

COVID-19 and Women's Economic Empowerment

Background Guide for Policymakers – February 2021

The global COVID-19 crisis is deeply and disproportionately impacting women's economic empowerment, setting back progress by over a decade in some regions.ⁱ While men make up the majority of those who have died from the virus, women and girls bear the brunt of growing care burdens, disruptions in income and education, poor access to health and other essential services, greater risk of being dispossessed of land and property, and gender digital and pay gaps. For women already living in poverty, these impacts can be a shock to their economic stability overall and impede their ability to purchase critical necessities, such as medicine and food. Poverty rates had been declining steadily since the late 1990s – and the number of women living in extreme poverty was expected to fall by 2.7% between 2019 and 2021. However, new poverty forecasts indicate a rise of some 9.1%.ⁱⁱ

The COVID-19 crisis will have significant implications for U.S. investments in global women's economic empowerment, including the Administration's ongoing efforts to advance gender equality, the Development Finance Corporation's 2X Women's initiative and the Women Entrepreneurs Financing Initiative (We-Fi). The gender and social norm manifestations of COVID-19 present an urgent need for governments, businesses, community leaders, and decision-makers to act.

Women disproportionate face unemployment and other risks in the workplace due to COVID-19. The International Labor Organization estimates that 195 million jobs could be eliminated globally due to the pandemic,ⁱⁱⁱ with a majority in sectors predominated by women.^{iv} According to data from 55 high- and middle-income countries, 29.4 million women aged 25+ lost their jobs between Q4 2019 and Q2 2020. Slightly fewer men lost theirs (29.2 million), but since far fewer women were in the workforce, women's proportional loss is higher.^v Furthermore, over 740 million women around the world work in the informal sector and as low-wage workers,^{vi} employment that is vulnerable to elimination due to COVID-19 and which often lacks protections against exploitation and harassment. Migrant women working in non-essential service industries such as food service and hospitality and in predominantly female-heavy sectors (e.g., housekeeping, childcare) are particularly vulnerable to being laid off or exploited for their labor during COVID-19 – for example, as a result of COVID-19, 72% of domestic workers, 80% of whom are women, have lost their jobs.^{vii}

Women's employment in the health sector disproportionately exposes them to COVID-19. Women comprise about 70% of global health care workers and are front and center to exposure to COVID-19 and stigma for working near COVID patients.^{viii} Additionally, the gender pay gap in the global health workforce is 11% (as high as 23% in some regions)^{ix} and lower pay means decreased ability to purchase necessary supplies or access care.^x The undervaluing of women's work hurts women and healthcare systems, and under-investment holds systems back from preparedness for crises.^{xi}

Women and adolescent girls take on disproportionate care burdens with negative impacts on their economic empowerment. Due to social norms, women already perform 76.2% of the total hours of unpaid care work, more than three times as much as men.^{xii} During public health crises such as COVID-19, care burdens dramatically increase to include caring for the sick, vulnerable elderly family members, and children who are home due to school closures.^{xiii} This reduces time spent on generating an income, operating a business, or other economic activity. In June 2020, globally 23% of women business owners surveyed reported spending six or more hours per day on care work compared to 11% of men.^{xiv}

The disproportionate impacts on women due to COVID-19 threatens food security and the livelihoods of female farmers. Women comprise on average 43% of the agricultural workforce in developing countries and are estimated to account for two-thirds of the world's 600 million poor livestock keepers.^{xv} Yet even before the COVID-19 crisis, women's land rights were not secure, their ability to access quality agricultural inputs was less than men's, and their barriers to accessing markets and financing were high. COVID-19 is exacerbating pre-existing challenges to women as agricultural producers. For example, in Mali, curfews related to the COVID-19 pandemic restrict the times women work in the fields, but not the hours men

work, so women disproportionately struggle with food production. In Northeast Nigeria, women have lost access to the cash for work programs that allowed them to buy seeds and grow crops.^{xvi} Additionally, some governments and private actors have used the pandemic to undermine access and control of land and resources used by some Indigenous and forest communities, distinctly impacting women who rely on these resources for their livelihoods. Access to markets has also become more challenging during COVID -- many women sell agricultural products in local and informal markets, yet as markets close due to the pandemic, women will experience further losses in income. These strains on women farmers will also likely increase exploitation by male sharecroppers and credit services in countries where social norms restrict women from harvesting the land they own.

Women entrepreneurs and executives are also facing regressions in economic growth. Financial services such as credit and formal banking are traditionally less accessible for women than men due to legal and social discrimination. The shrinking of capital markets during the pandemic has further reduced the amount of working capital available for small and medium-sized businesses. Liquidity constraints are also amplifying the pre-crisis unmet credit gap of \$1.48 trillion faced by women-owned and led small and medium-sized enterprises (WSMEs) in emerging markets, resulting numerous business failures.^{xvii} One study showed that women-owned businesses globally are 5.9 percentage points more likely to close their businesses than men-owned ones, controlling for region.^{xviii} Similarly, COVID-19 has caused companies to shift their focus to appointing executives with a proven track record and previous CEO experience – a strategy that favors men. Women CEO appointments decreased from 12% in the cohort appointed after October 2019 to only 6% after the pandemic announcement.^{xix}

Gender-based violence has increased due to COVID-19, impeding women from participating in economic activities. Stress and disruption caused by crises often exacerbate underlying norms that lead to gender-based violence. Cases of domestic violence have increased dramatically during the COVID-19 crisis, particularly as a result of necessary stay-at-home measures. As in other types of crises, practices such as child marriage and survival sex rise as negative coping mechanisms to the loss of income and growing cost of health care needs. Gender-based violence can prevent women and girls from engaging in economic activities, decrease their productivity, and cede control over earnings to abusers.

Girls' education is disrupted by crises more than boys', with lasting impacts on the skills needed to succeed in the economy. During crises, girls' education is likely to be disrupted with school closures and they take on additional caregiving responsibilities, domestic labor, or other income-generating activities outside the home instead of continuing their learning. In areas where social norms lead to greater disparities between girls and boys in enrollment and retention in school, temporary disruption as a result of a crisis such as COVID-19 can lead to permanent removal from school -- an additional 11 million girls may leave school by the end of the COVID crisis and evidence from previous crises suggests that many will not return.^{xx} Families being unable to pay school fees resulting from loss of income during the crisis, negative coping mechanisms such as child marriage, or the loss of educational infrastructure such as girls' peer networks and teachers are prominent concerns.^{xxi} This has long-term negative impacts on girls' access to opportunities and resources to improve their lives and ultimately, on their educational, economic, and health outcomes.

Unequal laws or practices regarding inheritance and property ownership regulations have an acute impact on women and girls during crises. Under international human rights law, women and men are entitled to equal legal protection of their property rights, including in inheritance and succession. However, with the rising number of deaths as a result of COVID-19, many widows, daughters, and divorced women are either barred from or cannot in practice claim their ownership rights in the case of death or dissolution of marriage. Social norms and harmful traditional practices around widowhood can also impede transfer or ownership of land. Women seeking to enforce their rights can face heightened risks, particularly when court systems are shuttered during a crisis such as COVID-19.

Gender wage gaps across roles and sectors can negatively affect women's ability to purchase necessities and engage in COVID-19 prevention and response efforts. Globally women earn 24% less than men do, with women's wages being lower than men's and women experiencing wage gaps for both identical roles and different occupations of equal value.^{xxii} Lower pay means many women will have reduced ability to purchase necessary supplies needed to engage in preventative

activities around COVID-19, purchase household necessities, or access crucial healthcare services – especially when access to affordable health services is already limited.

The gender digital divide will negatively affect women's ability to receive vital support and services or adapt businesses or roles as employees to social distancing constraints. On average, women are 14% less likely to own mobile phones than their male counterparts and 43% less likely to engage online.^{xxiii} This will result in women's inability to access critical cash transfers and other financial services via digital platforms currently being prioritized by governments in light of social distancing measures. The digital divide can also lead to challenges for women to engage in distance learning, for women entrepreneurs to transition to e-commerce platforms and opportunities, and women employees to engage in remote work necessary to maintain their jobs. Additionally, the digital gender gap will impact girls' remote learning opportunities, while those who do connect online face increased risks of online harassment, abuse, and sexual exploitation.

Resources diverted from existing services during this crisis will negatively impact women's health, raising economic implications. To respond to urgent health needs resulting from the COVID-19 pandemic, resources will be diverted away from ongoing programs supporting other lifesaving health services. Additionally, access to services are hindered by overwhelmed health systems. This is compounded by women's loss of income leading to decreased ability to access available health care.^{xxiv} At a time when chronic and non-COVID related health concerns persist, this will have strong implications for women's and girls' health and well-being, which is tied to their ability to participate in economic activity.

Recommendations for the U.S. Government:

1. Ensure all global response and recovery efforts comply with the gender analysis and integration requirement of the Women's Entrepreneurship and Economic Empowerment Act^{xxv}[xv] and provide additional personnel and technical assistance to meet this objective.
2. Fund and implement programs to address the specific economic impacts on women globally, especially those working in informal sectors and lower income, migrant, and other marginalized women. This should include the following:
 - a. Maintaining and expanding existing cash transfer and broader subsidy programs, while also removing pre-COVID conditionality linked to girls attending school or families delaying daughters' marriage;
 - b. Supporting women as entrepreneurs and workers through stop-gap financing measures and resources for women entrepreneurs to pivot their businesses to e-commerce, promote remote working, expand into high-demand markets due to COVID-19. Women entrepreneurs should also be prioritized for financing and capital to support their economic recovery;
 - c. Prioritizing measures to safeguard female borrowers, especially at microfinance level, from predatory lending and other practices that could drive them into a cycle of debt. Where possible, prioritize cash- and savings-led approaches to support very poor populations;
 - d. Ensuring measures to promote women's job security and enact protections to prevent the exploitation under COVID-crisis circumstances. This includes ensuring fair wages, decent work conditions, and other protections are in place for workers both in the workplace as well as those working from home;
 - e. Investing in training, skills development, and job placement programs for women to access jobs in industries responsive to COVID-19 (e.g., health care product manufacturing, information/communications technology);
 - f. Addressing and minimizing disruptions to girls' education and taking measures to ensure girls return to school;
 - g. Investing in technological solutions to promote women's employment and entrepreneurship during the COVID-19 crisis, including funding and skills building to narrow the gender digital divide and increase women's access to digital tools and platforms; and
 - h. Ensuring any agricultural financial and technical assistance targets women farmers and agricultural workers and promote increased access to labor-saving, women-friendly technology.

3. Integrate gender-based violence prevention and protection into all COVID-19 emergency response funding and action plans and fund the continuation/expansion of support services to survivors.
4. Fund social services such as health, education, and other care-related functions to continue at levels prior to the disease outbreak, anticipating the diversion of local government resources to containing the spread of COVID-19. Debt relief measures and other financing cannot come at the expense of social service expenditure.
5. Continue and increase support for ongoing initiatives that advance gender-equitable social norms and infrastructure, such as childcare services and programs to support involvement of men and boys in household duties. These measures should also support prevention of gender-based discrimination and violence and promote women's voice and leadership at all levels.
6. Prioritize the safe and meaningful involvement of women, girls, and other marginalized populations in decision-making processes related to COVID-19 responses, relief delivery, and recovery at all levels. This means proactively ensuring women and girls are included on leadership bodies, are actively engaged in developing community- and context-specific responses, and consulted through the various stages of program design, implementation, and evaluation.
7. Require the collection of gender- and age-disaggregated data from foreign assistance programs addressing COVID-19 impacts and prioritize rigorous monitoring, evaluation, and learning, including the use of standard indicators to assess the extent to which U.S. Government strategies, projects, activities, and programs responding to COVID-19 either widen or narrow gender gaps in the economy and more broadly.

ⁱ Economic Commission for Latin America and the Caribbean. [The Economic Autonomy of Women in a Sustainable Recovery with Equality](#) (February 10, 2021).

ⁱⁱ UN Women. [The COVID-19 Boomerang Effect: New Forecasts Predict Sharp Increases in Female Poverty](#) (September 2020).

ⁱⁱⁱ International Labor Organization, "[COVID-19 Causes Devastating Losses in Working Hours and Employment](#)" (April 7, 2020).

^{iv} Ibid and International Labor Organization. Women at Work. 2016.

^v International Labor Organization. [Fallout of COVID-19: Working Moms are Being Squeezed out of the Labour Force](#) (November 2020).

^{vi} International Labor Organization. Women and Men in the Informal Economy: A Statistical Picture (2018).

^{vii} UN Women. [From Insights to Action: Gender Equality in the Wake of COVID-19](#) (September 2020).

^{viii} World Health Organization. Boniol M, McIsaac M, Xu L, Wuliji T, Diallo K, Campbell J. [Gender Equity in the Health Workforce: Analysis of 104 Countries. Working paper 1](#) (2019).

^{ix} Economic Commission for Latin America and the Caribbean. [The Economic Autonomy of Women in a Sustainable Recovery with Equality](#) (February 10, 2021).

^x Bloomberg. Jeff Green and Katia Dmitrieva. [Women, on the Front Lines of COVID-19, Are at High Economic Risk](#) (18 March 2020).

^{xi} Center for Global Development. O'Donnell, Megan and Rick, Samantha. "[A Gender Lens on COVID-19: Investing in Nurses and Other Frontline Health Workers to Improve Health Systems](#)" (March 2020).

^{xii} International Labor Organization (ILO). [Care Work and Care Jobs for the Future of Decent Work](#) (2018).

^{xiii} CARE and the International Rescue Committee. [Global Rapid Gender Analysis for COVID-19](#) (March 2020).

^{xiv} Facebook, OECD, and World Bank. (2020). [Global state of small business report](#). (February 2, 2021).

^{xv} Food and Agriculture Organization. [The Female Face of Farming](#).

^{xvi} CARE. [Left Out and Left Behind: Ignoring Women Will Prevent Us from Solving the Hunger Crisis](#) (August 2020).

^{xvii} International Finance Corporation, [COVID-19 and Gender Equality: Six Actions for the Private Sector](#) (November 2020).

^{xviii} Goldstein, M., Gonzalez Martinez, P., Papineni, S., and Wimpey, J. [The global state of small business during COVID-19: gender inequalities](#) World Bank Blogs. (February 2, 2021).

^{xix} World Economic Forum. [Fewer women CEOs have been appointed since the start of the COVID-19 crisis - here's why](#) (December 2020).

^{xx} UN Women. [COVID-19 and its Economic Toll on Women: The Story Behind the Numbers](#) (September 2020).

^{xxi} CARE and the International Rescue Committee. [Global Rapid Gender Analysis for COVID-19](#) (March 2020).

^{xxii} Oxfam. Why the Majority of the World Poor are Women (2020).

^{xxiii} USAID. Digital Strategy 2020-2024 (2020).

^{xxiv} CARE. [Gender Implications of COVID-19 in Development and Humanitarian Settings](#) (March 2020).

^{xxv} Women's Entrepreneurship and Economic Empowerment Act of 2019. Public Law 115–428—January 9, 2019.