



ECLAC



**COVID-19  
 RESPONSE**

10 February 2021

# The economic autonomy of women in a sustainable recovery with equality



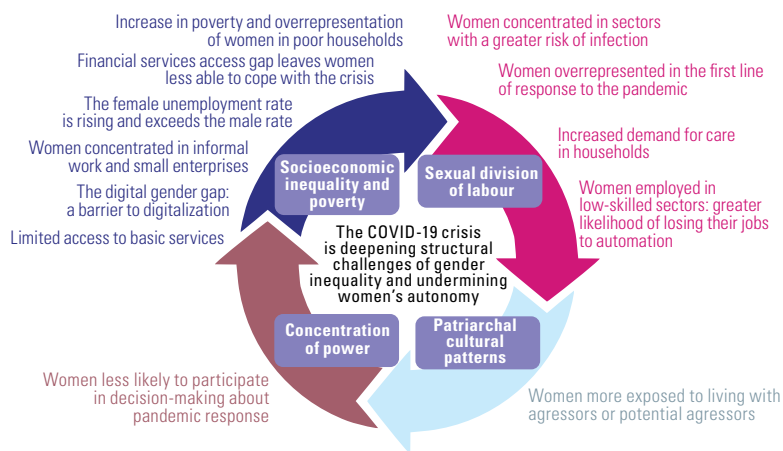
## A. Policies for a sustainable economic recovery with gender equality

- The coronavirus disease (COVID-19) pandemic struck Latin America and the Caribbean at a time of low economic growth and rising poverty and inequality. The economic and social effects of the pandemic are expected to have a substantial impact on women’s autonomy (see diagram 1). Efforts are needed to ensure that the multiple crises unleashed in the economic and social spheres do not exacerbate structural challenges of gender inequalities in Latin America and the Caribbean over the short, medium and long term.

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**Diagram 1** | The COVID-19 crisis is exacerbating structural challenges of gender inequality and undermining women’s autonomy



Source: Economic Commission for Latin America and the Caribbean (ECLAC).



- During economic downturns, countercyclical fiscal policies are vital because of their potential to sustain demand, direct resources to investment and create jobs, thereby improving opportunities for women. The governments of Latin America and the Caribbean have agreed to implement countercyclical policies that are sensitive to gender inequalities in order to mitigate the effects of crises on women's lives (ECLAC, 2020e).
- In the case of mitigation policies, what is required is to cushion and offset the effects of the crisis on women's employment, incomes and burden of care work, and the deterioration of their well-being. Recovery policies must reincorporate gender criteria in the strategic selection of sectors, fiscal mechanisms and instruments and in the reorientation of incentives.
- It is important to bear in mind the differential distributional effects of stimulus packages and other fiscal measures on men and women. In addition, progress is needed on a fiscal and gender covenant explicitly aimed at preventing the widening of gender gaps in access to financing and at safeguarding resources for gender equality and women's rights policies. In other words, the aim must be to move forward with the implementation of fiscal policies that contribute simultaneously and synergistically to the objectives of economic recovery and the closing of gender gaps.
- Comprehensive care systems have the potential to drive a socioeconomic recovery in the region that leaves no one behind. At the same time, this represents an opportunity to energize and strengthen care policies in the region from a systemic and comprehensive perspective. To successfully address the various economic and social impacts of the pandemic and rebuild with greater equality, it is necessary to include all populations in need of care and to generate synergies with economic, employment, health, education and social protection policies in a way that promotes social and gender co-responsibility.

**It is urgent to mobilize public resources on the scale needed to implement measures for dealing with COVID-19 from a gender perspective**

## **B. The effects of the pandemic on women's employment and incomes**

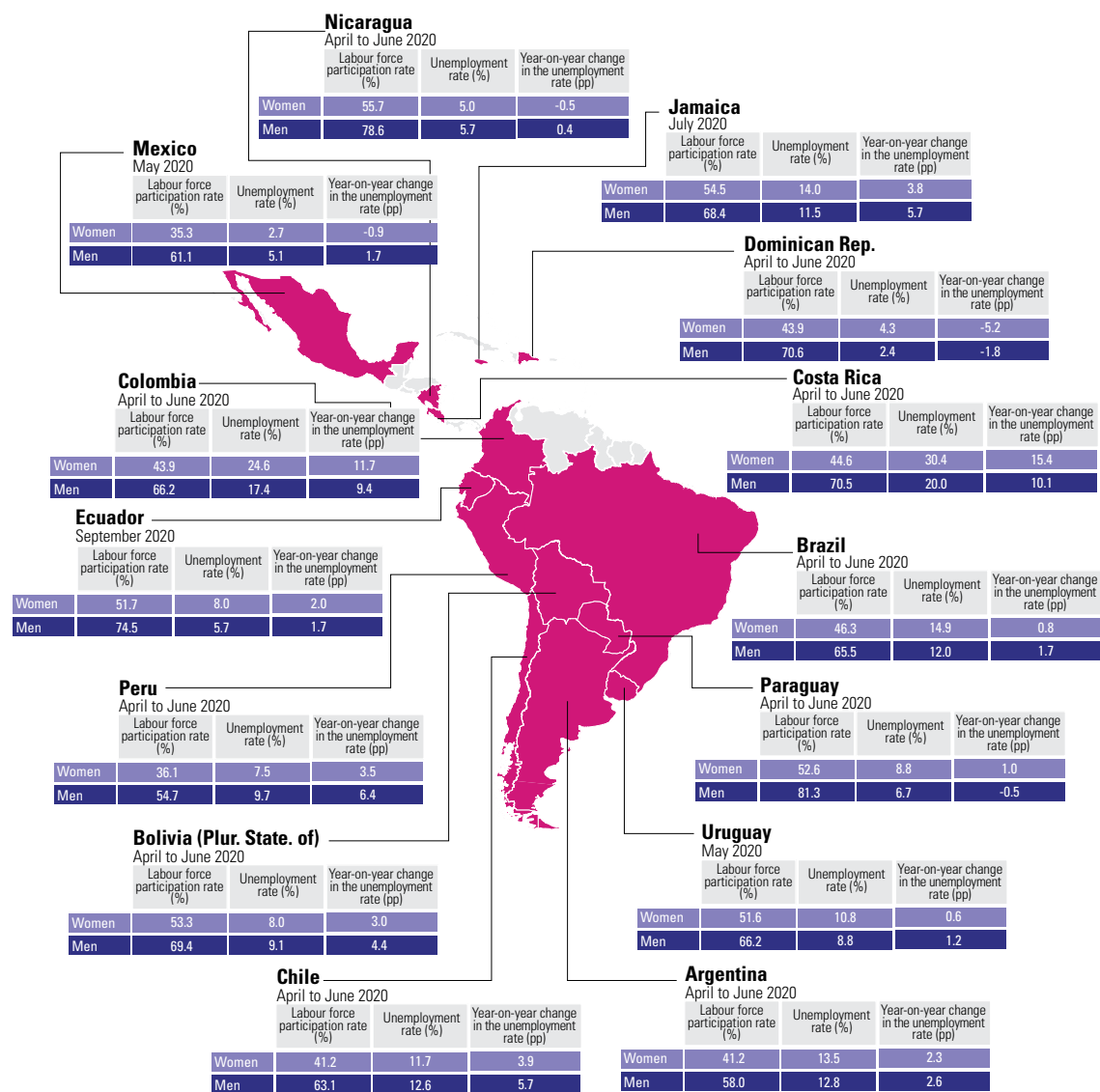
- According to estimates by the Economic Commission for Latin America and the Caribbean (ECLAC), the sharp economic contraction has been negatively affecting the quantity and quality of employment in the region, to an extent that in the case of women represents a loss of more than 10 years' progress in labour market participation.
- The female unemployment rate is expected to reach 22.2% for 2020, assuming the same participation rate as in 2019, which represents a 12.6 percentage point increase year-on-year.<sup>1</sup> The sharpest contraction in economic activity was observed in the second quarter of 2020 (CEPAL, 2020f), affecting unemployment and participation rates in some countries of the region (see map 1).
- Projected figures of a 7.7% fall in GDP and a 10.4 percentage point increase (assuming the same participation rate as in 2019) in the unemployment rate in Latin America imply a negative effect on household incomes (ECLAC, 2020f). Considering the overrepresentation of women in poor households, some 118 million of the region's women will be living in poverty.

**The pandemic will lead to a reduction in women's employment representing the loss of at least 10 years' progress**

**56.9% of women in Latin America and 54.3% in the Caribbean work in sectors that are expected to be hardest hit in terms of jobs and incomes**

<sup>1</sup> ECLAC projects that the female participation rate for 2020 will fall by 6 percentage points from the previous year to stand at 46%. Lower female participation in the labour market will bring the estimated unemployment rate for women down to 12.0% for 2020.

**Map 1 | Latin America and the Caribbean (14 countries): general labour market indicators, by sex, second quarter of 2020<sup>a,b</sup>**  
(Percentages and percentage points (pp))



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Censuses (INDEC) of Argentina, "Mercado de trabajo: tasas e indicadores socioeconómicos (EPH). Segundo trimestre de 2020", *Trabajo e Ingresos*, vol. 4, No. 5, Buenos Aires, 2020; Brazilian Institute of Geography and Statistics (IBGE), "Pesquisa Nacional por Amostra de Domicílios Contínua-PNAD Contínua" [online] <https://www.ibge.gov.br/estatisticas/sociais/educacao/9171-pesquisa-nacional-por-amostra-de-domicilios-continua-mensal.html?edicao=19757&t=destaques>; National Institute of Statistics (INE) of Chile, *Boletín Estadístico: Empleo Trimestral*, No. 261, July 2020; National Administrative Department of Statistics (DANE) of Colombia, "Gran Encuesta Integrada de Hogares (GEIH): Mercado Laboral" [online] <https://www.dane.gov.co/index.php/estadisticas-por-tema/mercado-laboral/empleo-y-desempleo#series-historicas-encuesta-nacional-de-hogares-enh>; National Institute of Statistics and Censuses (INEC) of Costa Rica, *Encuesta Continua de Empleo al segundo trimestre de 2020: resultados generales*, San José, 2020; National Institute of Statistics and Censuses (INEC) of Ecuador, "Encuesta Nacional de Empleo, Desempleo y Subempleo (ENEMDU)", September 2020 [online] <https://www.ecuadorencifras.gob.ec/empleo-septiembre-2020/>; Statistical Institute of Jamaica, "Main Labour Force Indicators", July 2020 [online] <https://statinja.gov.jm/LabourForce/NewLFS.aspx>; National Institute of Statistics and Geography (INEGI) of México, "Encuesta Telefónica de Ocupación y Empleo (ETOE) 2020" [online] <https://www.inegi.org.mx/investigacion/etoe/>; National Institute of Development Information (INIDE) of Nicaragua, *Informe de empleo: Encuesta Continua de Hogares. II trimestre 2020*, Managua, September 2020; Department of Statistics, Surveys and Censuses of Paraguay, "Encuesta Permanente de Hogares Continua EPHC 2020" [online] <https://www.dgeec.gov.py/>; National Institute of Statistics and Informatics (INEI) of Perú, "Comportamiento de los indicadores de mercado laboral a nivel nacional", *Informe Técnico*, No. 3, Lima, August 2020; INEI, "Estadísticas con enfoque de género", *Informe Técnico*, No. 3, Lima, September 2020; National Institute of Statistics (INE) of the Plurinational State of Bolivia, *Encuesta Continua de Empleo: 2T 2020. Resultados preliminares*, La Paz, 2020; National Institute of Statistics (INE) of Uruguay, "Actividad, empleo y desempleo: mayo 2020", *Boletín Técnico*, Montevideo, July 2020; Central Bank of the Dominican Republic, "Mercado de trabajo: Encuesta continua (ENCFT)", 2020 [online] <https://bancentral.gov.do/a/d/2541-encuesta-continua-encft>.

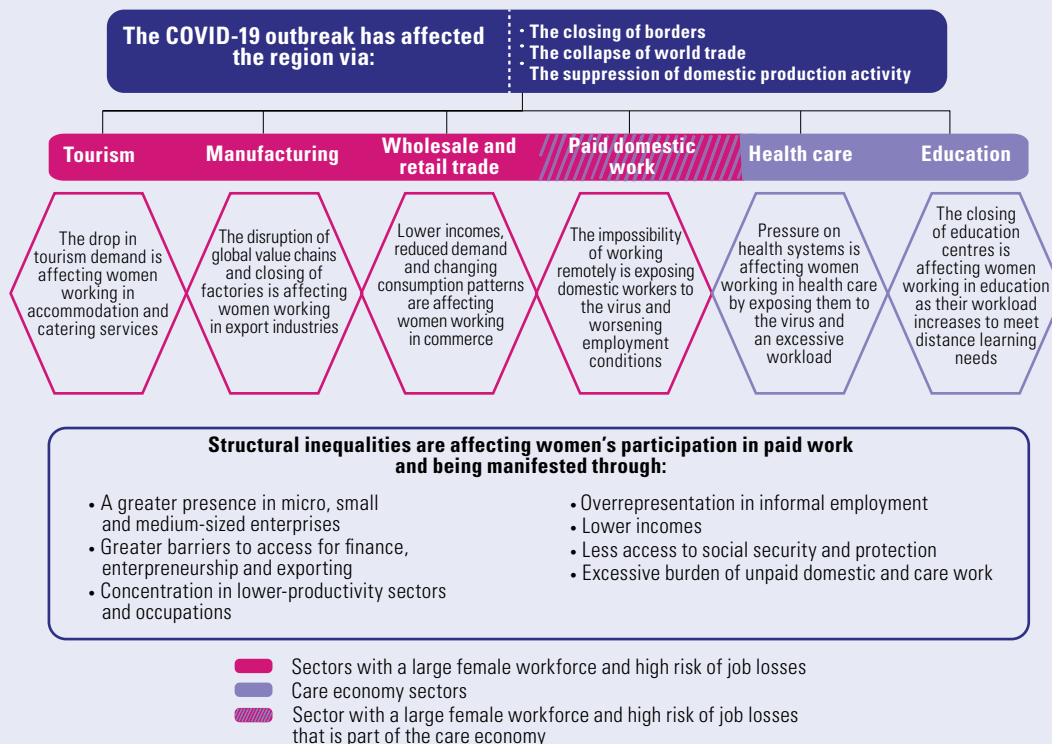
Note: The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

<sup>a</sup> Information is national except in the cases of Argentina and the Plurinational State of Bolivia, where it is for urban areas.

<sup>b</sup> Data are for the second quarter of 2020, except in the cases of Mexico and Uruguay, where they are for May 2020, Jamaica, where they are for July 2020, and Ecuador, where they are for September 2020.

- Besides the aggregate effects, differentiated effects are expected in the various sectors in the short and long term, the magnitude of which will depend both on external factors and on the internal characteristics of each country's economy. Diagram 2 shows the consequences of the crisis in economic sectors with large female workforces and the link with women's work.

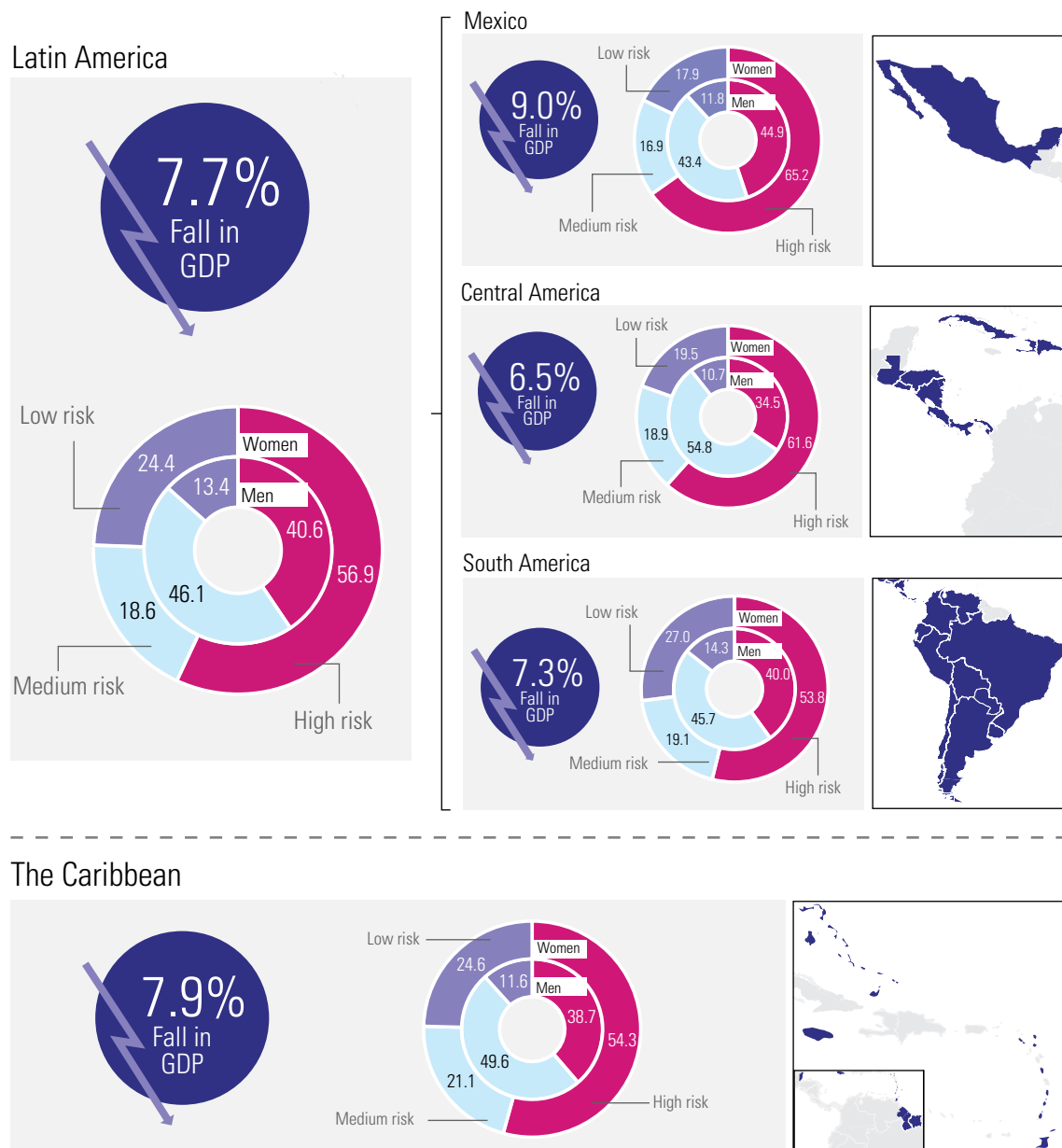
**Diagram 2 |** The effects of COVID-19 on economic sectors with large female workforces



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

- According to impact assessments carried out by ECLAC and the International Labour Organization (ILO), certain economic sectors are at particular risk in terms of output and employment levels as a result of the measures taken to curb contagion. These assessments predict a large impact on economic activity and employment in highly feminized sectors such as commerce, manufacturing, tourism and domestic service.
- High-risk sectors account for about 56.9% of female employment and 40.6% of male employment in Latin America (see figure 1). In the Caribbean, 54.3% of female employment and 38.7% of male employment is in high-risk sectors.
- Some of the sectors at greatest risk are the ones that the majority of employed women in the region work in. They are also characterized by high rates of informality, low pay and low skills (see table 1). As regards access to social protection, only a small proportion of women in these sectors are affiliated or contribute to a social security system: 35.8% in the commerce sector, 45.4% in the manufacturing sector, 25.9% in the tourism sector and 24.0% in the households as employers sector. In addition, at least one in three women in these sectors is self-employed, something that is generally associated with a lower quality of employment. Women who are self-employed or small business owners are highly dependent on self-financing, as they face greater barriers in accessing formal financial resources. This presents a challenge for the reopening and survival of their enterprises, which is why measures to limit job and income losses need to be extended to self-employed workers and domestic service workers.

**Figure 1 | Latin America and the Caribbean (33 countries): projected decline in GDP for 2020<sup>a</sup> and distribution of the working population by economic risk<sup>b</sup> and sex, around 2019<sup>c</sup>**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG); International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>; and ECLAC projections for 2020.

<sup>a</sup> The estimates for falls in GDP include the following countries: in South America, Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay; in Central America, Costa Rica, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Panama; and in the Caribbean, Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

<sup>b</sup> Economic sectors were classified by the risk of a decline in production and in the quantity and quality of employment because of measures taken to curb COVID-19 infections. In Latin America, using the sectoral classification of the fourth revision of the International Standard Industrial Classification of All Economic Activities (ISIC), the following sectors are considered to be at high risk: wholesale and retail trade; repair of motor vehicles and motorcycles; manufacturing; accommodation and food service activities; households as employers; real estate activities; and administrative and support service activities. Sectors considered to be at medium risk are transportation and storage; information and communication; arts, entertainment and recreation; mining and quarrying; financial and insurance activities; other service activities; construction; and agriculture, forestry and fishing. Sectors at low risk include human health and social work activities; education; professional, scientific and technical activities; public administration and defence; and activities of extraterritorial organizations and bodies. In the Caribbean, with sectors classified according to the third revision of ISIC, financial intermediation was reclassified as being at medium risk, since it groups categories with different risk levels.

<sup>c</sup> Data on the distribution of the employed population by sex in Latin America are for 2019 in the cases of Argentina, Brazil, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Peru and Uruguay; 2018 in the cases of Colombia, Mexico and the Plurinational State of Bolivia; 2017 in the case of Chile; and 2014 in the cases of the Bolivarian Republic of Venezuela, Guatemala and Nicaragua. Data on the Caribbean are for 2019 in the cases of Jamaica and Saint Lucia, 2018 in the case of Guyana, 2016 in the case of Barbados and 2015 in the case of Suriname.

**Table 1 | Latin America (17 countries):<sup>a</sup> employment characteristics in selected high- and low-risk sectors<sup>b</sup> with large female workforces, weighted averages, around 2019 (Percentages)**

	Sector of economic activity	Distribution of the employed population by sector of economic activity		Proportion of women in the sector	Proportion of women affiliated to or paying into the social security system	Proportion of women who are self-employed	Proportion of women employed in firms of less than 5 people
		Women	Men				
High risk	Wholesale and retail trade; repair of motor vehicles	21.6	17.7	47.4	35.8	41.1	69.0
	Manufacturing	11.0	13.2	38.1	45.4	32.2	49.7
	Accommodation and food service activities	9.2	4.2	61.5	25.9	32.4	69.5
	Households as employers	11.1	0.8	91.5	24.0	Sectors of the care economy that are strategic for a transformative recovery	
Low risk	Education	9.8	3.0	70.4	83.1		
	Health	7.0	1.9	73.2	78.9		

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Household Survey Data Bank (BADEHOG).

<sup>a</sup> Data on the distribution of the employed population by sex refer to 2019 for Argentina, Brazil, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Peru and Uruguay; 2018 for Bolivia (Plurinational State of), Colombia and Mexico; 2017 for Chile; and 2014 for Guatemala, Nicaragua and Venezuela (Bolivarian Republic of).

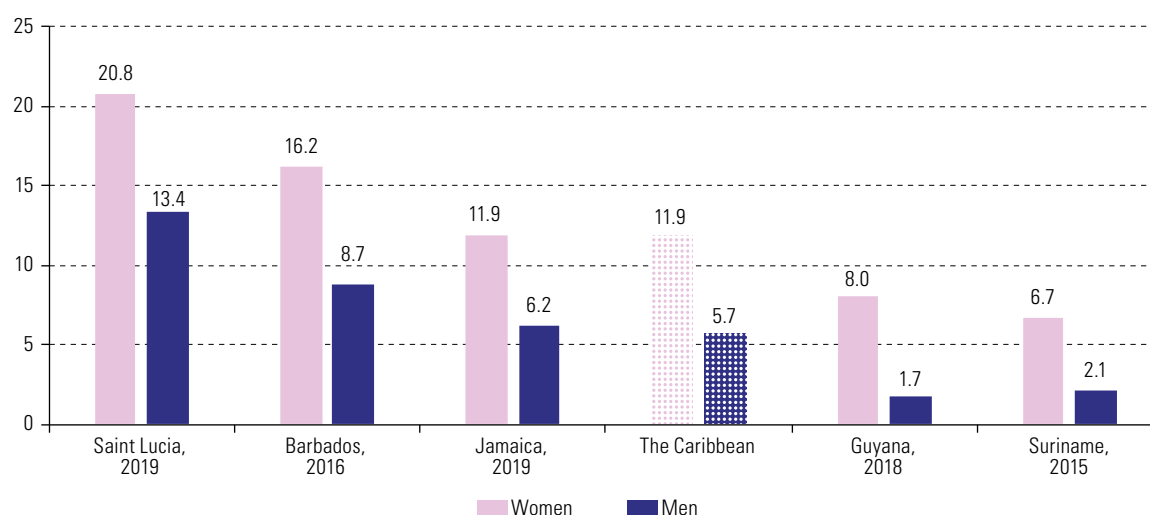
<sup>b</sup> Economic sectors were classified by the risk of a decline in production and in the quantity and quality of employment because of measures taken to curb COVID-19 infections. In Latin America, using the sectoral classification of the fourth revision of the International Standard Industrial Classification of All Economic Activities (ISIC), the following sectors are considered to be at high risk: wholesale and retail trade; repair of motor vehicles and motorcycles; manufacturing; accommodation and food service activities; households as employers; real estate activities; and administrative and support service activities. Sectors considered to be at medium risk are transportation and storage; information and communication; arts, entertainment and recreation; mining and quarrying; financial and insurance activities; other service activities; construction; and agriculture, forestry and fishing. Sectors at low risk include human health and social work activities; education; professional, scientific and technical activities; public administration and defence; and activities of extraterritorial organizations and bodies.

- In the short term, confinement measures have forced many businesses to shut down or switch to digital models. In the medium term, reduced economic activity will impact sales and employment. The commerce sector accounts for a large share of female employment (21.6% of employed women) and a large proportion of informal employment. Some 69.0% of these women work in companies with fewer than five employees, and 41.1% are self-employed.
- It is projected that almost 2.7 million formal microenterprises will close in the region (ECLAC, 2020c), as this is a segment with low profit margins and capital support. Against this background, the outlook for women traders and producers is even more challenging, firstly, because they are concentrated in the segment of companies most exposed to the crisis, i.e., small and medium-sized enterprises; secondly, because they are overrepresented in the sectors at greatest risk, such as tourism and retail trade; and finally, because there are structural barriers affecting their access to credit.
- If enterprises that are led by women or have a high proportion of female employees are to survive the effects of the crisis, it is important to design policies to close digital divides and measures to sustain liquidity and thus protect jobs.
- Manufacturing is another key sector since, despite higher levels of formalization, it is considered highly vulnerable to disruptions in global supply chains and factory closures. This may be particularly critical in Central America, where the sector accounts for 13.2% of female employment, with women heavily involved in export-oriented industries such as maquila and assembly. Closures in these industries may lead to interruptions in the employment of low-skilled women.

**The contraction in tourism is doing considerable harm in the Caribbean countries, and this will affect 1 in every 10 women employed in the sector**

- The tourist accommodation and catering sector is highly feminized, with 61.5% of jobs in the region being held by women in 2019. This sector employs over 70% women in the Plurinational State of Bolivia (78.6%), Peru (76.4%), Honduras (76.2%), El Salvador (74.8%) and Nicaragua (72.9%). It is also a sector where women are mainly employed in microenterprises (69.5% of women in this sector work in enterprises of fewer than five people), which often lack access to credit, have few assets and are expected to recover more slowly unless fiscal measures and targeted stimulus packages are provided to enable them to cope with the current crisis.
- The economic and social effects of the crisis on tourism will be particularly critical in Caribbean countries. How much the Caribbean economies contract will depend heavily on how much the demand for tourism services declines. This sector accounts for 11.9% of female employment and 5.7 % of male employment in the Caribbean subregion (see figure 2), and the female employment figure equals or exceeds the regional average in some countries, including Saint Lucia (20.8%), Barbados (16.2%) and Jamaica (11.9%).

**Figure 2 | The Caribbean (5 countries): proportions of employment in the tourism sector, by sex, latest year available (Percentages)**

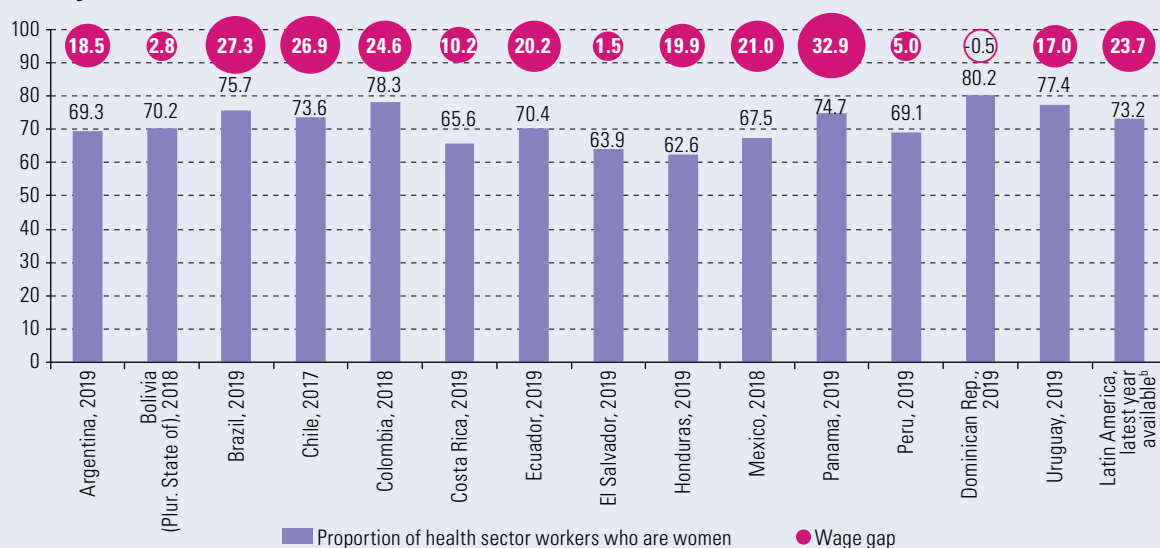


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/data/>.

- Paid domestic work is another sector that has been hit hard by the crisis, as it is not only highly insecure, but is a type of work that cannot be done remotely. Many women working in this sector are experiencing uncertainty about their pay, especially those without a formal contract. Those who have continued to go to their workplaces have seen their responsibilities increase as they have had to deal, for example, with activities related to the closing of schools in households where children live. They have also had to raise hygiene standards to prevent infection and even cope with demands for health care from members of the households where they work. This not only exposes them to infection but compels them to engage in activities for which they are not necessarily qualified (ECLAC, 2020d). In extreme cases, many workers are even being dismissed.
- Some national institutes of statistics in the region are already beginning to publish labour market figures that highlight this area of particular concern. In Brazil, the number of people employed in the domestic service sector fell by 24.7% in the quarter from April to June 2020 compared to the same period in 2019. In Chile, female employment in the households as employers sector declined by 46.3% year on year between May and July 2020, equivalent to some 150,000 fewer women in this sector. In Colombia, the number of women employed in the occupational category of domestic employment fell by 44.4% in the May-July quarter compared to the same quarter in 2019. In Costa Rica, female employment in the households as employers sector was down 45.5% year on year in the quarter from April to June. In Mexico, a 33.2% fall in female employment in domestic work was reported in July 2020. Lastly, in Paraguay, domestic employment fell by 15.5% in the second quarter of 2020.

- While there are sectors of the care economy, such as health and education, where the risk of employment declining is not considered to be high, women employed in these sectors are part of the first line of response to COVID-19. The pressure on health-care systems and the new dynamics in education services may have a strong impact on the workloads and working conditions of these women.
- The COVID-19 pandemic has highlighted some flaws in development models, which have failed to prioritize investments in the health sector, the result being weak and fragmented health-care systems. In 2018, public spending on health was 2.2% of GDP in Latin America and 3.3% in the Caribbean, both figures being well below the 6.0% recommended by the Pan American Health Organization (PAHO) to reduce inequities, ensure universal health-care coverage and increase protection against financial risks (ECLAC, 2019b).
- The health sector, in addition to being essential for care, is a highly feminized one: women make up 73.2% of the total number of people employed there. Low investment in this sector strongly affects working conditions. Although some countries in the region almost meet the PAHO recommendation, this does not imply better pay conditions for women employed in this sector or a smaller wage gap with men. In countries such as Panama, Brazil, Chile and Colombia, female health workers earn at least a quarter less than men (see figure 3).

**Figure 3 | Latin America (14 countries): proportions of women in the health-care sector and wage gap between men and women<sup>a</sup> employed in the sector, around 2019**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys from the respective countries.

<sup>a</sup> The wage gap is calculated as the difference between male and female median earnings relative to male median earnings.

<sup>b</sup> Weighted average calculated from the latest figure available in each country.

- In the current crisis, people employed in this sector are being called upon to work longer hours and do not always have sufficient protective equipment, which increases the chances of infection and also increases stress for staff. It is difficult to reconcile an overload of paid work with the care needs of family members in the context of current restrictions on mobility and requirements designed to prevent the spread of the virus. All this poses a great challenge for women workers in the sector, who do not always earn enough to outsource care work.
- The health emergency has led to a massive shutdown of on-site activities in educational institutions to prevent the spread of the virus and mitigate its impact. According to data from the United Nations Educational, Scientific and Cultural Organisation (UNESCO), by mid-May 2020 more than 160 million students in Latin America and the Caribbean at all levels of education had stopped having face-to-face classes. In most countries (29 out of 33), various forms of distance learning have been established (ECLAC/UNESCO, 2020).
- In the region, 70.4% of jobs in the education sector are held by women. This highly feminized teaching workforce has had to come to grips with new forms of education, often without having first had the opportunity to undergo training and without adequate skills or resources to adapt



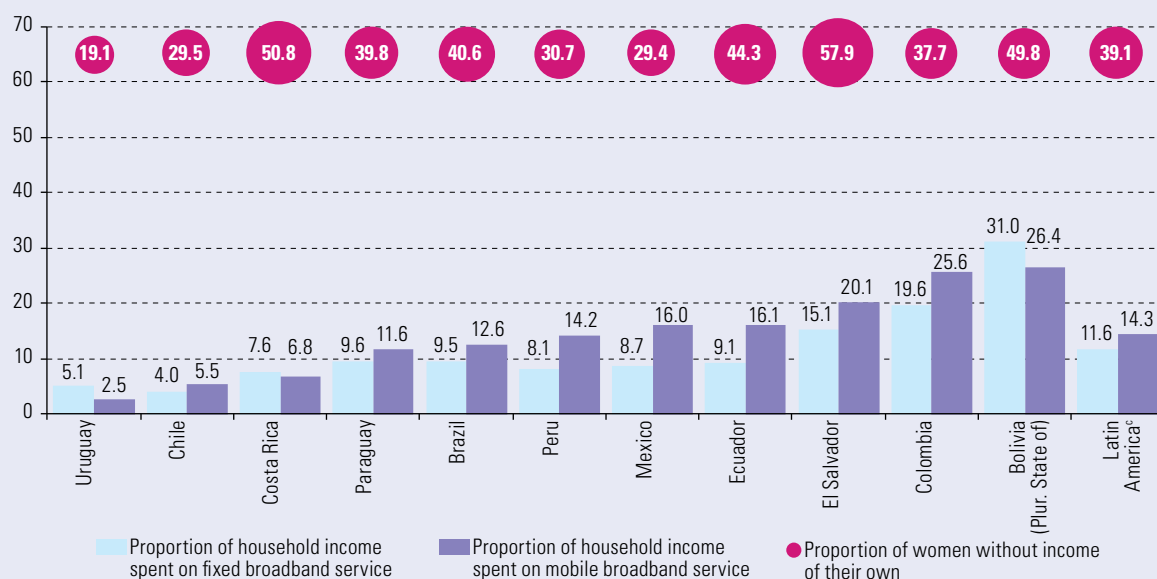
their work to the demands of distance learning and the use of platforms. In addition to their traditional tasks, education personnel have had to engage in activities to safeguard the material security of students and their families, such as the distribution of food, health products and school materials, among other things. It is not known how much longer schools and educational centres will have to stay closed as part of the effort to curb contagion. Again, when face-to-face activities become viable again, staff working in this sector will take on new responsibilities associated with care and anti-contagion measures, the application of hygiene and physical distancing protocols and complementarity with platform-based education. The education sector has played a crucial role in the response to the pandemic, and these considerations make it essential to plan support strategies for it that do not result in excessive workloads and poorer working conditions for the women employed there.

- There is a virtuous circle between investment in care infrastructure and economic growth. First, investment boosts domestic consumer demand and, with it, the level of activity. Second, it increases the potential for long-term growth and development by freeing up women's time and professionalizing and regulating the quality of care, which helps countries to escape from the low-growth trap (ECLAC, 2019a).
- In designing policies for economic reactivation in the region, there needs to be a renewed approach in which care is not necessarily conceptualized as social expenditure, but is considered from an investment perspective. It is an investment in present and future capabilities and in the creation of high-quality employment, which is also a mechanism for reactivating economies. Investing in the care economy contributes to job creation, particularly for women; but if care is linked to labour policies that improve the quality of those jobs, then it can also help reverse discrimination in the labour market and generate better conditions in this sector, where working conditions are poor in most of the countries. In the medium and long term, investment in care sectors has positive effects on the education level of the workforce and thence on its productivity. In addition, the provision of public and social care infrastructure also has the potential to reduce the educational inequalities affecting girls and boys, especially if the quality of community-based public and private care services is regulated and controlled. This is crucial to ensure sustainable development with equality.

### C. The COVID-19 pandemic is accelerating the use of digital platforms

- The advent of COVID-19 and the measures adopted to mitigate its spread have accelerated the digital transformation of the region's societies and the link with the digital economy. As a result of confinement measures during the pandemic and a massive shift towards online shopping, companies in different sectors were forced to immerse themselves more quickly in the digital era. New health requirements are altering the processes of logistical organization and paid work. The public administration and other organizations have also been forced to adapt their operations and service delivery methods to the new situation imposed by the pandemic.
- The speeding up of digitalization in practically every area of life since the outbreak of the COVID-19 pandemic has brought opportunities but also major challenges for women's economic autonomy and the prospects for achieving gender equality in accordance with Goal 5 of the 2030 Agenda for Sustainable Development (ECLAC, 2019a). As stated in the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030, socioeconomic inequality and poverty are among the structural challenges of gender inequality in the region. The intersection between poverty, the digital divide and gender inequality undermines the opportunities that the acceleration of the digital economy could bring to women in the bottom income quintiles.
- In the region, mobile and fixed broadband services cost the population in the first income quintile an average of 14% and 12% of their income, respectively (ECLAC, 2020a) (see figure 4). Furthermore, an average of 39.1% of women in households in the first income quintile do not have any income of their own. This is undoubtedly a barrier to many women in the region participating in the digital economy. If these figures are analysed in the light of their ability to engage in paid work remotely, the conclusion is that **lower-income women face a twofold obstacle: lack of economic autonomy and the gap in Internet access for teleworking.**

**Figure 4 | Latin America (11 countries): proportion of women without income of their own and affordability of fixed and mobile Internet access<sup>a</sup> in the lowest income quintiles, around 2019<sup>b</sup>**  
(Percentages and percentages of household income)



Source: Economic Commission for Latin America and the Caribbean (CEPAL), Regional Broadband Observatory (ORBA), on the basis of information from the Household Survey Data Bank (BADEHOG).

<sup>a</sup> The affordability of fixed and mobile Internet access is expressed as the percentage of household income the cost of the service represents. The average cost of the service in each country was taken as the basis for calculation.

<sup>b</sup> The data on the female population in the first income quintile with no income of their own are for 2019 in the cases of Brazil, Costa Rica, Ecuador, El Salvador, Paraguay, Peru and Uruguay, 2018 in the cases of Colombia, Mexico and the Plurinational State of Bolivia and 2017 in the case of Chile.

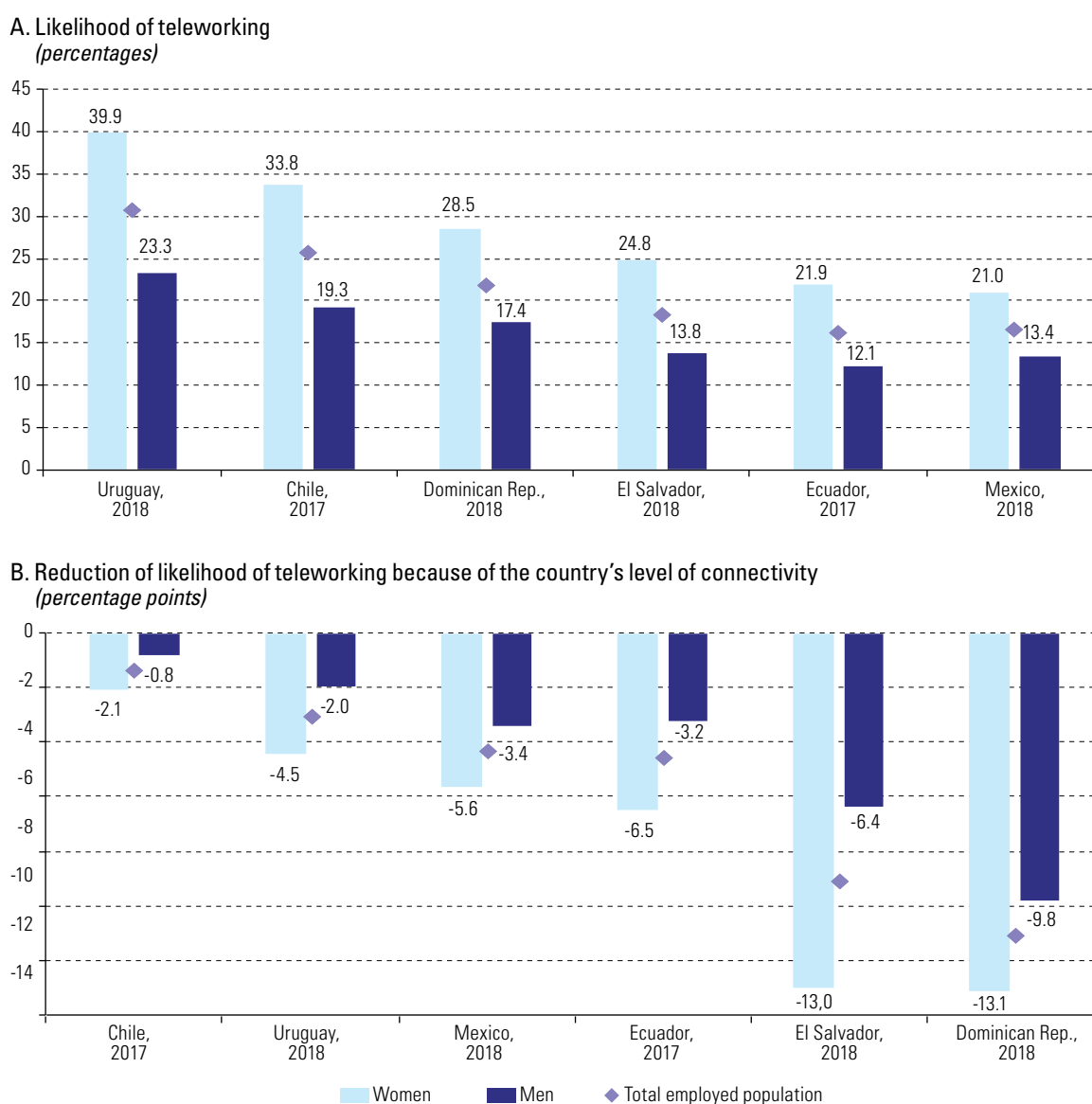
<sup>c</sup> Simple average of 11 countries.

- In particular, the rapid expansion of the digital economy is having a massive effect on the labour market and on the type of skills needed to participate in economic and social activities. In addition to information and communication technology (ICT) professionals, new skills are required in all areas that are being digitized. The level of digital skills required by professions and trades is increasing dramatically. All sectors are demanding more skills associated with the world of science, technology, engineering and mathematics, which are strongly associated with the occupations of the future. These occupations will require skills for the development, implementation and intensive use of technologies. For women, in principle, this opens up new opportunities for jobs that require greater skills and involve fewer routine tasks, that provide some flexibility, such as distance working, and that ought to be better paid. **From a gender equality perspective, it is essential to overcome segmentation in the world of work and ensure that the new digital economy opportunities are accompanied by a transformation of gender roles so that women truly benefit from economic autonomy.**
- Teleworking has become an employment option to keep some companies and businesses running. However, because of the structural characteristics of the labour markets and production structures of the region's countries, it is estimated that only 21.3% of employed persons could telework (ECLAC, 2020a). In theory, a larger proportion of women than men should be able to continue working remotely, because of the type of occupations women perform (see figure 5A). However, the level of connectivity in the countries and persistent gender gaps in access to and use of digital technologies significantly reduce the percentage of employed women who could telework (see figure 5B). This, coupled with the fact that women are more likely to be assigned to unpaid work, limits their real prospects of participating fully in the labour market.
- The digital revolution is bringing various kinds of disruption to the world of work, sometimes resulting in poorer working conditions, with women potentially most affected. The new digital jobs could also heighten inequalities, in particular gender inequalities, as women tend to be overrepresented in informal employment, which is unprotected in much the same way as

employment on digital platforms is today. For example, most jobs on digital platforms are not protected by the right to unionize, the right to strike or the right to collective bargaining, nor do they guarantee the right to holidays, sick leave, health insurance, maternity protection or unemployment insurance. Moreover, by their nature, these types of jobs do not guarantee a regular fixed income or opportunities for training or career advancement either (Vaca Trigo, 2019).

- **Gender biases in both the design and the use of technologies set limits to innovation, reducing their positive effects.** This is important not only for gender equality, but for the digital economy and society as a whole. Moreover, one of the greatest constraints on growth in the digital economy is the alarming shortage of skilled professionals, and the relatively low participation of women in ICT careers and professions is a major obstacle to this dynamic. In sum, it can be said that the widening of digital gender divides is affecting overall economic performance.

**Figure 5 |** Latin America (6 countries): likelihood of teleworking and reduction of this likelihood because the country's level of connectivity does not allow people to work from home, by sex, around 2018



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Household Survey Data Bank (BADEHOG), and Dingel and B. Neiman, "How many jobs can be done at home?", *NBER Working Paper*, No. 26948, Cambridge, National Bureau of Economic Research (NBER), 2020.

Note: The likelihood of teleworking is estimated on the basis of national four-digit occupational classifications.

## D. A fiscal covenant for recovery with gender equality

- Fiscal policies should contribute simultaneously and synergistically to the objectives of economic recovery and closing gaps and be based on the principles of adequacy, progressiveness and equality. This **requires a new fiscal covenant that promotes gender equality as a central component of a sustainable recovery**, i.e., a covenant that meets the following requirements:
  - *It should be based on analysis of the differing effects on men and women of the fiscal measures pursued*, to avoid a worsening of female poverty, an excessive burden of domestic and unpaid care work and any reduction in financing for equality policies. These criteria need to be included in the impact assessment methodologies of the region's ministries of finance and the economy and in budget discussions. To this end, it is necessary to strengthen the ability of technical teams to design and implement fiscal policies from a gender perspective.
  - *It should increase revenues progressively and mobilize additional public resources* to deal with growing financing needs. The progressiveness of tax systems needs to be improved, with increased pressure on higher-income sectors, and even on sectors that are expanding in the current context. In addition, tax evasion and avoidance and illicit financial flows need to be controlled in order to increase States' collection levels and mobilize the maximum of available resources. Tax evasion and avoidance amount to 6.1% of GDP in Latin America and the Caribbean and represent a loss of resources that could be directed towards financing policies to address COVID-19 from a gender perspective.
  - *It should assign adequate resources in government budgets* for key women's policies in the context of the pandemic, such as gender-based violence response services, sexual and reproductive health services and care services.
  - *It should promote fiscal stimulus packages designed to protect the incomes and employment of women* affected by the crisis and their participation in the recovery.
- To ensure women's access to support instruments and funding mechanisms, the region should:
  - Promote the establishment of specific funds, lines of credit, subsidies, products and services for women by multilateral banks and, in particular, development banks, with a special focus on women entrepreneurs in micro, small and medium-sized enterprises (MSMEs).
  - Promote debt suspension, moratorium and restructuring measures for women affected by the crisis, particularly women in insecure employment, informal workers, domestic workers, women without income of their own, women in poor households and women with dependents.
  - Explore debt relief options for highly indebted and vulnerable countries in the Caribbean and pursue measures to address over-indebtedness, ensuring the resources are in place to implement gender equality and pandemic response policies.
- There is an urgent need for reactivation measures to incorporate the gender perspective and address various dimensions of fiscal policy in order to achieve gender equality. It is possible to integrate a sustainability and equality perspective into spending, investment and revenue (see table 2).

**Table 2** | Dimensions of fiscal policy for gender equality: measures for the recovery

Income	Spending	Investment
<p><b>Mobilize additional public resources and increase the progressiveness of tax systems</b></p> <ul style="list-style-type: none"> <li>• Progressively increase revenues</li> <li>• Combat tax evasion and avoidance</li> <li>• Make financing mechanisms and access conditions more flexible (cost and conditions of financing)</li> <li>• Reduce the burden of indirect taxes so as not to disproportionately disadvantage women on low incomes and those from poor households who have less ability to pay</li> </ul>	<p><b>Expand fiscal space so that sufficient resources can be allocated to address the COVID-19 pandemic from a gender perspective</b></p> <ul style="list-style-type: none"> <li>• Strengthen the funding of key policies for women in the context of the pandemic: services for women in situations of gender-based violence and sexual and reproductive health services</li> <li>• Expand the coverage of social protection instruments to address the situation of women in all their diversity</li> <li>• Ensure that budget reallocations or cuts aimed at addressing the effects of the pandemic are in line with human rights and non-discrimination principles</li> </ul>	<p><b>Bring in fiscal stimulus packages aimed at protecting the incomes and employment of women affected by the crisis and their participation in the recovery</b></p> <ul style="list-style-type: none"> <li>• Invest in the care economy as an engine of economic dynamism</li> <li>• Incorporate sectors with large female workforces into the recovery process (manufacturing, tourism, services)</li> <li>• Support women in micro, small and medium-sized enterprises</li> <li>• Promote affirmative actions to help women participate in frontier technology sectors</li> </ul>

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

## E. Actions for gender equality in the recovery

- Expand fiscal space and increase the progressiveness of tax systems to secure resources for gender equality and women's rights policies.
- Revive severely affected sectors such as commerce, tourism and services, which not only revitalize economies but have a powerful role to play in the recovery of women's employment.
- Pursue measures to ensure that growth in technology sectors is accompanied by an increase in the participation of women, with particular emphasis on the removal of entry barriers in these sectors.
- Consider strategies for retraining women, mainly for jobs in the digital economy and occupations that meet the requirements of the new situation.
- Prevent the precarization of atypical and emerging forms of employment and guarantee women's rights to work and at work, particularly in digital and platform employment.
- Expand social protection coverage to address the situation of women in all their diversity, without making access to benefits and transfers subject to conditionalities.
- Recognize the new requirements for full participation in education and the demand for digital infrastructure to support the education of children and adolescents.
- Promote inclusive digital transformation processes that include access to digital technologies (basic digital basket) and measures to give people the skills to use these technologies while breaking down socioeconomic barriers, thereby improving the economic opportunities of women.
- Ensure that women have access, both as individuals and as entrepreneurs, to financial services and products without gender biases being reproduced in respect of risk assessment, credit histories, sureties and collateral, and interest rates.
- Invest in the care economy and draw attention to its multiplier effects in terms of women's labour market participation, population welfare, income and time redistribution, economic growth and increased tax revenues.
- Design comprehensive care systems that combine policies relating to the distribution of time, resources, benefits and services, with a focus on the principle of co-responsibility between men and women and between the State, the market and families, and that connect with health and education policies without subjecting women to an excessive burden of unpaid work.
- Pursue formalization, professionalization and skills certification measures to ensure that the needs of people requiring care throughout the life cycle are met and that their rights and those of the people providing this care, whether on an unpaid or paid basis, are respected.

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This *Special Report* is the ninth in a series by the Economic Commission for Latin America and the Caribbean (ECLAC) on the evolution and impacts of the COVID-19 pandemic in Latin America and the Caribbean. The economic and social analysis it offers will be updated as the relevant information becomes available. The preparation of the Report was headed by the Executive Secretary of ECLAC, Alicia Bárcena, with the technical support of the Office of the Deputy Executive Secretary, Mario Cimoli, and the Division for Gender Affairs of ECLAC.

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