

Labour market change

# Women and labour market equality: Has COVID-19 rolled back recent gains?



**When citing this policy brief, please use the following wording:**

Eurofound (2020), *Women and labour market equality: Has COVID-19 rolled back recent gains?*, Publications Office of the European Union, Luxembourg.

---

**Authors:** Martina Bisello, Anamaria Maftai and Massimiliano Mascherini

**Research managers:** Massimiliano Mascherini and Martina Bisello

---

**Luxembourg:** Publications Office of the European Union

This policy brief and any associated materials are available online at <http://eurofound.link/ef20068>

© European Foundation for the Improvement of Living and Working Conditions, 2020

Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Cover image: © ShestockBlend Images/Adobe Stock

Other images: p. 1 © jackfrog/Adobe Stock; p. 2 © Bits and Splits/Adobe Stock;

p. 5 © Kzenon/Adobe Stock; p. 19 © Przemek Klos/Adobe Stock; p. 21 © Thomas Bethge/Shutterstock.

Any queries on copyright must be addressed in writing to: [copyright@eurofound.europa.eu](mailto:copyright@eurofound.europa.eu)

*Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.*

*This report presents the results of research conducted largely prior to the outbreak of COVID-19 in Europe in February 2020. For this reason, the results do not fully take account of the outbreak.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

**Print:** ISBN 978-92-897-2131-8 ISSN 2599-8110 doi:10.2806/442660 TJ-AR-20-005-EN-C

**PDF:** ISBN 978-92-897-2132-5 ISSN 2599-8153 doi:10.2806/302982 TJ-AR-20-005-EN-N

**European Foundation for the Improvement of Living and Working Conditions**

**Telephone:** (+353 1) 204 31 00

**Email:** [information@eurofound.europa.eu](mailto:information@eurofound.europa.eu)

**Web:** [www.eurofound.europa.eu](http://www.eurofound.europa.eu)



## Introduction

The European Union has made significant improvements in gender equality over recent decades and leads the world in achieving equal rights and opportunities for women. Indeed, among the 20 countries worldwide ranking highest in gender equality, 14 are EU Member States, according to the SDG Gender Index produced by the Equal Measures 2030 initiative (a partnership of regional and global organisations aiming to advance gender equality). Two decades into the 21st century, however, gender inequality in labour markets, employment, quality of life and working conditions persists. The average score of the EU on the Gender Equality Index 2020 is 67.9 out of 100, an improvement of just 5.9 points since 2005.

In terms of female labour market participation, ensuring high employment rates for both men and women is one of the EU's key targets. Yet despite a continuous decline in the gender employment gap – measured as the difference between the employment rates of men and women aged 20 to 64 – this has stagnated over the past few years, and women are still less likely to be in paid work than men. Moreover, European labour markets continue to demonstrate a high level of sectoral and occupational segregation. Women are also overrepresented in part-time, temporary and low-paid jobs compared with men, which lessens their economic independence.

Reducing the gender employment gap is important not only for equality but also for a sustainable economy. Numerous studies, including work by Eurofound, show that gender equality in the labour market could lead to substantial macroeconomic gains.

Against this background, the aim of this policy brief is twofold. First, it describes the evolution of gender disparities in the labour market over the last two decades, up to the COVID-19 outbreak. This includes an updated analysis of the cost of the gender employment gap. Previous research by Eurofound calculated the cost to be €370 billion, or 2.8% of EU27 gross domestic product (GDP), in 2013. The current analysis estimates the cost for each year between 2009 and 2018. Then, it focuses on the unequal impact that the COVID-19 crisis is having on women in the labour market, by reviewing existing evidence and providing new findings from Eurofound's Living, working and COVID-19 e-survey.

This policy brief feeds into the debate on gender equality in the labour market by highlighting that action is both a social and an economic imperative and by drawing attention to the greater vulnerability of women – especially young women and working mothers – than men to the negative socioeconomic effects of the pandemic.



## Policy context

Gender equality is a core value promoted in the Treaty on European Union, a fundamental right and a key principle of the European Pillar of Social Rights. Chapter 1 of the Pillar states the principles and rights underpinning equal opportunities and access to the labour market. The second principle pledges the EU to ensuring and fostering equality of treatment and opportunities between women and men in all areas, including participation in the labour market. Progress in meeting the objectives of the Pillar are monitored by an online Social Scoreboard, which tracks trends and performances across EU countries. The gender employment gap is one of the 12 headline indicators of the Social Scoreboard.

Delivering on the Pillar is a shared political commitment and responsibility. A series of concrete initiatives at European level have already been launched to implement the principles and rights it sets out. European Commission President Ursula von der Leyen committed to the Pillar in her political guidelines and announced further actions. Indeed, gender equality remains a policy priority in the Commission's adjusted 2020 programme. On 5 March 2020, the Commission launched a new Gender Equality Strategy

2020–2025, which presents policy objectives and actions to make significant progress towards a gender-equal Europe by 2025. Closing gender gaps in the labour market by achieving equal participation is among the key objectives of the strategy, since more women than men still work in low-paid jobs and sectors and in lower occupational positions.

Progress on gender equality in Member States, particularly in their labour markets and in terms of social inclusion and education, is monitored through the European Semester. As of the 2019–2020 Semester cycle, the country reports assess Member States' progress towards the United Nations Sustainable Development Goals (SDGs), including on gender equality (SDG 5), and provide in-depth analysis of country-specific challenges.

Employment is a crucial part of gender equality: not only does it enable women to earn a living, but it is a means of achieving their aspirations and personal goals, equipping them to exercise independence and freedom of choice. Although in 2019 the employment rate of women was higher than ever before and closer to the Europe 2020 employment target, the EU is still striving to close gender gaps and

to remove the barriers that prevent women from joining and remaining in the labour market. In the context of a shrinking workforce and skills shortages, the EU also recognises that increasing women's participation in the labour market will strengthen the economy.

The outbreak of the COVID-19 virus, with its different socioeconomic implications for men and women, highlights women's vulnerability both inside and outside the labour market

because it compounds the burdens they face: from overrepresentation in the most affected sectors, to the uneven distribution of unpaid household work, to the higher risk of work–life conflicts. Policy responses to the pandemic must therefore account for a gender perspective and women's needs. This is not just to defend the gains of recent decades in terms of gender equality or to rectify long-standing inequalities but also to build a fairer and more resilient world for the benefit of both men and women.

# Key findings

- The gender employment gap cost Europe more than €320 billion in 2018, which corresponds to 2.4% of EU GDP that year. This sum combines the extra earnings in the economy, the rise in welfare contributions and the savings in public finances that would arise if the employment rate of women was the same as that of men. There is a clear economic imperative therefore to close this gap.
- There is a social imperative too, as the gap has implications for women's lives, including their financial security and quality of life. For instance, 17.1% of female pensioners were at risk of poverty in the EU27 in 2019, against 13.1% of male pensioners. A big factor contributing to the pension gap is the reduced time women spend in employment over the life course. Furthermore, women in employment evaluate their lives more positively and have a higher level of social inclusion on average than women who are not in paid work.
- After falling for several years, the gender employment gap has stagnated at just under 12 percentage points since 2014. In 2019, it stood at 11.7 percentage points, with 67.2% of women (aged 20–64) in employment compared to 78.9% of men.
- Gender inequality in the labour market is also reflected in the jobs women do: they are, for instance, overrepresented in low-paying jobs such as care assistant, cleaner and retail salesperson. While they constitute 48% of employees, women make up 58% of minimum wage earners and 62% of workers earning substantially less than the minimum wage.
- One upshot of gender segregation in the labour market is the higher toll that the COVID-19 pandemic has taken on women than men. The sectors that have been most affected by social distancing and restrictive measures are those that involve 'interactive service work', with physical interaction between workers and clients – tourism, retail, hospitality and aviation – and women account for 61% of workers doing this type of work.
- Young women were most likely to lose their job in the wake of the pandemic (11%, compared to 9% of young men). Women may also be more at risk of dropping out of the labour market: of those who worked before the outbreak and then lost their job, 4% of women became inactive (against 1% of men).
- The concentration of activity in the home during the lockdowns across Europe led to a general deterioration of work–life balance, but especially for women. For instance, family responsibilities prevented more women (24%) than men (13%) from giving the time they wanted to their job.



## Exploring the evidence

This section comprises two parts. The first looks at the participation of women in the labour market since the early 2000s: change in the gender employment gap, persistent gender segregation of work and stark earnings disparities. It presents an estimate of the monetary cost of the gender employment gap to the EU every year from 2009 to 2018. The second part describes how the COVID-19 pandemic has affected the labour market participation of women and presents findings on the pressures felt by women working from home during the lockdowns. This section rounds off with a summary of the policy responses by governments to support working women and families to cope with the sudden demands placed upon them.

### Women in the labour market 2002–2019

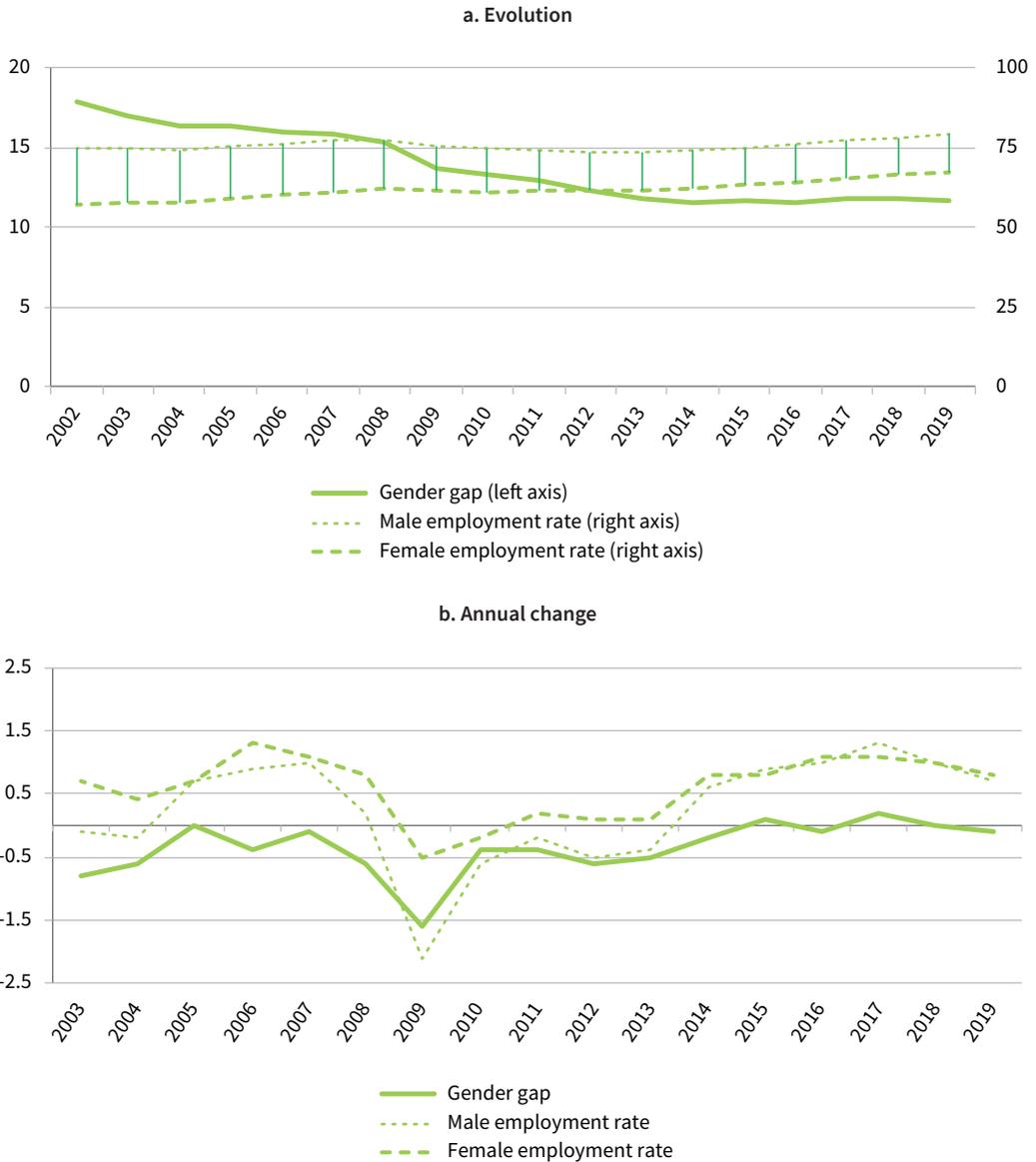
#### Progress in participation

More women were in employment in 2019 than ever before. At EU level, the female employment rate increased by 10.3 percentage points since 2002, reaching 67.2% in 2019 (Figure 1a). The male employment rate rose in that period, too, by 4.2 percentage points to

78.9%. This led to a decline in the gender employment gap – measured as the difference between the employment rates of men and women aged 20–64 – by more than a third (from 17.8 percentage points in 2002 to 11.7 percentage points in 2019).

However, most of the progress was recorded up to 2013; after that, the trend flattened, and the gap has remained largely unchanged. The halt in the decades-long narrowing of the gender gap is explained both by sectoral segregation and the nature of the 2008 financial crisis. As the US housing bubble burst and sent global markets into a dive, the most vulnerable workers were men employed in construction and manufacturing. Hence, the gender gap decreased most in 2009 (by -1.6 percentage points), mainly due to a drop in male employment (which fell by -2.1 percentage points, compared to -0.5 percentage points for women, as shown in Figure 1b). In the years that followed, employment began to rise again sooner for women (in 2011) than for men (2014). From the end of the crisis onwards, the trend became positive for both genders, virtually at the same pace (an approximate increase of 0.9 percentage points per year).

**Figure 1: Female and male employment rates (%), gender gap (percentage points) and annual change (percentage points), EU27, 2002–2019**



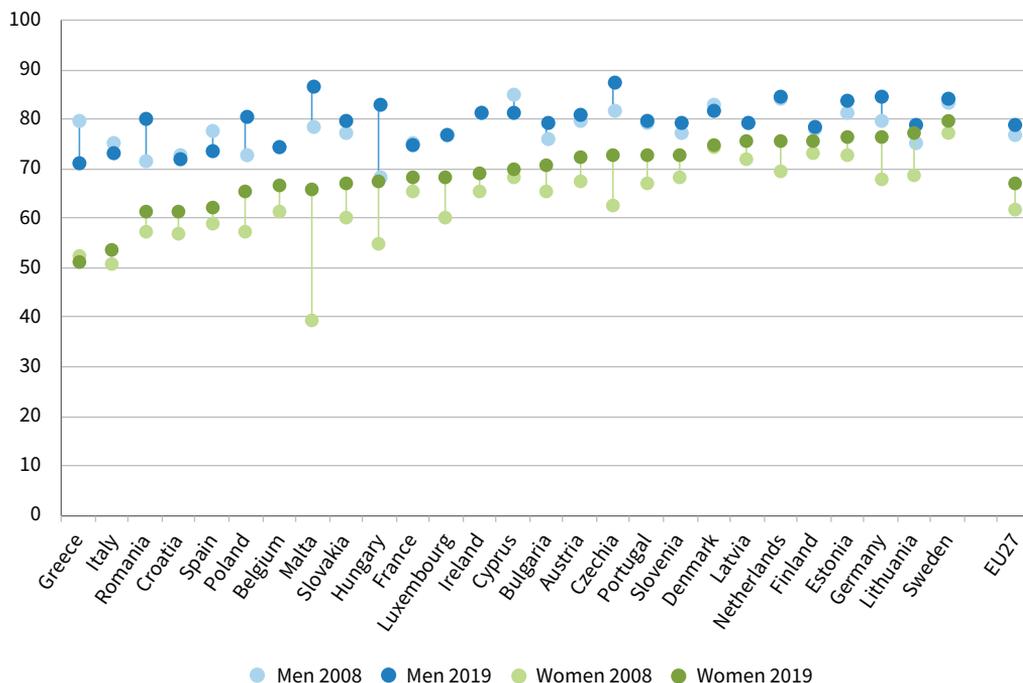
**Note:** 20–64 age group.

**Source:** European Union Labour Force Survey (EU-LFS) (*lfsa\_ergan*)

At Member State level, changes in employment rates after the 2008 financial crisis were diverse (Figure 2). Some countries recorded an increase in female employment over 2008–2019, notably Malta (+26.4 percentage points) as well as Czechia (10.2 percentage

points) and Hungary (12.8 percentage points). Others witnessed small increases, and Greece experienced a decline (-1.3 percentage points). At the same time, the long-lasting negative effects of the financial crisis on male employment were more severe in some of the

Figure 2: Employment rates in Member States (%), by gender, 2008 and 2019



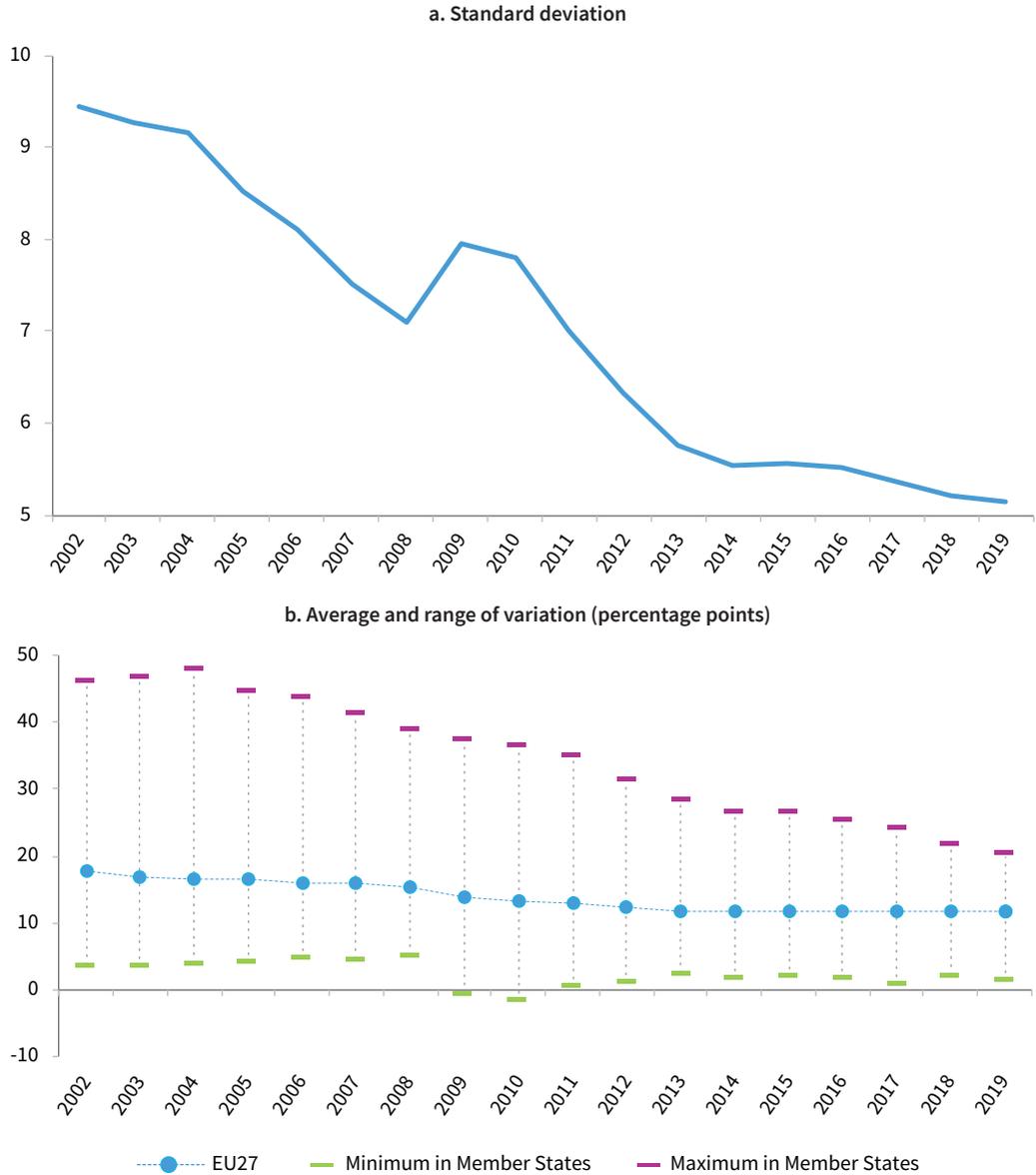
**Note:** 20–64 age group. Member States are ordered according to 2019 female employment rate, from lowest to highest.  
**Source:** EU-LFS (lfsa\_ergan)

Mediterranean countries, particularly Cyprus, Greece, Italy and Spain. In 2019, the smallest gender employment gaps were in some of the Baltic and Scandinavian countries, with Lithuania leading the way with 1.6 percentage points. Despite drastically reducing gender differences in employment, Malta still had the largest gap (20.7 percentage points), alongside Greece, Italy and Romania (all above 19 percentage points).

The mixed employment trends at Member State level in the aftermath of the crisis led to some divergence between countries in terms of

the gender employment gap between 2008 and 2009. This is illustrated in Figure 3a by the rise in the standard deviation, one measure of convergence. However, when looking at the last 20 years as whole, a clear upward convergence trend is detectable (convergence being demonstrated by a mainly falling standard deviation). This means that there was a significant reduction in disparities among Member States and a simultaneous decrease in the average gender employment gap (Figure 3b). Overall, then, the EU is achieving upward convergence in this area, a goal of the European Pillar of Social Rights.

Figure 3: Convergence in the gender employment gap, EU27, 2002–2019



Note: 20–64 age group.

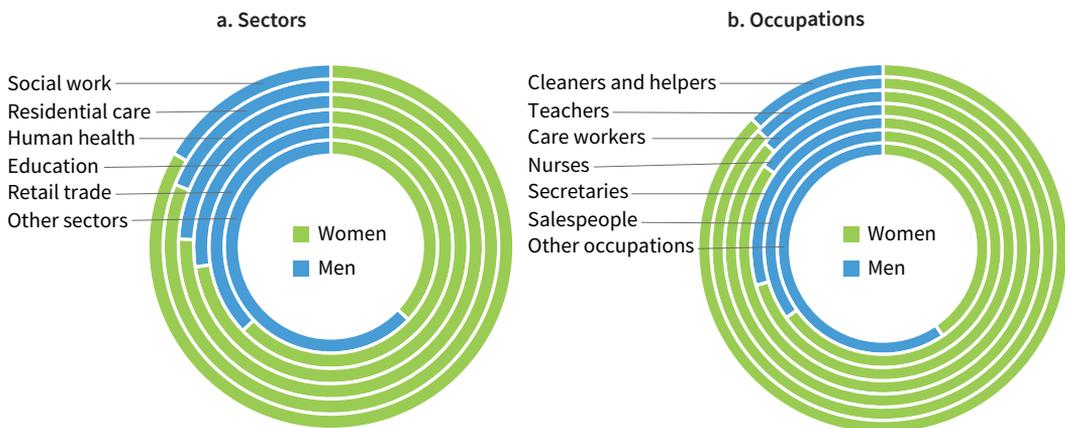
Source: EU-LFS (lfsa\_ergan), authors' calculations

## Type and quality of female employment

Gender segregation across sectors and occupations is still deeply rooted. Across sectors, within the EU27 in 2019, women dominated activities such as human health (accounting for 75.8% of total employment in

the sector), education (72.6%) and retail trade (62.9%) (Figure 4a). These three sectors combined absorb more than a third of the total female labour force. In the social work sector and the residential care sector (which together employ around 8% of all female workers), more than 8 out of 10 employees are still women.

**Figure 4: Female-dominated sectors and occupations in the EU27, by proportions of women and men employed**



**Notes:** 20–64 age group. Sectors defined according to NACE Rev. 2 (two-digit level) and occupations defined according to ISCO-08 (three-digit level). 2019 data for sectors and 2018 data for occupations.

**Source:** Eurostat (*lfsa\_ean22d*) and EU-LFS microdata

Data on the gender composition of different occupations in the EU27 for 2018 show that more than 85% of cleaners and helpers, early childhood teachers, care workers and nurses are women, while only a third of secretaries and retail salespeople are men (Figure 4b). Around a quarter of all female employment is concentrated in these six occupations, many of which are low-paying, which has a strong impact on women's economic security.

Women remain overrepresented in part-time jobs. In 2019, the percentage of women aged 20–64 working part-time in the EU was almost 30%, against 7.8% of men. The fact that the gender gap in part-time employment marginally increased between 2002 and 2019 (by 1.5 percentage points) indicates that the situation is even regressing slightly. Zooming in at national level, some notable shifts can be seen: in the Netherlands, the country with the highest share of women working part-time jobs (73.4%), the relatively sharp rise in the proportion of men working part-time (from 16.5% to 23.3%) led to a reduction in the gender gap (this was not, however, enough to remove it from the top EU position). Countries in central and eastern Europe are less affected by gender disparity in this form of work.

When reflecting a freedom of choice, working part-time provides flexibility and autonomy. Once involuntary, however, this working arrangement restricts access to better jobs and social protection. With long-term consequences for their financial stability and a risk of precariousness (arising from low wages and low wage progression), part-time employment also penalises women because it reduces their social security entitlements. This in turn prevents a bridging of the gender pension gap.

### Gender disparities in earnings

Women face persistent disadvantages also in terms of income. Despite more women taking up more high-paying jobs in recent years, they continue to be significantly overrepresented in low-paying jobs, as highlighted by analyses from Eurofound (*European Jobs Monitor 2015*) and the European Institute for Gender Equality (EIGE, *Gender, skills and precarious work in the EU*). Eurofound's annual review of minimum wages in 2019 found that women predominate among minimum wage earners in the EU. While they constituted 48% of employees in 2019, women made up 58% of minimum wage earners and 62% of workers earning substantially less than the minimum wage. The gender gap in minimum wages was widest in Czechia, the

Netherlands and Malta, while being negligible in Bulgaria and Estonia. Furthermore, women earned around 14.8% less per hour than men in 2018 (down by 1 percentage point compared to 2010).<sup>1</sup> The differences across countries is striking: the gender pay gap ranged from 3% in Romania to 22.7% in Estonia.

Looking at the age profile of the gender pay gap, it tends to be much lower for the younger age groups than for older workers. This reflects differences in the career trajectories of men and women due to the interruptions of work that women experience during their working life. Because wages and other earnings determine old-age pension entitlements, gender disparities accumulated over the life course can significantly affect women's quality of life after retirement. Although the EU gender gap in pensions has decreased compared to 2010, in 2018 women aged over 65 still received a pension that was on average 30% lower than that of men.

In addition, since women's income is strongly intertwined with children's well-being, the inability to earn sufficiently (particularly for single mothers) is inextricably linked to child poverty. It is also linked to old-age poverty: given that the pay gap tends to translate into a pension gap, the risk of poverty extends beyond the working life of women, with 17.1% of female pensioners living in poverty in the EU27 in 2019, against 13.1% of retired men.

## Persisting economic loss due to the gender gap

Numerous international studies agree that greater gender equality in the labour market could yield substantial immediate macroeconomic gains. An expansion of the female workforce would offer the potential for a significant boost to GDP and job creation in the medium and long terms. On a global scale, a McKinsey Global Institute report found that USD 28 trillion (€24 trillion) could be added to global GDP by 2025 (corresponding to 26% of

the annual value) if women were to participate in the economy identically to men, that is, a 'full-potential scenario' (Madgavkar et al, 2016). A more recent EIGE study on Europe shows that improving gender equality would lead to an increase in the EU's GDP per capita from 6.1% to 9.6% by 2050, which corresponds to a rise from €1.95 to €3.15 trillion. The study also estimated it would yield between 6.3 million and 10.5 million additional jobs (EIGE, 2017b).

Building on the existing literature, and adopting a novel methodological approach, Eurofound in 2016 provided new and detailed evidence on the economic loss arising from a gender employment gap in each Member State. This exercise provided a better understanding of the monetary gains of closing the gender gap in employment participation, in terms of earnings and welfare contributions lost to the economy due to women's exclusion from employment and the public finance transfers to non-working women (see Box 1 for a summary of the methodological approach). The research estimated that more than €370 billion, corresponding to 2.8% of GDP, was lost to the EU28 in 2013 due to the gender employment gap.

The study also highlighted how the effects of employment go well beyond the economic sphere, extending to people's well-being and to society. The results obtained from an analysis of Eurofound's European Quality of Life Survey (EQLS) showed that women in employment evaluate their lives more positively. Their level of social inclusion is higher than women who are not working: they have a lower probability of feeling left out of society and a stronger network of social contacts, as well as being more involved in political activity.

These findings underline that employment has a crucial role in providing women not only with a living but also with the means to achieve their aspirations and personal goals, and in fostering independence and freedom of choice.

1 The most recent data for the SDG indicator 'Gender pay gap in unadjusted form' refers to 2018 for most Member States; exceptions are Ireland and Italy (2017) and Greece (2014).

## Box 1: Methodology for computing the cost of the gender employment gap

Two types of costs are considered in the computation:

- a direct public finance cost, which represents the potential savings in public finance transfers (social welfare payments) if women were engaged (or re-engaged) in the labour market
- an indirect resource cost, which represents the earnings and welfare contributions lost to the economy due to the unemployment or inactivity of women aged 20–64

The first step of the calculation was to estimate these two types of costs for each Member State. This was done using 2013 data from the European Union Statistics on Income and Living Conditions (EU-SILC). By applying a propensity score matching technique, the difference in the mean income was computed between working and non-working women within the same age and educational category who were as similar as possible in the observable characteristics that influence a woman's decision whether to work.

Next, these estimated unit costs of women's exclusion from the labour market were used to compute the total economic loss for each Member State. This was done by multiplying the previously estimated figures by the number of women whose participation in employment would have been necessary to close the gender gap. Using data from the EU-LFS, this meant computing the number of women who would have to work so that the female employment rate equalled the male employment rate in each age and educational category. Therefore, the analysis is purely supply side and accounting based.

In this policy brief, the total cost of the gender employment gap for each year from 2009 to 2018 is computed based on the estimated unit costs of women's exclusion from the labour market for 2013. This meant keeping constant the values of the unit costs estimated for 2013 and considering only compositional changes in female and male participation in the labour market.

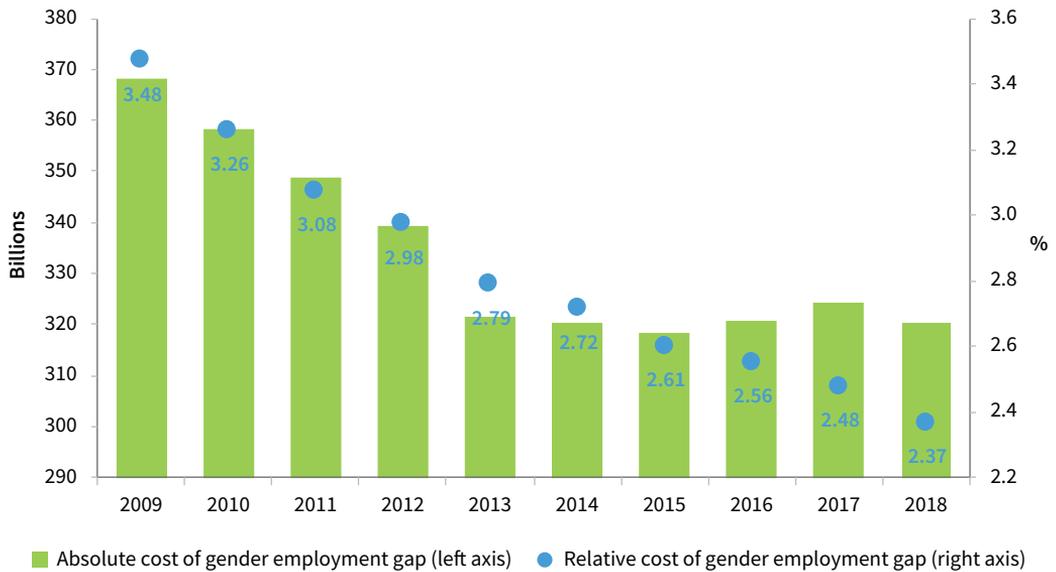
### Evolving cost of the gender employment gap

This next analysis builds on Eurofound's 2016 research and uses the latest available EU-LFS data to present updated estimates of the cost of the gender employment gap in Europe. Figure 5 illustrates the evolution of the cost in the EU27 over the last decade. It shows that there has been a decline in the total cost, from around €368 billion in 2009 to €320 billion in 2018. However, just like the evolution of the gender employment gap, most of the progress in reducing the cost associated with it was recorded in the first half of the period. From

2013 onwards, during the economic recovery, the cost flattened in absolute terms (billions of euro), with only small variations, while still declining in relative terms (percentage of GDP).

The 2018 economic loss of €320 billion is still very significant, amounting to 2.4% of EU GDP that year. Around 87% of the total cost, that is, €284 billion, consists of earnings and welfare contributions lost to the economy due to women's exclusion from employment. The remaining 11% is attributable to the public finance cost: the sum of social welfare benefits received by non-working women.

**Figure 5: Absolute and relative cost of the gender employment gap, EU27, 2009–2018**



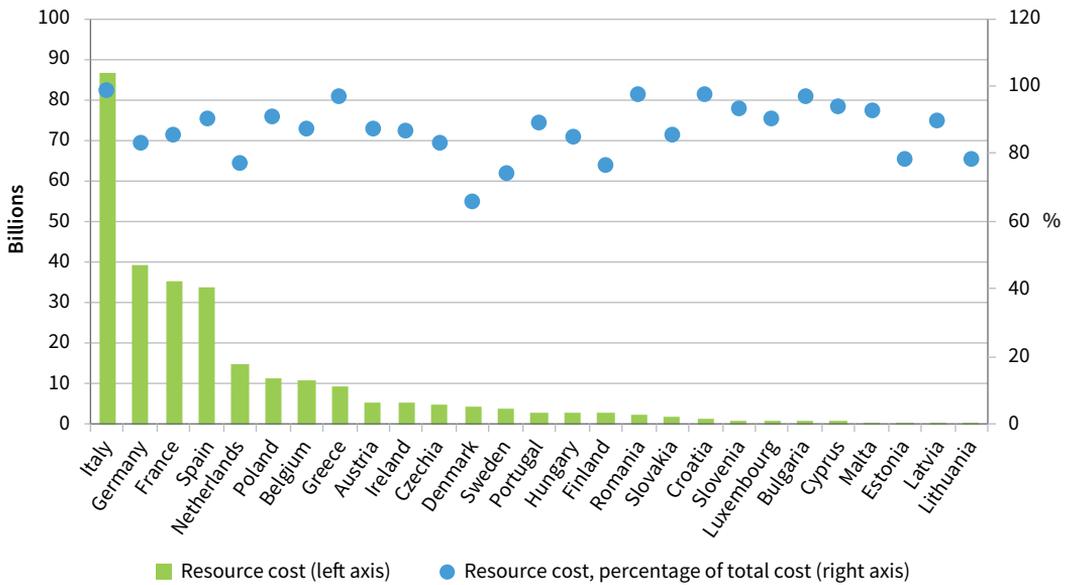
Source: EU-LFS microdata 2009–2018 and EU-SILC 2013

At Member State level, the cost of the gender employment gap ranged from more than €88 billion in Italy to around €234 million in Latvia. In general, the amount depends both on the absolute size of the gap and on the composition of the employment participation of women, since the cost has been computed in order to replicate the male employment structure. Variability across countries also depends on differences in the unit costs of women’s unemployment and inactivity in each age and educational category.

The resource cost is much higher than the public finance cost in every Member State. As Figure 6 shows, Italy is the country with the highest resource cost (more than €86 billion), followed by Germany (€39 billion) and France (€35 billion). It is lowest in Latvia and Lithuania (both €209 million) and Estonia (€338 million).

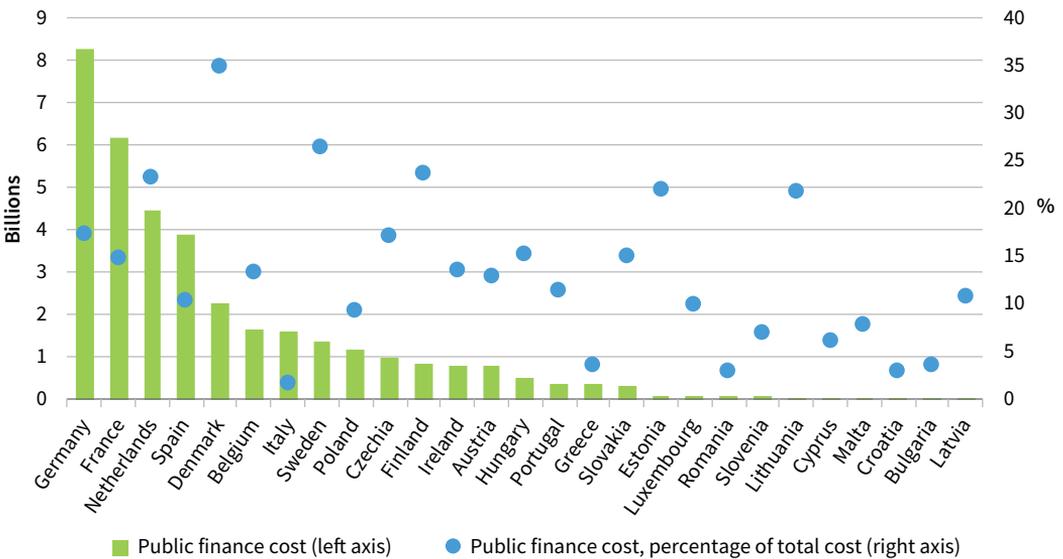
The public finance cost, measured as a share of total cost, ranges from below 4% in Italy (the minimum, at 2%), Bulgaria, Croatia, Greece and Romania, to more than 23% in Finland, the Netherlands, Sweden and Denmark (the maximum, at 35%) and reflects different welfare models (Figure 7).

Figure 6: Resource cost of the gender employment gap, by Member State, 2018



Note: Countries ranked by resource cost in billions.  
 Source: EU-LFS microdata 2018 and EU-SILC 2013, authors' calculation

Figure 7: Public finance cost of the gender employment gap, by Member State, 2018



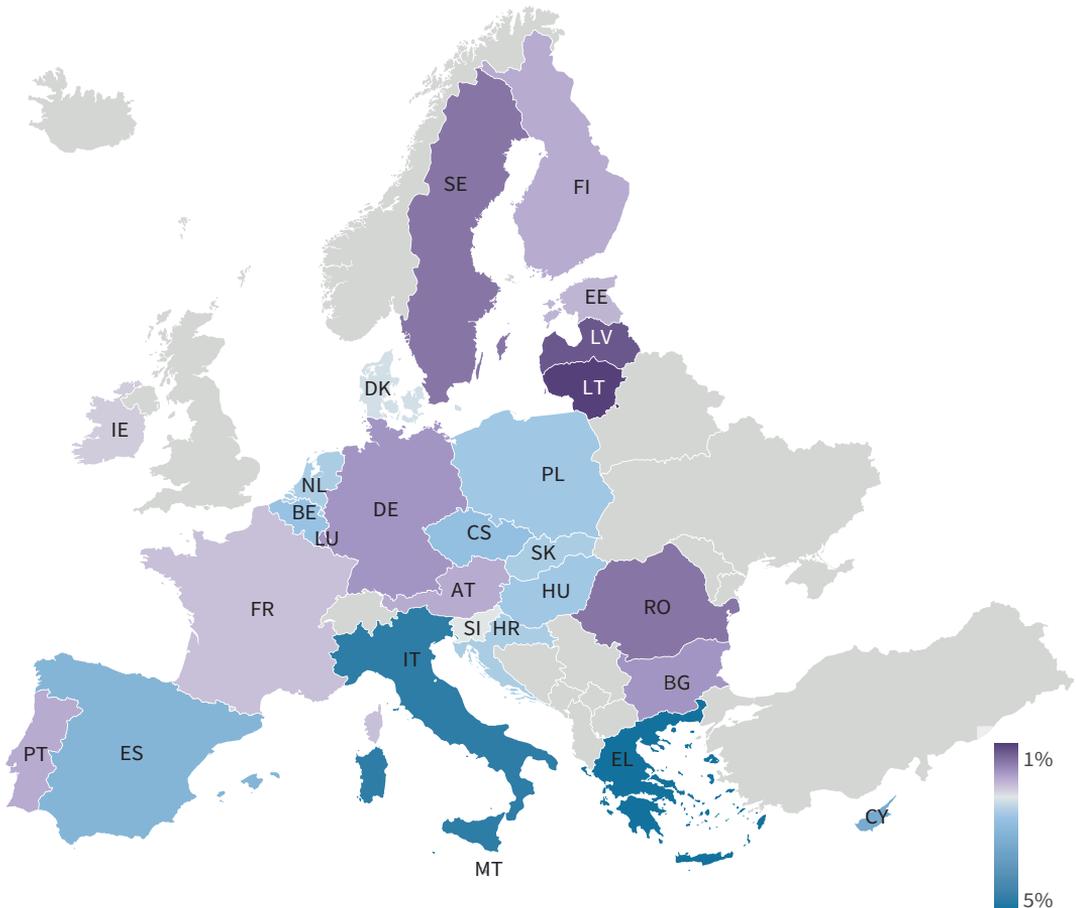
Note: Countries ranked by public finance cost in billions.  
 Source: EU-LFS microdata 2018 and EU-SILC 2013, authors' calculation

When the cost of the gender employment gap is considered in relative terms, as a percentage of GDP, the Mediterranean countries bear the highest burden: Greece experienced a loss equal to 5.4% of GDP, followed by Italy (5%), Malta (4.1%), Cyprus (3.4%) and Spain (3.1%). The countries that experienced the lowest economic losses are Latvia (0.81%) and Lithuania (0.59%) (Figure 8).

While the investigation of the cost of the gender employment gap in Europe shows the extent of the potential added value of higher female participation in employment, it is not by any means an exhaustive analysis of the

problem. Indeed, the unpaid activities that women do within a household, including the care of children or elderly dependants and routine domestic work, have considerable monetary value and a positive effect on macroeconomic indicators. Acknowledging the value of the work that women do without pay helps to put various sectors of the economy into perspective and gives women the recognition they deserve for that contribution. Valuing unpaid activities is also an important input to policymaking, as it helps in assessing the potential impact of policies that promote equal sharing of care responsibilities within the household.

**Figure 8: Cost of the gender employment gap as a percentage of GDP, Member States, 2018**



Source: EU-LFS microdata 2018 and EU-SILC 2013, authors' calculation

## COVID-19 takes a higher toll on women

### Falling female labour market participation

The latest monthly unemployment data released in November by Eurostat show that in September 2020 the EU unemployment rate for women was 7.9%, up from 7.8% in July and 6.9% in April. The unemployment rate for men went from 6.5% in April to 7.1% in September, meaning that the gender gap widened by a further 0.4 percentage points. Small gender differences in the likelihood of becoming unemployed are also recorded in Eurofound data from the Living, working and COVID-19 e-survey, launched in April 2020.

Data from the second wave of the survey conducted in July indicate that the share of respondents who had become unemployed since the onset of the pandemic was slightly higher among women than men (9% against 8%, respectively). The data also show that the gender divide appears to be more significant among certain age and gender groups. In particular, young women aged 18–34 were most likely to lose their job (11%, compared to 9% of young men). Moreover, women were more likely to drop out of the labour market, because they bore a larger share of care responsibilities within the household, which in the longer term translates into discouragement and further detachment from the labour market. Indeed, the Eurofound e-survey data show that among those who worked before the outbreak of the pandemic and then lost their job, 4% of women became inactive against 1% of men. The share of people available to work but not seeking a job also increased more among women than among men, from 3.6% to 5.4% (of the extended labour force, 15–74 years), leading to a widening of the gender gap between the last quarter of 2019 and the second quarter of 2020.

### Decreasing working hours

Both short-time working schemes and temporary lay-offs, rather than job terminations, have been the principal recourse of firms in dealing with the pandemic in its early stages.

Such developments are to some extent reflected by a drop in the index of total actual hours worked in the main job (computed using 2006 as a reference, with an index of 100 points) between the last quarter of 2019 and the second quarter of 2020, from 101.8 index points to 86 index points. This drop in total actual hours worked was more marked for women (-18.1%) than men (-14.3%). The Eurofound e-survey data also show that the share of respondents who saw their working hours decrease a lot due to the pandemic in April and May was higher for women than men. The divide was once again particularly marked among young people (35.3% for women against 31.9% for men).

Among the main reasons why the COVID-19 measures are taking a disproportionate toll on women in the labour market is the gender imbalance across different jobs in the economy. While the previous economic recession dealt the hardest blow to male-dominated sectors more sensitive to the business cycle, such as construction and manufacturing, the current crisis presents novel characteristics due to its atypical nature. Firstly, except for healthcare, men are more likely to work in what are considered essential economic activities that are less exposed to restrictive measures during lockdown periods, such as transportation, protective services, farming, or maintenance and repairs. Secondly, the COVID-19 crisis has hit many services that involve frequent contact with customers and clients. A recent Eurofound study shows that ‘interactive service work’ is female dominated, with women accounting for 61% of workers. This work includes jobs such as sales assistant, tour guide, hairdresser and flight attendant – jobs that are often not covered by the full range of employment-related social welfare entitlements.

## Work–life conflicts on the rise

In 2019, around 11% of dependent employees were working from home at least some of the time, and the incidence was very similar for women and men. However, with many workplaces in enforced closure from spring 2020, telework became the customary mode of working for many employees. Data from the first round of Eurofound’s COVID-19 e-survey shows that over a third (39%) of employees indicated that they were working from home because of the pandemic. Women were somewhat more likely to report having started working from home than men (41% versus 37% in April 2020) (European Commission and Eurofound, 2020).

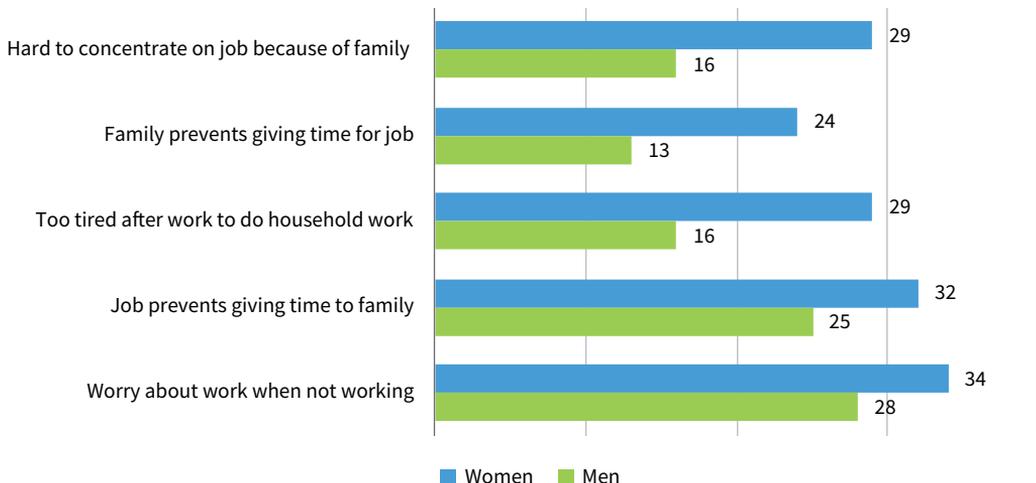
In a time of social distancing and lockdown, telework has been a key factor in ensuring business continuity, and generally an increase of women teleworking would be seen as a positive development, evidence that working time is becoming more flexible and work–life balance is improving. However, the closure of

schools during the first virus wave meant that working from home was difficult for many working mothers as they juggled work, home-schooling and care, all in the same pocket of space and time.

Indeed, this pandemic has triggered an unprecedented surge in care needs within society and within households. Some of the initial measures adopted by most governments to combat the spread of the virus, including the closure of nurseries and schools and the shutdown of public services, alongside the overwhelming of health services and the heightened precautions for vulnerable relatives (notably elderly people) placed an additional burden on families. And women disproportionately bore the brunt of these multiple responsibilities.

Eurofound e-survey data from April show that a concentration of activity at home during the crisis led to a general deterioration of work–life balance, especially for women (Figure 9).

**Figure 9: Percentage of women and men with young children in the household experiencing work–life conflicts, EU27, April 2020**



**Note:** The chart shows the percentage of women and men with children aged 0–11 years in the household who responded ‘always’ or ‘most of the time’ when asked about each point.

**Source:** Eurofound, Living, working and COVID-19 e-survey, first round

Among women and men with young children (aged 0–11 years), almost one-third of working women found it hard to concentrate on their job (against one-sixth of men), while family responsibilities prevented more women (24%) than men (13%) from giving the time they wanted to their professional tasks. But work is also impinging on family life: 32% of women in this group said that their job prevented them from focusing on their family, against 25% of men.

The strain caused by these conflicts may be affecting the mental well-being of women more than that of men: according to our data, women with young children were more likely to feel tense men in the same category (23% versus 19%), to feel lonely (14% versus 6%) and to feel depressed (14% versus 9%). The same pattern occurs for women and men with children aged 12–17 years, although the differences are narrower. Overall, female respondents were less optimistic about their future than male respondents, a finding that deteriorated between April and July.

The silver lining of the current crisis might come from a social norm perspective: fathers have now taken more responsibility within the household, and this creates opportunities to rebalance the gender division of work (Alon et al, 2020). The profound disruption of family dynamics may reshape attitudes and accelerate the evolution of gender norms towards more equitable roles (Andrew et al, 2020; Hupkau and Petrongolo, 2020), particularly since the shifts in responsibilities have been across the board and affected all families. These changes remain, however, an unintended consequence of measures to address public health concerns. For long-lasting effects, they need to be reinforced through deliberate policies that promote a more equal distribution of childcare (Sevilla and Smith, 2020).

## Policy responses to the COVID-19 crisis

The COVID-19 crisis poses a serious risk that decades of gains in gender equality will be rolled back, particularly if activity is further restricted in sectors where women predominate. Several international organisations and academics put forward policy recommendations to help governments and stakeholders limit the gender impact of the pandemic. These short-term policy actions included:

1. leave and flexible working arrangements that allow employees to keep their jobs and meet family commitments
2. childcare supplements to provide relief to parents experiencing difficulties triggered by the crisis
3. financial aid for hard-hit families, such as those on low incomes and single parents (predominantly mothers)
4. measures aimed at workers in non-standard employment (the group at the highest risk of income loss) to prevent them from falling into poverty

The records gathered by Eurofound's COVID-19 EU PolicyWatch database indicate that most Member States moved quickly to adopt some of these economic and social policy measures:

1. To alleviate working parents of the additional childcare burden, care time was granted in the form of paid leave (Austria, Belgium, Cyprus, Greece, Italy, Luxembourg and Romania) or sick leave (France). Similarly, to support parents reconcile work and life, Spain granted employees with care responsibilities the right to a flexible work schedule and reduction of working hours.

2. Allowances were granted to parents of young children as one-off payments or for the duration of school closures (Austria, Bulgaria, Czechia, Germany, Italy, Latvia, Lithuania, Poland and Slovenia), and wage compensation schemes were put in place for employees looking after children or people with disabilities (Germany and Lithuania).
3. Hardship funds were allocated to protect families in vulnerable situations (Austria, Belgium, Portugal and Spain). Some countries increased existing benefits (the in-work benefit in Malta) or introduced new ones (a nursing benefit in Slovakia and a parental benefit in Malta). Healthcare personnel and other employees working in virus hotspots (groups whose economic value is usually underestimated) received wage supplements or exceptional bonuses in France, Greece and Lithuania.
4. Specific measures targeted different groups of disadvantaged workers. Domestic workers received financial support for their lack of activity in Portugal and Spain, while Italy regularised their employment to ensure adequate levels of health protection for both native and migrant workers. In a similar move, Portugal tackled the precarious working conditions of self-employed and informal workers by integrating them into the social security system. In France, seasonal temporary workers and casual workers in the arts and entertainment benefited from extensions to unemployment benefit entitlements, while in Spain temporary workers (not covered by income protection schemes) were granted an exceptional unemployment subsidy.



## Policy pointers

- The gender employment gap has declined in the last 10 years, although at a slower pace since the beginning of the recovery from the economic crisis in 2013. Despite a narrowing trend, gender participation gaps in most Member States remain significant, as do gender differences in the quality and forms of employment, and differences in pay.

Gender gaps in employment led to significant and immediate economic losses annually in the Member States. Uncovering the monetary cost of women's underemployment, estimated by Eurofound to be €320 billion for the EU as a whole in 2018, highlights the importance of developing policy interventions aimed at increasing women's presence in employment. It is only by unleashing all the untapped resources in society that Europe can reach its full potential, embrace the green and digital transitions, and overcome the demographic challenges that lie ahead.

- The COVID-19 crisis poses a serious risk of reversing decades of gains achieved in gender equality, particularly if activity is further hampered in sectors where women dominate. It is paramount that

governments and stakeholders gauge the gender implications of the pandemic, as the risks of women disengaging from the labour market and of developments reinforcing gender stereotypes are tangible and a source of concern.

In the short run, special attention should be paid to those measures that help alleviate working parents of additional childcare burdens if and when lockdowns are reintroduced, either in terms of offering direct support (giving time for care activities supplemented by additional paid leave, for instance) or by granting them the right to flexibility in their working schedules.

- In the long term, Member States need to strengthen the gender dimension when designing policies and recovery packages, for example by mainstreaming gender in EU budgeting and governance processes (gender budgeting) and through gender-impact assessments. Investing in social infrastructure, particularly care activities for preschool children and for the elderly, is critical. At the same time, governments could adopt measures that incentivise women to return to the labour market, such as targeted fiscal reliefs, subsidised childcare and parental leave.

To better achieve work–life balance, employers could be supported to maintain flexible working conditions. Transformative changes could be implemented also in the care economy, through better remuneration in paid care sectors and more balanced division of unpaid care responsibilities. All these measures could help to cushion the disproportionate impact of economic shocks on women and avoid risking the gains in gender equality achieved so far.

- Looking to the future course of the pandemic and the economic prospects, multiple international organisations are offering some orientation in this uncharted territory using model-based forecasts (European Commission, 2020a; ILO, 2020; IMF, 2020; OECD, 2020; World Bank, 2020). According to these analyses, a second global outbreak requiring more stringent containment measures will have severe long-term consequences for economic growth. Waves of company insolvencies, job losses and depletion of savings are likely to create serious risks of poverty and deprivation, particularly for women and the elderly due to long-lasting higher unemployment rates.



## Resources

All Eurofound publications are available at [www.eurofound.europa.eu](http://www.eurofound.europa.eu)

Eurofound topic 'Gender equality': <http://eurofound.link/genderequality>

COVID-19 EU PolicyWatch database: <http://eurofound.link/covid19europolicywatch>

Eurofound topic 'COVID-19': <http://eurofound.link/covid19>

Living, working and COVID-19 data: <http://eurofound.link/covid19data>

Alon, T., Doepke, M., Olmstead-Rumsey, J. and Tertilt, M. (2020), *The impact of COVID-19 on gender equality*, NBER Working Paper No. 26947, National Bureau of Economic Research, Cambridge, MA, USA.

Andrew, A., Cattan, S., Costa Dias, M., Farquharson, C., Kraftman, L., Krutikova, S. et al (2020), *How are mothers and fathers balancing work and family under lockdown?*, IFS Briefing Note BN290, IFS, London.

EIGE (European Institute for Gender Equality) (2017a), *Gender, skills and precarious work in the EU*, research note, Publications Office of the European Union, Luxembourg.

EIGE (2017b), *Economic benefits of gender equality in the European Union*, Publications Office of the European Union, Luxembourg.

Eurofound (2015), *Upgrading or polarisation? Long-term and global shifts in the employment structure: European Jobs Monitor 2015*, Publications Office of the European Union, Luxembourg, available at <http://eurofound.link/ef1516>.

Eurofound (2016), *The gender employment gap: Challenges and solutions*, Publications Office of the European Union, Luxembourg, available at <http://eurofound.link/ef1638>.

Eurofound (2020a), *At your service: Working conditions of interactive service workers*, European Working Conditions Survey 2015 series, Publications Office of the European Union, Luxembourg, available at <http://eurofound.link/ef20016>.

Eurofound (2020b), *Minimum wages in 2020: Annual review*, Publications Office of the European Union, Luxembourg, available at <http://eurofound.link/ef20005>.

Eurofound (2020c), *Living, working and COVID-19*, Publications Office of the European Union, Luxembourg, available at <http://eurofound.link/ef20059>.

European Commission (2020a), *European economic forecast, summer 2020 (Interim)*, European Economy Institutional Paper 132, Publications Office of the European Union, Luxembourg.

European Commission (2020b), *A union of equality: Gender Equality Strategy 2020–2025*, COM(2020)152 final, Brussels.

European Commission and Eurofound (2020), *Teleworkability and the COVID-19 crisis: A new digital divide?*, Eurofound working paper, Dublin.

Hupkau, C. and Petrongolo, B. (2020), *Work, care and gender during the COVID-19 crisis*, COVID-19 analysis, No. 002, Centre For Economic Performance, London.

ILO (International Labour Organization) (2020), *ILO Monitor: COVID-19 and the world of work*, 5th edition, International Labour Office, Geneva.

IMF (International Monetary Fund) (2020), *A crisis like no other, an uncertain recovery*, World Economic Outlook Update, June 2020, Washington, D.C..

Madgavkar, A., Elingrud, K. and Krishnan, M. (2016), 'The economic benefits of gender parity', *Stanford Social Innovation Review*, 8 March.

OECD (Organisation for Economic Co-operation and Development) (2020), *OECD Economic Outlook, No. 107*, OECD Publishing, Paris.

Sevilla, A. and Smith, S. (2020), *Baby steps: The gender division of childcare during the COVID-19 pandemic*, IZA Discussion Paper No. 13302, Institute of Labor Economics, Bonn.

World Bank (2020), *Global economic prospects*, June 2020, World Bank, Washington, DC.





## Getting in touch with the EU

### In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

### On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls)
- at the following standard number: +32 22999696
- by email via: <http://europa.eu/contact>

## Finding information about the EU

### Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

### EU publications

You can download or order free and priced EU publications from EU Bookshop at: <http://publications.europa.eu/eubookshop>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>).

### EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

### Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

Closing gender gaps in the labour market by achieving the equal participation of women is among the key objectives of the new Gender Equality Strategy 2020–2025. Despite significant progress in reducing the gender employment gap, it has stagnated over the past few years. Moreover, segregation in employment across sectors and occupations is still pervasive.

Against this background, this policy brief investigates the evolution of female labour market participation in the last decade and shows that the persisting gender employment gap cost Europe more than €320 billion per year in 2018, corresponding to 2.4% of EU GDP. The analysis also examines the disproportionate effects that the current COVID-19 crisis is having on working women, including the risk of disengagement from the labour market and the unintended consequences of confinement measures. It ends with a review of policy responses to the pandemic that have supported female employment in the short term and proposes how policy should respond in the long run to avoid rolling back decades of gains achieved in gender equality.

---

**The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.**

