



WOMEN'S PARLIAMENT 2021¹



Advancing Gender Equality through Inclusive Economic Growth

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Advancing Gender Equality through Inclusive Economic Growth
Focus areas: Localising the implementation of the ERRP, entrenching a gender perspective in the roll out of the ERRP, taking cognisance of the gendered impact of the COVID 19 pandemic on the economy and the disproportionate impact of poverty and inequality on women

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Introduction

South Africa's socio-economic and industry landscape drastically changed with the advent of democracy in 1994 and introduction of policies and programmes to transform the economy and the labour market. Of significance is the impact brought about by the adoption of the Constitution of 1996; the National Industrial Policy Framework (NIPF) and successive Industrial Policy Action Plan (IPAP) iterations, the National Development Plan (NDP) in 2014 ;and promulgation of the Employment Services Act, No.4 of 2014. The promulgation of the Employment Services Act in 2015, together with the adoption of the Presidential Jobs Summit Framework Agreement in 2018; the reconfiguration of the Department of Labour in 2019 to include employment as part of its mandate (Department of Employment and Labour); and adoption of the International Labour Organisation (ILO) Declaration for the Future of Work (FoW) in 2019 continue shaping South Africa's socio-economic and industry landscape.

The policies and institutional arrangements introduced since 1994 made considerable strides in improving the well-being of South Africans. However, in recent years, the momentum and progress has slowed considerably, and some gains have been reversed, partly due to structural challenges and weak growth following the global financial crisis of 2008–2009 to date. The socio-economic challenges of poverty, unemployment and inequality persist over two decades after 1994, and the domestic economy has continued to be impacted by the lingering effects and successive 'aftershocks' of the global recession.

What is worsening the socio-economic situation is the challenges brought about by the COVID-19 pandemic. These underline yet again the crucial point that the NDP, the NIPF and successive IPAP iterations have repeatedly emphasised (albeit with differing emphasis). The pressing need for structural change in the economy in terms of ownership and control as well as to rapidly move to a more diversified base in which increasing value-addition and export-intensity come to define South Africa's growth trajectory.

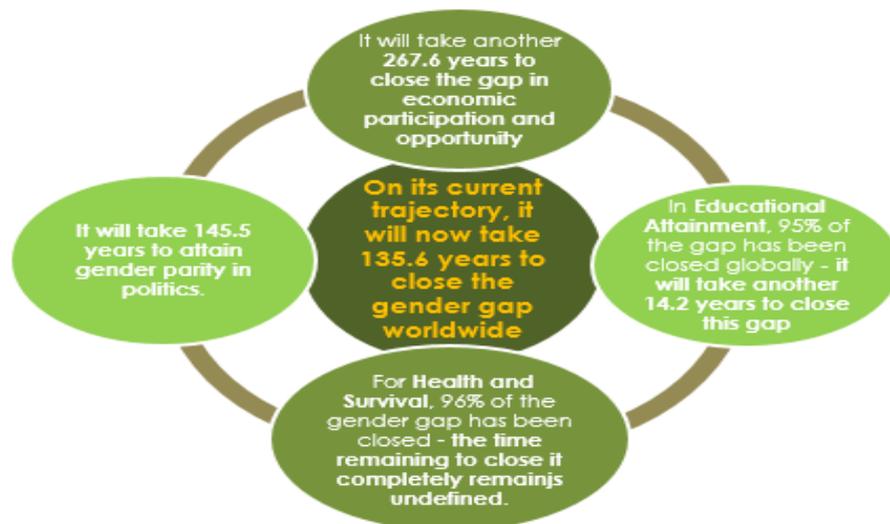
The ongoing COVID-19 pandemic, and the policy measures to combat it, are having profound effects on the economic and social lives of citizens. They are threatening employment as well as the long-term livelihoods and well-being of millions around the world. South Africa has not been exempted from the socio-economic effects of the pandemic. Its economy has been in decline since it entered a stringent lockdown as the main public health response to curb the spread of the virus in March 2020. This is reflected in its latest available statistics for both gross domestic product and employment.

No country in the world has achieved gender equality. While advances have been made in areas such as access to primary education for girls and the representation of women in the political sphere, women continue to face discrimination and inequality in many other domains. Women continue to face discrimination across economic, social and political spheres and entrenched gender disparities remain a major driver of poverty. Much of the international and domestic agreements and legislation has not translated into tangible change and impact on the daily lives of women. Women continue to be poorer than men,

have less access to resources, disproportionately shoulder the burden of unpaid care work and face continuous and increasing levels of violence in personal and public spaces.

The COVID-19 pandemic has exposed and exacerbated longstanding structural inequalities and discrimination against women. The World Economic Forum in 2020 stated that COVID-19 is the biggest setback to gender equality in a decade – the projected time to close the economic gap between women and men has increased by ten years between 2020 and 2021.

The World Economic Forum highlights that:²



In 2020 United Nations Women (UNWomen) noted that:

- *Women around the world are losing paid work and doing more unpaid work as a result of the pandemic.*
- *Women comprise 70 percent of the global health workforce, at the front lines of response.*
- *Already encumbered by gendered labour market disadvantages, women workers have been disproportionately affected by job loss, reduced working hours and bankruptcy.*
- *In addition, health risks to health workers, paid and unpaid care work and violence against women have escalated with COVID-19 and lockdowns.³*

“COVID-19 could reverse the limited but important progress that has been made on gender equality and women’s rights...nearly 60 percent of women around the world work in the informal economy, earning less, saving less, and at greater risk of falling into poverty. Progress lost takes years to regain. ⁴

² World Economic Forum, Global Gender Gap Report 2021

³ <https://www.unwomen.org/en/news/stories/2020/7/statement-joint-w20-women-during-covid-19-and-beyond>

⁴ Guterres, A, 2020, Put women and girls at the centre of efforts to recover from COVID-19,

<https://www.un.org/en/un-coronavirus-communications-team/put-women-and-girls-centre-efforts-recover-covid-19>

The Impact of COVID-19 on Women's Economic Empowerment

While the disease is not gender-biased, the social, economic and developmental implications thereof are.

In times of global crises, whether financial, natural or health, women tend to be most affected. Considering that across the globe women have fewer assets, earn less and face various discriminatory practices, it is plausible that they have less of a safety net or “shock absorber” to counter the impact of these crises. Women are also often the first to make sacrifices in terms of personal nutrition and healthcare to ensure more resources for their families.

- UNAIDS indicates that at the time of the global financial crisis in 2008, women were disproportionately affected by job losses, cuts in public spending and decreased wages in the informal sector. A further dimension was the increase in “time poverty”, where the need for women to secure an income in the informal sector resulted in longer days and working hours. This had to be balanced by an increased demand for women to provide care services in their homes and to their families. The additional burden and demands on women's time resulted in less opportunities for involvement in the formal employment sector.⁵
- During the time of the Ebola outbreak, women were overly impacted not only by the risk of disease, but also with unpaid care work as a result of having to shoulder care responsibilities. In addition, the shutting down of borders restricted women's access to trade markets and restrictions in work in the agricultural and mining sectors, had significant impact on women's economic opportunities resulting in loss of income for households – income which was needed for food, payment for school fees, healthcare services and rent.⁶
- Oxfam indicates that people living in poor socio-economic conditions before a natural disaster means that some people in the disaster zone will be more affected than others. In the 2004 South East Asia tsunami four times more women than men lost their lives. Many women lost their lives as they had the primary responsibility of caring for families and homes. Cultural differences also impacted the way women were able to access emergency supplies – in many areas only men are recognised as the head of the household, which meant that women were unable to access supplies and relief funds.⁷ Other studies indicate that factors such as age, sex, social class and ethnic identity increase vulnerability to a disaster.⁸ When the roof over your head and the contents of the home is all you have, the decision to evacuate often becomes a difficult decision for many.

⁵ UNAIDS, 2012, Impact of the global economic crisis on women, girls and gender equality

⁶ United Nations Economic Commission for Africa, 2015, Socio-economic impacts of Ebola on Africa

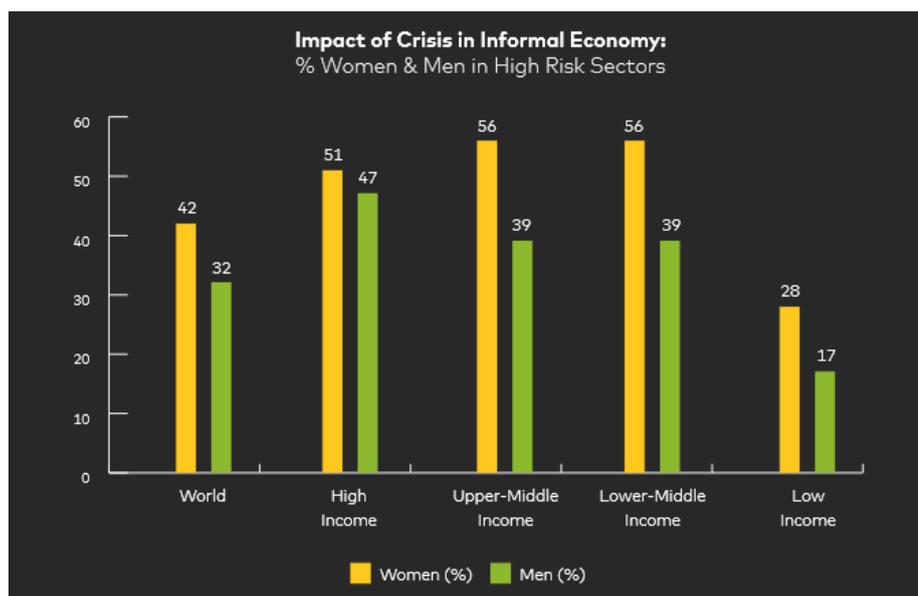
⁷ MacDonald R, 2005, How women were affected by the tsunami: A perspective from Oxfam, PLoS Med 2(6): e178.

⁸ Marron et al, 2020, Social vulnerability, gender and disasters – the case of Haiti

Overall, women take much longer to recover from the effects of any global crisis.

The impact of the COVID-19 pandemic on the lives of women is no different.

The International Labour Organisation states that the pandemic has transformed into an economic and labour market shock impacting both supply and demand of goods and services.⁹ In addition, millions of women work in the hardest-hit economic sectors – accommodation and food services, wholesale/retail trade, business and administrative activities, manufacturing – sectors which are directly impacted by measures to “flatten the curve” and unsuitable for remote working. This has led to large scale job insecurity, salary cuts and those in informal and casual employment facing an even more precarious situation. Within some of these sectors where informal employment



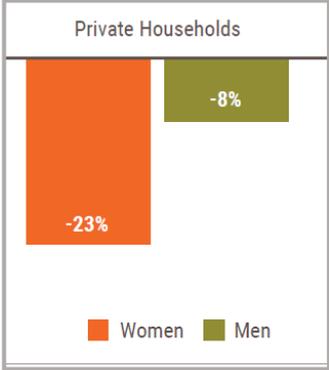
is common, workers were already subject to low pay, poor working conditions and lacking social protection (pension, healthcare, unemployment insurance) before the pandemic. The diagram above indicates that across the globe there are a higher proportion of women in high risk sectors within the informal economy, regardless of the economic status of the country.¹⁰

These challenges have a “knock-on” effect – job losses lead to increased household poverty and greater food insecurity. The effect of women exiting the formal and informal labour markets therefore extends beyond themselves – it affects their families/households, their communities, and society at large. Lack of access to employment and income also has the possibility to result in greater reliance on partners and less decision-making power and agency for women.

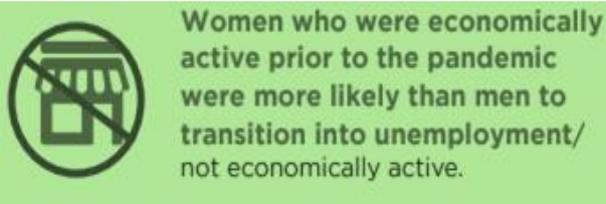
⁹ International Labour Organisation, 2020, COVID-19 and the world of work: Impact and policy responses

¹⁰ Mastercard Index of Women Entrepreneurs 2020

In Sub-Saharan Africa, and in South Africa particularly, scores of women participate in informal employment. This employment often has no social protection, meaning that there is little to no chance of recovery. Skinner et al (2021) estimate that approximately 1.5 million informal workers lost their livelihoods in the second quarter of 2020. Domestic work, the majority of which is carried out by women, decreased by 25 percent during the same period as lockdown regulations limited movement of persons.¹¹ Where women regained their jobs, many have had to work fewer hours or days.



The National Income Dynamics Study – Coronavirus Rapid Mobile Survey or NIDS-CRAM finds that women accounted for two-thirds of the total net job losses during February and April 2020, and were more likely to live in households that ran out of money for food. Comparing employment dynamics between February 2020 and January 2021 indicates that, where jobs were lost, women were more likely to lose, and where jobs were gained, women were less likely to benefit. Of women who started out not employed pre-Covid, 19% had employment in January 2021, with the corresponding figure for men 31%. Women have also had to shoulder the burden of care for children and the elderly – regardless of their employment status. In the third wave of the study during October 2020, 63 percent of women were looking after children who were previously attending ECD and preschool facilities. The figure for men was 17 percent.¹²



The highlighted challenges and consequences will not disappear when the pandemic does - women are likely to experience long-term setbacks in work force participation and income.

Women’s Economic Recovery

Reversing the losses experienced by the COVID-19 pandemic will require decisive action, dedicated resources and commitment from government, the private and civil society alike. Across the globe, recovery interventions are committing to “building back better”. The phrase is not new, but has gained traction over the past few months with the call for inclusive economic and social recovery packages to overcome the challenges brought on by COVID-19.

For gender inequality to be effectively addressed it is imperative that a strong and cohesive social compact between government, the private sector and civil society be forged as a basis for long-term economic development and growth. An inclusive and comprehensive development agenda to address structural deficiencies in society as a whole is imperative to eliminating gender inequalities.

¹¹ Skinner et al, 2021, Informal work in South Africa and COVID-19: Gendered impacts and priority interventions
¹² Casale, D and Shepherd, D, 2021, The gendered effects of the Covid-19 crisis and ongoing lockdown in South Africa: Evidence from NIDS-CRAM Waves 1-3

In October 2020, President Ramaphosa introduced the Economic Reconstruction and Recovery Plan (ERRP) as a mechanism to restore the economy following the devastating effects caused by the COVID-19 pandemic.

The objectives of the plan are to:



The Plan has 3 phases namely,

- Engage and preserve: this includes a comprehensive health response to save lives and curb the spread of the pandemic;
- Recovery and reform: includes interventions to restore the economy while controlling health risks;
- Reconstruct and transform: entails building a sustainable, resilient and inclusive economy

The promotion of gender equality and the economic inclusion of women, youth and persons with disabilities has been identified as a priority intervention. The plan indicates that as a means to transform patterns of asset ownership and income distribution in society, there is a need to promote greater participation by women, youth and persons with disabilities at all economic levels.

Specific mechanisms to promote women's financial inclusion and empowerment include the setting aside of 40 percent for women in public procurement, the implementation of legal remedies to close the gender pay gap, ensuring women's participation in key economic sectors and access to assets such as land.

The plan also indicates that small, medium and micro enterprises owned by women will play a part in the delivery of infrastructure delivery. Women will also be encouraged and supported to form cooperatives in key economic sectors such as retail, agriculture and agro-processing, financial services and manufacturing and will be prioritised in access to funding.

Upskilling of women and providing them with skills to access online learning and digital/online economic opportunities is key in the current context.

The creation of spaces for women to enter sectors for which master plans have been developed, including agriculture, mining and mineral beneficiation and manufacturing, is also important.

The Department of Trade, Industry and Competition released a policy statement highlighting the importance of localisation. They state that:

“Increased localisation fostered through promotion of SME’s can reduce harmful economic concentration, which keeps new businesses from entering the market, by building the industrial base of the company. It must be recognised however that this is not an automatic outcome of such a focus and would need strong coordination and partnerships to achieve. A larger and more transformed industrial base is what is required to provide the opportunities for more women, youth and people with disabilities to play their role in build our economy and driving growth.”¹³

Localisation is an important aspect of growing economies, in particular local economies. It is a mechanism which allows the money in a community to circulate and build wealth within the community. It is in essence the local manufacturing and assembly of goods.

It allows for the growth of local businesses and the creation of local employment opportunities. It builds economic structures which allows the goods and services within a community to be produced within that community. This is a very important mechanism to create opportunities for women and advance their financial inclusion and economic empowerment.

Local Futures¹⁴ note the following benefits of economic localisation:¹⁵

- It reduces poverty through local production.
- It revitalises local economies by leading directly to local employment opportunities that directly contribute to community health and prosperity.
- It invigorates democracy by shifting the centre of power towards ordinary people and giving them a greater voice in the democratic process.
- It slows urban sprawl by reinvigorating local/rural economies - it has the potential to stop migration from rural areas.
- It improves environmental health – local economies promote the well-being of local ecosystems and communities.
- It increases business accountability – local economies shorten the distance between producers and consumers and it is easier to trace the source of your food and clothing and know whether items were ethically produced.
- It builds stronger community support and networks.

Localising the Economic Reconstruction and Recovery Plan has the potential to achieve the above benefits, but community buy-in and input will be key. Similarly, wanting to achieve these benefits and more for women, will require their buy-in and input.

¹³ Department of Trade, Industry and Competition 2021, Policy Statement on Localisation for Jobs and Industrial Growth, 18 May 2021

¹⁴ Local Futures is an international non-profit organization dedicated to renewing ecological and social wellbeing by strengthening communities and local economies worldwide.

¹⁵ <https://www.localfutures.org>

Women in local urban and rural communities have knowledge about the needs in their communities and must form part of decision-making processes around building their local economies. Women often have extensive experience in creating and sustaining associations having been involved in many formal and informal organisations (for example church groups, women's groups, community improvement groups), thus making it easier for women to seize new organisational opportunities, subject to requisite access and support.

The 2020 Mastercard Index of Women Entrepreneurs report states that only through understanding what drives and inhibits women in business, can governments, policymakers, businesses and individuals alike, continue to inspire and foster their further progress.¹⁶ South Africa has moved up nine places from 2019 to rank 23rd globally and 1st in Africa on the 2020 Index, which tracks female entrepreneurs' ability to capitalise on opportunities granted through various supporting conditions within their local environments. The report indicates that in terms of the "Supporting Entrepreneurial Conditions" component of the Index, South Africa scores well and it also saw an increase in the support for SMME indicator which measures the availability of finance, training and development programmes for women. There is however much room for improvement in terms of women as business owners, with women only accounting for 19.4 percent of business owners in South Africa.

In supporting localisation and the expansion of economic opportunities for women it is thus imperative that the structural and social obstacles faced by women must be addressed.

There is no one size fits all approach to engendering the ERRP. While the overall conducive environment for inclusion must be created through amongst others, revision of legal frameworks, regulatory changes to allow for more ease to do business, and increased access to finance among others, space must be created for women in local communities (as individuals or groups) to give input into proposed plans aimed at developing local supplier industries. They are best placed to mobilise for change and identify barriers in and solutions for their communities.

¹⁶ Mastercard Index of Women Entrepreneurs 2020

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