect men and women differently, mainly as a result of gender-segmentation into different industries and occupations, the structure of markets and institutions and the inequalities within them, and the different roles women and men play in society. For instance, robust evidence of gender-differentiated impacts is offered by the analysis of the interrelation between trade and

gender: women's access to employment and income opportunities depend on the sectors where women work and on whether these sectors expand or contract as a result of international trade. Moreover, many additional factors, including levels of education and skill, access to productive resources, non-discriminatory legal frameworks, determine to which extent women are able to benefit from opportunities arising from trade liberalization.

Several critical factors contribute to explain women's higher vulnerability to economic shocks wrought by crisis such as the coronavirus pandemic (UNCTAD, 2020a).

First, women are more at risk of losing their jobs than men. In most countries, women usually hold temporary, part-time and precarious forms of employment. Data from the ILO shows that in a number of countries across regions women are more likely than men to hold part-time occupations: globally, while women's share of total employment is less than 40 per cent, they make up 57 percent of those working on a part-time basis. The economic effect of the



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COVID-19 pandemic and of lockdown measures is resulting in reduced employment opportunities and enormous job losses, threatening the livelihoods of nearly half of the workforce globally (ILO 2020). Because of women's disadvantaged role in the labour market, they risk bearing the brunt of the economic crisis. Moreover, over 400 million firms worldwide are suffering significant disruptions, especially those operating in the most affected sectors such as wholesale and retail trade, manufacturing, and services (ILO 2020). Women-led micro, small and medium sized enterprises, which tend to operate informally and at the subsistence level risk facing complete closure in the aftermath of the crisis.

Secondly, women have often less access to social safety nets, such as unemployment insurance, pension, paid sick leave and maternity leave since such benefits usually come with formal employment. Over 740 million women worldwide work in the informal sector. Even though the informal sector is more likely to be a source of employment for men than for women, there are important disparities across countries. In Africa, for example, a larger proportion of women (90 percent) than men (83 percent) earns a living through informal types of jobs (ILO, 2018). Across developing economies, over 30 percent of women work as contributing family workers, a vulnerable form of employment that is informal and usually non-remunerated (ILO, 2018). As a result, women in this category often are not entitled to any social protection scheme.

Third, female-dominated sectors have proved to be more severely disrupted by the effects of the coronavirus crisis. Lockdown measures, social distance and travel restrictions have led to the closure of many businesses, especially in the services sector. Given that some 55 per cent of women are employed in services (in comparison with 44 percent of men), women have been more adversely affected. Moreover, female-dominated service sectors, such as personal services, tourism and hospitality, are among those facing the worst consequences. Fourth, access to credit is a critical factor for business survival. However, particularly in developing countries, women entrepreneurs are often discriminated against when attempting to access formal lending schemes. Without open and favourable lines of credit, many female entrepreneurs will be forced to close their businesses.

Fifth, women have seen their burden of care work increase because of containment measures. Closure of schools and childcare facilities, and the provision of basic health care at home have transferred care responsibility almost entirely to the households,

increasing workloads primarily for women. As a result, some women have been forced to leave the labour market or opt for less stable forms of employment, since juggling between paid and unpaid work has proved unfeasible.

Finally, lockdown and social isolation policies, coupled with the financial stress that families and individuals are experiencing, exacerbate domestic violence. Countries with reporting systems in place have registered a 25 percent surge in cases of domestic violence. However, it is likely that these figures do not reveal a complete picture (United Nations, 2020). Moreover, other forms of violence against women and girls proliferate during emergencies, for example violence against female healthcare workers or female migrants, as it does xenophobia-related violence.

Countries' response

Most countries are fighting the social and economic impact of the pandemic through monetary and macro-financial measures, fiscal measures and measures related to exchange rate and balance of payments. Although such measures are usually not targeting women explicitly, countries' support in favour of sectors that are female-intensive, of micro, small and medium-sized enterprises either operating in specific sectors or across the board, or in favour of informal workers, are expected to benefit women.

The tourism sector has been put to a halt by travel restrictions, social distance measures and by consumers' shrinking revenues available for leisure. The World Travel & Tourism Council calculates that over 100 million jobs in tourism and travel are currently at risk (WTTC, 2020). Across the world, women form most workers in the tourism sector, though they tend to occupy low-skills, casual and temporary positions (UNWTO, 2019). Women are also more likely to be entrepreneurs in tourism than in other sectors of the economy thanks to lower entry barriers. Their enterprises, however, are mainly small-sized (UNWTO, 2019). Measures put in place to support the tourism sector include loan facility, loan guarantees, loan restructuring and liquidity support, as well as tax exemption, moratorium and special credit line. Though these measures do not specifically target women, they are expected to benefit them.

Globally, there are around 8 to 10 million formal small and medium sized enterprises (SMEs), which are fully or partially owned by women, which correspond to approximately one third of all formal SMEs (IFC, 2014). This means that widespread rescue measures targeting SMEs or micro SMEs (MSMEs) are likely to



benefit women. They include direct subsidies/financial relief, bank guarantee schemes, credit lines, and concessional loans.

Some countries have implemented measures supporting at the same time MSMEs and the tourism sector (IMF, 2020), because of the particularly harsh impact of the pandemic on tourism, to take into account the fragility of MSMEs, and to recognize that many MSMEs operate in the tourism sector.

Finally, considering women's high participation in the informal sector, policies extending some form of social security coverage to informal workers are likely to benefit women (IMF, 2020).

To fight a surge of domestic violence during COVID-19, several countries have increased the funding for gender-based violence (GBV) services, have adapted some of their normal procedures, and are including messages against domestic violence in communication campaigns. Finally, some countries are providing direct financial support to victims of domestic violence (UNDP, 2020).

Building back better

The measures that many countries have been implementing - especially those supporting female-intensive sectors, the informal economy, and micro and small businesses, are benefitting women because they constitute a large proportion in these categories. However, many of these measures are time-bound and will cease to exist once the emergency is over.

To avoid going back to "business as usual" and conversely "building back better", there is a need for systemic changes. They should be guided by the Sustainable Development Goals (SDGs) that are at present more relevant than ever.

The present crisis is exacerbating long standing gender inequalities, as have previous health, economic and environmental crisis.

Women's disproportionate vulnerability in times of crisis: evidence from the past

Previous emergencies of international concern of the past two decades have clearly shown the disproportionate vulnerability of women and girls, and the negative long-lasting effects on them.

In the wake of the 2004 tsunami, surviving men outnumbered women in provinces in Sri Lanka, Indonesia and India surveyed by Oxfam (2005). Differences in physical abilities or in gender roles

have contributed to explain this phenomenon: more women than men died because they were less likely to be able to swim or climb trees; in some cases, more women than men died because they stayed behind to look for their children and other relatives, or they were simply at home doing household chores when the tsunami hit, whereas men were away. The gender-differentiated impacts went beyond the higher female death rate: surviving women were confronted with loss of assets, homes and family members, which aggravated already existing gender inequalities.

During the Asian financial crisis of the late 1990s, women were laid off at seven times the rate of men in South Korea (Oxfam, 2011). In some instances, married female workers received pressure to leave their jobs, often with threats of dismissal against their husbands when both were employed by the same firm. The case of the Asian financial crisis confirms deeply rooted gender norms that attribute primarily to men - rather than to women, the right to hold an occupation when jobs are scarce.

In the aftermath of the 2008 global crisis, support measures were provided to physical infrastructure projects such as building and roads construction that mainly employed men. As a result of low gender-responsiveness in public spending and a high degree of gender segmentation in a number of occupations, often women get little direct benefit from job creation or can be more negatively affected in case of layoffs. For instance, female-intensive sectors such as education, health and public services suffered some of the heaviest job losses during the global financial crisis (Oxfam, 2011).

When Ebola hit Liberia in 2013, women's employment suffered more than men's. Because of their lower level of education and capabilities, most women were employed in low-skills occupations, such as petty trade and food processing, therefore their activities came to a halt when the epidemic started spreading around and customers abandoned local markets and food stands. Closure of borders and travel restrictions made cross border trade, an activity mainly run by women, impractical. Conversely, men's jobs proved more resilient because, having better education and training, men were engaged in more stable and skilled occupations and in wage employment. Moreover, during the Ebola crisis, the amount of care and domestic work shouldered by women increased as did domestic violence against them (UN Women et al., 2015).



Measures aimed at "building back better" should aim at accelerating progress in improving the structural determinants of gender equality and women's economic empowerment. These can be grouped under three domains, namely, human capital (education and training); access to resources and opportunities (i.e. labour market participation, time use, decision-making power); and security.

Human capital

Improved education opportunities for women would facilitate the shift from precarious and low-skills jobs to more stable and regular employment. In particular, enhanced access to education would increase women's opportunities in occupations that are typically male dominated but that give access to higher-level and better paid positions.

An assessment of labour market demand in specific sectors could inform skill trainings to ensure a better match between women's skills and labour market requirements and expectations. Gender stereotypes that identify curricula and occupations as appropriate mainly for men or mainly for women, with those associated with men attracting better pay and social recognition, should be overcome. This can be achieved by removing laws and regulations that reserve some occupations to men only, and by encouraging girls to pursue studies in the scientific and technological field.

Benefiting from further training and acquiring stronger business skills is also an essential factor to support and enhance women's role in the MSMEs, which often operate at the subsistence level and face limited possibilities for expansion or value addition.

Access to resources and opportunities

Extending safety nets to informal workers beyond the health emergency should be done not only because enjoying social security is a human right, but also because it would be essential both for social cohesion and to accelerate economic recovery. Emergency relief packages should consider the introduction or expansion of social protection measures such as social cash transfers, temporary living allowance subsidies, emergency minimum wages, food vouchers, or energy and housing subsidies.

Access to finance is a critical factor for business survival. Extending financial services to those who have no access to formal lending schemes and removing gender-based discrimination on access to credit would contribute to boost women's

entrepreneurship. Moreover, relaxing the conditions of repayment, raising the ceilings of the loans and simplifying the request procedures can also encourage financial inclusion. Innovative technologies like mobile-phone-enabled solutions can expand access to basic financial services. Mobile money allows individuals to store and transact money in digital form without the need of a bank account. Mobile money can offer women greater control over their financial lives by increasing their privacy and eliminating the safety concerns associated with managing and transporting cash. For female traders, mobile money can provide a solution for two challenges: limited alternatives to convert currency and insufficient access to formal credit (UNCTAD, 2020b).

Favorable access to public procurement, an instrument that some countries have already put in place, has proved to have a positive impact on women entrepreneurs by providing them with new business opportunities. Making women entrepreneurs more able to embark in e-commerce, a growing trade modality, would need to be accompanied by the strengthening of their IT skills and infrastructure support.

A broader provision of social services would lift women's care burden and give them more time for paid jobs, skill upgrading and leisure. Confinement measures have made telework widespread and proved its resilience. If flexible work arrangements continue once the health crisis is over, they may provide a new model of shared responsibilities within the households.

Women's participation in decision making needs to be enhanced: women should be included in shaping the new social and economic order since they know the specific difficulties and challenges they face and can offer solutions. For this to happen, ministries of gender equality should be given adequate human and financial resources and an influential role in policymaking. Women's groups should receive financial support and be heard when policies that may have an impact on women are discussed.

Security

Laws against gender-based violence (GBV) need to be enacted in countries which are still lacking them and fully implemented in those which have them in place. Zero tolerance for GBV should become the rule. Country-based analysis has shown that there is a direct nexus between the prevalence of GBV and the lack of equality in a country and GBV impunity is exacerbated by underlying gender inequality.



Moreover, GBV has important economic consequences, as it is estimated that it costs countries between 1.2 percent and 3.7 percent of GDP in terms of losses in productivity. Governments should enhance their capacity to monitor and report on GBV, and provide support to women's groups and local communities that offer shelters and a safe space for discussion for GBV victims.

In pursuit of a gender equal post-pandemic era through trade policy

As this brief has discussed, the economic shock caused by the coronavirus crisis threatens to erode some of the gains in women's economic empowerment made so far, exposing women - to a larger extent than men, to the negative long-term effects of the crisis. This is in part due to women's segmentation into certain types of sectors, which in the case of the current pandemic have been among those most severely disrupted. But most importantly, those same underlying gender inequalities that haven't been overcome yet are playing a key role in influencing the gendered outcomes of this global health emergency.

Coordinated policy action is needed to help minimize the long-term negative impacts of the crisis on women and to put back on track the global efforts towards the realization of women's economic empowerment and gender equality. Trade and trade policy are a powerful driving force in this sense. Devising measures that promote women's participation in trade and ensuring that the benefits from trade reach women and men equally can be effective entry points for countries to step up the efforts towards a more inclusive and gender-equal world order after the pandemic.

The following roadmap provides 4 key milestones that can contribute to make trade and trade policy key enablers of gender equality.

1. Conduct ex-ante and ex-post evaluations of the gender differentiated impacts of trade

The assessment of the different impacts of any policy on men and women would allow measuring, and if necessary, mitigating possible negative consequences on gender equality. In particular, an accurate understanding of the gender impacts of proposed trade reforms prior to their implementation would help identify the measures that need to be introduced to increase the expected benefits from trade or to correct any negative effect. Ex-ante gender impact assessments represent a promising

path to reach this result. UNCTAD (2017a) has developed a methodology for this purpose. On the other hand, ex-post assessments would help identify any realized adverse gender outcome of trade policy and inform the development of possible compensatory measures.

2. Strengthen data collection

There has been increasing recognition that the impact of trade on various segments of the society differ, including between women and men. Nevertheless, a full appreciation of such complex interactions remains difficult since data on the trade and gender nexus remain scarce. For instance, the use of ex-ante and ex-post gender impact assessments requires the availability of a wide range of sex-disaggregated statistics to allow for an effective design and monitoring of trade policies.

While data on education and health, labour force participation and political participation are usually widely available, statistics on working conditions, consumption, time use, entrepreneurship, and on policies and laws that influence gender equality - among others, are still difficult to find. In addition to the development of better data, stronger links between gender and trade data across statistical systems need to be established to inform policy choices. In pursuing its work to develop official statistics in support of gender-responsive trade policy, UNCTAD proposed a statistical conceptual framework to help understand the impact of trade on gender equality (UNCTAD, 2018).

3. Formulate gender-responsive trade policies

The new trend of incorporating gender elements in the formulation of trade agreements offers enormous potential to make trade more gender-responsive. Gender chapters have been included in the text of recent free trade agreements (FTAs) such as for example the Chile-Uruguay FTA, signed in October 2016, and the modernized Canada-Chile FTA signed in June 2017. While these new developments show greater visibility of gender issues and reflect the increasing understanding of the differentiated impacts of trade on men and women, they also carry some important shortcomings. For example, they do not set specific gender-related goals to be achieved by the parties, do not require the harmonization of gender-related provisions in the respective national legislations, and they do not include dispute settlement mechanisms. Greater efforts are thus needed to ensure that these "new generation" agreements bring about the desired outcomes



(UNCTAD, 2017b). For instance, the 2018 Canada-Israel Free Trade Agreement includes a gender chapter whose provisions are subject to the dispute settlement mechanism. This recent development may encourage further progress in this direction.

4. Ensure policy coherence

Lastly, it is also important that other policies in sectors different from trade contribute to the efforts of advancing gender equality in an integrated manner. Putting in place complementary policies in

fields such as education, labour and social policies, will be a necessary precondition to enhance women's participation in the economy and achieve gender equality.

Countries cannot afford to reverse the progress achieved so far in advancing gender equality, hence only if gender equality and women's empowerment goals are mainstreamed in all policies, possible new health, environmental or economic crises will not see women bearing a disproportionate burden.

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About the authors

Simonetta Zarrilli is the chief of UNCTAD's programme on Trade, Gender and Development. She has been leading the programme since its inception in 2010.

Before this assignment, Simonetta worked on a number of trade and development related issues, such as renewable energy, biotechnology, services, trade and environment, standards and regulations and preferential treatment for developing countries.

Simonetta holds a bachelor degree in law from the University of Siena, Italy, and a Master degree in European Studies from the College of Europe in Bruges, Belgium. She is fluent in English, French, Spanish and Portuguese besides her native Italian.

Mariangela Linoci is Economic Affairs Officer in the Trade, Gender and Development Programme of UNCTAD.

Prior to her current appointment, Mariangela worked on several development-related issues with a focus on gender equality and women's economic empowerment, holding assignments with other UN entities, including UNIDO and UN Women, and with non-governmental organizations.

Mariangela holds Master Degrees in International Relations from the Postgraduate School of Economics and International Relations in Milan, and in Political Science from the University of Milan, with final dissertations focusing on gender and development.



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