

How Women Bear the Brunt of COVID-19's Damages on Work (Continued, Part II): Catch Up With Men on the Employment Recovery

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I. Introduction

One year has passed since the COVID-19 pandemic began menacing the world. In the first article¹ under my column “How Women Bear the Brunt of COVID-19’s Damages on Work,” I reported on the how decreases in hours worked and income in April and May 2020, when the economy rapidly worsened under the government’s state of emergency declaration, were larger for females than for males. In the following article,² I looked at June and July, when the economy was made a slight recovery, and reported that, similarly, female employment was recovering more sluggishly in comparison with male employment. However, from August to November, a time of further economic recovery, improvements in hours worked and income peaked for males but continued for females. In this article, I will explore this new trend in employment recovery and the primary factors behind it.

II. A reversal in male-female employment trends

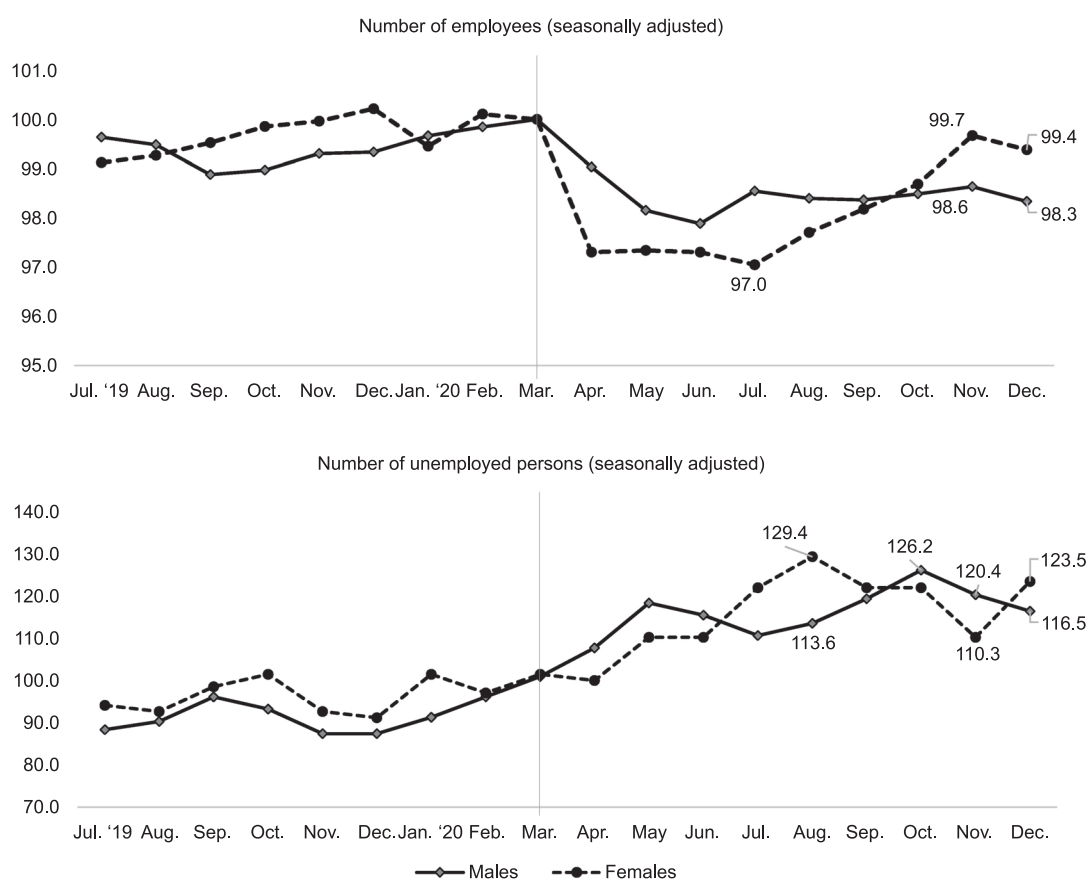
Although the COVID-19 pandemic’s effects on employment have been less severe in Japan compared to Western countries, the fact that its impacts are felt most by vulnerable groups is the same in Japan as it is elsewhere. Women, in particular, make up a large percentage of employment in industries involving interpersonal services, such as food service and accommodations, and many of those are engaged in non-regular employment. Consequently, the occurrence of what is coined the

“she-cession” phenomenon—whereby female employment is affected more than male employment—has been confirmed in various studies.³



According to the employee survey, “Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life”⁴ conducted by Japan Institute for Labour Policy and Training (JILPT), decreases in hours worked and income were greater for females than males in April-May 2020, when the economy worsened, and recovery in employment was more sluggish for females than males in June-July, when the economy improved.⁵ According to a large nationwide survey of 68,000 employees conducted jointly by NHK (Japan Broadcasting Corporation) and JILPT, the percentage of respondents who were dismissed, on job-separation, furloughed for more than seven days or experienced a significant decrease in hours worked within the seven-month period since April 2020 was 26.3% for females, as opposed to 18.7% for males.⁶

This is a trend unlike those seen previously appears in August-November, when the economy made a rapid recovery. Let us look at changes in numbers of employees by sex. For August to November, the number for male employees remains relatively unchanged from the pre-COVID-19 number (March 2020) at around 98% of the normal level. However, that for female employees shows a continuing gradual recovery that reaches 99.7% of the pre-COVID-19 number in November. A similar trend is seen for the number of unemployed persons.



Source: Ministry of Internal Affairs and Communications, *Labour Force Survey (Basic Tabulation)*.

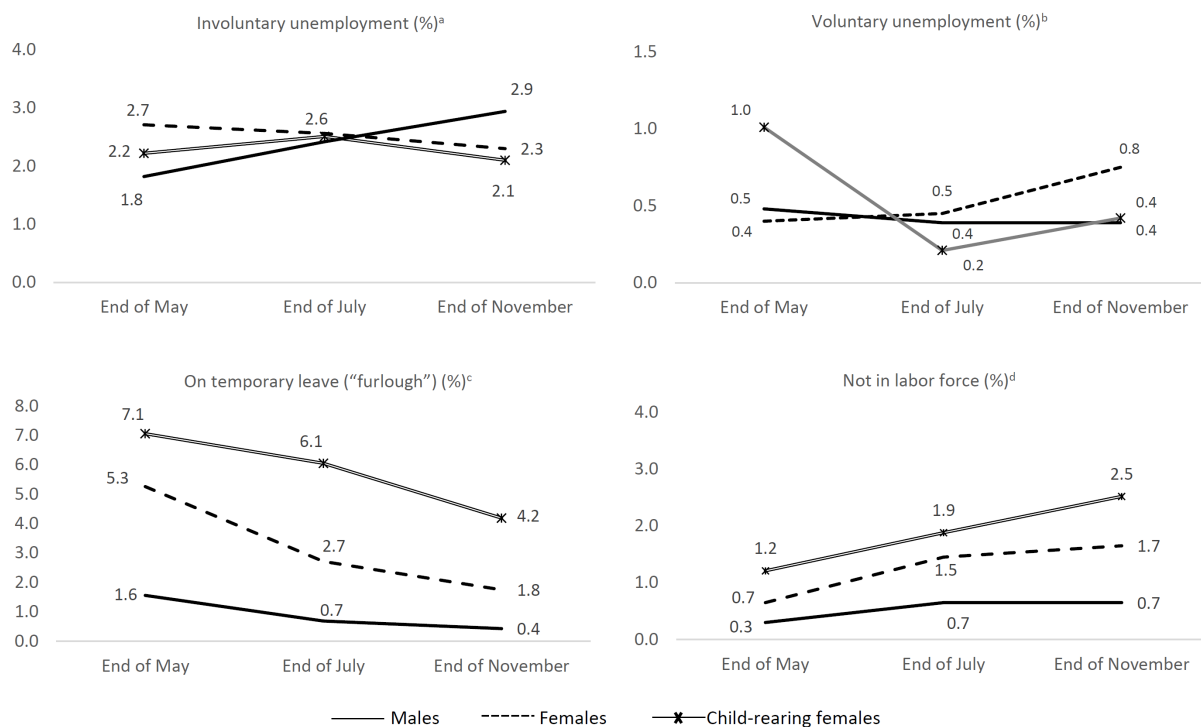
Figure 1. Changes in number of employees by sex and number of unemployed persons (seasonally adjusted, March 2020=100)

The number of unemployed persons for females reaches a high of 129.4% of the pre-COVID-19 level in August and then improves to 110.3% in November. On the other hand, the number of male unemployed persons increases from August and worsens to 129.4% of the pre-COVID-19 level in November (Figure 1).

That a reversal in the employment trends of males and females occurred can also be seen in aforementioned JILPT employee survey conducted in mid-December (Figure 2 and Appendix 1). When the survey asked 4,307 employees (aged between 20 and 64 years) of private companies who were employed on April 1, 2020, about their employment situation at the end of November, the percentage of women who responded “involuntarily unemployed” due to dismissal, termination of employment

contract, or company bankruptcy fell below that of men for the first time. In a May 2020 Survey, involuntary unemployment was higher for females than males (2.7% vs. 1.8%), but in the December Survey, this situation reversed, with males having a higher percentage (2.9%) than females (2.3%).

The gender gap is also shrinking in terms of the percentage of respondents indicating “on temporary leave (furlough),” indicating that the respondent is employed but did not actually work. As of the end of November, the percentage of women on furlough was 1.8%, compared to 0.4% of men. Thus, a disparity between the sexes continues to exist. However, the size of the difference between them shrank from 3.7 percentage points at the end of May to 1.4 percentage points. The percentage of those on “furlough” (including childcare leave) among females



Source: Statistics based on the JILPT "Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life" (conducted around the end of May, August, and December 2020). See Appendix 1 for detailed results. For the preliminary results of each survey, see <https://www.jil.go.jp/english/special/covid-19/index.html>.

Notes: 1. At all time points, the aggregated respondents are 4,307 employees who worked at private enterprises on April 1, 2020.

2. a=Dismissed, had employment terminated, or became unemployed due to bankruptcy. b=Not working but engaged in job-hunting activity (excluding a). c= Not working and not engaged in job-hunting activity. d=Employed but worked zero hours.

3. A "child-rearing female" is a woman who is rearing a child under the age of 18.

Figure 2. Percentages of persons employed by private enterprises who became unemployed or went on temporary leave ("furlough") (May to November 2020)

who are raising children under the age of 18 also fell to 4.2%, which is a 1.9-percentage-point improvement compared to the end of July.

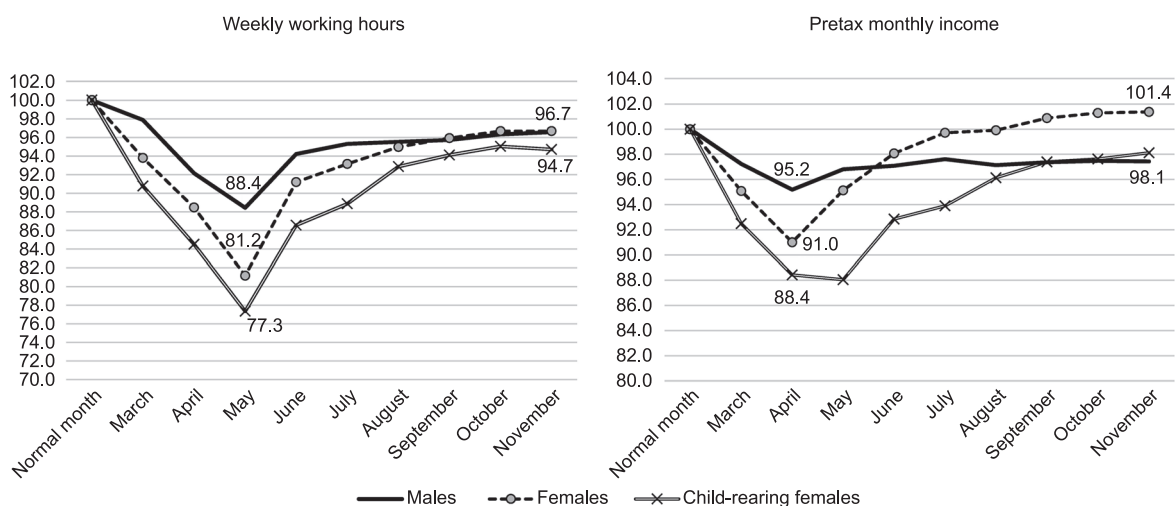
III. Hours worked and income peaked for men but continue to improve for women

Women are also closing the gap with men in terms of the degree of recovery in hours worked and wages. Figure 3 and Appendix 2 show changes in the average hours worked and monthly income of people who continued working between March and the end of November 2020. Although women's average hours worked recovered in June-July, the rate of recovery was sluggish compared to men. This was in part because the decrease of hours worked for females was much larger than males in April-May. However, for August-November, the weekly average of hours worked stays roughly

unchanged at about 96% of the normal month for males, while that for females continues to improve gradually. As a result, the gender gap essentially disappears in terms of the degree of recovery in hours worked. In the fourth week of November, hours worked recover to about 97% of the normal month for both males and females.

Likewise, for pretax monthly income, the gender gap is shrinking in terms of employment recovery. Looking at average monthly income for November (estimated amount), income is recovering to a level that is slightly above the normal month for all females. On the other hand, the average monthly income for males is 2.6% lower than the normal month (November estimate), and no further improvements have been seen since June.⁷

Even child-rearing females, whose employment recovery was sluggish in the August Survey, show a



Source: Prepared based on the aggregated results of Appendix 2.

Figure 3. Changes in hours worked and monthly income (March to November 2020; normal month=100)

comparatively large improvement in both hours worked and monthly income. Their weekly average hours worked fell to 77.3% of the normal month in the second week of May; however, since then, it has closed the gap by recovering to 94.7% of the normal month in the fourth week of November. The average monthly income of child-rearing females has also recovered to 98.1% of the normal month (November estimate).

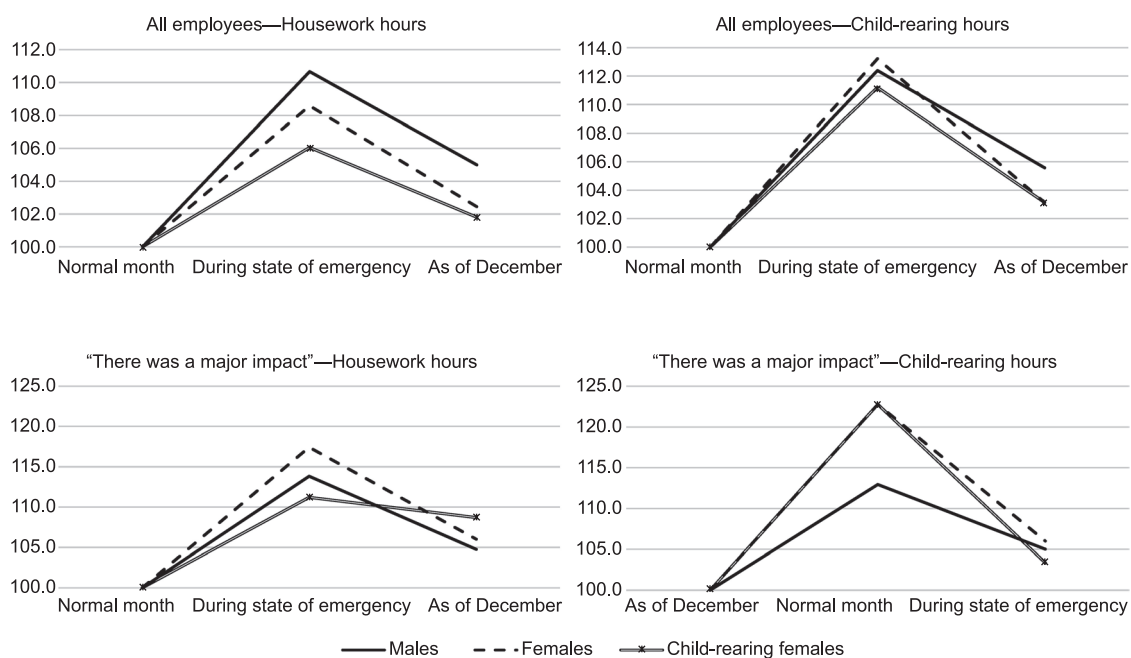
IV. Changes in both labor force demand and supply

It appears that women catch up with men on employment recovery due to changes in both labor force demand and supply. First, after the economy experienced a historic drop in April-May 2020, it sprang back when the state of emergency declaration was lifted (May 25) and labor demand returned to a considerable degree. In fact, Japan’s gross domestic product (GDP) for July-September 2020 posted a record increase of 22.9% (annualized on a quarter-on-quarter basis) and is predicted to achieve high growth of 7.97% in October-December. Thus, there is a clear economic recovery between July and December.⁸ The introduction of the “Go To Travel” campaign (beginning on July 22, 2020) and “Go To Eat” campaign (beginning in October 2020) as

national initiatives to spur consumption helped boost economic expansion. And as a result, labor demand in interpersonal service-oriented industries, such as restaurants and travel, recovered to a significant degree.

In addition, economic support is being strengthened for industries that are severely affected by the pandemic and non-regular employees. Such support includes a major expansion of the Employment Adjustment Subsidy program through which the government expanded subsidies to companies in payments of business suspension allowances, and the establishment of “leave benefits/payments” for which employees can apply individually when their companies are unable to provide them the business suspension allowances (compensating 80% of wages with a maximum daily limit of 11,000 yen, approximately US\$100.66; beginning in July 2020). These measures benefit female employees disproportionately and may have helped shrink the gender gap in employment recovery by serving as factors on the labor demand side.

A factor on the labor supply side, on the other hand, is the fact that housework and child-rearing duties largely returned to their pre-COVID-19 levels (Figure 4 and Appendix 3). The effect of increased



Source: Prepared based on the aggregated results of Appendix 3.

Note: The bottom part of Figure 4 shows aggregated results for respondents who answered “there was a major impact” associated with the pandemic in their employment and income during the time between the outbreak of the COVID-19 pandemic to the present time.

Figure 4. Changes in housework hours and child-rearing hours (normal pre-pandemic month=100)

housework and child-rearing duties that resulted from the temporary closure of nursery, elementary, junior high, and high schools gradually dissipated after the state of emergency declaration was lifted. It is likely that a decrease in women who had been voluntarily refraining from working that came with the reopening of schools also contributed to employment recovery among females.

Looking at Figure 4, the daily number of hours spent doing housework (hours spent cooking, doing laundry, and cleaning) increased by between 6% and 10% for both males and females during the state of emergency period (April 7 to May 25, 2020) compared to the normal month. However, as of December, this number has fallen to 102% of the normal month for females and 105% of the normal month for males. Although it remains the case that housework duties tend to be handled by women, as women’s housework hours are more than double those of men, it is safe to say that the amount of time women spend doing housework is returning to its normal level.⁹ A similar trend can be seen in

terms of the amount of time spent caring for children (e.g., taking care of food and clothing, serving as a playmate, providing care during study, etc.).

It is worth noting that when limiting to women who answered “there was a major impact” in employment and income due to the pandemic, they experienced a major increase in housework and child-rearing hours of between 10% and 23% during the state of emergency in comparison with the normal month. However, as of December, this level has returned to about 105% of the normal month, which is the same as the level for men.

V. Policies that will be required if female employment worsens again

Although the employment situation for Japanese females was extremely severe in the April-May period of 2020, it is now recovering from its very worst state. However, a point of concern here is the effect brought by the national government’s declaration of a second state of emergency in

response to a resurgence in COVID-19 cases (started on January 7 and ended on March 21, 2021).

In the case of this second state of emergency, while some local governments asked parents to refrain from sending their children to nursery schools, the kind of temporary closure of all nursery, elementary, junior high, and high schools that was seen during the first state of emergency has not been implemented. Accordingly, this factor that inhibits female employment on the supply side is being avoided, at least for the time being.

On the labor demand side, however, there is the risk that female employment will again worsen. This is because service consumption relating to restaurants, hotels, and the like is again falling with the renewed state of emergency. Moreover, cases are again growing in the United States and Europe, and as a result exports are expected to plummet from growth of around 9% in October-December 2020 to growth of just 0.76% in January-March 2021.¹⁰

Should the female employment situation worsen again, attempts to respond solely with conventional measures that are dependent upon economic assistance from the national government, such as the Employment Adjustment Subsidy, will reach certain limitations. The first is limited financial resources. The Employment Adjustment Subsidy program, which was created in 1975 with use by regular employees in iron and steel industries in mind, cannot supply the money needed with premiums revenue of 600 billion yen a year. Indeed, estimates made at the end of 2020 show that there is already a revenue shortage of 1.7 trillion yen. The shortfall is being covered through temporary special provisions legislation that uses employment insurance reserve funds normally applied to unemployment insurance and childcare leave benefits. However, it is expected that those reserve funds will run out in FY2021. It is highly likely that employment insurance premium rates will be raised at some point to replenish the depleted employment insurance reserve funds, and that this will result in a greater burden on both companies and employees.

The second involves limitations in terms of

maintaining workers' skills and job turnover. The Employment Adjustment Subsidy and leave benefit programs are short-term employment measures, nothing more and nothing less. If furloughs become extended largely, it may become difficult to maintain vocational skills and job motivation. Moreover, while it may be better over the long term for workers to move away from languishing occupations to thriving ones, use of the Employment Adjustment Subsidy program could inhibit this kind of job turnover.

With the COVID-19 pandemic expected to become prolonged, the time is coming when the main relief measures will shift away from direct economic assistance (represented by the Employment Adjustment Subsidy and leave benefits) toward "job creation assistance." What is needed now is a full-scale public investment to "increase jobs," "eliminate mismatches," and "cultivate new growth fields." The renovation of aging roads and bridges, development of infrastructure for the arrival of 5G, and public investment to encourage widespread use of electric vehicles (EV), for example, will not only increase employment but also have a tremendous effect in cultivating new growth fields. Meanwhile, in Japan, which tends to be strongly oriented toward large enterprises, small and medium-sized venture companies often face difficulty securing suitable human resources. A matching service that temporarily assigns business suspension allowance recipients to growth-oriented SMEs experiencing this problem, and that makes job movement possible for those recipients who desire it, would be a good tool for addressing this.

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1. Yanfei Zhou, "How Women Bear the Brunt of COVID-19's Damages on Work," *Japan Labor Issues* 5, no.28 (January 2021): 2–8, <https://www.jil.go.jp/english/jli/documents/2021/028-01.pdf>.

2. Yanfei Zhou, “How Women Bear the Brunt of COVID-19’s Damages on Work (Continued): The Gender Gap in Employment Recovery,” *Japan Labor Issues* 5, no.29 (February–March 2021): 2–10, <https://www.jil.go.jp/english/jli/documents/2021/029-01.pdf>.
3. Yanfei Zhou, “Korona-ka no kakusa kakudai to konkyu-sha shien: Josei, hiseikirodo-sha, tei-shunyu-so ni chumoku shite” [Widening inequality in the COVID-19 pandemic and support for poor and needy people with a focus on women, non-regular workers, and low-income strata], *Journal of Poverty* 25: 4–13 (only available in Japanese).
4. See “Results of the ‘Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life’ (August 2020 Survey, coupling with the respondents of April Survey and May Survey, First Aggregation)” at <https://www.jil.go.jp/press/documents/20210118.pdf> (only available in Japanese), and <https://www.jil.go.jp/english/special/covid-19/survey/documents/20200826.pdf> (summary in English).
5. See notes 1 and 2.
6. JILPT, “Shingata korona uirusu to koyo/kurashi ni kansuru NHK-JILPT kyodo chosa kekka gaiyo” [Summary of the joint NHK-JILPT survey on the novel coronavirus and employment/living] released on December 4, 2020 (only available in Japanese).
7. The percentage of those whose monthly income for the most recent month decreased by 30% or more against the normal month was 8.1% for males and 8.0% for females. Thus, no difference between the sexes is evident.
8. This is the average prediction of 36 private-sector economists (Asahi Shimbun, “GDP nen 7.9% seicho yosoku” [Predicted annual GDP growth of 7.9%], February 11, 2021).
9. A similar result was obtained from the NHK-JILPT joint survey.
10. *Nihon Keizai Shimbun*, “GDP, 5.4%-gen yosoku: Kinkyu jitai encho de shitabure” [Prediction of 5.4% decrease in GDP: A downturn from the extended state of emergency], February 11, 2021.

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Appendix 1. Percentages of persons employed by private enterprises who became unemployed or went on temporary leave (“furlough”) (% , from May to November 2020)

	Total	Males	Females	Non-regular employment	Regular employment	Non-regular employment · Males	Non-regular employment · Females	Child-rearing males	Child-rearing females	Single mothers
(End of May 2020–May Survey)										
Involuntary unemployment ^a	2.2	1.8	2.7	3.8	1.4	3.9	3.7	1.7	2.2	3.9
Voluntary unemployment ^b	0.4	0.5	0.4	1.0	0.2	1.8	0.7	0.0	1.0	1.0
Not in labor force ^c	0.5	0.3	0.7	0.9	0.3	1.3	0.7	0.1	1.2	0.0
On temporary leave (“furlough”) ^d	3.3	1.6	5.3	6.9	1.4	5.2	7.5	1.0	7.1	8.7
Total	6.4	4.2	9.0	12.5	3.3	12.3	12.6	2.8	11.5	13.6
n	4,307	2,311	1,996	1,459	2,848	383	1,076	717	496	103
(End of July 2020–August Survey)										
Involuntary unemployment ^a	2.5	2.4	2.6	3.6	1.9	4.4	3.4	2.9	2.5	1.9
Voluntary unemployment ^b	0.4	0.4	0.5	0.8	0.3	1.3	0.6	0.3	0.2	0.0
Not in labor force ^c	1.0	0.7	1.5	1.4	0.8	0.5	1.8	0.8	1.9	1.0
On temporary leave (“furlough”) ^d	1.6	0.7	2.7	2.4	1.2	1.6	2.7	0.3	6.1	2.9
Total	5.6	4.2	7.2	8.2	4.2	7.8	8.4	4.3	10.7	5.7
n	4,307	2,311	1,996	1,459	2,848	383	1,076	714	479	105
(End of November 2020–December Survey)										
Involuntary unemployment ^a	2.7	2.9	2.3	3.7	2.1	6.3	2.8	3.7	2.1	1.1
Voluntary unemployment ^b	0.6	0.4	0.8	0.8	0.4	0.8	0.8	0.0	0.4	0.0
Not in labor force ^c	1.1	0.7	1.7	2.3	0.5	2.1	2.3	0.0	2.5	0.0
On temporary leave (“furlough”) ^d	1.0	0.4	1.8	1.3	0.9	0.5	1.6	0.7	4.2	2.2
Total	5.4	4.4	6.5	8.1	4.0	9.7	7.5	4.4	9.2	3.3
n	4,307	2,311	1,996	1,459	2,848	383	1,076	709	477	91

Source: Statistics based on the JILPT “Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life” (conducted around the end of May, August, and December 2020).

Note: a=Dismissed, had employment terminated, or became unemployed due to bankruptcy. b=Not employed but engaged in job-hunting activity (excluding a). c=Not employed and not engaged in job-hunting activity. d=Employed but worked zero hours. A “child-rearing male (female)” is a man (woman) who is rearing a child under the age of 18.

Appendix 2. Changes in weekly hours worked and pretax monthly income (March to November 2020; average values)

	Total		Males		Females		Non-regular employment		Regular employment		Child-rearing males		Child-rearing females	
	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)	Hours worked	Monthly income (10,000 yen)
Normal month	39.2	24.4	43.3	30.6	34.3	17.0	29.4	13.4	44.0	29.9	45.3	35.8	30.8	15.0
March	37.8	23.5	42.3	29.8	32.1	16.1	27.4	12.4	42.8	29.2	44.6	35.0	28.0	13.8
April	35.6	22.9	39.9	29.2	30.3	15.4	25.2	11.6	40.6	28.6	42.2	34.3	26.1	13.2
May	33.5	23.5	38.3	29.7	27.8	16.1	22.7	12.3	38.9	29.0	40.7	34.7	23.8	13.2
June	36.4	23.7	40.8	29.8	31.2	16.6	26.4	12.9	41.4	29.2	42.7	34.7	26.7	13.9
July	37.0	24.0	41.2	29.9	31.9	16.9	27.3	13.2	41.8	29.3	43.2	34.9	27.4	14.1
August	37.3	23.9	41.3	29.8	32.5	16.9	27.6	13.1	42.1	29.2	43.4	34.8	28.6	14.4
September	37.5	24.0	41.4	29.8	32.9	17.1	27.9	13.4	42.2	29.3	43.5	34.9	29.0	14.6
October	37.8	24.1	41.7	29.9	33.1	17.2	28.2	13.5	42.5	29.3	43.9	34.9	29.3	14.6
November	37.8	24.0	41.8	29.9	33.1	17.2	28.3	13.6	42.5	29.3	44.1	34.9	29.2	14.7
Rate of change (Mar-May average against normal month, %)	-9.1	-4.5	-7.2	-3.6	-12.2	-6.3	-14.6	-9.5	-7.4	-3.4	-6.2	-3.3	-15.8	-10.3
Rate of change (Jun-Jul average against normal month, %)	-6.4	-2.2	-5.2	-2.6	-7.8	-1.1	-8.5	-2.4	-5.6	-2.3	-5.1	-2.8	-12.3	-6.6
Rate of change (Aug-Nov average against normal month, %)	-4.1	-1.6	-4.0	-2.6	-3.9	0.9	-4.5	0.3	-3.8	-2.2	-3.5	-2.7	-5.8	-2.7
n (normal month to July)	4,179	3,791	2,262	2,054	1,917	1,737	1,388	1,262	2,791	2,529	701	571	459	417
n (August to November)	4,194	3,781	2,269	2,048	1,925	1,733	1,390	1,256	2,804	2,525	703	650	459	420

Source: Statistics based on the JILPT "Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life" (conducted around the end of August and December 2020).

Notes: 1. The aggregated respondents are employees of private enterprises (including persons on temporary leave "furlough"). The value for the normal month and March to July is 4,179 people who worked from March 1 until the end of July, and the aggregated value for August to November is 4,194 people who worked from August 1 until the end of November.

2. The numbers of hours worked provided for each month refer to the average hours worked for the entirety of March, the second week of April, the second week of May, and the last week of June, July, August, September, October, and November, respectively. The monthly incomes for July and November are estimated amounts.

3. Hours worked and pretax monthly income are roughly calculated based on 12 classes. However, hours worked of 60 or more hours are considered to be 60 hours and pretax monthly income of 500,000 yen or more is considered to be 500,000 yen; the median of each class is used for the others.

Appendix 3. Changes in average housework hours and child-rearing hours on weekdays (unit: minute)

	All employees						"There was a major impact" in employment and income due to the pandemic							
	Housework hours			Child-rearing hours			Housework hours			Child-rearing hours				
	n	Normal month	During state of emergency	As of December	Normal month	During state of emergency	As of December	n	Normal month	During state of emergency	As of December	Normal month	During state of emergency	As of December
Total	4,307	59.5	65.0	61.5	18.5	20.9	19.3	521	63.0	73.0	66.5	20.2	23.6	21.2
Males	2,311	38.2	42.3	40.1	16.2	18.2	17.1	296	47.1	53.6	49.3	22.0	24.9	23.3
Females	1,996	84.1	91.4	86.2	21.1	23.9	21.8	226	83.8	98.4	88.9	17.8	21.8	18.4
Regular employment	1,459	80.0	86.7	81.9	18.0	20.4	18.7	205	74.0	89.3	80.3	15.7	18.1	15.4
Non-regular employment	2,848	49.0	53.9	51.0	18.7	21.1	19.6	316	55.9	62.5	57.5	23.1	27.1	25.0
Child-rearing males	717	41.6	48.0	45.1	52.7	59.3	55.7	92	53.3	64.1	57.7	70.6	79.7	74.8
Child-rearing females	496	108.0	114.5	109.9	88.5	100.2	91.2	52	103.0	114.5	111.9	77.3	94.9	79.9

Source: Statistics based on the JILPT, "Survey on the Impact that Spreading Novel Coronavirus Infection Has on Work and Daily Life" (December 2020 survey).

Notes: 1. Housework hours: time spent cooking, doing laundry, and cleaning; child-rearing hours: time spent caring for a child.

2. Housework hours and child-rearing hours are roughly calculated based on 8 classes. However, hours of three hours or more are considered to be 180 minutes; the median of each class is used for the others.