Improving labour force participation of low skilled women

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Why Improve FLFP?

1. Gender empowerment
2. Improving equality
3. Labour shortages
4. Slowing labour force
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

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

Supply side
• Age
• Education
• Family wealth
• Local labour market conditions
• Local unemployment
• Ethnicity and religion
• Children and age of children
• Work-life balance

Demand side
• Labour market institution and labour legislation
• Social norms
• 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.
Lack of Tertiary and Vocational Education
Distribution of 15+ Population by Level Education and Gender (2016)

Source: IPS calculations, using LFS data
Female Labour Force Participation, by District and Level of Education

Source: IPS calculations, using Census 2012
Education Participation of Youth (20-24)

Source: IPS calculations, using LFS data
Lack of Quality of Employment
Female Employment

Source: Own calculations using LFS data
Gender Discrimination/ Gaps/ Social norms
Gender Wage Gap

Hourly Wage Differences: Male vs Female (%)
Gender Wage Gap
Hourly Wage Difference, Males vs Females

- Skilled agricultural, craft workers, machine operators, elementary occupations: 46.8% (40.2% explained, 4.7% unexplained)
- Clerks, service and market sales workers: 10.8% (13.8% explained, -2.6% unexplained)
- Senior officials, Professionals, Technicians: 2.0% (4.9% explained, -3.0% unexplained)

Unexplained
Explained
Wage difference
Factors Affecting Recruitment of Females

(Share of employers expressing that they ‘very frequently’ or ‘always’ consider the following when recruiting:)

Factors Affecting Recruitment of Females

(Share of employers expressing that they ‘very frequently’ or ‘always’ consider the following when recruiting:)

- High turnover
- Absenteism
- Less dedication
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)
- Employment of Women, Young Persons and Children Act of 1956
Share of Employers Finding Maternity Benefits an Issue When Recruiting (%)
Night Work

• Recent IPS study shows that problem is really not working in the night

• But,
  – Adhering to social norms
  – One problem is very long work shifts, and unplanned work shifts
  – Lack of flexibility in taking leave
  – Poor renumeration
  – Practical issues in travelling to and from work
Recommendations

1. Modify and modernize labour legislation
2. Improve efficiency and quality of education
3. Improve creation of good jobs
4. Awareness building to change social norms
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