

The ‘Shecession’ in the Manufacturing Workforce

WOMEN ARE STRUGGLING MORE THAN MEN

The COVID-19 pandemic has had a devastating impact on the Canadian economy, leading to an unprecedented decline in economic activity over March and April, including the loss of 3 million jobs. The economic recovery that began in May has been somewhat stronger than expected, thanks to the gradual lifting of containment measures and massive fiscal and monetary stimulus. By August, nearly 2 million jobs had been recouped. However, the pandemic put us in such a deep hole that we still face a long uphill climb to normal.

For some sectors and demographic groups, the hole was deeper, and the recovery is much less certain. The pandemic has been particularly harmful to women, with decades of labour force progress reversed in just a few months. In fact, women’s labour force participation rate plunged from a near-record high of 61.2 per cent in February to 55.5 per cent in April, its lowest level in 30 years. It has been climbing back since, but it remains 1.0 percentage points below its pre-pandemic rate. Women have been disproportionately affected for two main reasons:

- 1) Women are more highly represented in sectors—such as accommodation and food, retail trade, and other personal services—that saw significant job losses during the containment phase and have experienced only modest recoveries so far.
- 2) Women have shouldered the burden of child-rearing responsibilities, as families revert to traditional gender roles without access to childcare and school.

BIG SETBACK FOR WOMEN DURING COVID-19

Female participation rate (15 years & over, seasonally adjusted)

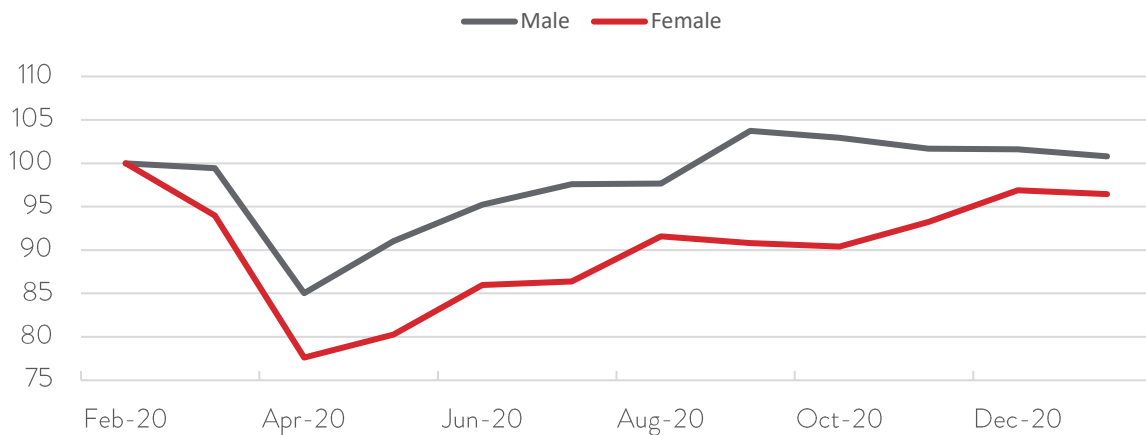


Sources: Statistics Canada; CME.

It is important to note, however, that the same story is playing out even in traditionally male-dominated sectors, including manufacturing. At the peak of the pandemic in April, male manufacturing employment was down 15.0 per cent compared to February 2020, while female manufacturing employment was down 22.4 per cent. As of January 2021, female employment in manufacturing was 3.5 per cent below its pre-pandemic level, while male employment had fully recouped all its COVID-related job losses.

WOMEN IN MFG. STRUGGLING TOO

Manufacturing employment (February 2020 = 100)



Sources: Statistics Canada; CME.

The bottom line is that the economy will continue to suffer if women cannot return to the workforce at pre-COVID-19 levels. Although many children are now heading back to school, COVID-19 cases are on the rise and public health officials remained concerned about a second wave of infections over the fall and winter. This raises questions about the sustainability of in-person schooling. At the same time, childcare options remain limited. Without extra support from the government, working mothers will continue to face the difficult choice of taking care of their children or earning an income.

HOW TO HELP WOMEN REGAIN LOST GROUND

The challenges identified above are clearly holding back the labour force participation of half the Canadian population. For the manufacturing industry, that was already experiencing crisis level labour shortages before COVID-19, the situation is that much more dire. The recommendations below are designed to not only help women regain lost ground lost to the pandemic, but boost their presence in Canada's manufacturing labour force.

Recommendation 1

CME's Women in Manufacturing program (WIM) was launched in 2018 with the financial support of the Government of Canada. This program had as its goal to add 100,000 women to the manufacturing workforce by 2023. Since 2017, WIM added 36,000 new women to the sector, finally budging a number that had stubbornly remained static for decades. The program hit all its milestones and the number of women in the sector continued to grow year over year. While COVID-19 may have erased all these hard-fought gains, the WIM concept, and resultant improvements to workforce participation of women in manufacturing worked. Funding for the WIM program comes to an end in 2021.

Therefore, in order to recoup losses incurred, and to expand women workforce participation numbers in manufacturing even further, the government should extend and expand funding for CME's Women In Manufacturing program. Having an extended term and more funding would enable WIM to expand its efforts and begin to recoup COVID-19 employment losses.

Recommendation 2

Lack of access to adequate childcare, and to a lesser extent eldercare, are driving women to withdraw from the manufacturing workforce and severely impedes recruitment of women into the manufacturing workforce. The federal government's declared intention in the most recent Speech from the Throne to create a national childcare system is very welcome. However, one-size-fits-all solutions such as public/universal daycare, do not meet the needs of the manufacturing workforce. Shift work, night shifts, and remote locations, means that typical 9 to 5 daycare hours are often not a viable solution. Creating a national childcare system will undoubtedly take time and parents needed this help yesterday.

Therefore, the government must enable and incentivize companies through direct tax credits to invest in childcare options for their workforce. Directly funding companies through tax-code incentives would give them the flexibility to establish the form of childcare that best suits their workforce. This may include onsite daycares in industrial parks- but it may also be funding to help manufacturers implement flexible work arrangements at their organization. Given that SMEs often do not have the expertise to determine what is the best solution for their workforce, these tax credits must also be applicable to companies who hire expert consultants to help them create appropriate childcare accommodations.

Recommendation 3

Most of the COVID-19 employment losses hit women dominated industries particularly hard. However, manufacturing continued to operate (albeit at reduced volumes) during COVID-19, and as Canada emerges from the crisis, severe labour shortages in manufacturing remain. Many of the job losses incurred by women

may never be recovered in those affected industries and the government has an opportunity to retrain many women to fill roles in manufacturing that are in high demand.

Therefore, the government should offer additional and targeted funding, through the Canada Training Benefit, to women who wish to re-skill and fill in-demand jobs specifically in high-demand fields such as manufacturing. The Canada Training Benefit should become more targeted and focused on offering training that directly leads individuals into high-demand fields.

At the same time, tax credit incentives should be provided directly to companies for investments they make in employee training. This credit must cover training by third parties, but also training done internally within a company. The idea is to give companies the most flexibility possible in the training they choose to pursue for their workers to ensure that it is relevant to them and enhances their productivity. Special emphasis should also be placed on management training, particularly for women.

CONCLUSION

Women workforce participation rates in manufacturing took a disproportionate hit during COVID-19. Extra measures are therefore required to bridge this gap. By extending and expanding the funding for Women in Manufacturing, offering targeted tax incentives to companies to create childcare arrangements, and offering more money directly to workers and employers for retraining, we can dramatically improve workforce participation outcomes for women. The social and economic necessity to do so are clear and action is needed now.