

The pink-collar recession

Amanda Reid, Principal Consultant, Berl

1 July 2020

The looming economic downturn will have a unique gender bias, not seen in previous recessions. Women dominate in sectors affected by the COVID-19 containment measures, and the burden of non-paid work falls to women, even more pronounced during the lockdown.

Early indicators suggest that, unlike the Global Financial Crisis where male-dominated industries were predominantly impacted, containment measures for COVID-19 have affected female-dominated industries, particularly retail and hospitality. These sectors largely have casual and part-time work structures that allow women to organise family commitments around their employment, and often are low-paid and low-security jobs. Ironically, many women worked in jobs classed as “essential” during the lockdown, including care work, education, and social assistance, even though little changed to improve the material working conditions that would reflect the social value of these roles.



Announcements of job losses leave many women competing for work with the younger workforce, who are also more likely to be employed in low-paid roles, and these losses have the potential to be enduring. The disproportionate economic impacts on women of job losses and unpaid care work contribute to the persistent wealth inequality, where women retire with less Kiwisaver despite living longer on average.

This current loss of employment and rippling global economic shocks have been described as an economic “shutdown”. It is important to recognise that this only talks about some aspects of our economy – for many women, life was never busier during the lockdown. Homeschooling and managing supply provisions were added to the existing responsibilities of housework and care work continue to go unvalued and uncounted. The enduring weight of the shutdown is also likely to hit harder. This disproportionate economic effect for women is being called a “pink-collar” recession.

The Government response in the 2020 Budget had a large focus on trades, apprenticeships, and redeployment – for many women affected by the fallout from COVID-19, these are not real solutions. Vocational courses funded in the package, such as community health, counselling, and care work, are still low-paid and low-security roles where gender inequity persists. These very specific interventions will not address the disproportionate impact of the imminent recession on women. Additionally, the Budget was missing consideration of issues specifically related to childcare and eldercare in the economic recovery plan.

So what should the Government's role in this recovery be? The Government needs to create an enabling environment for women to participate in the economy. Rather than restoring the economy to the old normal, we need a focus on building a system that is capable of delivering political, social, and economic equality across all genders, ethnicities, and abilities. Applying a gender lens and considering a gender-responsive plan is not about "women's work", but about a transition away from outdated and unsustainable ways of doing things. And we need to shift from reliance on precarious industries, which offer the women of Aotearoa predominately low wage earning employment while the social costs go unaddressed.

The additional funding for night classes is welcome, but where is the funding for childcare outside of regular childcare service provision? The Flexible Childcare Subsidy is only available for sole parents who are working at least three hours a week. If a woman returns to tertiary study after 20 years in the workforce, what support is available to help her navigate the process of returning to study and finding and accessing funding options? If she takes up a trades apprenticeship where there is a block course, what are the alternatives for her? We cannot ignore that enhanced care responsibility falls on women.

For women to transition to our new normal, we must embrace lifelong learning and broader skills training. If we're committed to lifelong learning, there needs to be a broader range of tools and support to enable returning to study or retraining. Displaced workers must be supported for both retraining and professional mobility. We need to develop a system to accommodate and support individual needs through a wraparound service and pastoral care, and this system should look different for women who continue to do the bulk of unpaid work in the home.

If women do well, families and whānau do well. Having targeted strategies for women that consider social wellbeing as an economic priority, will ensure communities do well.