



# Improving labour force participation of low skilled women

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*Nisha Arunatilake  
September 2019*

# Why Improve FLFP?

1

- Gender empowerment

2

- Improving equality

3

- Labour shortages

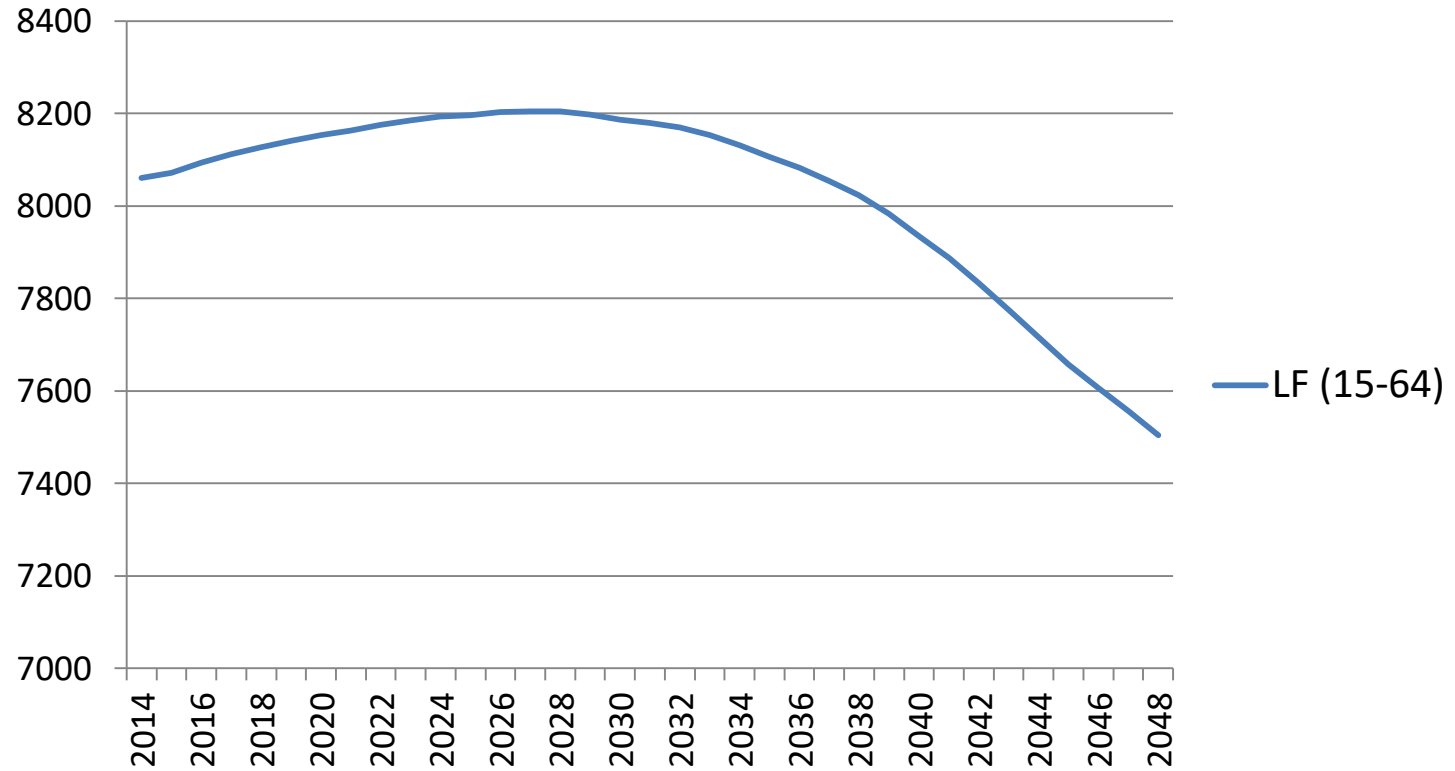
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- Slowing labour force

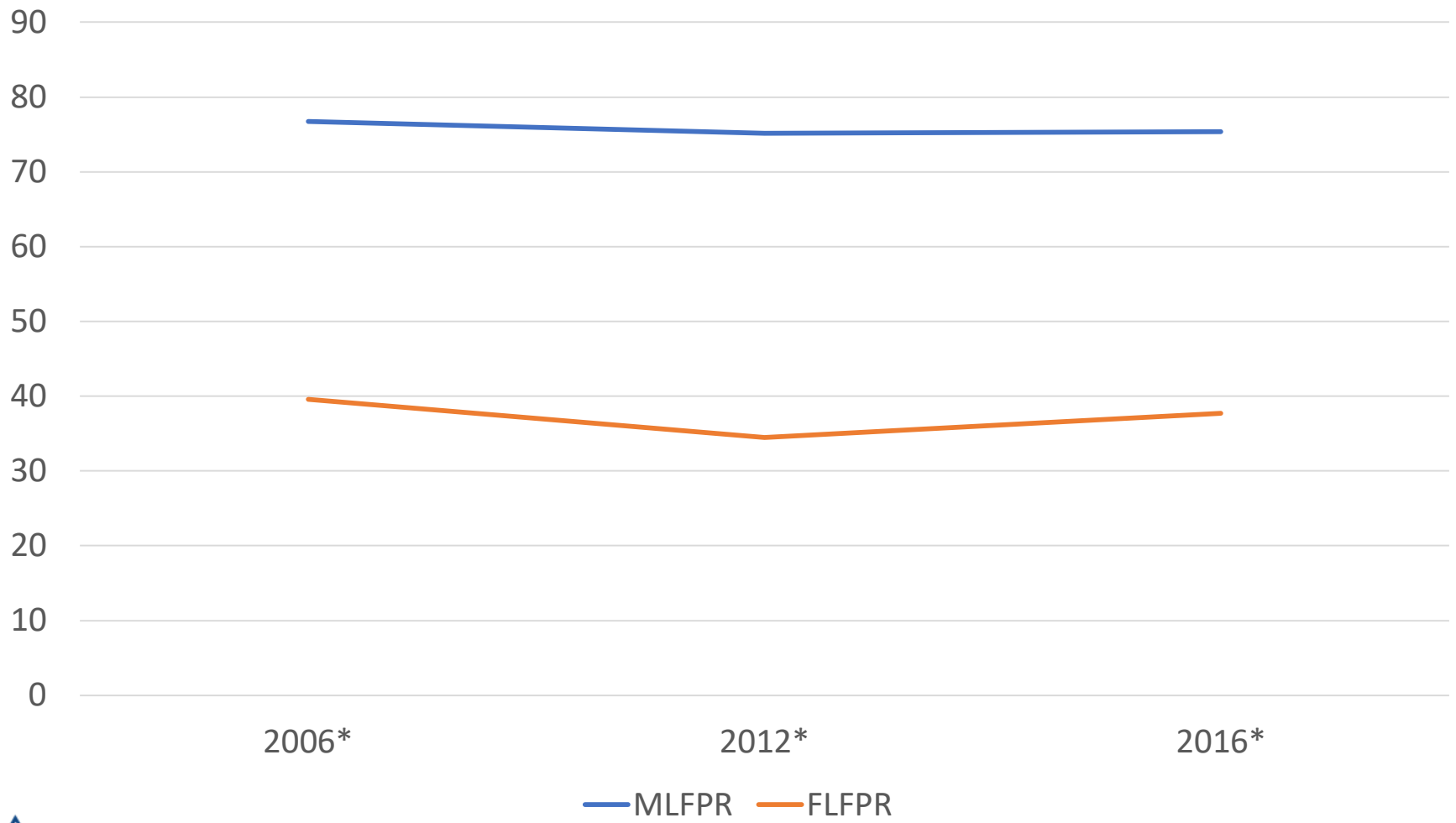
## Gender Based Inequality Measures

	Sri Lanka	India	Pakistan
GII	0.354	0.524	0.541
Adolescent birth rate (births per 1000 women aged 15-19)	14.1	23.1	36.9
Female seats in parliament (%)	5.8	11.6	20.0
Female pop with some sec edu (%)	82.6	39	27
FLFP	35.1	27.2	24.9

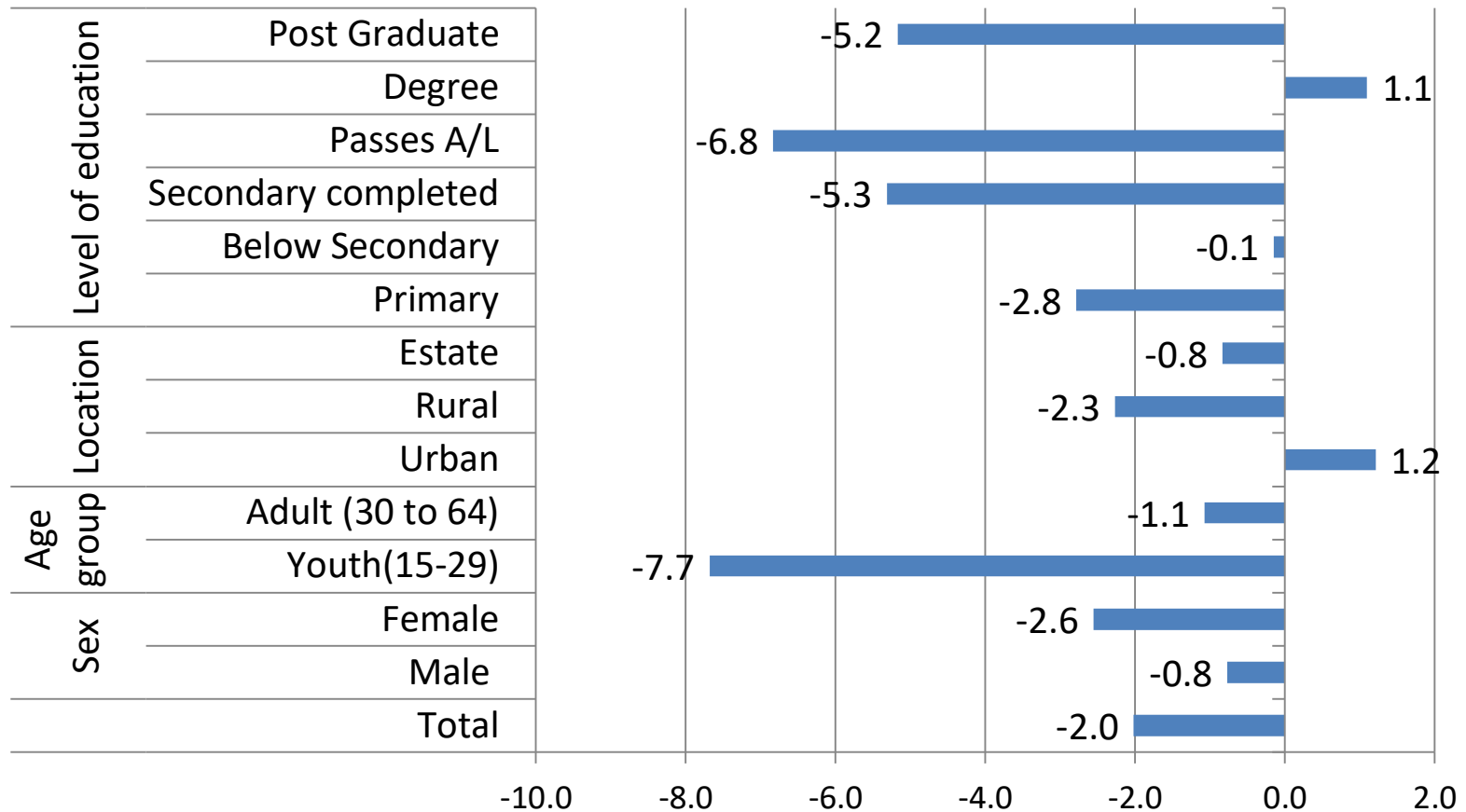
# Labour Force Trends



# Labour Force Participation Rates, by Sex



# Percentage Point Difference in LFPR 2006-2014



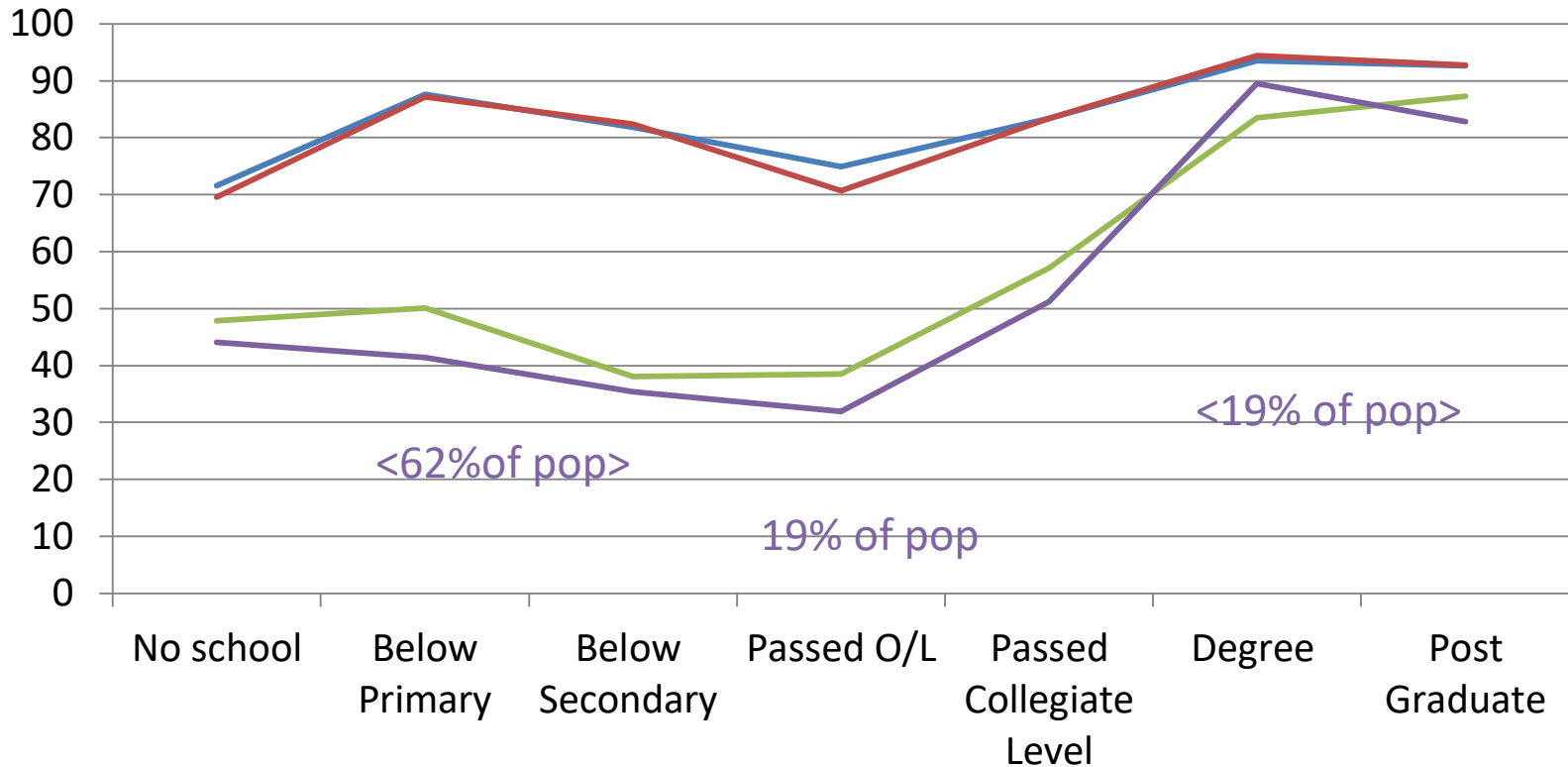
■ Percentage point difference in LFPR 2006\* -2014\*

# 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



# LFPR, by Level of Education



— Male 2006\*   
 — Male 2016\*\*\*   
 — Female 2006\*   
 — Female 2016\*\*\*



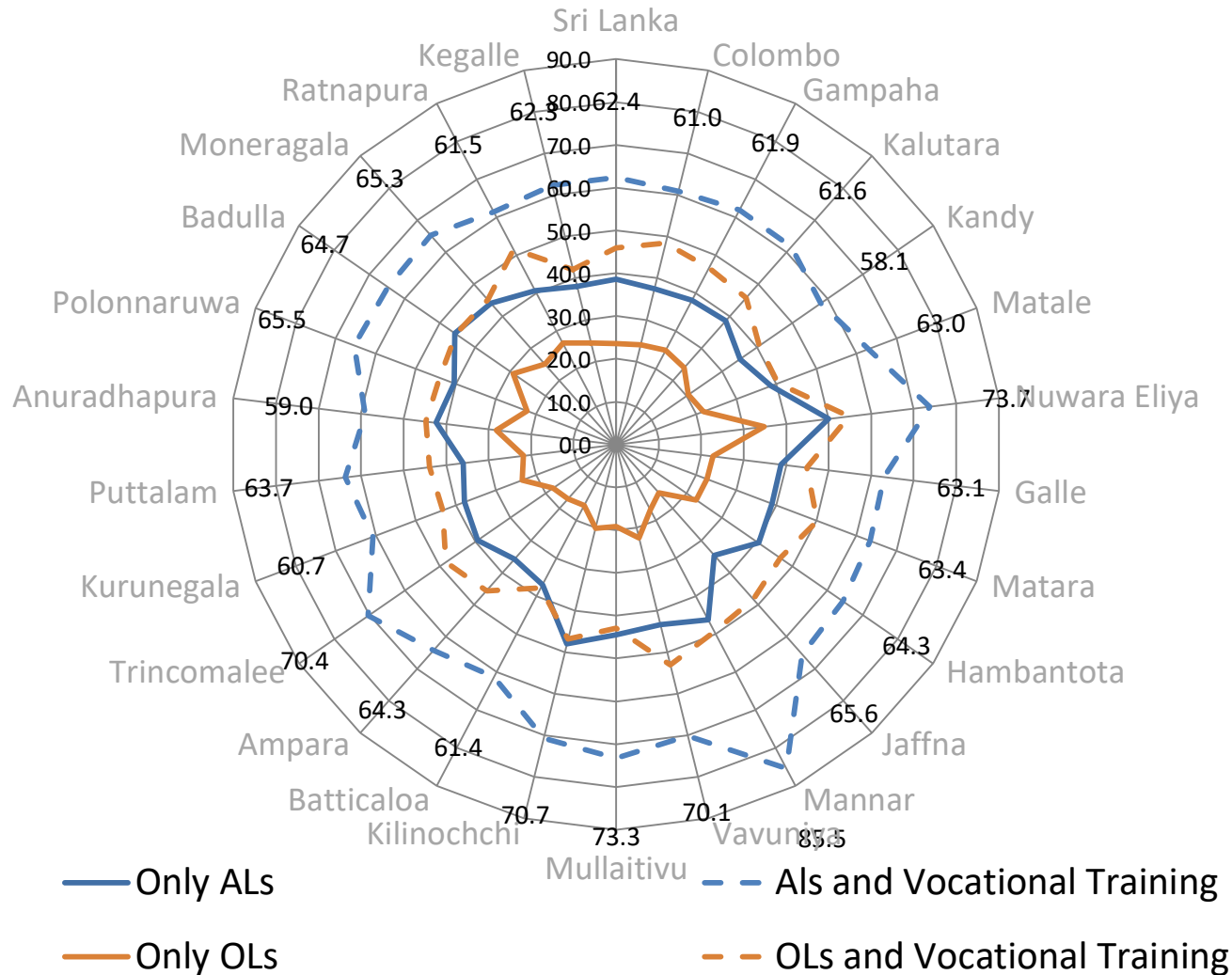
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Source: Nisha Arunatilake, using 2016 data.

Note: \* - Does not include Northern and Eastern provinces, \*\*\* - All provinces are included.



# Female Labour Force Participation, by District and Level of Education



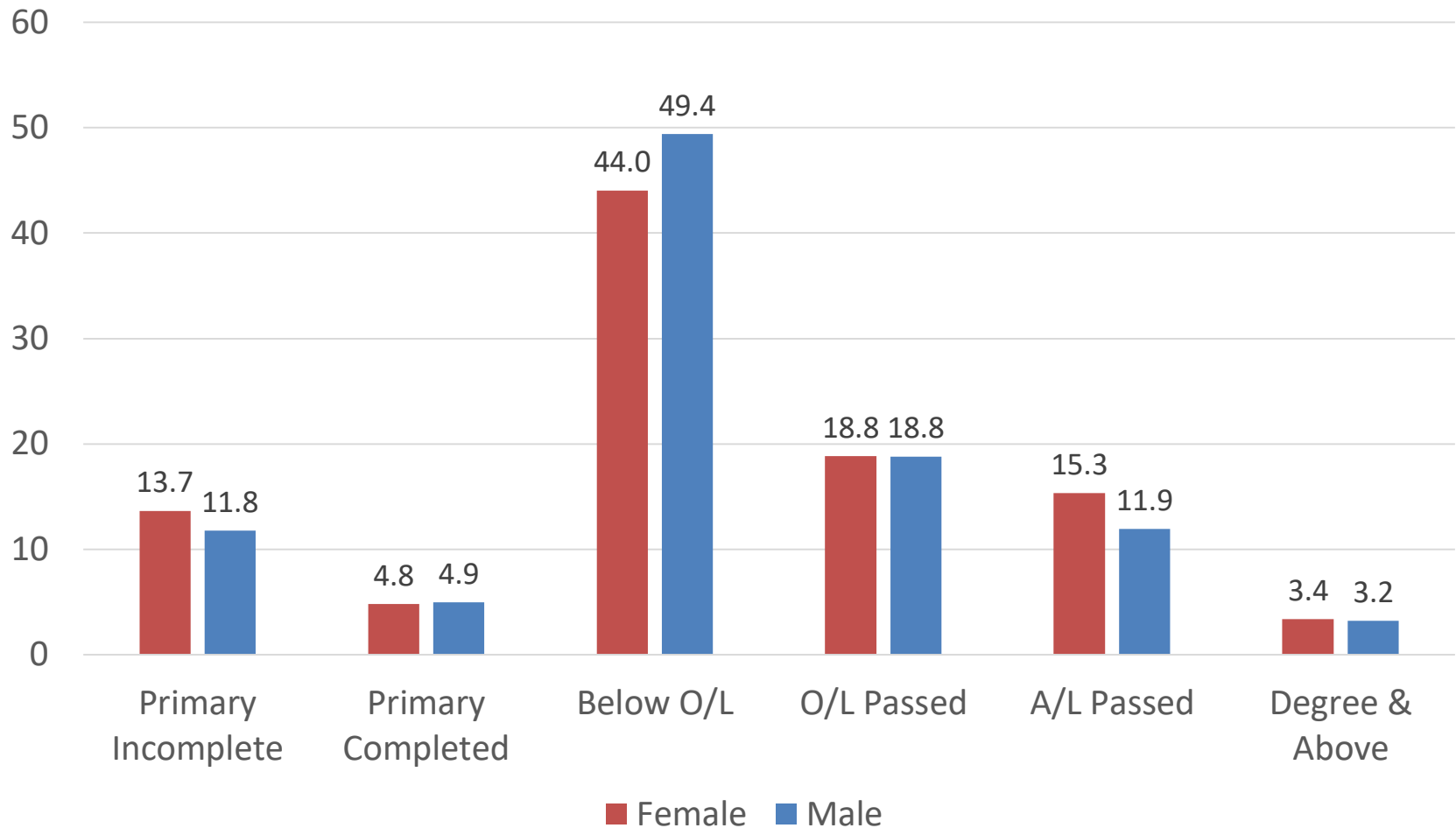
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Source: IPS calculations, using Census 2012

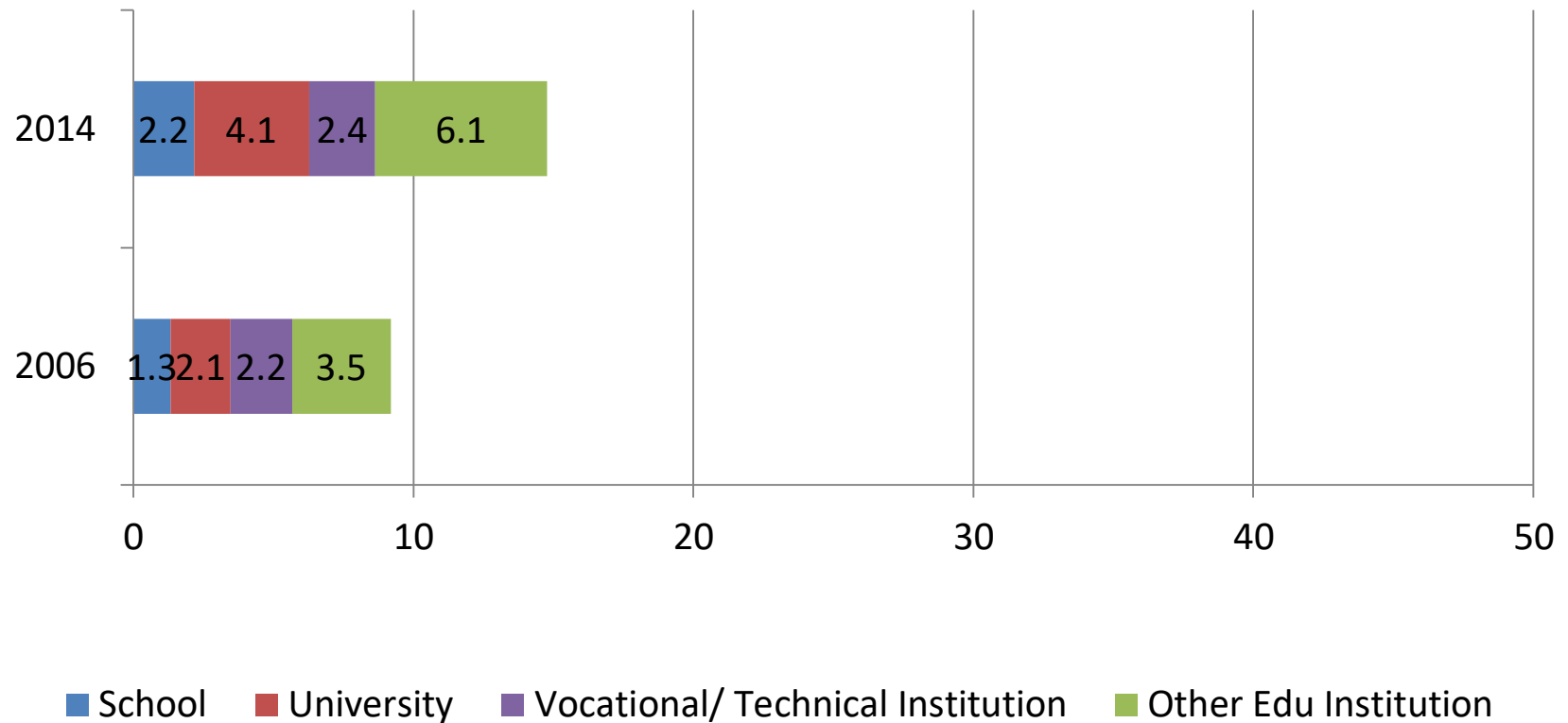
# Tertiary and Vocational Education improves FLFP, but education participation is low



# Distribution of 15+ Population by Level Education and Gender (2016)



# Education Participation of Youth (20-24)



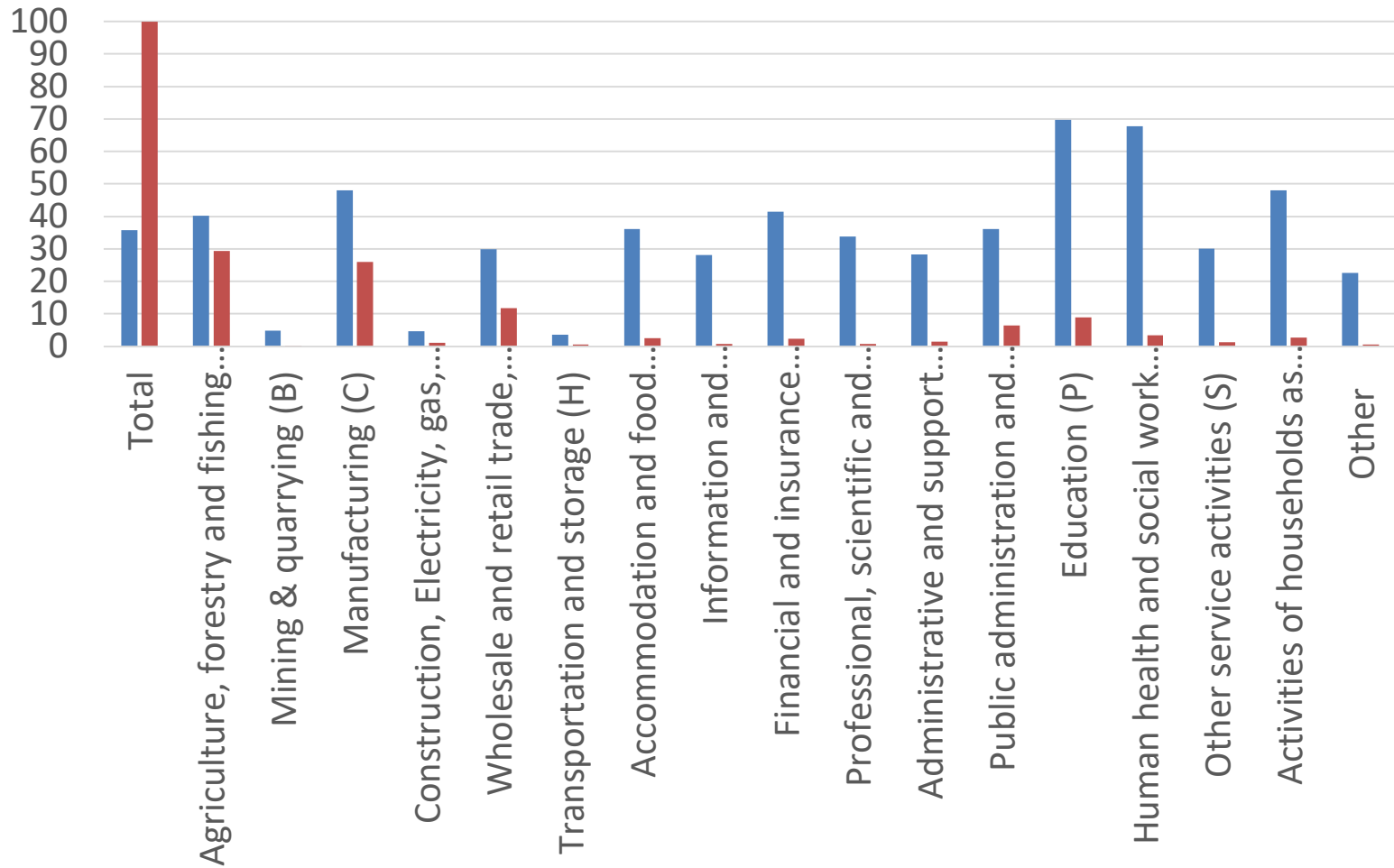
# Constraints that may impede demand for female workers

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

# Labour market segregation

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

# Female Employment

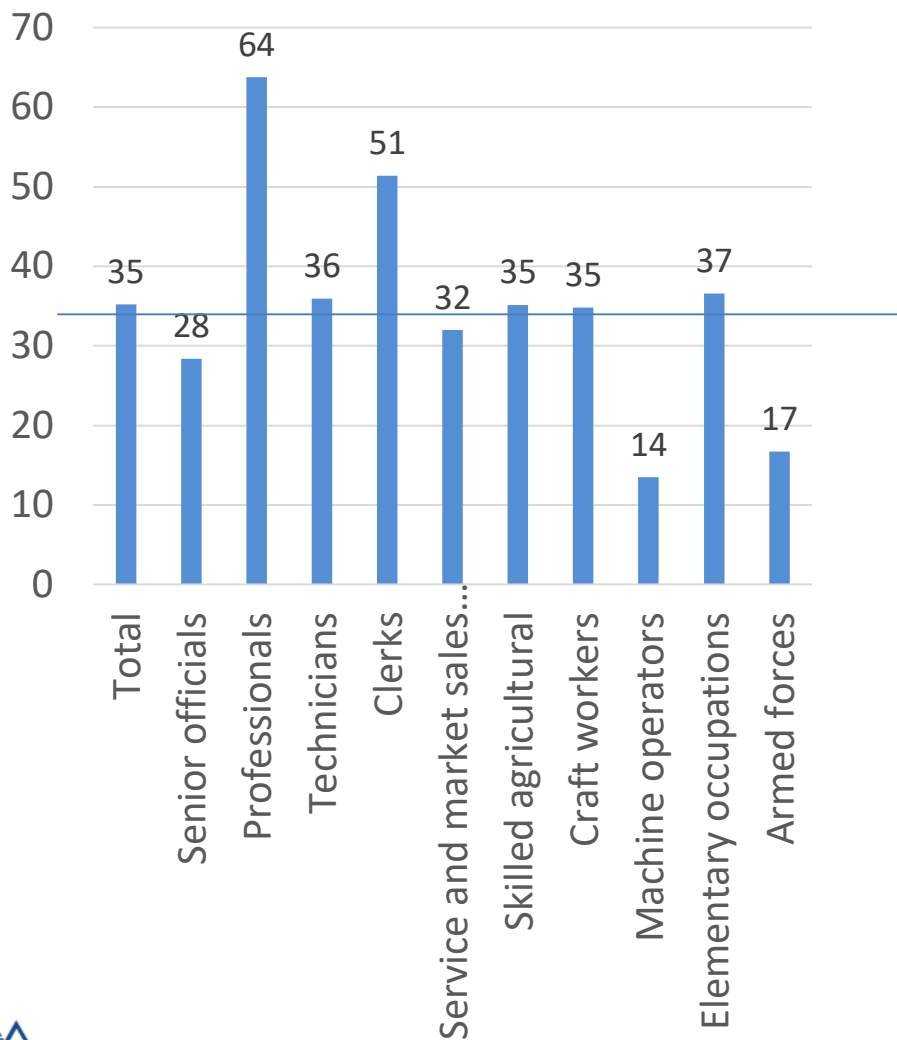


■ Female share in industry (%)

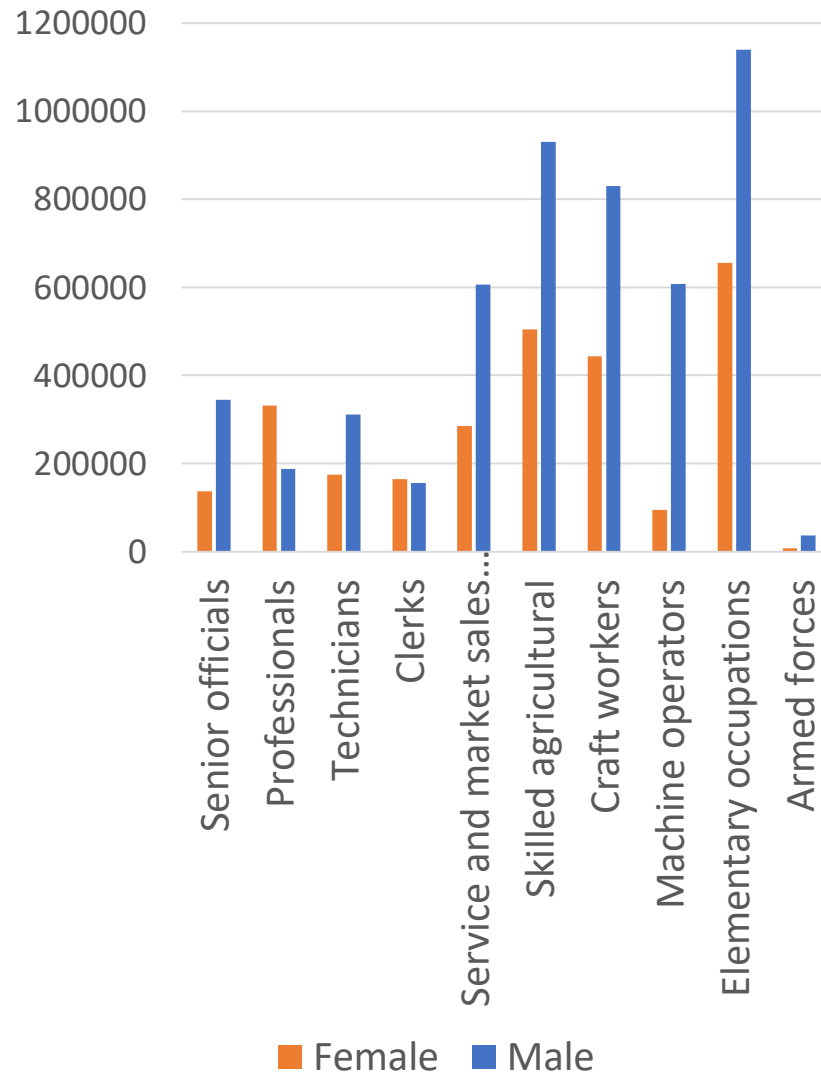
■ Distribution of female workers (%)



### Share of Female Workers, by Occupation Group (%)



### Employment, by Occupation and Gender





# Wage Gaps

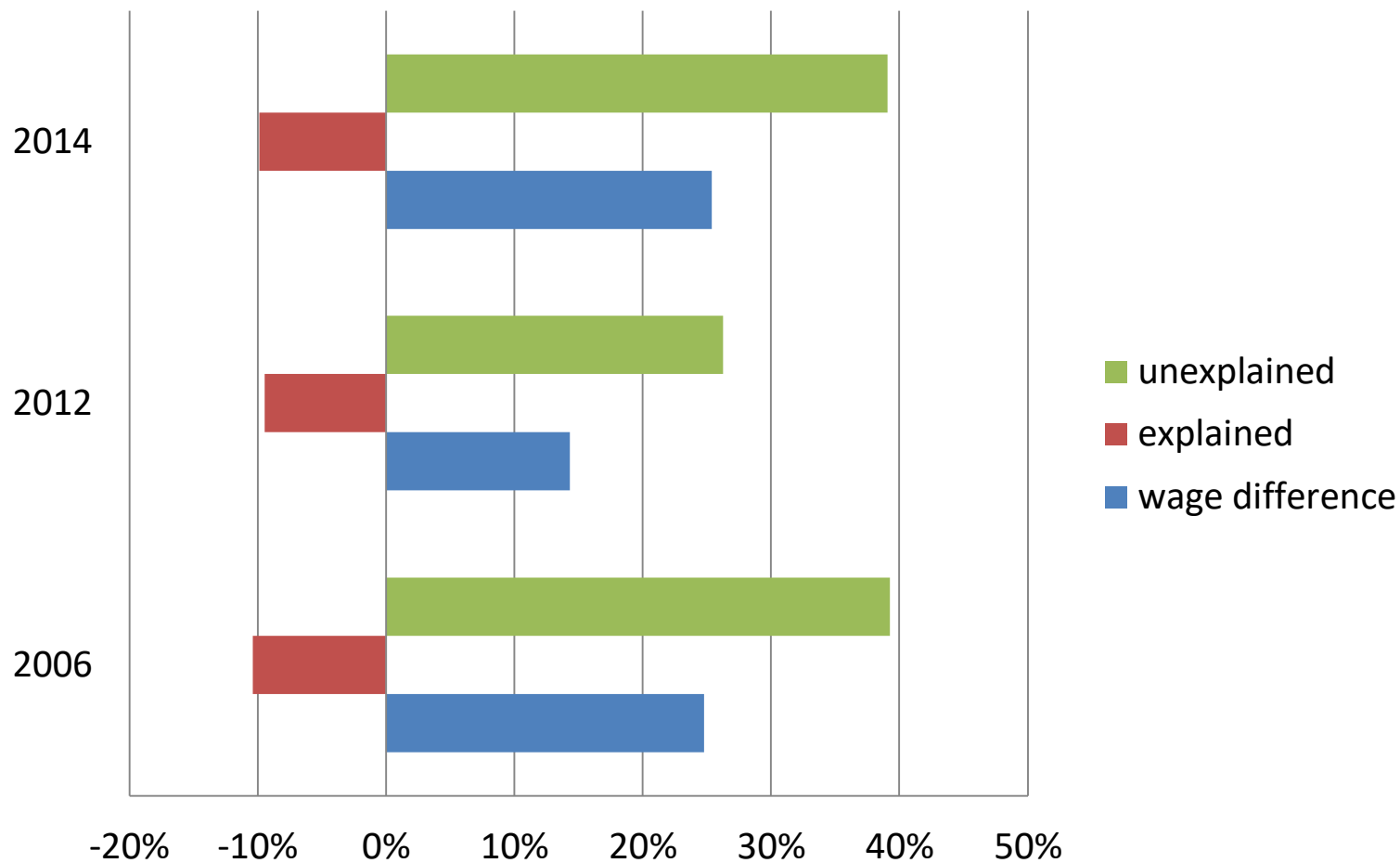
Females are paid less

Mainly due to wage gaps amongst low skilled



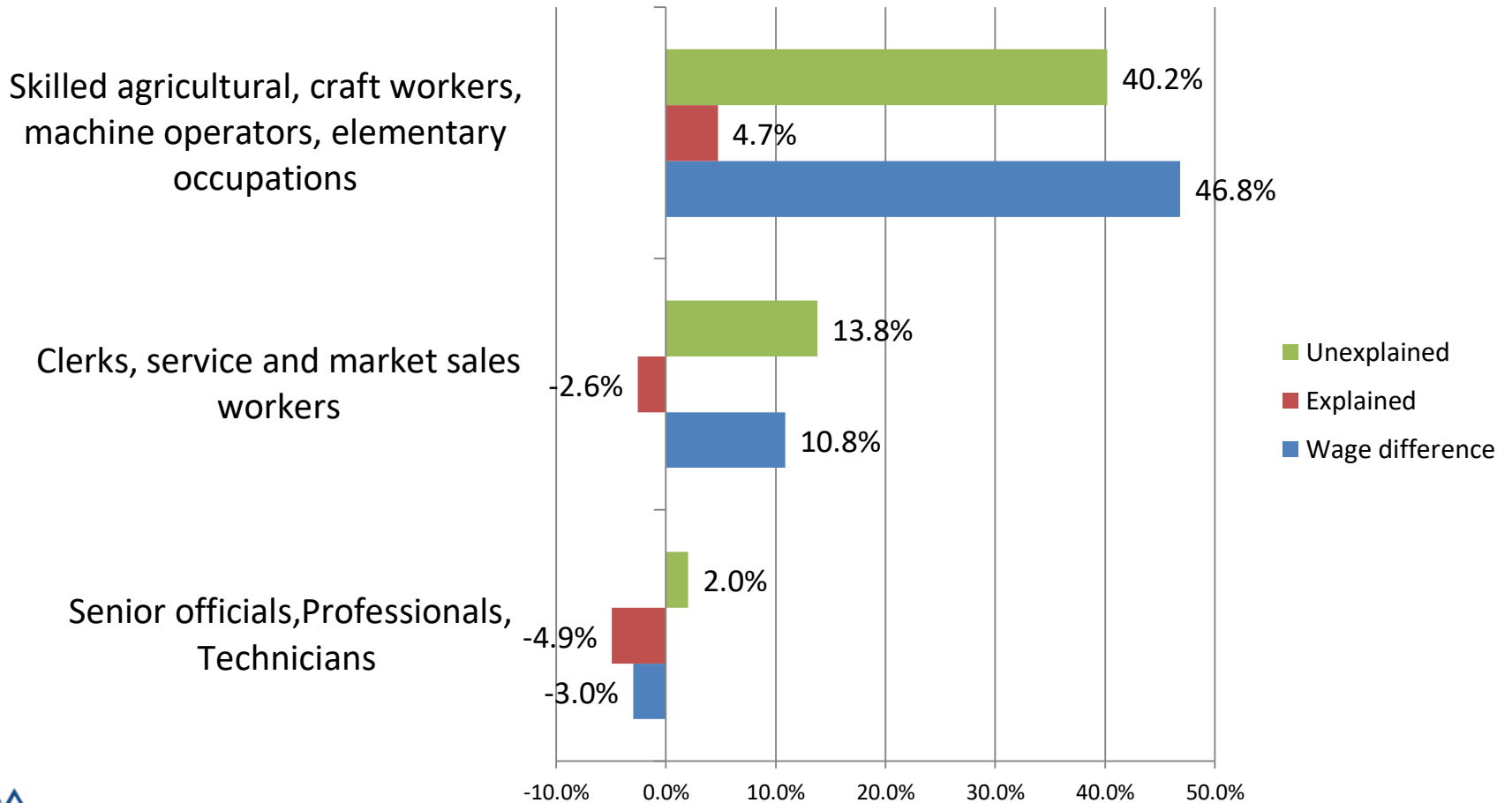
# Gender Wage Gap

## Hourly Wage Differences: Male vs Female (%)



# Gender Wage Gap

## Hourly Wage Difference, Males vs Females



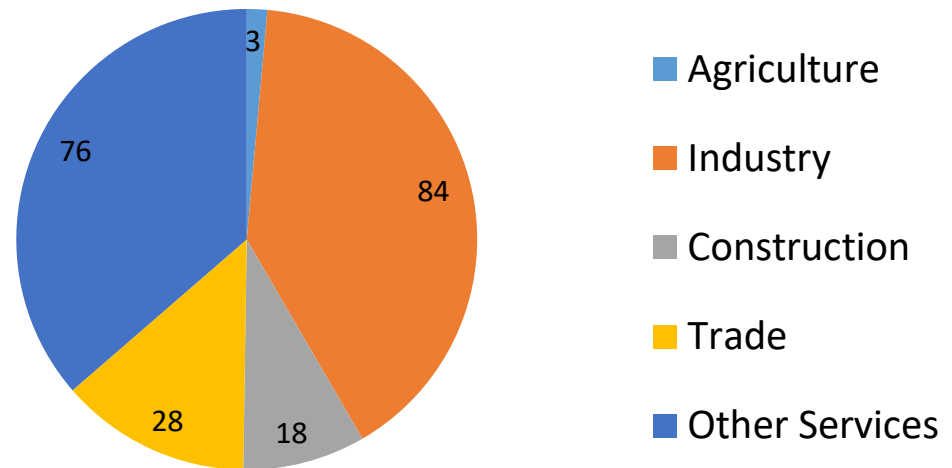
# Discrimination

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

# Data

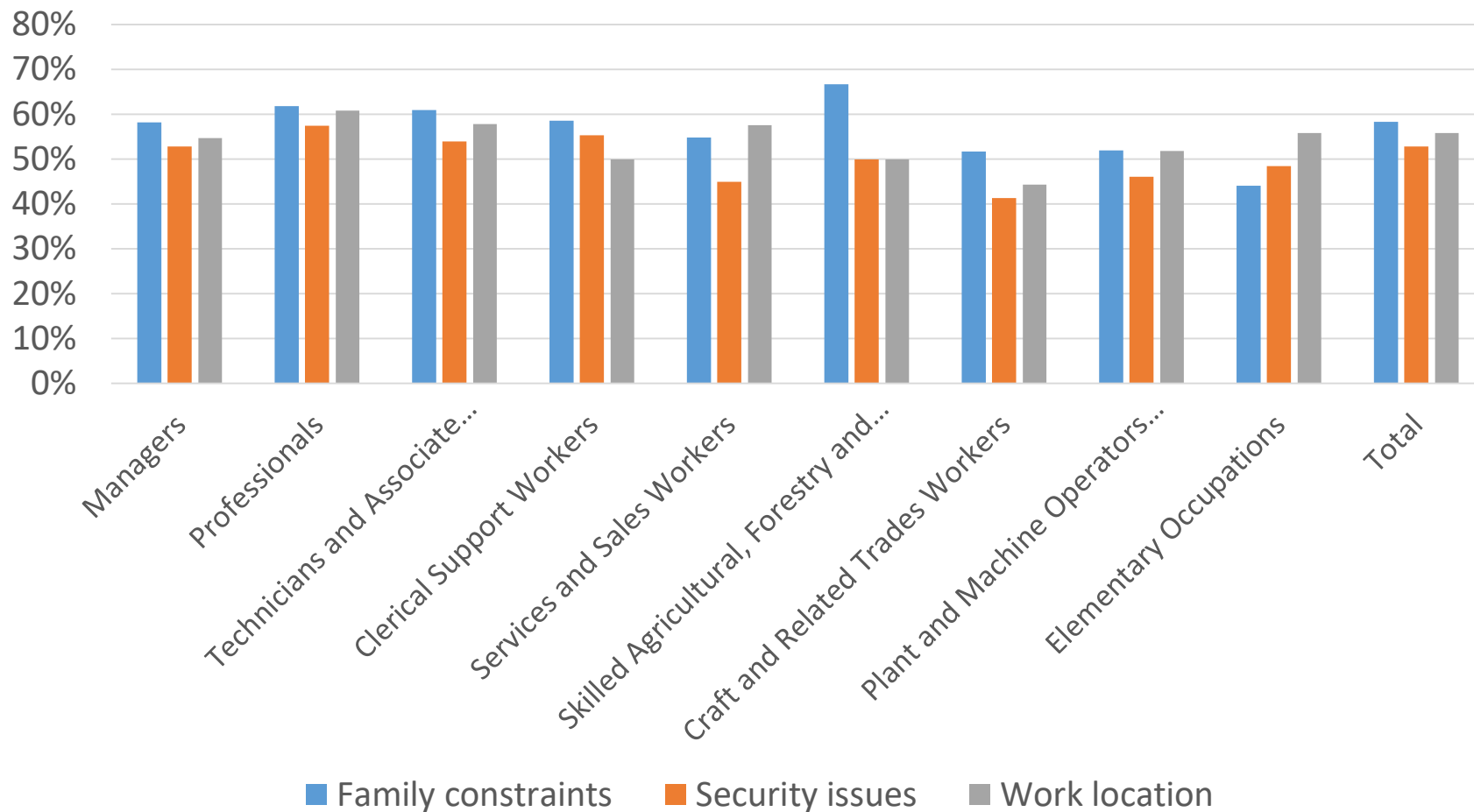
- Enterprise survey (National Institute for Labour Studies, 2018)
- 209 Enterprises in the Western province
- Covering 83,562 employees

Composition of Enterprises considered



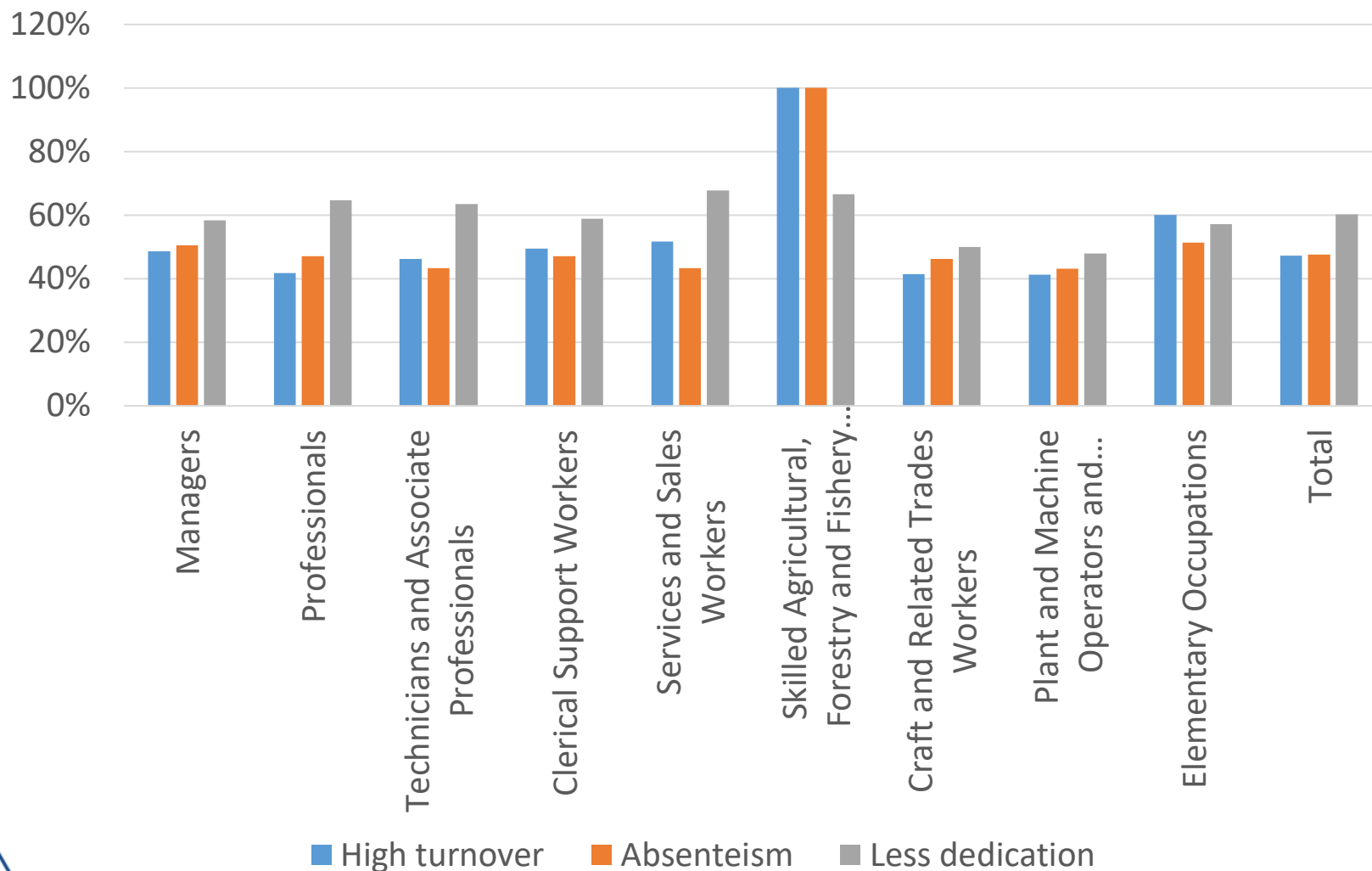
## Factors Affecting Recruitment of Females

(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)

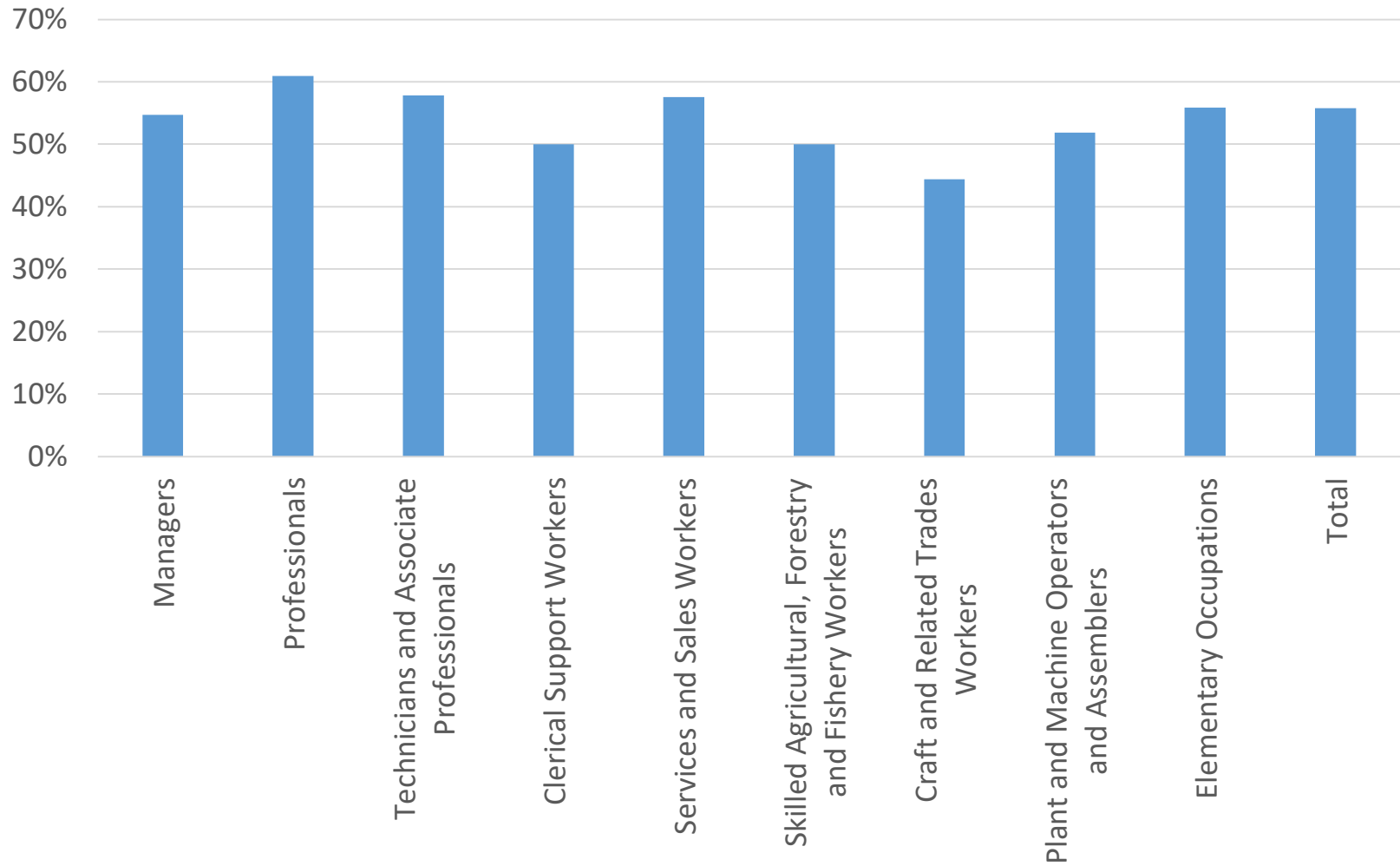


# Challenges faced by women doing night work & policy responses

Emp. of Women and Young Persons Act (1956):

- 1) the women chooses 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 remuneration
  - 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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