

Last year in March, India imposed one of the most stringent form of lockdown to contain the spread of Covid-19. It restricted 1.3 billion people from leaving their homes, domestic and international transport services were suspended, educational institutions are closed, and factories are shut down. Although, the government started to ease the lockdown measure beginning from June 2020, most of the lockdown measures were still in place till August 2020 resulting in minimum economic activities.

The impact of the lockdown on economy and livelihoods of people have been devastating. As the economic activities came to total suspension of economic activity after the imposition of the lockdown, the unemployment rate reached unprecedented levels. The unemployment rate increased by nearly 14.8 percentage points in just one month, rising to 23.5% in Apr 2020. The unemployment rate fell in later months after the lockdown measures were eased and economic activities gathered momentum. However, the normalization of unemployment rate in such exceptional times can be very misleading (Bertrand et. al., 2020). As can be seen in Figure 2, fall in unemployment rate is partly a consequence of labour force participation rate stabilizing at a lower level relative to the pre-pandemic level.

The distributional effects of economic slowdown as a consequence of the lockdown may not be shared uniformly. Initial estimates suggest women are likely to be more vulnerable to losing their jobs compared to men because of the nature of businesses facing extended closure or possible threat of permanent closure (Madgavkar, Anu, et al, 2020). This issue of gender inequality in labour market is specifically important for India because even before the pandemic, India had some of the worst employment related gender statistics in the developing world.

As the exit from lockdown starts, albeit slow in pace and differentiated across geographies, it is an opportune time to attempt to understand the differential impact of the lockdown on employment based on gender. In the Indian context, this assumes significance as even before the pandemic hit the country, the female labour force participation (LFPR) was declining and was only 20% in 2019. Centre for Monitoring Indian Economy (CMIE)'s Consumer Pyramids Household Survey (CPHS) database, a longitudinal data set covering 174, 405 households, has been used to study the impact of the lockdown on women's employment.

Figure 1. Unemployment Rate (%)

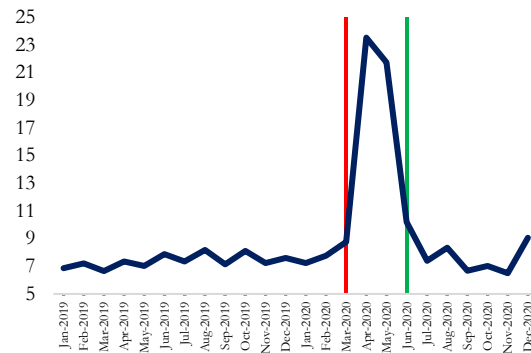
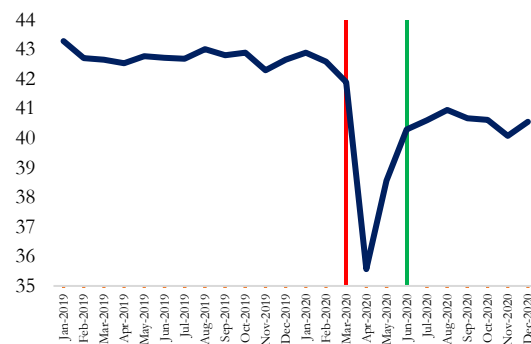


Figure 2. Labour Force Participation rate (%)

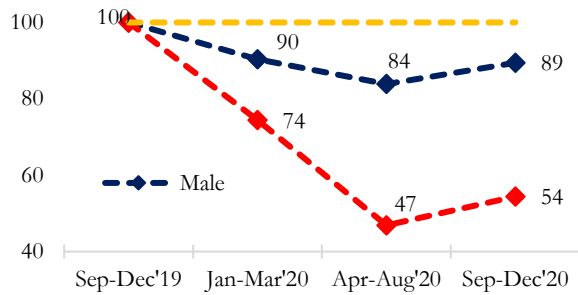


Source: Author's estimate based on CMIE data. Note: Red line shows beginning of lockdown and green line denotes start of unlockdown.

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The employment loss for women post-lockdown is much severe relative to men. At its peak, almost 53% women lost their jobs compared to 16% for men. Even as government started to ease lockdown measures and economic activities gathered momentum, significant proportion of women continued to remain out of job. By end of December 2020, employment level was back to almost 90% of pre-lockdown level for men whereas in case of women, the employment level was barely 50%.

Figure 3. Employment Level Relative to Sep-Dec'19



Source: Author's estimate based on CMIE data.

Figure 4 shows two key metrics of the unequal nature of unemployment status. 75% of males were employed throughout September 2019 to December 2020, whereas only 32% females had a job during this entire period. Similarly, only 2% of the male workforce who lost their jobs post-lockdown continued to remain unemployed till December 2020. The corresponding number for females was much higher at 15%.

Finally, regression estimate² suggests that the decline in average employment level for women was higher by 28.1 percentage points relative to men during the entire lockdown period which further worsened to 41.3 percentage points by

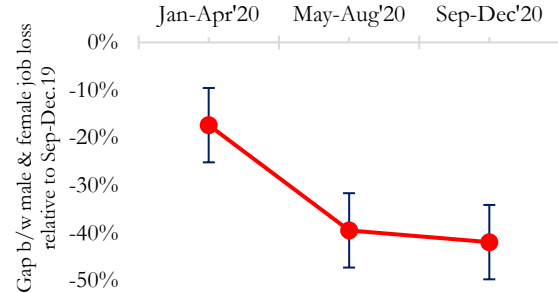
December 2020 even as lockdown measures were considerably eased.

Figure 4. No Loss versus Permanent Loss in Employment



Source: Author's estimate based on CMIE data

Figure 5. Excess Employment Loss for Women



Source: Author's estimate based on CMIE data.

Gender inequality is not only a pressing moral and social issue but also a critical economic challenge. For the country's 600 million women, the impacts could be long-lasting and more severe if immediate policy measures are not taken animated by the overarching principle that the poor and vulnerable women must be cushioned against the hardship. Just as India has committed to moving up the ranks in the ease of doing business indicators, it should perhaps do so on women's access to employment as well.

² $Employed_{i,s,m} = \beta_0 + \beta_1(Lockdown) + \beta_2(Recovery) + \beta_3(Female * Lockdown) + \beta_4(Female * Recovery) + \beta_5(Female * Recovery) + FE_{state} + FE_{month} + \epsilon_{i,s,m}$. *Employed* is a dummy variable which is 1 if an individual is employed and 0 otherwise. *Lockdown* is a dummy variable and is equal to 1 if the individual is interviewed during the period January-August 2020. Dummy variable *Recovery* is set at 1 if the individual is interviewed during September-December 2020. *Female* is also a dummy variable and takes the value of 1 if the individual is a female. FE_{state} denotes state fixed effect and FE_{month} captures month fixed effect. Subscripts *i*, *s* and *m* refer respectively to individual, state, and month.