Improving labour force participation of low skilled women

Nisha Arunatilake
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Why Improve FLFP?

1. Gender empowerment
2. Improving equality
3. Labour shortages
4. Slowing labour force
### Gender Based Inequality Measures

<table>
<thead>
<tr>
<th></th>
<th>Sri Lanka</th>
<th>India</th>
<th>Pakistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>GII</td>
<td>0.354</td>
<td>0.524</td>
<td>0.541</td>
</tr>
<tr>
<td>Adolescent birth rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(births per 1000 women aged 15-19)</td>
<td>14.1</td>
<td>23.1</td>
<td>36.9</td>
</tr>
<tr>
<td>Female seats in parliament (%)</td>
<td>5.8</td>
<td>11.6</td>
<td>20.0</td>
</tr>
<tr>
<td>Female pop with some sec edu (%)</td>
<td>82.6</td>
<td>39</td>
<td>27</td>
</tr>
<tr>
<td>FLFP</td>
<td>35.1</td>
<td>27.2</td>
<td>24.9</td>
</tr>
</tbody>
</table>
Labour Force Trends

Source: IPS calculations
Labour Force Participation Rates, by Sex

Source: Own calculations using LFS data;
Note: * - Northern and Eastern provinces excluded
Percentage Point Difference in LFPR 2006-2014

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Post Graduate</th>
<th>Degree</th>
<th>Passes A/L</th>
<th>Secondary completed</th>
<th>Below Secondary</th>
<th>Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-6.8</td>
<td>-5.3</td>
<td>-2.8</td>
<td>-0.8</td>
<td>-1.1</td>
<td>1.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Estate</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-7.7</td>
<td>-2.3</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age group</th>
<th>Adult (30 to 64)</th>
<th>Youth(15-29)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-2.6</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sex</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-2.0</td>
<td>-0.8</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Own calculations using LFS data;
Note: * - Northern and Eastern provinces excluded
Factors affecting FLFP in Sri Lanka

- Remittances from abroad
- Education
- Family wealth
- Local labour market conditions
- Local unemployment
- Ethnicity and religion
- Children and age of children
- Work-life balance

- Labour market institution and labour legislation
- Infrastructure
- Access to finance

Source: ILO 2013, ILO 2016
LFPR, by Level of Education

Source: Nisha Arunatilake, using 2016 data.
Note: * - Does not include Northern and Eastern provinces, *** - All provinces are included.
Female Labour Force Participation, by District and Level of Education

Source: IPS calculations, using Census 2012
Tertiary and Vocational Education improves FLFP, but education participation is low
Distribution of 15+ Population by Level Education and Gender (2016)

- Primary Incomplete: 13.7 Female, 11.8 Male
- Primary Completed: 4.8 Female, 4.9 Male
- Below O/L: 44.0 Female, 49.4 Male
- O/L Passed: 18.8 Female, 18.8 Male
- A/L Passed: 15.3 Female, 11.9 Male
- Degree & Above: 3.4 Female, 3.2 Male

Source: IPS calculations, using LFS data
Education Participation of Youth (20-24)

Source: IPS calculations, using LFS data
Constraints that may impede demand for female workers

- Gender segregation in the labour market
- Wage gaps
- Differences in quality of jobs available to women
- Discrimination and disadvantages in accessing employment

Source: Lim 1996 cited by ILO 2016
Labour market segregation

• Women are concentrated in industries and occupations that are low wage indicating, lack of quality of employment
Female Employment

- Source: Own calculations using LFS data
Wage Gaps

Females are paid less
Mainly due to wage gaps amongst low skilled
Gender Wage Gap

Hourly Wage Differences: Male vs Female (%)

- 2014:
  - Unexplained: 40%
  - Explained: 10%
  - Wage difference: 25%

- 2012:
  - Unexplained: 30%
  - Explained: 10%
  - Wage difference: 20%

- 2006:
  - Unexplained: 40%
  - Explained: 10%
  - Wage difference: 25%

Legend:
- Green: unexplained
- Red: explained
- Blue: wage difference
Gender Wage Gap
Hourly Wage Difference, Males vs Females

- Skilled agricultural, craft workers, machine operators, elementary occupations: 40.2% (46.8% explained, 4.7% unexplained)
- Clerks, service and market sales workers: 13.8% (10.8% explained, 2.6% unexplained)
- Senior officials, Professionals, Technicians: 2.0% (2.0% explained, 0.0% unexplained)

Source: Institute of Policy Studies of Sri Lanka
Discrimination

- Not only do women self select into less demanding jobs, employers take into account these behavior of women at recruitment
Data

- Enterprise survey (National Institute for Labour Studies, 2018)
- 209 Enterprises in the Western province
- Covering 83,562 employees

Composition of Enterprises considered

- Agriculture: 76
- Industry: 84
- Construction: 3
- Trade: 28
- Other Services: 18
Factors Affecting Recruitment of Females
(Share of employers expressing that they ‘very frequently’ or ‘always’ consider the following when recruiting:)

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How Labour Legislation Affect Recruitment of Females

Maternity Benefits
- Maternity Benefits Ordinance of 1941 (MBO)
- Shop and Office Employees Act 1954 (SAO)

Restrictions on night work
- Shop and Office Employees (SAO 1954)
- Employment of Women, Young Persons and Children Act of 1956
- Termination of Employment of Workman Act 1971 (TEWA)
Challenges faced by women doing night work & policy responses

Emp. of Women and Young Persons Act (1956):
• 1) the women chose to work voluntarily;
• 2) written sanction of the Commissioner of Labour
• 3) adequate rest between shifts;
• 4) One and a half time their wages;
• 5) female wardens to look after the worker welfare
• 6) Rest rooms and refreshments by the employer;
• 7) Only ten days on night work, in any month.
Share of Employers Finding Maternity Benefits an Issue When Recruiting (%)

Challenges faced by women doing night work & policy responses

• Recent IPS study shows that problem is really not working in the night
• But,
  – Adhering to social norms
  – Working conditions
    • very long work shifts, and unplanned work shifts
    • Lack of flexibility in taking leave
    • Poor renumeration
  – Practical issues in travelling to and from work
  – Inadequate facilities
Recommendations

1. Improve access, efficiency and quality of education
2. Improve creation of good jobs
3. Modify and modernize labour legislation, make it gender neutral
4. Awareness building to change social norms, and perceptions of employers
5. Support to families for work life balance
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