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## THE COVID-19 PANDEMIC: LABOUR MARKET IMPLICATIONS FOR YOUTH WOMEN

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**Abstract:** *The 2019 Coronavirus pandemic dramatically disrupted the workforce in early 2020, as a result of restrictions imposed to reduce the spread of the virus. The rapid decline in economic activity has resulted in massive and widespread job losses. According to the statistics of the International Labor Organization, the employment of women worldwide decreased by 4.2% in 2020 compared to 2019, much more pronounced than that of men by 3%. Younger women, especially, experienced a disproportionately higher share of employment losses. The decrease in female employment, together with the low participation of women in the labor market, represents a major setback for the efforts made in the last two decades to increase gender equality.*

*The paper presents a brief analysis of the evolution of the main indicators of the female labor market, aged between 15-34, under the impact of the Covid-19 pandemic, at the level of the European Union and Romania.*

**Keywords:** *employment of young women, young NEETs, impact, health crisis, gender equality*

**JEL Classification:** *E24, J13, J16, J21*

### 1. Introduction

The onset of the health crisis dramatically disrupted the labor market at the beginning of 2020, as a result of the closure or reduction of activities. Young people are among the groups that have been disproportionately affected by the current pandemic, both in the short and long term.

Employment of young women fell at a faster rate than that of men in most global economies in the first half of 2020, when the impact of the pandemic on the labor market was hardest. This is due to the fact that some of the sectors most affected by Covid-19 were those where the share of female employment in relation to their total employment is higher than that of males. In most economies, young women are more likely to dominate sectors such as hospitality, food service and personal care (sectors that were some of the hardest hit in the first half of 2020, when strict social distancing measures and consumer concerns about health affected sales and employment).

As a result of the periods of isolation, unemployment developed in waves both for young people in general and for young women in particular. The unemployment rate among young EU-27 women aged 15-24 started to rise from 15.1% in March 2020 and peaked at 18.4% in Q3/2020 and Q1 /2021 of 18.6%. It then fell again to 14.3% by Q1/2022.

At the start of the pandemic, the average rate of young NEET women aged 15-29 was 15.5% by the end of 2020 - up one percentage point on the previous year, and falling slightly in 2021, reaching 14.5%.

Employment opportunities for young women remain strongly affected by the Covid-19 crisis, and new entrants to the labor market account for a large part of the increase in unemployment among them. On-the-job learning opportunities and apprenticeships have been severely affected. For working female students, the lack of temporary work opportunities can pose challenges for financing education and living costs. Statistics and recent research on the labor force indicate that some young women may choose to withdraw completely from the labor market, with negative consequences both at the individual and societal level.

## **2. Specialty Literature**

The effects of the Covid-19 pandemic on different socio-economic groups are uneven, with vulnerable employees being more at risk of losing their jobs (Chetty et al. 2020, IMF 2021). The specialized literature analysed the differential effects of the consequences of the Covid-19 crisis on the labor market according to gender. Thus, in some studies the authors supported the idea that the health crisis caused a segregation, in which the results and prospects of women on the labor market deteriorated disproportionately (Albanesi and Kim 2021, Alon et al. 2020, Caselli et al. 2020, Fabrizio and others 2021 and Shibata 2020, etc.). These results, however, are in contrast to the “segregation” observed after the 2008-2009 financial crisis, where men appeared to be much more strongly affected (Wall 2009; Hoynes, Miller, and Schaller 2012) by it.

Among the factors underlying the asymmetric impact of the health crisis on the labor market according to gender, the following can be mentioned:

- in the sectors of activity that were more seriously affected by Covid-19, women occupied a significant share (Mongey, Pilososph and Weinberg 2020 and Albanesi and Kim 2021, Coibion, Gorodnichenko and Weber 2020);
- women tend to bear a greater burden of childcare when schools have been closed (Adams-Prassal et al. 2020, Fuchs-Schündeln et al. 2020, Hupkau and Petrongolo 2020, Russell and Sun 2021, and Zamarro and Prados 2020);
- women are more often employed in temporary and/or part-time jobs, with higher risks of being terminated in a crisis (Petrongolo 2004 and Bahn and Sanchez Cumming 2020);
- many of the occupations that have faced increased pressure and demand for their services during the pandemic - such as frontline nurses, aged care workers, mental health workers, education and training workers - are dominated by women. This presented a greater risk of distress, mental ill health and burnout among the female workforce. Collectively, these factors meant that the pandemic risked stalling or even exacerbating progress in closing gender gaps that already existed in Australia's workforce (Cassells and Duncan, 2021; WGEA, 2020; World Economic Forum, 2021).

Also, these factors, along with other socio-economic-cultural factors specific to each country/region, contributed in the first months of the pandemic to the increase of women's unemployment more than men's in several countries, or even to the reduction of progress in eliminating the gaps of the kind that already existed on the labor market in many countries (Cassells and Duncan, 2021; WGEA, 2020; World Economic Forum, 2021).

The study by Bluedorn et al (2021) analyzes the negative difference between the employment rate of women and that of men, quantifies the role of the sectoral composition of employment by gender in labor market outcomes, but also the recent dynamics of the labor market depending on gender.

Also, the analysis and interpretation of the conducted surveys indicate that women can rethink their career decisions in the light of the pandemic (Romei 2021), which could mean that the health crisis leads to a future decrease in women's participation in the labor market.

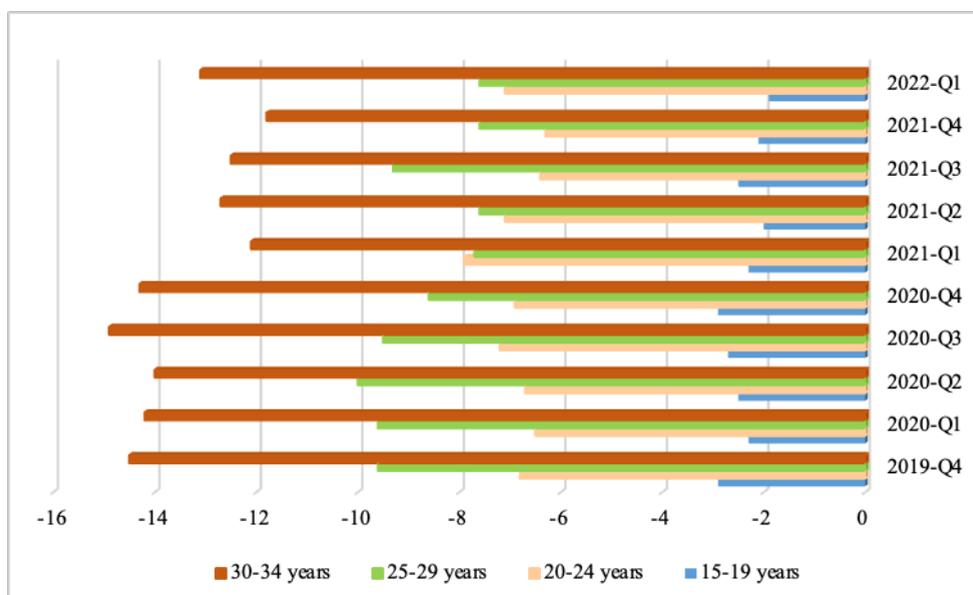
Women's career interruptions due to the Covid-19 crisis could have a negative impact on long-term earnings and employment prospects (Albrecht et al. 1999, Aisenbrey, Evertsson, and Grunow 2009).

### 3. Gender Gaps In Youth Labour Market

Young people have been disproportionately affected by the loss of jobs during the health crisis, as they are more often employed on temporary contracts and with the easing/lifting of social distancing restrictions access to jobs has remained difficult for new market entrant’s work.

The pandemic caused large job losses for women in 2020. In absolute numbers, across the EU-27, women aged 15-34 lost 1.44 million jobs in Q2/2020. The health crisis is in contrast to the global financial crisis of 2008-2009, where men were hit harder than women, with a smaller magnitude of total job losses. However, women’s employment took longer than men’s to recover. According to Eurostat statistics, employment for both young women and young men started to recover in 2021, but at different speeds depending on the age segment and gender (Figure 1).

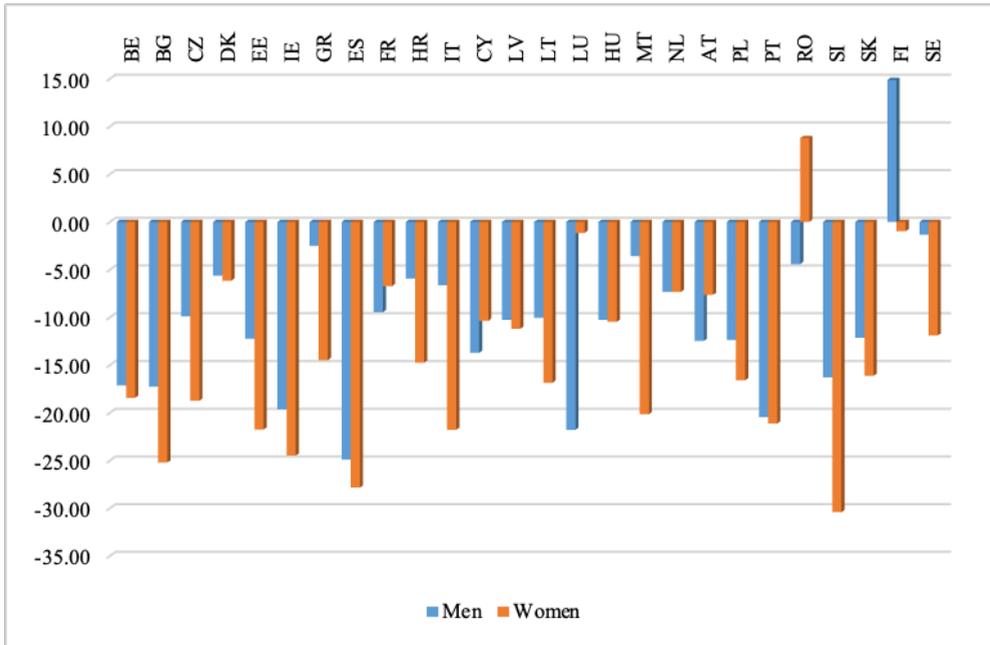
**Figure 1. The gap between the employment rate of young women and men, by age group, (%)**



Data source: Eurostat statistics, [LFSQ\_ERGAN]

The comparative analysis of the evolution of employment among young people aged between 15-24 in the member states highlights those young women on the labor market suffered more than men in the first phase of the pandemic (Figure 2).

**Figure 2. Job losses for women in the first phase of the pandemic was higher than for men in member states**



*Data source: Eurostat statistics, [LFSQ\_ERGAN]*

For example, in Slovenia, Italy, Malta, Greece and Sweden, the employment of young women decreased by 32.42%, 21.79%, 20.14%, 14.7% and 11.88% respectively between quarter 4/2019 and quarter 2/2020, being much higher than the decrease of 16.3%, 6.65%, 3.57%, 2.5% and 1.33% of the employment of young men in these countries. In countries such as Luxembourg, France, Cyprus, and Austria, the loss of jobs during the analysed period was significant among young men (Figure 2). The exceptions were Romania, where employment among men aged 15-24 decreased by 4.43 pp, and among young women it increased by 8.78 pp (Figure 2) and Finland, with an opposite situation to Romania: an increase in youth employment by 14.87% and a slight reduction in employment among young women by 0.97 pp.

The outbreak of the health crisis determined that, at the EU-27 level, the unemployment rate among young women increased by 4.1 percentage points for the 15-24 age group (Figure 3), compared to a 3.3 pp increase in the unemployment rate among men of the same age group.

By age group, in general, young women registered a higher unemployment rate than that of men (Table 1).

**Table 1. Comparative evolution of the unemployment rate among young women and men at EU-27 level, (%)**

	Men				Women			
	15-19 years	20-24 years	25-29 years	30-34 years	15-19 years	20-24 years	25-29 years	30-34 years
<b>2019-Q4</b>	17.8	14.1	9.1	6.1	18.0	13.5	8.9	7.7
<b>2020-Q1</b>	18.7	14.5	9.7	6.5	18.2	13.7	9.7	7.9
<b>2020-Q2</b>	21.1	15.6	9.6	6.9	23.0	15.0	10.0	7.2
<b>2020-Q3</b>	22.9	16.9	11.0	7.4	22.5	17.4	11.6	9.0
<b>2020-Q4</b>	20.6	16.0	10.6	7.3	20.5	15.7	10.5	8.7
<b>2021-Q1</b>	21.6	17.4	11.4	8.0	22.4	18.2	10.9	8.5
<b>2021-Q2</b>	23.6	15.5	9.9	6.7	24.4	15.9	9.7	8.0
<b>2021-Q3</b>	20.7	14.2	8.9	6.2	21.7	14.6	9.8	7.5
<b>2021-Q4</b>	18.6	13.7	9.3	6.2	19.1	12.3	8.9	6.8
<b>2022-Q1</b>	18.2	13.3	9.0	5.8	18.5	12.7	8.8	7.0

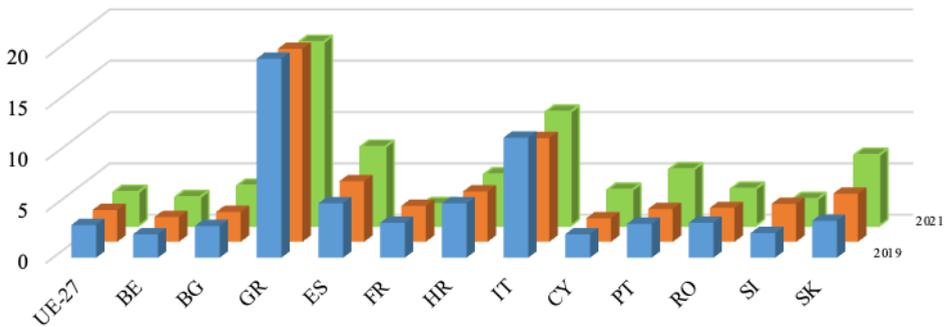
*Data source: Eurostat statistics, [LFSQ\_URGAN]*

Countries particularly hard hit during the financial crisis once again recorded an above-average increase in the youth unemployment rate. Thus, in Greece, the unemployment rate of young women aged between 15 and 24 reached 45.5% in quarter 1/2022, in Spain at 30.1% and in Italy at 29.0%, much higher values than young people in the same age segment.

In Romania, the unemployment rate among women and young people aged between 15-24 registered significant variations as a result of the Covid-19 pandemic (and with values well above the EU-27 average), reaching 24.0% in the 1st quarter /2022, above the 22.8% value recorded for young men. As a result of the health crisis, long-term unemployment among young women, regardless of age group, registered a slight increase. The most affected countries were those with high unemployment: Greece and Italy (Figure 3).

Another particularity of the impact of the health crisis on the labor market of young people in general and women in particular compared to the Great Recession was that it differentially affected the sectors of the economy.

**Figure 3. Youth women long-term unemployment rate (12 months or longer), age 15-29 years, 2019–2021**



Data source: Eurostat statistics, [YTH\_EMPL\_120]

The comparative sectoral analysis of the quarterly data from 2020 and 2022 at the EU-27 level shows that young women, aged between 15-24 years, employed in Accommodation and food services and in the Wholesale and Retail Trade sector suffered the most reductions in the year quarter 2/2020 compared to quarter 4/2019 (-206.7 thousand people and -135.6 thousand people, respectively) (Table 2). The end of 2020 brought an improvement in the loss of jobs for women, and in some sectors, such as Education and Health, there was even an increase in employment. Compared to the first quarter of 2021, the end of the year was characterized by an increase in employment among young women in economic activities, with the exception of the Financial and Insurance Activities Sector, as well as Transport and Storage, which continued to record job reductions for women in the 15-24 age group (Table 2).

**Table 2.** Quarterly reductions in jobs for young women (15-24 years old) employed in economic activities

	Q2 2020-Q4 2019	Q4 2020-Q2 2020	Q4 2021-Q1 2021	Q12022-Q4 2021
Agriculture, forestry and fishing	14.7	-8.3	2.6	7.1
Manufacturing	-51.1	2	20.1	3.9
Construction	-4	9.7	16.4	-11
Wholesale and retail trade; repair of motor vehicles and motorcycles	-135.6	41.6	44.9	-30.5
Transportation and storage	-12.5	-2.4	-22.8	-4.1
Accommodation and food service activities	-206.7	-27.9	170.6	-53
Information and communication	-6.7	-0.2	21	21

	Q2 2020- Q4 2019	Q4 2020- Q2 2020	Q4 2021- Q1 2021	Q12022-Q4 2021
Financial and insurance activities	-16.2	-11.6	-27.8	-0.1
Real estate activities	11.9	6.2	19.3	-17.9
Professional, scientific and technical activities	-62.6	13.4	40	-0.4
Administrative and support service activities	-7.4	-46.1	16.8	9.5
Public administration and defence; compulsory social security	17.3	34.3	45.1	3.7
Education	-81.4	109.9	18.6	37.9
Human health and social work activities	-25.9	57.7	55.8	19.8
Arts, entertainment and recreation	-48.1	-22.2	51.1	-8
Other service activities	-46.1	-20.9	23.8	-24.5

*Source: Authors' own calculations based on Eurostat Statistics [LFSA\_EGAN2]*

NEETs represent a group of young people who are at risk of poverty, social exclusion and mental health problems. Those who were already in this situation at the start of the pandemic were among the most vulnerable to the effects of travel restrictions, which moved them further away from jobs, either near their home or in other geographic locations. The pandemic diminished the opportunities for education and professional training for young people, they were also limited.

According to the latest Eurostat estimates, in 2021, the percentage of young women who are not professionally employed and do not follow an education program in the EU-27, varied from 6.4% for the 15-29 age group, to 22, 9% for young women aged 30-34. The difference between the NEET rate of young women and that of men in the 25-29 and 30-34 age groups is significant: 7.6 pp, respectively 11.2 pp.

Regardless of the age segment of NEET girls, this indicator varies significantly from one Member State to another. Thus, for the 15-24 year old group, the NEET rate among young women varies from 4.7% in Sweden to 21.5% in Romania, or 20% in Italy. In Romania, in any age category, young women registered a NEET rate well above the EU-27 average, both in the period before the pandemic and during the pandemic, often reaching the highest value in the hierarchy of the member states.

Based on Eurostat statistics, it can be stated that the majority of NEETs in the Member States are women mainly because of the family responsibilities they have: more women spend time looking after children compared to other

family members, and young women spend almost three times as much time in unpaid childcare or household work compared to men.

Also, the statistical data highlight the fact that, at the European level, the NEET rate among women aged 15-34 has increased for all levels of education, the highest increase being registered at the level of post-secondary and vocational high school graduates.

Surveys conducted by various researchers (Daphne et al. in 2021) or specialized institutions highlighted the fact that, regardless of the age segment analysed, young women were more often exposed to the risk of depression. If at the beginning of the pandemic they were among the groups with the lowest mental well-being scores, as the pandemic progressed, the frequency of negative feelings increased. The poor mental health of young people, and especially of young women, can have a negative impact on their access to the labor market.

#### **4. Conclusions**

The COVID-19 crisis has severely affected the labor market around the world, with stronger negative effects on young people than on other age groups. A characteristic of the health crisis, for all age groups, is that unemployment data reflect only a small proportion of total job losses: inactivity has increased rather than unemployment.

Young Europeans have been particularly affected by reduced working hours and increased inactive periods. The effects of the pandemic on the labor market are differentiated according to gender. The sectors of the economy that were most affected by the restrictions (especially accommodation and food services) employed, before the onset of the pandemic, mostly young people, with a high share among young women.

Job losses among young women due to the pandemic have mostly translated into an increase in inactivity in 2020. The unemployment rate among young women, for various age segments, has increased relative to that of young men, with the outbreak of the health crisis.

Although there was a rebound in the employment of young women in the first quarter of 2022, this recovery was slower in the employment rate of young women, and their unemployment rate remained higher than before the crisis. The lack of jobs has particularly affected young women about to start a career (15-24 years old). Also, the number of young NEETs registered significant increases compared to young people in this category, the NEET rate for the 25-29 age segment reaching 21.2% in 2021. In Romania, the NEET rate of young women reached values among the highest in the EU-27, along with

Italy and well above the European average. If young women's labor market participation does not fully recover from the pandemic, it will exacerbate youth labor market trends in the longer term and pose challenges for economies in the years to come.

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