



31 August 2020

Shadow Pandemic: COVID-19, Gender Inequality & the Role of the Private Sector

The Economic Impact of the COVID-19 Pandemic on Women

COVID-19 has a disproportionate effect on women and their economic status. This is because women are more at risk due to existing gender inequalities. Women are at the frontline of the COVID-19 crisis, with an economic downturn likely to negatively impact women the most.

The pandemic has exacerbated the challenges that women habitually experience, despite decades of progress on the gender inequality front. A key example is the dramatic increase in women's unpaid care work. The United Nations estimates that on average, women do three times more unpaid care work than men.^[1] Even before the pandemic, The International Monetary Fund (IMF) calculated that on average, women did 2.7 more hours of unpaid housework per day than men.^[2]

The International Labour Organisation (ILO) estimates that 41% of women are employed in sectors that are at high risk of job losses due to the pandemic.^[3] In South Africa, two million of the nearly three million job losses as a direct result

^[1] Morse, M., & Anderson, G., The shadow pandemic: How the COVID-19 crisis is exacerbating gender inequality, United Nations (UN) Foundation, 14 April 2020, Available at: <https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/>

^[2] International Monetary Fund (IMF), The Covid-19 Gender Gap, 21 July 2020, Available at: <https://blogs.imf.org/2020/07/21/the-covid-19-gender-gap/>

^[3] International Labour Organisation (ILO), The COVID-19 response: Getting gender equality right for a better future for women at work, 22 May 2020, Available at: https://www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_745628/lang--en/index.htm

of COVID-19, were held by women.^[4] Furthermore, women are more likely than men to work in social sectors that require face-to-face service, with these sectors worst affected by the ongoing social distancing measures put in place to curb the spread of the virus.

As a result, unemployment among women in the United States was two percentage points higher than men between April-June 2020.^[5] Due to the nature of these jobs, remote or online working is not an option for these sectors, with the IMF indicating that as little as 12% of the population in low income countries are able to work remotely. The Quarterly Labour Force Survey, released on 23 June 2020 by Statistics South Africa (Stats SA), indicates that the unemployment rate in South Africa has increased to 30,1% in the first quarter of 2020,^[6] with black African women as the most vulnerable group and therefore worst affected by unemployment.

The impact on women in the informal sector is even more severe. The United Nations estimates that across the globe, 740 million women work in the informal sector, with informal work making up 70% of women's employment in developing countries.^[7] Informal jobs are usually the first to disappear in a global downturn and are the slowest to recover, leading to long-term detrimental implications for women's livelihoods and welfare as a direct result. Due to the COVID-19 lockdown in South Africa, working hours for self-employed women in the informal sector declined disproportionately to men, with earnings decreasing by almost 70%.^[8]

The additional burden of unpaid labour means a loss in human capital from the perspective of time that could be invested in formal education or acquiring new skills. These compounded impacts mean that women become trapped in the poverty cycle, unable to break through these structural barriers, which would otherwise enable them to progress into formal employment. This is particularly pertinent for single, female headed households.

The impact of the pandemic on women and girls is best summed up by the United Nations in their Policy Brief - The Impact of COVID-19 on Women - as follows:

^[4] Iskander, M., A survey shows young women are bearing the brunt of Covid-19 unemployment, Daily Maverick, 12 August 2020, Available at: <https://www.dailymaverick.co.za/article/2020-08-12-a-survey-shows-young-women-are-bearing-the-brunt-of-covid-19-unemployment/>

^[5] Ibid

^[6] StatsSA, Mbalo Brief – June 2020, Statistics South Africa, 2 July 2020, Available at: <http://www.statssa.gov.za/?p=13411#:~:text=According%20to%20Statistics%20South%20Africa,the%20first%20quarter%20of%202020.>

^[7] Morse, M., & Anderson, G., The shadow pandemic: How the COVID-19 crisis is exacerbating gender inequality, United Nations (UN) Foundation, 14 April 2020, Available at: <https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/>

^[8] Iskander, M., A survey shows young women are bearing the brunt of Covid-19 unemployment, Daily Maverick, 12 August 2020, Available at: <https://www.dailymaverick.co.za/article/2020-08-12-a-survey-shows-young-women-are-bearing-the-brunt-of-covid-19-unemployment/>

“Across the globe, women earn less, save less, hold less secure jobs, are more likely to be employed in the informal sector. They have less access to social protections and are the majority of single-parent households. Their capacity to absorb economic shocks is therefore less than that of men.”^[9]

It is vital not only for the private sector, but also for South Africa as a whole, to reflect and critically engage on issues of gender inequality, unpaid care work, exclusion and marginalisation that have been exacerbated since the national lockdown. Fundamentally, realising gender equality in the South African context also requires addressing and closing the pay gap in the workplace.

Addressing Gender Inequality and Closing the Gender Pay Gap in South Africa

The National Business Initiative (NBI), has a dedicated focus on gender equity in the workplace through our gender pay gap work. Foundational to the NBI’s work is creating collective action platforms that can build scale and systemic impact. In South Africa, women carry the responsibility for households, families and communities disproportionately, and remain underpaid. Working towards achieving gender equality and addressing various social issues connected to this inequality, means addressing and closing the gender pay gap. In the South African context, the pay gap is complex as it is both gendered and racialized.

As part of our gender equity pathway, the NBI has partnered with the Southern Centre for Inequality Studies, to conduct a Gender Pay Gap Pilot to calculate the pay gap for South African companies. The report from this study is aimed at developing and applying economic models that are contextually relevant and applicable to organisations across sectors.

Not addressing gender inequality will be far more costly for economies in the long-term. McKinsey has found that in a gender-regressive scenario, where no steps are taken to address the gender inequality issues that have been outlined above, global GDP growth could be an estimated \$1 trillion lower in 2030 than it would be if women’s unemployment in each sector simply tracked that of men.^[10] Conversely, the same study estimates that taking action to advance gender equality during the pandemic, as opposed to waiting till it has ended, could potentially add \$13 trillion to global GDP by 2030, compared with the gender-regressive scenario.^[11]

Steps that companies can take towards addressing gender inequality in the workplace include:

- Designing and implementing strategies that tackle the new challenges posed by the ever-changing world of work, including those which address COVID-19 related gender issues.
- Supporting enterprises and investing in supply chains that include women-owned and particularly black female-owned businesses.
- Creating robust and transparent policies that commit to equal pay for work of equal value.
- Ensuring inclusive corporate cultures, based on the promotion of gender equality as part of the overall crisis response strategy.
- Recognising the reality of unpaid care work and where possible, creating supportive policies and corporate cultures that work to reduce the negative impacts of this daily reality on women.

^[9] United Nations (UN), Policy Brief: The Impact of COVID-19 on Women, 9 April 2020, Available at: https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf

^[10] Madgavkar, A., White O., Krishnan, M., Mahajan, D., & Azcue, X., COVID-19 and Gender Equality: Countering the Regressive Effects, McKinsey and Company, 15 July 2020, Available at: <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects#>

^[11] Ibid

Women's Month is an opportune time not only to engage on gender issues, but also to solidify commitments towards achieving equality and transformation in the workplace. As the country continues to grapple with these issues, it is imperative for companies to make tangible changes which drive the gender equity agenda forward.

For more information on the National Business Initiative's (NBI) Gender Equality and Gender Pay Gap work, please contact Gugu McLaren-Ushewokunze: GuguM@nbi.org.za

[1] Morse, M., & Anderson, G., The shadow pandemic: How the COVID-19 crisis is exacerbating gender inequality, United Nations (UN) Foundation, 14 April 2020, Available at: <https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/>

[2] International Monetary Fund (IMF), The Covid-19 Gender Gap, 21 July 2020, Available at: <https://blogs.imf.org/2020/07/21/the-covid-19-gender-gap/>

[3] International Labour Organisation (ILO), The COVID-19 response: Getting gender equality right for a better future for women at work, 22 May 2020, Available at: https://www.ilo.org/global/about-the-ilo/multimedia/video/institutional-videos/WCMS_745628/lang--en/index.htm

[4] Iskander, M., A survey shows young women are bearing the brunt of Covid-19 unemployment, Daily Maverick, 12 August 2020, Available at: <https://www.dailymaverick.co.za/article/2020-08-12-a-survey-shows-young-women-are-bearing-the-brunt-of-covid-19-unemployment/>

[5] Ibid

[6] StatsSA, Mbalo Brief – June 2020, Statistics South Africa, 2 July 2020, Available at: <http://www.statssa.gov.za/?p=13411#:~:text=According%20to%20Statistics%20South%20Africa,the%20first%20quarter%20of%202020.>

[7] Morse, M., & Anderson, G., The shadow pandemic: How the COVID-19 crisis is exacerbating gender inequality, United Nations (UN) Foundation, 14 April 2020, Available at: <https://unfoundation.org/blog/post/shadow-pandemic-how-covid19-crisis-exacerbating-gender-inequality/>

[8] Iskander, M., A survey shows young women are bearing the brunt of Covid-19 unemployment, Daily Maverick, 12 August 2020, Available at: <https://www.dailymaverick.co.za/article/2020-08-12-a-survey-shows-young-women-are-bearing-the-brunt-of-covid-19-unemployment/>

[9] United Nations (UN), Policy Brief: The Impact of COVID-19 on Women, 9 April 2020, Available at: https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf

[10] Madgavkar, A., White O., Krishnan, M., Mahajan, D., & Azcue, X., COVID-19 and Gender Equality: Countering the Regressive Effects, McKinsey and Company, 15 July 2020, Available at: <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects#>

[11] Ibid



Copyright © 2020 NBI, All rights reserved.

The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela.

NBI Website: www.nbi.org.za

Email: info@nbi.org.za

The National Business Initiative (NBI) respects your right to privacy, if you do not wish to receive any further news updates from the NBI, please click **[UNSUBSCRIBE](#)** and your name will be removed from the mailing list.

