



## Does the coronavirus pandemic level the gender inequality curve? (It doesn't)

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### ARTICLE INFO

**Keywords:**  
 COVID-19  
 Gender inequality  
 Israel  
 Pandemics and inequality  
 Coronavirus

### ABSTRACT

Does the coronavirus pandemic level the gender inequality curve? Or does the economic downturn following the coronavirus pandemic enhance gender inequality? To answer these questions, we collected data on Israeli men and women who were employed in the first week of March prior to the lockdown of the economy, and again in the last week of April (after the economy was shut down, but before it was reopened). We find that the consequences of the economic downturn following the coronavirus for gender equality are harsh, with women's employment and income more severely affected than men's.

### 1. Introduction

In his book, "The Great Leveler", economic historian Walter Scheidel (2017) argues that lethal pandemics can revolutionarily transform society, resulting in the flattening of economic inequality. The coronavirus pandemic outbreak can thus have the potential of 'leveling the inequality curve,' to borrow the term so often used these days in relation to the spread of confirmed COVID-19 cases. Students of stratification and inequality, however, question this hypothesis and argue that the coronavirus pandemic outbreak has negative implications for equality (Bernardi, 2020). The negative implications should be particularly true for gender equality. There are good reasons to expect that women's employment and earnings are affected more severely than men's from the economic lockdown following the coronavirus pandemic. Employers put women at the top of their layoff list while not always considering workers' performance as relevant criteria for downsizing (Kalev, 2014). Additionally, cuts in women's nominal earnings (for example through reducing hours of work) might be easier as a result of women's weaker labor market attributes as well as out-right gender discrimination.

In this brief we provide a first description of the extent to which the economic downturn affected Jewish Israeli women's employment and income relative to men's. We conclude by raising the question of whether the economic downturn may have an enduring impact on gender inequality. Initial findings, showing that the prospects of women for employment in August are less optimistic than men's, might suggest a more prolonged effect than hoped for.

### 2. Coronavirus and Israel's economic downturn

The coronavirus started spreading in Israel with the arrival of the first confirmed COVID-19 case from Italy on February 23, 2020. Since then, the number of confirmed cases has risen to 16,314, and the number of deaths associated with COVID-19 stands at 239 (as of May 6, 2020). These numbers are well below the equivalent numbers in countries of similar population size (e.g., Switzerland, Austria), and may be because Israel was one of the first countries to close its borders, to lock down the economy, and put people in tight quarantine. As early as March 18, entry to Israel was restricted to Israeli citizens. Restrictions on movements commenced on March 19, leading to a complete lockdown on April 8 (Passover). Concurrently, soon after schools and universities were closed on March 13, the economy was closed down nearly completely. In closing down the economy, to avoid a high unemployment rate Israel's government adopted a unique policy. Accordingly, employers in the private sector, and to a lesser degree also in the public sector, were allowed to force their employees to take unpaid leave. This policy may have reduced unemployment in the initial stage, but it also broke the employer—employee linkage, which is expected to delay the recovery of the workforce as Israel's economy revives. Since April 19, normality has slowly resumed, and the economy began to resume full operation. However, on April 28–29 (Memorial Day and Independence Day) the government imposed another tight lockdown, and as of May 7, out of more than 800,000 who were sent to unpaid leave in the middle of March, only about 70,000 employees returned to the labor force.

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### 3. Data

Data for this study are based on wave one of a longitudinal survey of 2040 adult Israeli men and women (age 18+), who were employed or self-employed in the first week of March, prior to the lockdown of the economy. The survey was made and data was collected between April 23 and May 4 by *Panel4all*, an online research company that holds an internet panel of tens of thousands Israeli panelists, representing the adult population of Israel. The survey is not a probability sample of the population as only those registered with the panel can be sampled, though it is a random sample of the panelists, stratified by age, gender, geographical region, and religiosity. Internet surveys, such as the one we use here, are a very common practice nowadays, and were used extensively in the last three election campaigns in Israel, with quite accurate predictions. Our survey also provides good estimates of unemployment and unpaid leave—similar to the official statistics. This wave includes information on employment and job characteristics of Israeli households in the first week of March (before the economic downturn) and in the last week of April (after the economy was shut down, but before it was reopened). The current analysis focuses only on Jewish employees, but we plan to devote a separate brief on ethnic inequality and on the self-employed. Excluding Arabs and the self-employed, our analyses include 1542 respondents.

### 4. Empirical strategy

The goal of this brief is to summarize preliminary findings from the first wave of the longitudinal survey. We use descriptive statistics to illustrate how the economic lockdown affected Jewish women's employment and income compared to Jewish men's. In this brief we discuss only statistically significant results, whether between or within genders. We do not examine the mechanisms underlying the considerable impact on women's employment and income, which should be explained and examined in future research.

### 5. How did the economic downturn following the coronavirus outbreak affect Israeli women's and men's employment?

The consequences of the economic downturn following the coronavirus for overall levels of employment were harsh. About 35 % of

those employed in the first week of March were not employed by the end of April, most of them (30 %) sent to unpaid leave (Fig. 1). As noted above, these numbers are very similar to the available numbers from administrative data of the National Insurance and the Ministry of Finance (cf. Endeweld, Heller, Karady, & Gottlieb, 2020).

The coronavirus pandemic outbreak has not leveled the inequality curve. Low-wage workers were affected the most and high-wage workers the least. Among the two lowest wage deciles, only 39%–43 % were employed in April compared to 83%–94 % among the two highest wage deciles. Low-wage workers were not only sent to unpaid leave in large numbers (42%–46 %), but many of them were also laid off (11%–19 %). Dismissals almost did not occur among medium- and high-wage workers.

As expected from previous research on gender inequality in Israel (Kraus, 2002; Mandel & Birgier, 2016), in the 1st week of March more women were employed in low- and medium-wage jobs than in high-wage jobs (Fig. 2). Hence, there are good reasons to expect that women's employment is affected more severely than men's from the economic downturn. For one, more Israeli women than men have non-standard employment relations, which makes them more vulnerable in harsh economic conditions (Kraus, 2002). Secondly, fewer women than men hold managerial positions in the labor market, or have job authority over others (Yaish & Stier, 2009) and thus are less protected from redundancies in economic downturns. Thirdly, women are more likely than men to work in occupations and sectors of the economy that were hit the hardest by the coronavirus pandemic, such as salespersons, beauticians and hairdressers, and employees in the catering and lodging industries (Kraus, 2002; Stier & Yaish, 2014). Finally, mothers of young children are more likely than fathers to leave employment and care for the family (Stier & Yaish, 2008), particularly when child care facilities and schools are closed due to the coronavirus pandemic.

Women's employment has been indeed more harshly affected than men's (Fig. 3). This is true in particular among younger and older workers, but felt across all ages. The impact was most unequal among young workers. Only 39 % of women age 18–24 remained employed in April (compared to 61 % among young men). This finding might be explained by jobs held by young women compared to those of young men. For example, the catering industry was hit the hardest by the economic lockdown. In the catering industry young women are more likely to be employed as waiters whereas many young men are

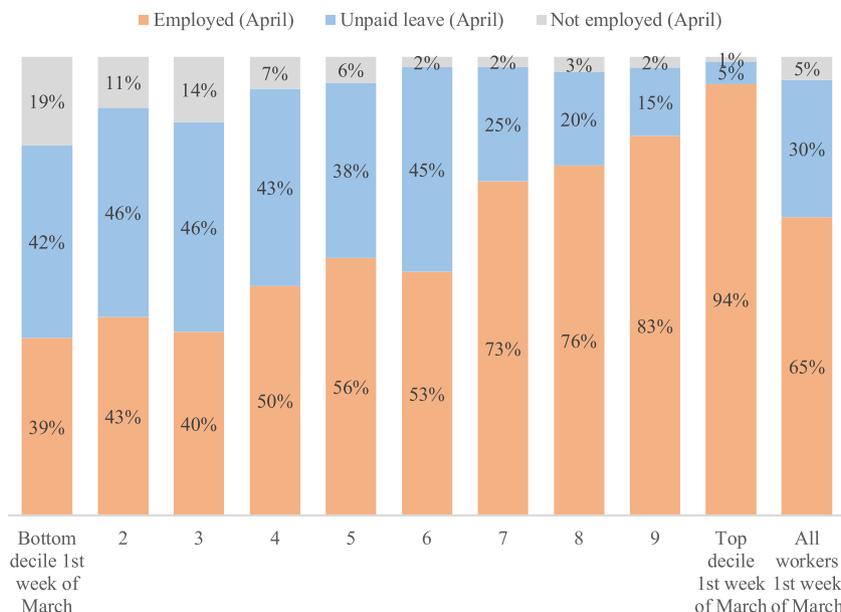
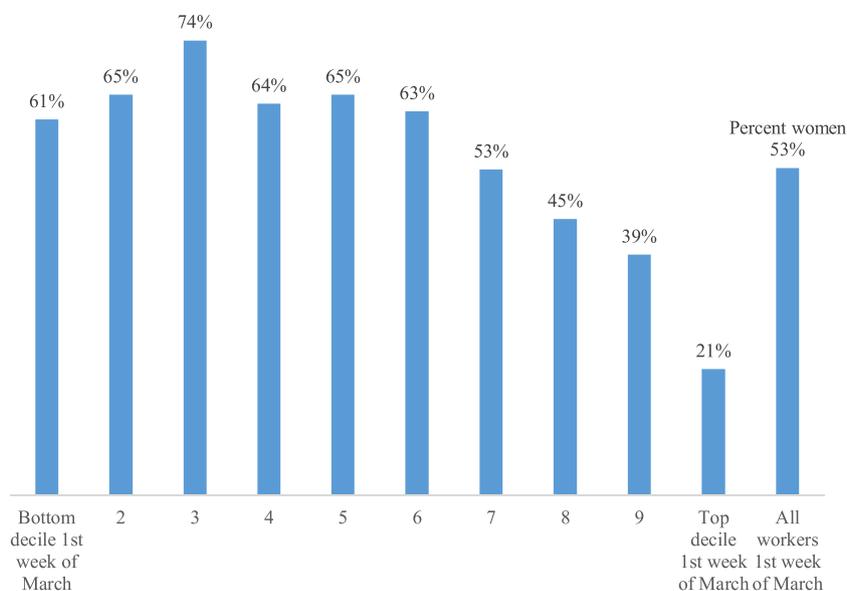
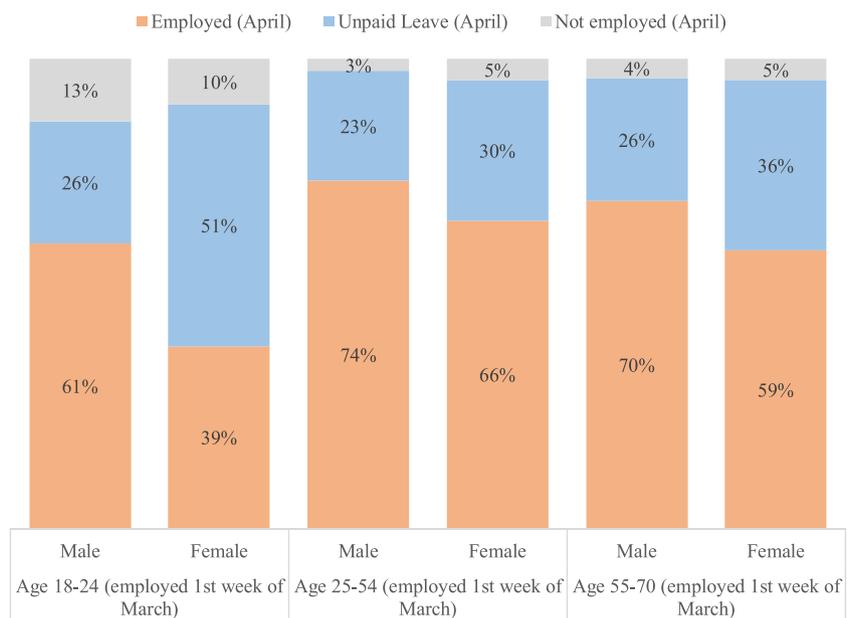


Fig. 1. Change in employment status, by wage deciles, due to the economic downturn following the coronavirus outbreak. Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March.



**Fig. 2.** Percent women by wage deciles, 1st week of March.  
 Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March.



**Fig. 3.** Change in employment status, by gender and age group, due to the economic downturn following the coronavirus outbreak.  
 Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March.

employed in errands, for which demand and employment opportunities have increased during the economic lockdown.

Nevertheless, gender inequality is expected to be less pronounced in the largely unionized and highly regulated public sector of the economy (Yaish & Kraus, 2003). By implication, the concentration of women in the public sector should better shelter women from the negative consequences of the economic crisis following the coronavirus pandemic. Indeed, both men and women were hit harder in the private sector than in the public sector (Fig. 4). However, women were hit the hardest, in both the public and the private sectors. About 44% of the women who were employed in the private sector in the first week of March were not employed by the end of April, compared to about 31% in the case of men. The equivalent numbers in the public sector are 33% and 23%, for women and men, respectively. Women’s economic position has been worsened by the coronavirus crisis even in the most sheltered sector of the economy. This is not surprising as non-standard employment has

filtered into the public sector in recent decades.

**6. How did the economic downturn following the coronavirus outbreak affect gender income inequality?**

Among workers still employed in April gender gaps in monthly earnings did not change much compared to March. Average monthly earnings among women, but not men, who remained employed in April is even slightly higher than all women employed in March. Yet gender gaps in income (earnings plus unemployment benefit) and working hours have widened (Fig. 5). For 49% of young women, the income decile in April was lower than in March (blue columns).<sup>1</sup> The

<sup>1</sup> Among all employees who have experienced a decline in earnings from March to April, 53% moved downward one decile and 83% moved downward two deciles.

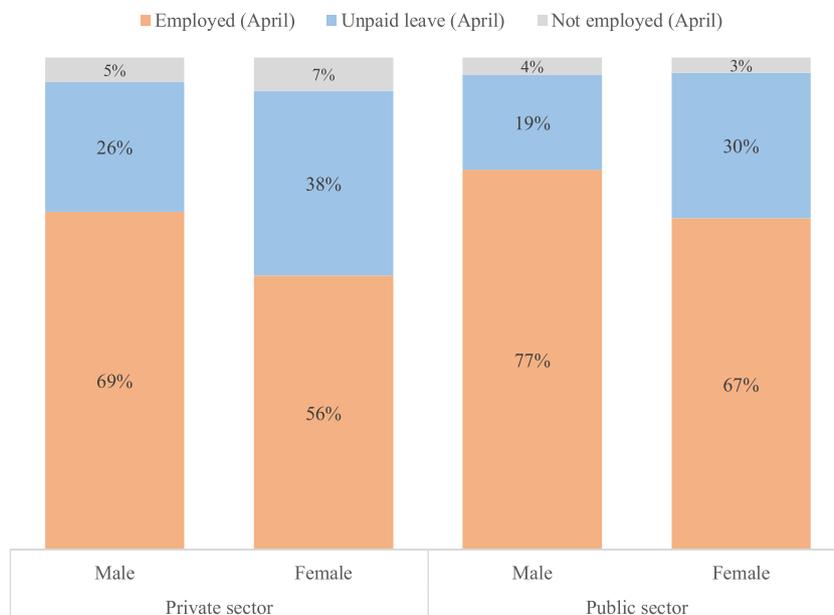


Fig. 4. Change in employment status, by gender and sector of employment, due to the economic downturn following the coronavirus outbreak. Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March.

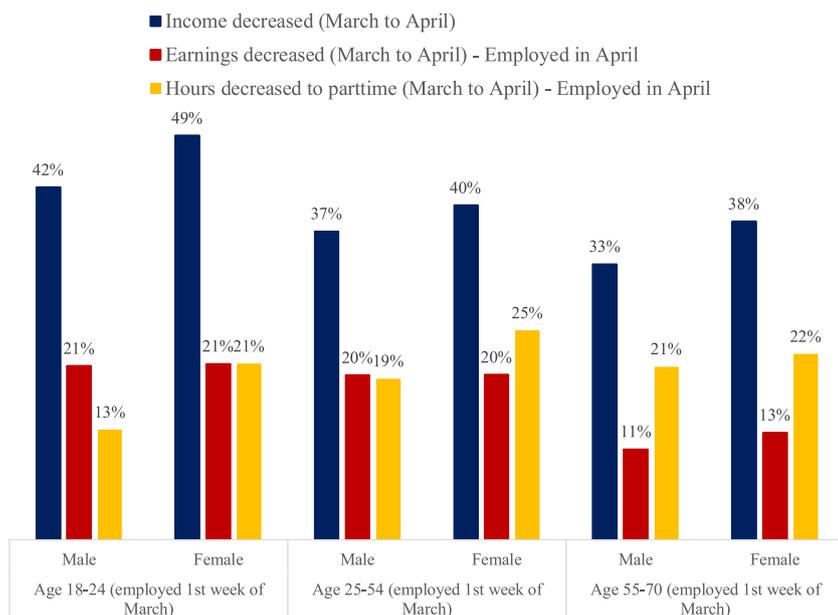


Fig. 5. Percentage of workers who faced decrease in income (earnings plus unemployment insurance), earnings and hours of work from March to April, by gender and age group, due to the economic downturn following the coronavirus outbreak. Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March. Note: Data on median level of unemployment insurance payments was imputed by age group (data derived from NI). Part-time employment is defined by less than 34 h a week.

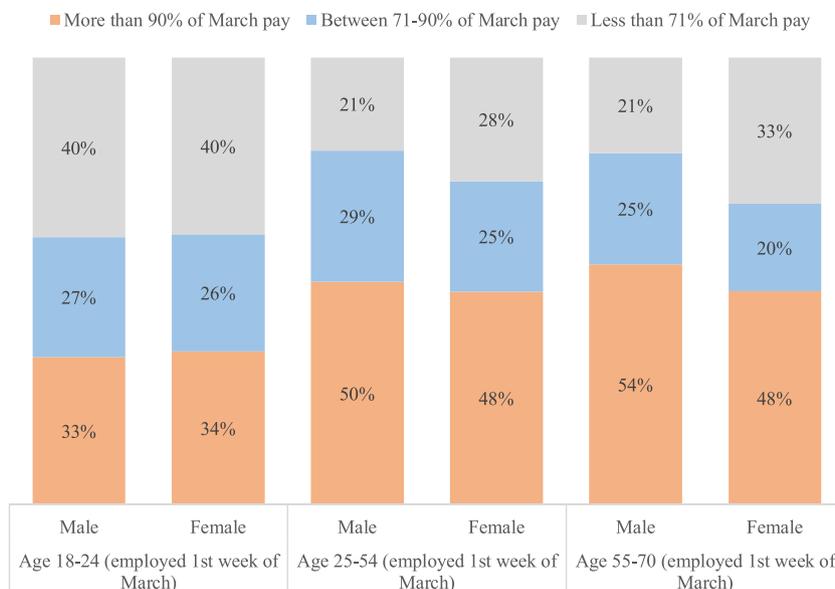
equivalent number for men was also high, but 7% lower than for women. A similar gender gap characterizes also the older employees. Only amongst those in their prime working age (25–54) was the gender gap in income loss relatively narrow—at 3%. This is quite surprising since unemployment insurance should lower the gender income gap relative to the earnings gap as unemployment benefits are 46 % of earnings for the upper decile and 80 % for the lower decile. Nonetheless, the larger decrease in income for women relative to men was mainly a result of their higher odds for becoming unemployed. This is clearly shown in the reduction in earning deciles due to the economic shutdown (red columns), which was nearly equal in both genders, across ages. Yet Fig. 5 also shows that women across all ages have experienced a greater decrease in working hours than men, and thus more women than men have moved from full-time to part-time employment (yellow columns). Decreasing working hours should also lower earnings – at least in the long run – but might not be shown when

earnings are measured by deciles.

**7. Will the economic downturn following the coronavirus outbreak have a long-lasting impact on gender inequality?**

Gender inequality in employment and income has increased following the coronavirus outbreak and the economic downturn. But do Israeli men and women see a light at the end of the tunnel? Or do they expect that the impact of the coronavirus pandemic will be long-lasting? Fig. 6 suggests a more persistent impact than is probably hoped for.<sup>2</sup> Importantly, the youngest, who were hit the hardest, are also the most pessimistic about their August paycheck. Within this age group,

<sup>2</sup> To tap the long-term impact of the crisis on earnings, the following question was asked: “On a scale from 0% to 100%, what would be your earnings in August as a percent of your average earnings?”



**Fig. 6.** Expected level of pay in August as % of March pay by gender and age group.  
 Source: A survey of adult Israeli men and women (age 18+) who were employed in the first week of March.

moreover, men and women share similar pessimistic expectations, with about 40 % expecting more than a 30 % pay cut by August. Among the prime age employees, as well as among the older employees, women are more pessimistic—or should we say realistic—than men.

**8. Conclusion**

The coronavirus pandemic outbreak has not leveled the inequality curve. On the contrary, the consequences of the economic downturn following the coronavirus for gender equality are harsh, with women affected much more severely than men. More women lost jobs than did men, which in turn increased significantly the gender income gap. The economic downturn following the coronavirus crisis, then, negatively affected women’s attachment to the labor market compared to men’s, both in term of overall employment level and in terms of working hours. These negative effects on women’s economic standing were more evident among the youngest employees. The severity of the crisis on this age group is also reflected in their extreme pessimistic outlook for the future. Nevertheless, men and women in this age group are equally pessimistic. This is a rather naïve subjective view of women’s economic prospects, probably because this is the first economic crisis they experienced. Women in older cohorts, who have experienced a few economic slowdowns, such as after each major war, after the 2000 dot com crisis and the 2008 financial crisis, are more realistic, and understand

that their prospects are not equal to men’s.

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