

Written evidence submitted by the Learning and Work Institute (MRS0357)

1. Summary

- 1.1. Learning and Work Institute is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion.
- 1.2. Our report '[*Coronavirus and the labour market: Impacts and challenges*](#)', analyses the early implications of the impact of coronavirus on the labour market. This report highlights the unequal nature of the impact, finding that young people, women, and those with lower levels of qualifications are all at greater risk from the economic impacts of coronavirus.
- 1.3. Our work shows that young people, women and workers with lower levels of qualification are more likely to work in sectors that have shut down or reduced activity.
- 1.4. The North East and the North West have proportionately more jobs at risk, leading to concerns that the crisis may serve to deepen pre-existing regional inequalities.

2. The impact of crisis so far

- 2.1. Coronavirus is, first and foremost, a public health crisis. It is also having a profound impact on the labour market, both directly and also indirectly through the measures rightly being taken to protect health.
- 2.2. Our analysis suggests 10 million people are employed in the occupations that could be most directly impacted by the coronavirus crisis and the lockdown put in place to slow the spread of the virus.¹
- 2.3. Our modelling suggests that despite the measures put in place by the government to protect jobs, unemployment rose from 3.9% to 6% in the first month of the crisis, wiping out five years of employment growth.² Unemployment is on track to increase faster than any other recession on record.
- 2.4. Evidence from past recessions tells us that some groups will be significantly more at risk than others.

3. The potential impact on gender, age and disability

- 3.1. This evidence submission will focus primarily on three of the protected characteristics – gender, age and disability.³

3.2. Gender

- 3.2.1. The gap in employment between men and women has declined significantly in recent years, falling from 13% in 2004 to 8% in 2019. Our analysis suggests that the outbreak could disproportionately effect women and reverse this progress.
- 3.2.2. Our research looked at the occupations at risk of shutdown, covering care, administrative roles, travel and leisure and other roles. It found that, overall, **five to 10 million jobs were at risk in these occupations, with two in three of these workers being women.**⁴
- 3.2.3. Some of the shifts in employment and growth areas outlined above risk exacerbating existing inequalities. For example, women are more likely to be employed in high street retail which may be impacted by ongoing social distancing measures, whereas men are more likely to be employed in the warehousing and distribution roles needed for online shopping which has grown significantly.
- 3.2.4. The key workers that the country has relied on during the crisis are disproportionately likely to be female, with employed women more than twice as likely to be in this group as employed men.⁵ These key workers are still going to work, increasing their exposure to the virus.
- 3.2.5. Additionally, women tend to spend more time on unpaid care work than men. With schools closed to most young people, and while many older people are still shielding, many women will also need to balance these responsibilities alongside employment. In the short term, employers need to recognise this challenge, and ensure that there are sufficient flexibilities and support to enable people to balance work with caring responsibilities.

3.3. Age

- 3.3.1. Young people tend to be more likely to be suffer from unemployment during a recession. Following the last recession, unemployment among young people aged 16-24 peaked at 18.5% in 2011, a figure **2.5 times higher** than unemployment for adults aged 25 – 64 (7.4%).⁶
- 3.3.2. Our analysis suggests that young people are likely to be hardest hit by the crisis. Workers in their early 20s are **2.5 times more likely to work in the ‘shutdown sectors’** which have been most impacted by the crisis.⁷
- 3.3.3. While ONS labour market statistics covering the period of the coronavirus crisis have yet to be released, evidence suggests young people are already being hit harder. A poll in March found that 8% of 18-24 year olds had already lost their jobs during the outbreak, compared to 5% of all adults.⁸

3.3.4. Preventing a rise in youth unemployment should be a policy priority. There is an extensive evidence base demonstrating that long term youth unemployment can have long lasting ‘scarring’ impacts on employment and earnings.

3.3.5. Equally, while young people are more affected by the immediate employment impacts, older workers also face challenges. Employment programmes have usually been less effective for older people, and there is a risk that many over 50s who lose their jobs will struggle to return to work.

3.4. Disability

3.4.1. The UK suffers from a stubbornly persistent disability employment gap, which currently stands at 28.6 percentage points.⁹ Reducing the disability employment gap has been a policy priority for the government, which as sought to support more disable people into work.

3.4.2. The recession is likely to reverse recent progress in disability employment, and leave disabled adults facing a much less buoyant labour market in the wake of the crisis.

3.5. Other considerations

3.5.1. Alongside the impact on those with protected characteristics, our analysis suggests that workers in lower level occupations and with lower levels of qualifications are also more vulnerable to the crisis.

3.5.2. Our evidence shows that just over 10% of those with a degree or equivalent work in a shutdown sector most directly affected by restrictions, compared to between 17% and 25% of people qualified to other levels. Women with lower levels of qualification are particularly likely to work in shutdown sectors.¹⁰

3.5.3. This suggests that the impact of the crisis will be greater on those with lower levels of qualification, with a risk that the crisis could deepen pre-existing economic inequalities.

3.5.4. There are also significant variations in the proportion of employment in industries most impacted by the shutdown between regions. London has the highest proportion of employment in vulnerable industries, with 18.4% of all jobs being in shutdown sectors. The East Midlands has the lowest proportion of employment in these sectors, with 15.6% of employment being in sectors that have been most impacted by the shutdown.¹¹

3.5.5. The proportion of employment in at risk occupations also varies significantly by region. London has the lowest level of employment in at risk occupations,

(31.9%), followed by the South East (32.5%). Northern Ireland (36.6%), the North West (36.3%), and the North East (36.1%) have the highest proportion of employment in at risk occupations.¹²

3.5.6. Looking at the data across both industry and occupation, the North East and the North West appear to be most at risk. These regions have both a high level of employment in shutdown sectors, and a high proportion of employment in occupations at risk from the crisis. These regions also had lower employment rates before the coronavirus crisis hit, leading to concerns that the crisis may deepen pre-existing regional inequalities, and frustrate the government's 'levelling-up' agenda.¹³

4. Conclusion

- 4.1. The impact of the outbreak on the labour market will be felt widely, but our research shows that women, young people, and adults with lower levels of qualification face the highest risk.
- 4.2. Additionally, the analysis shows that impact will also be unequal across regions, and that it may serve to deepen pre-existing regional inequalities.
- 4.3. In addition to seeking to protect businesses, jobs and incomes, the government should seek to understand the impact of coronavirus on different groups within the labour market and on different communities across the UK.
- 4.4. Given that young people and women are overrepresented in lockdown sectors, while planning how to ease lockdown, for example removing emergency support such as the Coronavirus Job Retention Scheme, the government needs to further assess the unequal impact of the coronavirus on these groups with protected characteristics.

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¹ Coronavirus and the labour market: impact and challenges, L&W, 2020

² Coronavirus and the labour market: impact and challenges, L&W, 2020

³ Equality Act, 2010

⁴ Coronavirus and the labour market: impact and challenges, L&W, 2020

⁵ Risky business, Resolution Foundation, 2020

⁶ Learning and Work Institute analysis of the ONS Adult Population Survey

⁷ Coronavirus and the labour market: impact and challenges, L&W, 2020

⁸ How is Covid19 affecting British opinion, jobs and wellbeing? YouGov, 2020

⁹ Disability and employment, UK, ONS, 2019

¹⁰ Coronavirus and the labour market: impact and challenges, L&W, 2020

¹¹ Coronavirus and the labour market: impact and challenges, L&W, 2020

¹² Coronavirus and the labour market: impact and challenges, L&W, 2020

¹³ Labour market in the regions of the UK, ONS, 2020