

Prolonged recession ahead if there isn't a childcare solution: Economist ^[1]

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The COVID-19 pandemic, and ensuing business closures, have created a “she-cession,” according to one economist.

Economist Armine Yalnizyan says policymakers need to take into account the unprecedented impact this downturn has had on women and Canadian households.

“There’s no recovery without a ‘she-covey,’ and no recovery without childcare,” Yalnizyan told BNN Bloomberg in a phone interview. “It is mathematically impossible to have a GDP or jobs recovery without getting more women back to work.”

“If we permit a significant share of the childcare ecosystem to collapse, then we are looking at a cascade of effects which I think would lead to an economic depression and continued prolonged contraction of the economy.”

A report released Thursday by RBC Economics stated that women’s participation in the labour force was at historically high levels leading up to the pandemic, but has since plunged to levels not seen in more than 30 years. Despite absorbing 51 per cent of job losses in March and April, women accounted for only 45 per cent of the job gains seen in May and June as lockdown restrictions eased.

According to RBC’s analysis of Statistics Canada data collected between March and June, women’s unemployment surpassed that of men, a feat that has not occurred in more than three decades. RBC found that a key reason behind the trend is that women are predominant in industries which bore the brunt of the shutdowns: travel, food services, retail, education and social assistance.

We recognized that the burden of this challenge falls disproportionately on women,” he added.

The RBC report added that “motherhood is a critical factor in the job picture as women shoulder a greater share of the burden of childcare.”

Bank of Canada Governor Tiff Macklem’s prepared remarks, delivered after the central bank held its benchmark interest rate at 0.25 per cent on Wednesday, referenced that “many people may find it hard to return to work particularly if schools and child-care facilities cannot fully reopen.”

The report said employment among women with toddlers or school-aged children fell seven per cent between February and May, compared with a four-per-cent drop for their male counterparts. Employment declines for single mothers were even more significant at 12 per cent.

RBC found that StatsCan data indicated women were significantly more likely to fall out of the labour force, adding that half of the women who lost their jobs between February and May were not actively looking for work.

Yalnizyan said a combination of child-rearing and some home-schooling is adding to these women’s workloads.

“They’re doing someone else’s paid work but at home,” she said

Yalnizyan is calling for a federally-led solution to safely re-open schools and daycares that lays out exact protocol for handling potential virus cases.

“We wasted our spring not getting ready for this,” she said.

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