

COVID-19 impacts on productivity growth and gender differences in employment

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Two new articles released today in *Economic and Social Reports* explore the impacts of the COVID-19 pandemic on different aspects of the economy.

Labour productivity posts second-largest increase since 1981

During the pandemic, labour productivity posted its second-largest increase since 1981, rising 3.8% from the fourth quarter of 2019 to the fourth quarter of 2020. The article "[Impacts of the COVID-19 pandemic on productivity growth in Canada](#)" shows that the reallocation of labour toward industries with a larger share of essential activities contributed substantially—about one-third—to this growth.

About two-thirds of the gain comes from productivity growth within the 16 major industries analyzed in the study. Almost all industries recorded large variations in their output, hours worked and labour productivity in 2020. Industries that posted larger declines in output and hours worked in the first half of 2020, as a result of lockdown policies, also experienced larger rebounds in the second half of 2020, when many non-essential businesses reopened. In addition, faster adjustments in hours worked than in output caused labour productivity to increase in the first half of 2020 and to decrease in the second half of 2020.

This study shows that there is little correlation between an industry's capacity for telework in 2019 and that industry's growth in labour productivity in 2020. The long-term impacts of the structural changes and the shift toward more telework remain to be seen.

COVID-19-related disruptions in the labour market more severe for women

The labour market disruptions from the COVID-19 pandemic have been consistently more severe for women than for men. From March 2020 to February 2021, women accounted for 53.7% of year-over-year employment losses. The findings of the article "[Gender differences in employment one year into the COVID-19 pandemic: An analysis by industrial sector and firm size](#)" point to the high proportion of women working in small-sized firms in service industries and to the greater employment losses among small firms in the service industries as the principal reasons for the overall gender difference.

Indeed, women are more concentrated in the services sector than men. For example, in February 2020, the services sector (excluding public administration) represented 89.8% of employment among women compared with 68.3% for men. Furthermore, during the pandemic, the services sector was more severely hit than the goods sector. Of the 2.7 million employment decline in April 2020 compared with April 2019, 75.6% (over 2 million) of job losses were in the services sector. Therefore, gender differences in employment losses were disproportionately driven by the services sector.

When exploring firm sizes within the services sector, the study finds that employment losses were larger among small firms (those with fewer than 100 employees). Furthermore, female employees in small firms were more severely affected than their male counterparts. Specifically, women employed in small firms represented 23.6% of total pre-COVID-19 employment, but they accounted for 37.9% of the year-over-year decline in employment. In contrast, male employees in small firms represented 21.9% of total pre-COVID-19 employment, but accounted for 23.6% of the decrease in employment.

Information on the additional articles published in the May 2021 issue of *Economic and Social Reports* is available online.



Note to readers

The study "Gender differences in employment one year into the COVID-19 pandemic: An analysis by industrial sector and firm size" is based on Labour Force Survey data from March 2020 to February 2021. Monthly employment numbers are compared with those for the same month in the previous year. Employment in this study is not seasonally adjusted and employees are limited to individuals aged 15 and older living in the provinces, but not in the territories. All work categories are retained, as are individuals at work and individuals absent from work. Because the focus of the study is on the business sector, individuals working in the public administration sector (North American Industry Classification System code 91) are excluded.

Definitions, data sources and methods: survey numbers 1301, 3701, 5042 and 5103.

The article "[Impacts of the COVID-19 pandemic on productivity growth in Canada](#)" is now available in the May 2021 online issue of *Economic and Social Reports*, Vol. 1, no. 5 ([36280001](#)).

This issue of *Economic and Social Reports* also contains the article "[Gender differences in employment one year into the COVID-19 pandemic: An analysis by industrial sector and firm size.](#)"

To enquire about "Impacts of the COVID-19 pandemic on productivity growth in Canada," contact Weimin Wang (weimin.wang@canada.ca), Economic Analysis Division.

To enquire about "Gender differences in employment one year into the COVID-19 pandemic: An analysis by industrial sector and firm size," contact Douwera Grekou (douwera.grekou@canada.ca).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).