

THE DIFFERENTIAL IMPACT BY GENDER OF THE COVID-19 CRISIS ON THE SPANISH LABOUR MARKET

Marina Gómez García, Laura Hospido Quintana and Carlos Sanz Alonso

This early-release box was published on 14 September

On data from the Spanish Labour Force Survey (EPA by its Spanish initials) relating to 2019 Q4, 19.97 million people were employed in the Spanish economy prior to the onset of the COVID-19 pandemic: 10.81 million men and 9.16 million women. The unemployment rate for women stood 3.3 percentage points (pp) higher than that for men (15.5% vs 12.2%) and their labour market participation rate was 10.7 pp lower (53.5% vs 64.2%).

Based on data provided by the EPA, this box documents the extent to which the COVID-19 crisis has had a differential impact by gender on the main variables describing developments in the Spanish labour market.¹ To this end, the cumulative impacts to date (the latest EPA data relate to 2021 Q2) and their changes over time are quantified.

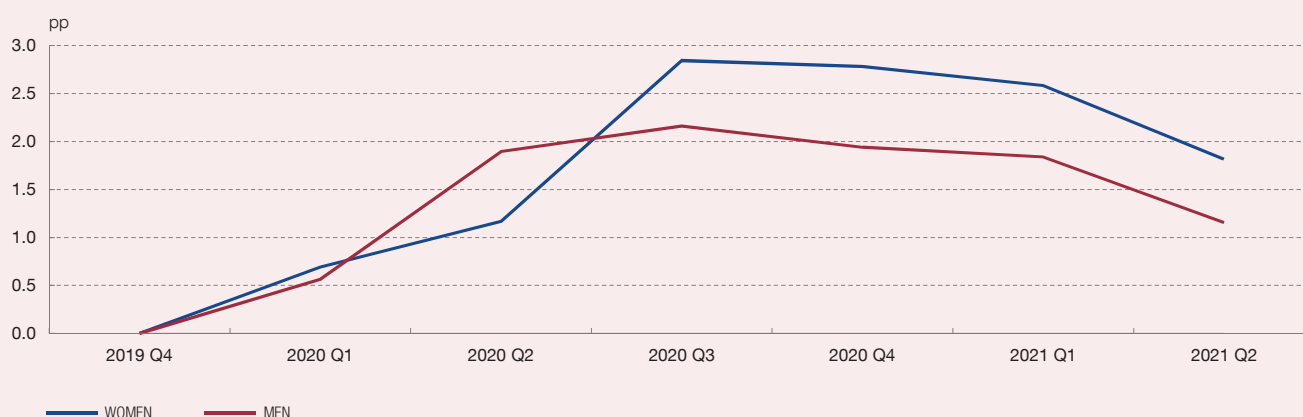
As Chart 1 shows, up to 2021 Q2 the health crisis had triggered a sharper increase in the female unemployment rate (of 1.8 pp to 17.4%) than the male rate (of 1.2 pp to 13.4%), widening the female-male unemployment gap that existed prior to the onset of the pandemic. However, it should be noted that this widening, which was particularly marked between end-2019 and end-2020, has been narrowing slightly over the last two quarters.

This differential performance across male and female unemployment rates also reflects highly diverse dynamics

in terms of developments in employment, unemployment and participation by gender. For instance, in the initial quarters of the crisis the decline in employment and the labour force was considerably more pronounced among women than men (see Charts 2 and 3, respectively). However, since end-2020 women have registered more favourable changes than men in terms of both employment and labour force. This is particularly evident in labour market participation, with the 2021 Q2 figures for women already exceeding pre-pandemic levels both in the number of individuals and the labour force participation rate (see Chart 4). It is precisely the female labour force's greater dynamism in recent quarters that largely explains: (i) this group's above-mentioned poorer unemployment rate performance; and (ii) the fact that between 2019 Q4 and 2021 Q2 the number of unemployed women grew faster than that of men (13% vs 8.9%) (see Chart 5).

The dynamics described in the above paragraphs allow us to assess, to some extent, the profound implications of the COVID-19 crisis for the Spanish labour market and how, in some cases, these have differed between men and women. However, a fuller picture of the pandemic-induced distortions in the Spanish labour market would also need to factor in the extraordinary impact on employment and on actual hours worked had by use of furlough schemes and the suspension of activity for the

Chart 1
CHANGE IN UNEMPLOYMENT RATE: DIFFERENCE VS 2019 Q4



SOURCE: EPA.

¹ For a similar analysis relating to the euro area labour market, see V. Botelho and P. Neves (2021), "The impact of the COVID-19 crisis on the euro area labour market for men and women", *Economic Bulletin*, 4/2021, European Central Bank.

THE DIFFERENTIAL IMPACT BY GENDER OF THE COVID-19 CRISIS ON THE SPANISH LABOUR MARKET (cont'd)

self-employed, and whether this has been heterogeneous across gender.

In this connection, the evidence available suggests that both men and women have benefited very considerably from the relatively widespread use of the temporary employment retention programmes during this crisis. For instance, on average in 2020 Q2, women subject to pandemic-related job retention schemes accounted for 17.9% of all women registered with Social Security, while for men that percentage stood at 15.5%. Turning back to the EPA data, from 2020 Q2 the percentage of female employees working zero hours in a specific week owing to a partial halt in work for technical or economic reasons or

being laid off² has also been slightly higher than that of men (see Chart 6).

As regards actual hours worked, Chart 7 shows that, when considering the median of the distribution of this variable for men and women, the fall was particularly steep for women in 2020 Q2. Since then, the number of hours actually worked has behaved somewhat more favourably for women than for men, although so far not well enough to close the gender gap in this variable that emerged after the outbreak of the pandemic.

Considering the average number of hours worked by men and women (rather than the median of this variable, as in

Chart 2
CHANGE IN EMPLOYMENT



Chart 3
CHANGE IN LABOUR FORCE



Chart 4
CHANGE IN LABOUR FORCE PARTICIPATION RATE: DIFFERENCE VS 2019 Q4

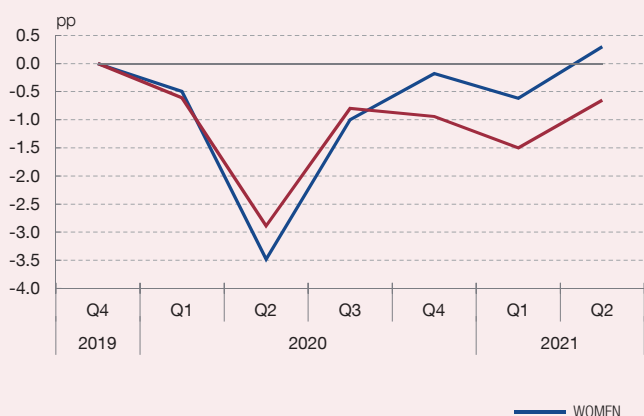
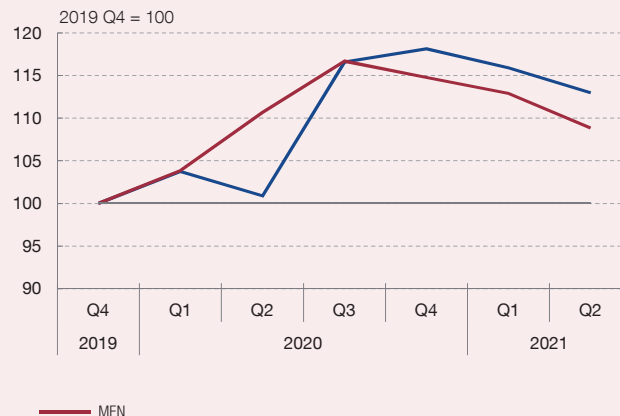


Chart 5
CHANGE IN UNEMPLOYMENT



SOURCE: EPA.

2 This indicator may be considered a proxy for the number of workers in job retention schemes who are working zero hours. See M. Izquierdo, S. Puente and A. V. Regil (2021), "Furlough schemes in the COVID-19 crisis: an initial analysis of furloughed employees resuming work", *Economic Bulletin*, 2/2021, Banco de España.

THE DIFFERENTIAL IMPACT BY GENDER OF THE COVID-19 CRISIS ON THE SPANISH LABOUR MARKET (cont'd)

the preceding paragraph), the two genders underwent a similar fall, of around 20%, between 2019 Q4 and 2020 Q2. The fact that during this period the hours worked by men have decreased much more in average terms than in median terms, while for women the fall has been virtually the same for these two metrics, is related to the differential impact of the COVID-19 crisis at the ends of the distributions of actual hours worked by these two groups.³ In this regard, considering the scale of the changes that have arisen at the ends of these distributions,

in order to assess the impact of the crisis on the degree of worker vulnerability, it seems more appropriate to analyse the changes in hours worked in the central portion of these distributions, i.e. the median.

Undoubtedly, the steeper decline for women in the number of hours worked during this crisis is in part linked to the asymmetric impact of the pandemic on the activity of the economy's different productive sectors. Indeed, some of the sectors hardest hit by the pandemic and the

Chart 6
PERCENTAGE OF EMPLOYEES WITH ZERO HOURS WORKED (a)

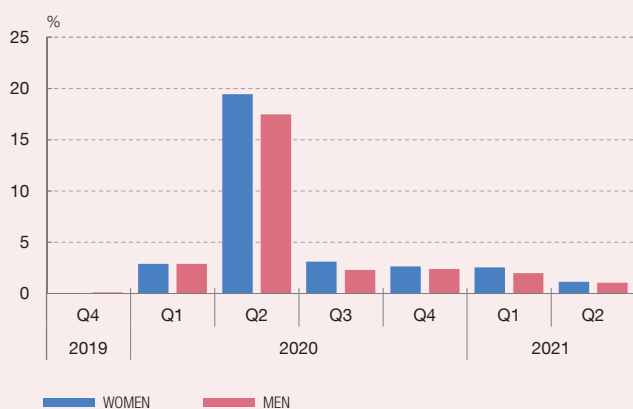


Chart 7
CHANGE IN ACTUAL HOURS WORKED (MEDIAN)

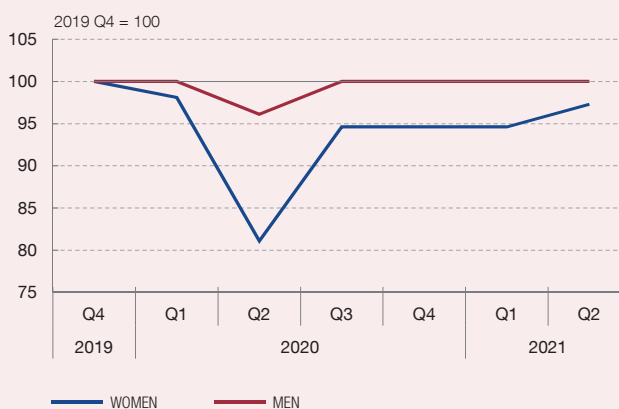
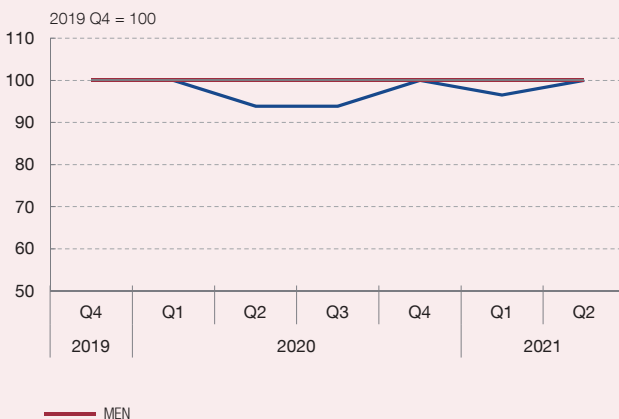


Chart 8
CHANGE IN ACTUAL HOURS WORKED, SOCIAL INDUSTRIES (MEDIAN)



Chart 9
CHANGE IN ACTUAL HOURS WORKED, OTHER SECTORS (MEDIAN)



SOURCE: EPA.

a Only reflects those respondents reporting zero hours worked due to a partial halt in work for technical and economic reasons or being laid off.

3 For instance, while for women the 10th percentile of hours worked per week fell from five hours in 2019 Q4 to zero in 2020 Q2, for men the fall was from 20 to zero. At the other end of the distribution, for women the 90th percentile of hours worked per week held at 40 hours throughout the period, while for men it decreased from 48 hours in 2019 Q4 to 45 hours in 2020 Q2.

containment measures deployed have a notably high relative share of female employment.⁴ This is particularly true of hospitality, retail and arts and recreation services (i.e. the social industries),⁵ where the declines in the median total number of hours actually worked versus 2019 Q4 were especially sharp for women (see Charts 8 and 9).

In sum, this box documents the impact of the COVID-19 crisis on the Spanish labour market and throws into relief

some of the gender asymmetries observed in that impact. Specifically, in the first quarters of the crisis, the drop in employment, in labour force and in actual hours worked was sharper for women than for men. However, since end-2020, these variables have behaved somewhat more favourably for women. In any event, between 2019 Q4 and 2021 Q2, gender disparity increased in terms of the unemployment rate and actual hours worked, while it decreased in terms of the labour force participation rate.

4 See P. Alvargonzález, M. Pidkuyko and E. Villanueva (2020), "The financial position of the workers most affected by the pandemic: an analysis drawing on the Spanish Survey of Household Finances", Analytical Articles, *Economic Bulletin*, 3/2020, Banco de España.

5 The social industries comprise retail, hospitality, education, arts and recreation services, other service activities, households as employers and extra-territorial organisations and bodies. In 2019 Q4, 47.6% of employed women worked in social industries, compared with 30.5% of men.