The startling impact of COVID-19 on immigrant women in the workforce [1]

Shutdowns led to greater and prolonged job loss for already marginalized Canadians, who deserve and will need more targeted training and reskilling.
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EXCERPTS

While the mantra for the COVID-19 crisis has been "let's build back better," it will be impossible to do so without acknowledging that this pandemic has hit demographic groups unequally. Immigrant women faced many challenges in the workforce before COVID, but this pandemic has had a way of further exacerbating existing social and economic inequities. To ensure we come out of this crisis with a more resilient economy and better institutions, it is essential that we understand the differentiated impact of the pandemic on our diverse communities and bring forth policy ingenuity to make sure workers and their families are not left behind.

The impact of the pandemic on the labour market has been profound, particularly for women. The overall gender differences in the impact of COVID-19 are partly due to school and daycare shutdowns and the crisis in our long-term care centres. Gendered norms still designate women as the ones to step up and tend to our homefront, which has compounded the daily care responsibilities of many women during the pandemic. But the closure of economic activity has also directly induced larger drops in the employment of immigrant women.

Undoubtedly, the pandemic has had devastating effects on new entrants to the labour market, young adults and recently arrived immigrants. Yet among workers with more secure jobs – those aged 25 to 54 and immigrants arriving more than 10 years ago – the differentiated impact on immigrant women is startling. Employment rates for these immigrant women dropped by 12.2 percentage points between May 2019 and May 2020, according to our calculations using Statistics Canada's Labour Force Survey. This compared to drops of 7 percentage points for Canadian-born men and women and of 8 points for immigrant men.

Employment rates offer one view of the labour market. A falling number indicates that workers have quit or lost their jobs. Unemployment rates, on the other hand, measure the fraction of individuals who do not currently have jobs but are actively looking for work.

In the year between May 2019 and May 2020, the unemployment rate of these immigrant women dramatically increased, by around 7 percentage points. During that time, the unemployment rate of Canadian-born men and women and of immigrant men rose significantly less, approximately by 4.5 points. It is worth noting that increases in unemployment rates were even higher among recent immigrant women (9.6-point increase) but not recent immigrant men (4.3-point increase). Even more troubling is the fact that immigrant women with high levels of education were particularly disadvantaged. University-educated immigrant women experienced the largest unemployment rates, 12.6 percent in May 2020, 7.3 percentage points higher than in May 2019. In contrast, university-educated Canadian-born women experienced unemployment rates of 5 percent, only 2.7 percentage points higher than last year.

We know that workers in the service sector were more negatively impacted than in other industries. Clearly, we are travelling less, eating out less, and we shifted our purchases to online shopping instead of visiting bricks and mortar retailers. However, even within the service sector, shutdowns affected immigrant women workers differently.

To illustrate, the bars in Figure 1 show the year's growth in unemployment (May 2019 to May 2020) across service industries for immigrant women and Canadian-born women. Unemployment rates are most pronounced in retail trade and information, culture and recreation sectors, and are quite significant in finance and insurance. In the retail sector, unemployment rates of immigrant women increased by 9 percentage points, whereas that of Canadian-born women rose only by 2.3 percentage points. To get a rough sense of the severity of the shutdown across industries, the blue dots in Figure 1 show the increase in the number of women from these sectors who report that they are unemployed. The hospitality and retail trade industries have seen the largest of such increases with 142,000 and 132,000 more women being unemployed, respectively, this year over last.

As well as realizing the differential impact of the pandemic, it is important to understand the differences in the recovery process so far. Even if preliminary, the most recent Labour Force Survey data indicates that immigrant women are still further below pre-pandemic employment levels than men and other Canadian women.

Figure 2 shows the difference in employment rates between August and February 2020 for different groups. Larger bars indicate that

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employment rates are still far from those seen in February, before the pandemic, with immigrant women showing the largest differentials.

The differentiated labour market impact of the pandemic on immigrant women compared to other groups, including the differences within sectors, is more likely to be related to the precariousness of their work. They tend to work in hourly jobs rather than salaried jobs and have weaker protections in their labour contracts. Many immigrant women are underemployed, working in low-skill, part-time, and high-risk occupations. This has been decades in the making.

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Among the longstanding challenges immigrant women face in the workforce, the lack of recognition of their foreign credentials, their lack of Canadian work experience, and their limited access to social capital and professional networks are some of the most important. Since many immigrant women are also racialized, these constraints feed into systemic biases in hiring and advancement that affect immigrant women's careers. It is particularly worrisome that education does so little to mitigate the adverse effect of the pandemic for immigrant women. In the retail and accommodation service sector, for instance, settled immigrant women are more than twice as likely to hold bachelor and postgraduate degrees than Canadian-born workers in the sector, but during this crisis their higher levels of education did not insulate them from being more likely to lose their jobs. These trends in the recovery are worrying and require policy action to course-correct.

As much of the Canadian federal government funding to businesses and workers is winding down, we need to ask what other policy instruments can help us get out of our economic predicament, particularly with increased recognition that some of the economic activity, and the jobs associated with it, will never return. So where do we go from here?

Undoubtedly, business trends point to an acceleration of the digital economy, increased automation of tasks, rise of artificial intelligence, reshoring production in response to supply chain disruptions and increased reliance on gig workers. These plausible trends will challenge policy-makers in charting an economic recovery path and finding the right policy instruments to ensure equality of opportunities for all workers. Looking to emerging economic sectors might be part of the answer. The green economy remains under invested in and society's normative turn in favour of climate action and sustainability means that green jobs will be needed.

The time is ripe, then, to invest in workers to take advantage of the new economy. The opportunity to direct these investments in ways that address the diversity of our communities should not be passed over. Government should increase support for projects of social value – shovel-worthy over shovel-ready projects – that make use of diversity talent and promote fairer access to employment for immigrant women and those who are racialized, whose talents are currently underutilized. Further, investment in upskilling and retraining displaced workers – those hardest hit by the pandemic – will be needed across the country. Given the large portion of immigrant and racialized women who fall into this unemployed group, training needs to be designed, tailored, and delivered to improve their employment outcome.

Canada's social and economic well-being cannot afford to let marginalized groups repeatedly fall through the cracks. We need to find innovate ways for immigrant women, particularly those who are racialized and newcomers, to not be left behind in the post-COVID economic recovery. Otherwise, building back better will be for some and not for all.

Region: Canada [3]

Tags: economic recovery [4]