

# ***Analysis of the Current Situation of Female Employment from a Macroeconomic Perspective: A Case Study of Female Employment During COVID-19***

**Keren He<sup>1,a,\*</sup>**

<sup>1</sup>*Sichuan Agricultural University, Chengdu, 610000, China*

*a. 3464216904@qq.com*

*\*corresponding author*

**Abstract:** The underlying causes of the relative economic downturn in all parts of the world since the outbreak of COVID-19 (Coronavirus Disease 2019) deserve deeper scrutiny. This paper focuses on the employment situation of women during the above-mentioned period, including a comparison between the extent to which non-cyclical economic downturns have affected employment for both sexes and the impact of COVID-19 on macroeconomic policies by using qualitative research. This paper first judges COVID-19 to be fundamentally different from the downward economic phase of the traditional business cycle, and then it considers the opportunities and pressures on women's employment from a variety of factors, including supply and demand. The paper also discusses in detail the ways in which women were able to find employment during the epidemic, so as to provide an effective and reliable basis and reference for the formulation of national macroeconomic policies and the recovery of national production. It can be concluded that female employment is more significantly affected by the macro environment, and without formulating correct macro policies, it is impossible to bring about the recovery of female employment.

**Keywords:** Women Employment, Macroeconomy, Pandemic Recession, Employment Analysis, Macroeconomic Policy

## **1. Introduction**

The world has suffered the biggest economic downturn since the Great Depression of 2008 due to the outbreak of COVID-19 at the end of 2019, and the labor market has suffered more as a result of steep increases in unemployment, lower wages, etc. However, fewer articles have been written about the impact or role of women in this macro-context (filling labor vacancies, boosting economic growth, etc.). So far, a more authoritative study has been conducted by Alon, Titan et al. [1] on the job market during the epidemic in the U.S., on which this paper builds a deeper understanding and discussion. The following words mainly discuss the impact of the COVID-19 epidemic on the job market and related macro policies, especially on the female labor force compared with the male labor force, using qualitative research and comparative analysis. Finally, the research raises several changes that women workers (in the labor market) can make during economic recovery and their contributions to the national economy. It helps to improve women's employability, broaden employment channels, and provide ideas for a new round of female employment. These provide assistance in the formulation of

national macro-policies, promote the revitalization of the national economy in the wake of the epidemic, and respond to the world's call.

## **2. Impact of the Epidemic on the Job Market and Related Macro Policies**

To study the impact of the epidemic on women's employment, it is necessary to first study the impact of this epidemic on the overall economic environment. This has also given rise to numerous macro policies that deserve an in-depth exploration.

### **2.1. Changes in Labor Supply and Demand**

The pandemic has led to a decline in demand for most industries, resulting in shutdowns and layoffs, thereby reducing the overall demand for labor. In the short term, this impact is expected to ease as the pandemic subsides and the economy recovers; however, in the long run, factors such as businesses' changed perception of risk, more cautious investment and expansion decisions, and increased automation are expected to have a continuous impact on labor demand. At the onset of the COVID-19 crisis, Bartik combined data from traditional government surveys with non-traditional data sources in his research. The analysis concluded that in the spring of 2020, the situation underwent a sharp change: the unadjusted unemployment rate surged by 10.6 percentage points between February and April, reaching 14.4%, while the employment rate decreased by more than 9 percentage points during the same period [2]. The COVID-19 pandemic has impacted most aspects of economic operations. The most obvious changes are a significant decrease in people's incomes, reduced demand, and a decline in production capacity on the supply side, leading to a decrease in labor demand and an increase in unemployment rates. This is a vicious circle for the world, reminding countries that they need to implement macro-level reforms and adjustments. In order to cope with the pandemic, the government has introduced a series of policy measures, such as postponing the resumption of work and reducing taxes and fees. These policies have had a certain impact on labor relations, such as adjustments in wages, treatment, and benefits.

### **2.2. Structural Changes in Employment**

Veronica et al. pointed out in their paper that "production in the sector affected by the shock is carried out by firm-worker match pairs. Each firm is matched with a single worker [3]." Then, they formed the hypothesis of work-matching disruption by building a model. When structural reforms occur in an industry, structural unemployment rises rapidly. During the pandemic, some industries have been significantly affected, such as tourism, catering, and retail, most of which are labor-intensive industries with low skills. With the acceleration of automation replacement, the demand for low-skilled labor has been greatly affected. On the other hand, industries with national strategic priorities such as information technology and new energy vehicles have shown strong resilience during the pandemic, and the demand for related jobs is expected to grow gradually. Casarico explored the short-run heterogeneous effects of COVID-19 on labor market flows in Italy, distinguishing workers according to their age, gender, education level, area of work, type of contract, sector, and opportunity of remote work [4]. This study investigates the degree to which different types of labor are affected by the industrial reforms during the pandemic (including analysis of labor contract signing, the government's policy of banning layoffs, etc.). It is clear that gender differences are also included. Therefore, the following text can be developed based on this study: The impacts of the pandemic on male and female labor are in different degrees and aspects.

### 3. Impact of the Epidemic on Female Employment

The COVID-19 pandemic has had a significant impact on the global job market, with women being particularly hard hit. For example, the pandemic has exacerbated gender discrimination, with some companies citing costs as a reason to lay off female employees more readily. In addition, women's opportunities for promotion in the workplace have also been affected to some extent. Moreover, during the pandemic, family responsibilities have increased, especially for families with children. Women often have to take on more household chores and childcare tasks, which puts them at a disadvantage in job hunting and competition in the workplace. Such issues have prompted the author to discuss the differences in the impact of the pandemic on male and female labor, as well as what characteristics this COVID-19 pandemic has compared to previous ones.

#### 3.1. Gender Differences

Bick and Blandin conducted an online survey to provide real-time evidence on the labor market impact of the current recession [5]. The authors show that between February and June 2020, the employment rate of women (including those who are employed and working) decreased by 17.8 percentage points, whereas the decrease for men was only 15.8 percentage points. In terms of working hours, the gender gap is even larger: from February to May, the average working hours of women fell by 27%, compared to only a 20% decrease for men. These differences in decline can be attributed to two main factors: first, the decreased demand for female labor in the market, and second, the distinct roles of women and men in the household-level functioning mechanism.

During the COVID-19 pandemic, many industries and businesses suffered, leading to layoffs and reduced working hours. Women, who tend to be concentrated in certain sectors such as healthcare, education, and service industries, were disproportionately affected. Moreover, some employers may have preferred to hire men due to gender biases or stereotypes, further exacerbating the decline in female employment [6]. Based on this issue, there are many industries to explore. Women make up a significant portion of the healthcare workforce, which has been overwhelmed by the pandemic. They work in various roles, including nurses, doctors, pharmacists, and support staff. The increased demand for healthcare services, combined with the high risk of exposure to the virus, has led to burnout, fatigue, and in some cases, job losses among female healthcare workers. The closure of schools and universities has affected female educators the most, including teachers, professors, and support staff. Many have had to adapt to online teaching or find alternative ways to provide education during the pandemic. This sector has also seen layoffs and reduced working hours, disproportionately affecting women. Women play a significant role in the service sector, which includes industries such as retail, hospitality, and food service. The pandemic has led to widespread business closures and reduced customer demand, resulting in job losses and decreased working hours for women in these sectors. As for other fields, they are more closely connected with the disrupted global supply chains, thus contributing to industry depressions.

On the other side, women typically bear a greater share of household responsibilities, such as childcare and household chores, which may have increased during the pandemic as families adapted to stay-at-home orders and social distancing measures. This increased burden at home might have led to women reducing their working hours or leaving the labor force altogether to prioritize their family responsibilities [7]. Due to the closure of schools and childcare centers, the primary task for many women has become round-the-clock childcare. This not only includes taking care of children's daily lives, such as cooking, laundry, and homework tutoring, but also constantly paying attention to their physical and mental health to ensure that they can maintain a positive attitude during the pandemic. "As the pandemic regression progresses, many of the women who initially worked part-time drop out of the labor force to meet childcare needs, which makes it more difficult for these women to find a

job and expand employment later on [1].” During the pandemic, family members have been staying at home for extended periods, leading to an increase in daily household tasks. Women need to spend more time and energy maintaining the cleanliness and safety of the home environment, including cleaning, shopping, and handling family finances. Additionally, women need to pay attention to the health status of their family members and ensure that they comply with epidemic prevention measures, such as wearing masks, maintaining social distancing, and washing hands frequently. Moreover, they also need to stay updated on the epidemic situation and develop corresponding response strategies for the family. Given the increase in various family responsibilities mentioned above, many women may feel under immense pressure. In such cases, they might choose to reduce their working hours or even withdraw from the labor market entirely to prioritize their family responsibilities. This not only affects women themselves but may also have a profound impact on society as a whole, such as exacerbating gender inequality and reducing women's status in the workplace.

### **3.2. Specificity with Other Recessions**

It is worth noting that the slowing down of the business cycle recovery in recent decades is entirely related to the slowing growth of women's employment rate [8]. It is known that women's employment and unemployment are closely related to the overall environment, and economic development is greatly dependent on the employment situation of female labor. The chain reactions of the pandemic on women's employment and the differences between the pandemic and other economic cycles can be analyzed based on this relationship.

In previous economic downturns leading up to the current crisis, such as the Great Recession of 2007-2009, male workers tended to be more significantly affected by job losses than their female counterparts [7]. In regular recessions, the male-dominated industries (such as construction, manufacturing, and transportation) where female representation is typically low, were hit hardest by the recession. These sectors experienced significant job losses. Female workers, on the other hand, are more likely to be employed in sectors like education, healthcare, and retail, which were less severely affected by the downturn. But this time, the impacted industries are different from usual. Women have a higher proportion of employment in sectors affected severely by the pandemic, such as catering, tourism, and retail. These industries have been severely impacted during the pandemic, leading to a large number of female layoffs. However, men have a higher proportion of employment in industries less affected by the pandemic, such as construction and manufacturing, therefore, relatively fewer of them are affected by unemployment [9]. The phenomenon is also connected with macro policies, especially in areas with severe epidemics, measures such as home quarantine and school closures require women to spend more time and effort caring for their families, thereby affecting their job opportunities. It is worth mentioning that women are more vulnerable to impacts in jobs with higher flexibility. During the pandemic, many companies have adopted remote work and reduced working hours, which may be difficult for women who need to care for their families to adapt to. In contrast, men often have greater flexibility in their work, enabling them to maintain relatively stable employment during the pandemic.

## **4. Response of Female Force Labor and What They Can Do**

In the existing pandemic environment, the employment situation is harsh for both male and female workers. For women, there are additional pressures such as unfair competition and job discrimination. Setting aside the women who are voluntarily unemployed, the question of how women can protect themselves in the labor market is the solution this paper aims to explore.

#### **4.1. Broaden Employment Channels**

Within the mainstream economic theory, education is assumed to affect potential wages, and in turn, labor market supply [10]. Education gained increasing attention in explaining the likelihood of women being employed. Females can try to gain training programs and educational opportunities from different organizations to acquire new skills and increase their employability in various industries, thus expanding the employment fields for themselves. Meanwhile, apart from education, housework burdens and family-related responsibilities are usually taken into consideration [11]. Thus, policies alleviating the financial burden of child-rearing were shown to exert a positive impact on women's labor supply [12]. With spare time, ample energy, and sufficient funds, female workers can freely explore various careers, thereby expanding their employment horizons. For example, the government can provide support and resources for female entrepreneurs to help them start and grow their own businesses.

#### **4.2. Innovative Approaches to Employment**

Vasudevan addressed in her paper that within the framework of the new liberalist development policy, promoting self-employment through the financial inclusion initiative has been adopted to leverage women's entrepreneurial and productive capabilities [13]. During the COVID-19 pandemic, remote work is a typical example of innovative employment. With the development of technology, remote work has become an increasingly popular choice for women. Firstly, remote work allows women to arrange their working hours independently, enabling them to pursue career development while taking care of their families and children. It enables women to balance work and family life by working from home and taking care of their families [13]. Moreover, it reduces the time and cost of commuting for women, giving them more time for rest and household affairs.

#### **4.3. Macro Support**

To ensure gender equality in employment, the government needs to formulate and implement a series of related regulations to ensure that women have equal rights in employment, compensation, promotion, and other aspects. The government should establish anti-gender discrimination regulations, explicitly prohibiting gender discrimination in recruitment, employment, promotion, and compensation. Meanwhile, the government should strengthen the investigation and punishment of discriminatory behaviors and impose strict sanctions on illegal actions. The government should encourage enterprises to implement equal employment policies, including transparent recruitment information, fair selection, and gender-balanced employee teams. The government should encourage enterprises to implement equal compensation systems, ensuring that women and men in the same positions enjoy the same compensation. Finally, the government should strengthen the supervision of enterprise compensation systems, regularly conduct salary surveys, and reveal potential gender salary gaps.

As for other aspects, the government still has a lot to do to help women be more easily employed. Since women spend more time and effort on childbearing and household tasks than men, there is a need for the government to increase support for child-rearing, expand public childcare facilities, reduce the cost of raising children, and help women balance work and family life. Also, the government should optimize fertility policies and provide more maternal benefits, such as extending maternity leave and adding parental leave, to alleviate the work pressure on women during their pregnancy and childbirth.

## 5. Conclusion

As a result of the COVID-19 pandemic, countries around the world have entered the sharpest economic downturn since the Great Depression. Apart from the severity, the downturn's main difference from other recessions also lies in its impact on women's employment. Through analysis, it can be concluded that the position of women in the labor market is influenced by various factors, and this complex background increases the risk of unemployment for women during the COVID-19 pandemic. Therefore, a series of policies should be formulated to reduce the negative impact of this macro environment on female labor. It is undeniable that the research in this paper has helped women's post-epidemic employment to some extent, promoted economic recovery, and filled a gap in related research. However, this paper also has the following two limitations: first, the data provided is insufficient, resulting in the reflection of most theories without foundational arguments. Second, the scope of the study is large and maybe a little too macro.

## References

- [1] Alon, T.M., Doepke, M., Olmstead-Rumsey, J. and Tertilt, M. (2020). *This Time it's Different: The Role of Women's Employment in a Pandemic Recession*. CEPR: Macroeconomics & Growth (Topic).
- [2] Bartik, A.W., Bertrand, M., Lin, F., Rothstein, J. and Unrath, M. (2020). *Measuring the Labor Market at the Onset of the COVID-19 Crisis*. *Brookings Papers on Economic Activity*, 2020, 239-268.
- [3] Guerrieri, V., Lorenzoni, G., Straub, L. and Werning, I. (2020). *Macroeconomic Implications of Covid-19: Can Negative Supply Shocks Cause Demand Shortages?* ERN: Other Macroeconomics: Prices.
- [4] Casarico, A. and Lattanzio, S. (2022). *The heterogeneous effects of COVID-19 on labor market flows: evidence from administrative data*. *Journal of Economic Inequality*, 20, 537-558.
- [5] Bick, A. and Blandin, A. (2020). *Real-Time Labor Market Estimates During the 2020 Coronavirus Outbreak*. SSRN Electronic Journal.
- [6] Cipollone, A. and D'Ippoliti, C. (2009). *Women's Employment: Beyond Individual Characteristics vs. Contextual Factors Explanations*. *The American Journal of Economics and Sociology*, 756-783.
- [7] Doepke, M. and Tertilt, M. (2016). *Families in Macroeconomics*. *Development Economics: Macroeconomic Issues in Developing Economies eJournal*.
- [8] Fukui, M., Nakamura, E. and Steinsson, J.B. (2018). *Women, Wealth Effects, and Slow Recoveries*. NBER Working Paper Series.
- [9] Gustafsson, S. and Kenjoh, E. (2008). *The Timing of Maternity*. ed. Daniela Del Boca and Cécile Wetzels, 1st ed. Cambridge University Press, 182-224, <https://doi.org/10.1017/CBO9780511493409.007>.
- [10] Cipollone, A. and D'Ippoliti, C. (2011). *Women's employment: Joining explanations based on individual characteristics and on contextual factors*. *The American Journal of Economics and Sociology*, 70, 756-783.
- [11] Sánchez-Mangas, R. and Sánchez-Marcos, V. (2008). *Balancing family and work: The effect of cash benefits for working mothers*. *Labour Economics*, 15, 1127-1142.
- [12] Vasudevan, R. and Raghavendra, S. (2022). *Women's Self-Employment as a Developmental Strategy: The Dual Constraints of Care Work and Aggregate Demand*. *Feminist Economics*, 28, 56-83.
- [13] Papanikolaou, D. and Schmidt, L.D. (2020). *Working Remotely and the Supply-Side Impact of COVID-19*. *Review of Asset Pricing Studies*.