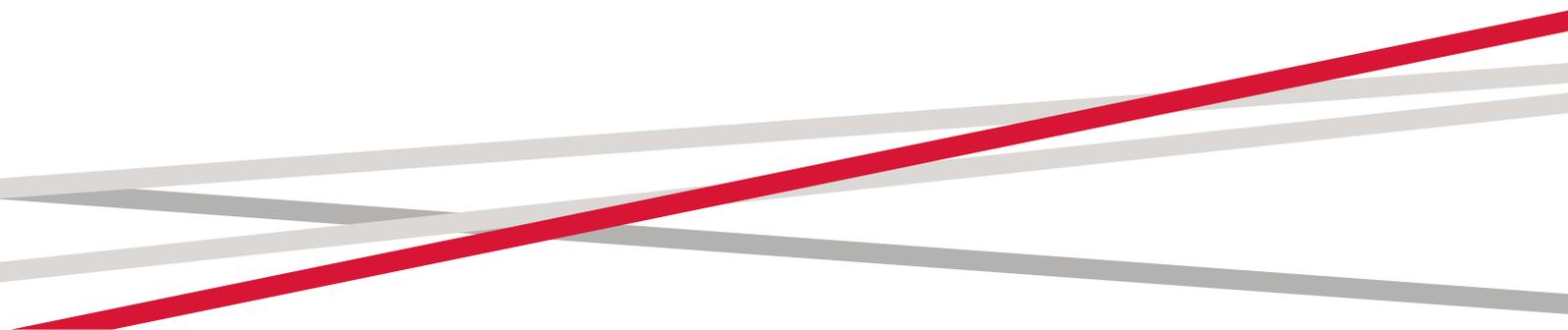


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Covid-19 and Gender Inequality in Russia

Gender inequality is a complex phenomenon characterized by significant and persistent differences in social and economic indicators for women and men. In connection with the Covid-19 pandemic and unprecedented quarantine measures around the world, economists are thinking not only about the obvious global consequences for the global economy but also about the indirect effects, including those through gender-related changes in the labor market. What will the consequences of this crisis on the labor market be in the long run, especially on its gender and family-related components? In this brief, we look at the potential effects of the Covid-19 epidemic and the associated quarantine on gender inequality in Russia.



Introduction

Gender inequality is a complex phenomenon characterized by significant and persistent differences in social and economic indicators for women and men. These may be differences in access to education and medicine, labor market participation, wages, entrepreneurship, participation in politics and public administration, and the distribution of domestic unpaid labor within the family. Reducing gender inequality (like any other form of inequality) correlates with increases in GDP.

The prevalence and scale of gender inequality is, on average, lower in developed countries than in developing countries, and although there is a general tendency for gender gaps to narrow over time, this does not happen simultaneously and equally in all countries. According to the Global Gender Gap Index (2020), which ranks more than 150 countries, the five countries with the best indicators include Iceland, Norway, Finland, Sweden, and Nicaragua, while Congo, Syria, Pakistan, Iraq, and Yemen are in the very bottom. As of 2020, Russia is located approximately in the middle, being the 81st, right between El Salvador and Ethiopia.

In connection with the Covid-19 pandemic and unprecedented quarantine measures around the world, economists are thinking not only about the obvious global consequences for the global economy but also about the indirect effects, including those through gender-related changes in the labor market. A study of World War II, for example, shows that even short-term gender differences in the labor market can have long-term consequences (Goldin and Olivetti, 2013). What

will the consequences of this crisis on the labor market be in the long run, especially on its gender and family-related components? In this brief, we look at the potential effects of the Covid-19 epidemic and the associated quarantine on gender inequality in Russia.

Heterogeneous Cross-Sectoral Effects

Economists are now discussing two main channels that can influence gender inequality (Alon et al., 2020). The first one works through differential risk of losing jobs and salaries for women and men due to the disproportionate impact of the epidemic and quarantine on sectors which predominantly employ each gender. The direction of this effect is not easy to predict. On the one hand, the current crisis differs from ordinary recessions in that the service sector, where more women are traditionally employed, is now suffering more than usual. However, it is very important to emphasize what kind of services we are talking about: restaurants and salons are not the whole of the Russian economy. According to the Russian Statistical Agency (Rosstat) 49% of all employed women in 2019 worked in three sectors - trade, healthcare, and education. At the same time, hotels, restaurants, and other services (which include hair and beauty salons) provided less than 8% of women's employment.

Therefore, from the point of view of assessing the risk of job loss, it makes sense to consider state-financed sectors, where employees are likely to be retained, separately. Among the private businesses, two (non-mutually exclusive) types of sectors are likely to suffer the least. First, the critical ones that do not stop their activity during



quarantine (for example, food retail, private medical centers). And second, those that are characterized both by a high ability to work "remotely" and continue to have sufficient demand for their goods and services – either directly or through value chains (see e.g. Volchkova, 2020). For example, agriculture, manufacturing and hotels are worse off in this combination than the financial sector, science, administration, and some types of online education. At the level of the individual characteristics of the employee, even when comparing the same occupations, the possibility of remote work positively correlates with the level of education, wealth, working for a company (rather than self-employment), and being female (according to Saltiel, 2020, for developing countries).

According to the same data from Rosstat, it turns out that about 49% of all women and 40% of all men worked in the "state-financed" and "remote-work" sectors (or 69% against 52%, if we add the trade sector). This is of course an overestimate, since not every job within a sector is characterized by state-financing or remoteness, but it likely represents the relative propensity across genders, which is of our interest. This relative propensity is mostly due to the much higher employment of women compared to men in health and education (approximately 4 to 1 in both sectors). In general, this may mean that the risk of job loss is now higher for men, and not for women as was predicted using US data by Alon et al. (2020), given the gender structure of employment by industry in the US. This rough assessment does not account for different opportunities for women and men to quickly find a new job, especially in the areas of high demand. For example, if the need for delivery workers has increased, and men are more likely to

take this job, then it may be easier for them to quickly find a new job. This adaptive effect would unlikely overturn the original difference, because the number of such jobs is also limited.

The Effect of Childcare Facilities Closure

The second channel, likely having a multiplicative effect on the first, operates through the unexpected closure of children's educational institutions (kindergartens and schools). These effects may be different depending on family composition. While before the pandemic, working parents could send their children to kindergarten and school, this opportunity is now completely unavailable. In the case of online education, not all children are independent enough to learn at home, especially primary school students. At the same time, other childcare support (e.g. from nannies, grandparents and other relatives, etc.) can also be significantly limited due to social distancing and self-isolation, although Russia is in a better position in this regard compared to many developed countries because grandparents traditionally help more in raising children. (It is interesting that in developed countries, the possibility of outsourcing household chores – childcare, cleaning, etc. – is one of the important explanatory factors for higher fertility among more educated women, compared with less educated ones, (see Hazan and Zoabi, 2015)).

Naturally, the situation with closed childcare and educational institutions will not affect the productivity of people without young children. According to the latest census in 2010, about 88 million people, which is as much as 75% of the total adult population of the country, do not live



together with children under 18 years old. Also, most likely there will not be a big negative effect on families with children where one of the parents (most often the mother) or another individual in the household (a grandparent) took care of the child at home before the quarantine.

For all other families, the critical problem is juggling childcare with work. The most vulnerable categories of the population here are single mothers and single fathers (and there are about 5 and 0.6 million in Russia, respectively), especially those who do not have any outside help.

Among families with small children where both parents work, several important factors can be identified. On the one hand, according to developed countries, even in families where both parents work, women spend more time on household chores and childcare than men (Doepke and Kindermann, 2019). If one believes that the initial factors that affected this distribution of domestic work (such as traditional norms and role models or the relative income of spouses) have not disappeared, then the sharply increased burden of household chores will disproportionately fall on women. This can lead to a decrease in the relative productivity of women compared to men in the labor market and a greater risk of dismissal. In the long run, this can also negatively affect gender inequality, as even a temporary exit from the labor market may be accompanied by human capital losses and a worse career path in the future.

The Interaction of Both Effects

On the other hand, the opposite situation is also possible. If, due to the disproportionate effect of quarantine on various sectors of the economy, which has been discussed above, women have a

lower risk of losing their jobs, then it is possible that at least temporarily, a significant part of the childcare will fall on men. This situation can also happen in families where the woman works in critical sectors of the economy (especially in healthcare) and the man works remotely from home.

Economists have suggested several mechanisms for the effect of short-term additional interaction between fathers and children on long-term participation in their upbringing: there is more information about children's needs, learning-by-doing, and greater attachment to children. For example, the data from Canada shows that the introduction of 5 weeks of parental leave for fathers led to a more even distribution of domestic labor in households and a greater likelihood of the mother's participation in the labor market, even 1-3 years after the fact (Patnaik, 2019). Moreover, even if there are not many families like this in the country, the new social norms can gradually spread in society through so-called "peer effects". Dahl et al. (2014), for example, show using Norwegian data that the brothers and colleagues of men who took parental leave were 11-15% more likely to take it in the future, relative to brothers and colleagues of men who did not take such leave.

Other Hypotheses

Another major consequence of the epidemic and quarantine is the potential upsurge in domestic violence. Several European countries have already noticed an increase in such crimes (European Parliament, 2020), and some crisis centers in Russia have also reported an increase in calls to helplines. Economists identify different triggers for this behavior (Peterman et al., 2020). This may be a



direct consequence of quarantine, which increases the time spent by the potential victim and abuser in a closed space, and the inability to seek immediate help, both psychological and medical. Indirect effects can also work through an increased risk of depression and post-traumatic stress syndrome, which were well documented for previous epidemics such as SARS and swine flu. and that may happen due to job loss, reduced income, general economic uncertainty, or a direct fear of getting sick.

These effects disproportionately affect women (and children); therefore, additional resources should be dedicated to identifying such crimes, strengthening support structures for women, and increasing the availability of reporting options without attracting the attention of an abuser (for example, such a warning system may be installed in pharmacies – a place where a woman can go to alone).

Economists have yet to accurately measure and test all these mechanisms, which interact with each other in complex combinations, but it is now clear that very different scenarios are possible, including the positive ones – of a long-run decrease in gender inequality.

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