INTEGRATING WOMEN’S ECONOMIC EMPOWERMENT AND EQUALITY INTO LABOR, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT, AND THE ENABLING ENVIRONMENT IN SRI LANKA

ASSESSMENT REPORT, FEBRUARY 2020
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## ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADVANTAGE</td>
<td>Advancing the Agenda of Gender Equality</td>
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<tr>
<td>CDCS</td>
<td>Country Development Cooperation Strategy</td>
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<tr>
<td>DFAT</td>
<td>Australian Department of Foreign Affairs and Trade</td>
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<td>E3</td>
<td>USAID Office of Economic Growth, Education, and Environment</td>
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<td>EG</td>
<td>USAID/Sri Lanka Economic Growth Office</td>
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<td>GenDev</td>
<td>USAID Office of Gender Equality and Women’s Empowerment</td>
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<td>GSL</td>
<td>Government of Sri Lanka</td>
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<td>ICT</td>
<td>Information and communications technology</td>
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<td>ICTA</td>
<td>ICT Association</td>
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<td>IDIQ</td>
<td>Indefinite delivery, indefinite quantity</td>
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<td>IESC</td>
<td>International Executive Service Corps</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IR</td>
<td>Intermediate result</td>
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<tr>
<td>J2SR</td>
<td>Journey to Self-Reliance</td>
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<tr>
<td>KI</td>
<td>Key Informant</td>
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<tr>
<td>LKR</td>
<td>Sri Lankan Rupee</td>
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<td>NGO</td>
<td>Non-governmental organization</td>
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<td>SMEs</td>
<td>Small and medium enterprises</td>
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<td>SOW</td>
<td>Statement of work</td>
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<tr>
<td>SLASSCOM</td>
<td>Sri Lanka Association for Software and Service Companies</td>
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<td>TIP</td>
<td>Trafficking in persons</td>
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<tr>
<td>TRR</td>
<td>USAID Office of Trade and Regulatory Reform</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>US</td>
<td>United States</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WBL</td>
<td>Women, Business and the Law</td>
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<td>WE3</td>
<td>Women’s economic empowerment and equality</td>
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<tr>
<td>WEEA</td>
<td>Women's Entrepreneurship and Economic Empowerment Act of 2018</td>
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<tr>
<td>W-GDP</td>
<td>U.S. Government’s Women’s Global Development and Prosperity Initiative</td>
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<td>WHO</td>
<td>World Health Organization</td>
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I. EXECUTIVE SUMMARY

The United States Agency for International Development (USAID) is supporting the Government of Sri Lanka’s (GSL) reform efforts to develop a prosperous, democratic, and inclusive country where all Sri Lankans can enjoy the benefits of development. This includes assisting GSL efforts to strengthen its democratic systems, promote sustainable economic growth, and support marginalized and disaster-affected communities.

USAID activities in Sri Lanka also support the Indo-Pacific Vision to advance a free and open Indian Ocean region accessible to all. Specifically, the strategy aims to support trade and competitiveness, as well as digital connectivity and cybersecurity, and to assist Sri Lanka in their Journey to Self-Reliance (J2SR), which currently scores below average on the J2SR inclusive development metrics.

The USAID/Sri Lanka/EG office, USAID/E3/TRR office, and USAID/E3/GenDev office are collaborating to ensure the integration of women’s economic empowerment into the design of a new 5-year/19.5 million dollar activity to help small and medium enterprises (SMEs) grow and to increase women’s labor force participation in Sri Lanka. The activity will contribute to the following intermediate result from USAID/Sri Lanka’s Country Development Cooperation Strategy (CDCS): Intermediate result (IR) 2.2 – Strengthened enterprise competitiveness. It is expected to increase SME revenue and profits through direct support to SMEs or other interventions. In addition, the activity will seek to increase female participation in the workforce within the supported sectors.

Integrating women’s economic empowerment into the new activity design supports the Women’s Entrepreneurship and Economic Empowerment (WEEE) Act\(^1\) as well as the U.S. Government’s Women’s Global Development and Prosperity Initiative (W-GDP),\(^2\) led by the White House. Notably, the W-GDP’s three main pillars directly bolster USAID’s goals in the sector: (1) Women prospering in the workforce; (2) Women succeeding as entrepreneurs; and (3) Women enabled in the economy.

E3/GenDev requested Banyan Global — through WE3 TA task order under the ADVANTAGE IDIQ contract — to conduct a WE3 assessment, to present results and recommendations, and to advise the Mission’s design team.

The research was guided by the following research questions:

- What issues inhibit women’s participation in the workforce (particularly among SMEs) across all sectors (particularly tourism)?
- What interventions will most efficiently and effectively increase women’s participation in SMEs across sectors (particularly in entrepreneurship, management, and leadership roles)?\(^3\)

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\(^3\) Part of the associated desk review and field research needed to answer this question should identify current constraints on women’s participation in the tourism sector. If there is a reasonable risk that expanding Sri Lanka’s tourism industry will also increase trafficking in persons (TIP) (e.g., increased prostitution associated with an increase in sex tourism), then additionally consider how USAID’s interventions in this sector can also serve to limit or reduce TIP, e.g., by integrating prevention and reporting mechanisms.
What uses of ICT would catalyze SME development in a way that increases opportunities for women, including minority women?

What enabling environment interventions (e.g., legal reforms, simplification of taxes, the formation of a Small Business Administration-type organization or ombudsman, technical assistance to government or SMEs, etc.) would most effectively catalyze gender-sensitive SME growth?

What data exists, and what are the data gaps related to the new activity?

The research resulted in the following findings and recommendations.

FINDINGS

- Finding 1: Care responsibilities are the most significant constraint to women’s labor force participation.
- Finding 2: Traditional expectations about women’s roles discourage their formal labor force participation, particularly in the tourism sector.
- Finding 3: Workplace environments, including lack of flexibility, discrimination, and harassment, limit women’s labor force participation.
- Finding 4: The lack of safe, convenient, and affordable transportation reduces women’s mobility and therefore employment opportunities.
- Finding 5: Many of the constraints affecting the competitiveness of all SMEs often disproportionately affect women.

RECOMMENDATIONS

- Recommendation 1: Support the development of the care economy.
- Recommendation 2: Improve professional development opportunities for women, to increase labor force participation.
  - Recommendation 2a: Support and aim to accelerate the change in social norms about women working.
  - Recommendation 2b: Address workplace environment issues, such as discrimination and harassment, that reduce women’s labor force participation.
  - Recommendation 2c: Reduce the impact of transportation challenges limiting women’s labor force participation.
- Recommendation 3: Provide support to women-owned enterprises.

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4 In this report, “catalyze” refers to reducing cost, reducing risk, and/or increasing revenue.

5 The desk review and field research should take into consideration the supply side of SME growth. In the case of the tourism sector, for example, the assessment should consider current and prospective tourist populations and their motivations for visiting Sri Lanka.

6 A full summary of all recommendations for short- and long-term activities is presented in Annex 2.
2. BACKGROUND AND CONTEXT

USAID is supporting the Government of Sri Lanka’s reform efforts to develop a prosperous, democratic, and inclusive country where all Sri Lankans can enjoy the benefits of development. This includes assisting GSL efforts to strengthen its democratic systems, promote sustainable economic growth, and support marginalized and disaster-affected communities.

USAID activities in Sri Lanka also support the Indo-Pacific Vision to advance a free and open Indian Ocean region accessible to all. Specifically, the strategy aims to support trade and competitiveness, as well as digital connectivity and cybersecurity, and to assist Sri Lanka in their J2SR, which currently scores below average on the J2SR inclusive development metrics (Figure 1).

SMEs play a crucial role in the economy of Sri Lanka, accounting for 75 percent of all active enterprises, providing 45 percent of employment, and contributing 5 percent of the country’s gross domestic product. USAID/Sri Lanka’s EG office sought support in designing a new 5-year/19.5 million-dollar activity, to help SMEs grow and to support a conducive business enabling environment in Sri Lanka. The USAID/Sri Lanka/EG office, USAID/E3/TRR office, and USAID E3/GenDev office are collaborating to ensure the integration of women’s economic empowerment into the activity design. USAID E3/GenDev requested Banyan Global — through WE3 TA Task Order under the ADVANTAGE IDIQ contract — to conduct a WE3 assessment, to present results and recommendations, and to advise the Mission’s design team.

The activity will contribute to the following intermediate results from USAID/Sri Lanka’s Country Development Cooperation Strategy (CDCS): Intermediate result (IR) 2.2 – Strengthened enterprise competitiveness. It is expected to increase SME revenue and profits through direct support to SMEs or other interventions. In addition, the activity will seek to increase female participation in the workforce within the supported sectors.

The activity will support key economic sectors with the most potential for SME-based economic development. Tourism is expected to be among the key sectors targeted. However this activity is by no

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8 Tourism accounted for 5.3 percent of Sri Lanka’s GDP prior to the Easter Bombings, and even after the bombings, continued to grow at a double-digit rate. However, current signs point to a slowdown in sectoral growth, despite market potential, due to inadequate support from government. See Economist Intelligence Unit, Sri Lanka: Tourism Sector Faces Uncertain Outlook in 2019, available at https://country.eiu.com/article.aspx?articleid=1117685695&Country=Sri%20Lanka&topic=Economy (Feb. 2, 2019).
3. PURPOSE

The U.S. Government’s commitment to and investment in women’s economic empowerment is anchored in efforts such as: the W-GDP, led by the White House; the WEEE Act of 2018, which establishes a mandate to conduct effective gender analyses and engage women-owned micro, small, and medium enterprises more effectively (among other issues); and USAID’s Gender Equality and Female Empowerment (GEFE) Policy, which explicitly seeks to “improve the lives of citizens around the world by advancing equality between females and males, and empowering women and girls to fully participate in and benefit from the development of their societies.”

Sri Lanka has made incredible progress in economic development, increasing its gross domestic product (GDP) purchasing power parity per capita from 5,543 USD in 2000 to 11,956 USD in 2018. However, this has been achieved with only minimal contribution from women. Over this time period, female labor force participation dropped from 37.3 percent to 34.8 percent. Continued economic growth will require greater economic participation by women.

This report builds on the desk research conducted October-November 2019 and integrates findings from in-country interviews conducted in January 2020. It aims to provide constructive inputs for USAID’s program design process so that the new activity will more effectively meet the needs of women entrepreneurs and laborers and can draw more women into the labor force.

4. DESIGN, METHODS, AND LIMITATIONS

This assessment draws on information gathered from three sources and is grounded in the material provided in the WE3 Guide. The guide is intentionally practical; it provides the tools, resources, samples, and other information that practitioners need to integrate WE3 into activity design. The three sources are as follows:

1. **A desk review** examined more than four dozen documents from Sri Lankan, U.S., and international sources to identify both information gaps and priority issues to guide further research.

2. **On-site research** included 17 in-person interviews with a variety of knowledgeable stakeholders or key informants (KIs) over a two-week period in January 2020. At the request of USAID, all interviews were conducted in Colombo. Interviews were conducted with the organizations shown in Table 1.

3. USAID’s YouLead project facilitated two video calls with groups of women entrepreneurs (also referred to as KIs) in other parts of the country. The first call included five women entrepreneurs from Jaffna (war-affected northern Sri Lanka); the second call included three women entrepreneurs.

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11 Developed through the WE3 TA task order, awarded under the ADVANTAGE IDIQ contract. Currently under review by USAID.
and a women’s association leader from Hambantota (southern Sri Lanka). USAID staff translated for both calls.

**TABLE 1: ORGANIZATIONS INTERVIEWED ON-SITE**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>ORGANIZATION</th>
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<tbody>
<tr>
<td>Donor Organizations</td>
<td>• Australian Department of Foreign Affairs and Trade (DFAT)</td>
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<td></td>
<td>• International Finance Corporation (IFC)</td>
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<tr>
<td>Government of Sri Lanka</td>
<td>• Export Development Board</td>
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<td></td>
<td>• Industrial Technology Institute</td>
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<tr>
<td>Non-Governmental Organizations</td>
<td>• Centre for Poverty Analysis</td>
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<tr>
<td></td>
<td>• Centre for Women’s Research</td>
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<tr>
<td></td>
<td>• Institute for Policy Studies(^{12})</td>
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<tr>
<td></td>
<td>• Women’s Education Research Centre</td>
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<tr>
<td>Private Sector</td>
<td>• Ceylon Chamber of Commerce</td>
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<td></td>
<td>• Federation of Chambers of Commerce and Industry of Sri Lanka</td>
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<tr>
<td></td>
<td>• Jetwing Hotels and Travels</td>
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<td></td>
<td>• National Chamber of Commerce</td>
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<td></td>
<td>• Stax(^{13})</td>
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<tr>
<td></td>
<td>• Women’s Chamber for Industry and Commerce</td>
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<tr>
<td>USAID Projects</td>
<td>• Public Financial Management-Trade Project (PFM-T)</td>
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<tr>
<td></td>
<td>• Supporting Accelerated Investment in Sri Lanka Project (SAIL)</td>
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<td></td>
<td>• YouLead Project</td>
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</tbody>
</table>

The desk review, on-site interviews, and video call discussions were guided by the following research questions:

- What issues inhibit women’s participation in the workforce (particularly among SMEs) across all sectors (particularly tourism)?
- What interventions will most efficiently and effectively increase women’s participation in SMEs across sectors (particularly in entrepreneurship, management, and leadership roles)?\(^{14}\)
- What uses of ICT would catalyze SME development in a way that increases opportunities for women, including minority women?

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\(^{12}\) Technically, the Institute for Policy Studies is a quasi-governmental organization, since it was established by the government of Sri Lanka and provides consultation to the government free of charge, but it is included as a non-governmental organization because it operates independently from the government.

\(^{13}\) Stax is a Boston-based management consulting firm with a large presence in Colombo.

\(^{14}\) Part of the associated desk review and field research needed to answer this question should identify current constraints on women’s participation in the tourism sector. If there is a reasonable risk that expanding Sri Lanka’s tourism industry will also increase trafficking in persons (TIP) (e.g., increased prostitution associated with an increase in sex tourism), then additionally consider how USAID’s interventions in this sector can also serve to limit or reduce TIP, e.g., by integrating prevention and reporting mechanisms.
- What enabling environment interventions (e.g., legal reforms, simplification of taxes, the formation of a Small Business Administration-type organization or ombudsman, technical assistance to government or SMEs, etc.) would most effectively catalyze gender-sensitive SME growth?\textsuperscript{15}

- What data exists, and what are the data gaps related to the new activity?

The thoroughness of the research was limited by two factors. First, there is little data available about the size, location, or activities of women-owned businesses and only high-level sectoral distribution relating to women’s employment. Second, all in-country research was conducted solely in Colombo. Therefore, much of the information contained in this report relies on the expertise of the key informants. Additional first-hand research to address these limitations during activity design is advised. Despite limitations, the data collected provides important insight in answering the research questions.

5. FINDINGS AND RECOMMENDATIONS

5.1 CONSTRAINTS ON WOMEN’S PARTICIPATION IN THE LABOR FORCE

Research Question: What issues inhibit women’s participation in the workforce (particularly among SMEs) across all sectors (particularly tourism)?

Sri Lanka has one of the lowest female labor force participation rates in the world. Only 33.6 percent of women are economically active,\textsuperscript{16} compared to 73 percent of men. The gap is smallest in the central regions where, in many districts, women make up close to 40 percent of the economically active population. However, there are no districts in the Northern or Eastern provinces where women make up more than one-third of the economically active population. In Trincomalee and Mannar, women comprise only 21.9 percent and 23 percent of the workforce respectively (GSL Department of Census and Statistics, 2018) (see Figure 2). In contrast, labor force participation for men does not vary significantly by region (Newhouse and Silwal, 2018).

Women are more likely to work in family enterprises than as employees. More than 77 percent of contributing family workers are women, while only 34 percent of employees are women (GSL Department of Census and Statistics, 2018).

Women are twice as likely to be unemployed\textsuperscript{17} as men (7.1 percent, compared to 3 percent); the gap is largest for women with the most education. Unemployment for women completing A-levels and above is 13.2 percent for women compared to 5.1 percent for men (GSL Department of Census and Statistics, 2018). Underemployment is a problem for women as well (USAID/Sri Lanka, 2016).

\textsuperscript{15} The desk review and field research should take into consideration the supply side of SME growth. In the case of the tourism sector, for example, the assessment should consider current and prospective tourist populations and their motivations for visiting Sri Lanka.

\textsuperscript{16} The GSL Department of Census and Statistics defines “economically active” synonymously with “labor force,” as “all persons of working age who are either ‘employed’ or ‘unemployed’ during the reference period (the week before the survey period).”

\textsuperscript{17} The GSL Department of Census and Statistics defines “unemployed” as follows: “persons available and/or looking for work, and who did not work and [have] taken steps to find a job during last four weeks and [are] ready to accept a job given a work opportunity within next two weeks are said to be unemployed.” (GSL Department of Census and Statistics, 2018).
Women’s limited labor force participation drives Sri Lanka’s low rank of 100 out of 149 on the World Economic Forum’s Global Gender Gap Index, with a score of 0.549 out of 1 on the Economic Participation and Opportunity sub-index. On other components, in contrast, Sri Lanka’s gender gap is nearly closed: Sri Lanka scores 0.980 out of 1 on Health and Survival, and 0.988 out of 1 on Educational Attainment (see Figure 3).

Sri Lanka stands out in South Asia for its long history of providing free primary, secondary, and tertiary education. There is a sufficient network of schools and teachers; textbooks and uniforms are free. Sri Lankan students attend school for ten years on average, compared with six years elsewhere in the region (World Bank, 2018).

Girls outperform boys in both educational attainment and educational achievement. Enrollment at the secondary level is 90.43 percent for girls and 87.66 percent for boys. The gap is even wider at the tertiary level, with 23.44 percent enrollment for female students and 15.80 percent for male students.

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18 Sri Lanka’s gender gap in political empowerment is also a driver of its poor overall performance. On the Political Empowerment component of the Global Gender Gap Index, Sri Lanka ranks 65, with a score of 0.188 out of 1.
There is a large discrepancy, however, in their subject choices. Women make up over 70 percent of enrollment in the arts, education, and law, but males dominate in engineering and computer science (78 percent and 66 percent respectively). Although twice as many boys as girls sit for the physical sciences A-level exam, the pass rate is slightly higher for girls, at 53 percent compared to 46 percent for boys (World Bank, 2018).

**FINDING 1: CARE RESPONSIBILITIES ARE THE MOST SIGNIFICANT CONSTRAINT TO WOMEN’S LABOR FORCE PARTICIPATION.**

A consistent theme throughout the literature on women’s economic participation in Sri Lanka is that household and care responsibilities are the primary drivers behind low labor force participation. This was confirmed on-site, with nearly all KIs indicating childcare responsibilities (and increasingly eldercare responsibilities) as the foremost constraint on women.

In urban, middle-class environments, it is becoming more common for men to share responsibility for domestic chores; for the most part, however, women bear the full responsibility of household and care work. “Women in Sri Lanka, both rural and urban, have to bear the burden of two jobs — in the workplace and the home. Once they return home from their work, whether it be in the paddy field, the tea estate, or an office in the government or the private sector, women are responsible for domestic chores, and even helping children with their studies.” (Herath, 2015.)

A 2017 time-use survey conducted by the Department of Census and Statistics found that women (age 15 and above) spend 6.8 hours per day on unpaid housework and care work, compared to 2.7 hours for men. These figures drop slightly for the working population: employed women spend 5.7 hours on unpaid work, compared to 2.5 hours for employed men (GSL Department of Census and Statistics, 2017).

In the North, unpaid care demands are even greater, because many women must also care for disabled and injured family members, in addition to taking care of children, cooking, and housework (Jeyasankar and Ganhewa, 2018).

When women migrate for employment opportunities (typically to the Middle East), grandmothers often step in to provide care support; however, women who commute for work remain responsible for their household duties (Solotaroff, 2017).

Key informants consistently noted the challenge for women to care for young children not yet in school and for older children after school is dismissed at 1:30 pm. Quality care is too expensive for most families, and several KIs expressed concern over the lack of standards at more affordable centers, especially outside the capital.

Once women leave the workforce, they rarely re-enter the workforce, even after their children no longer need supervision. Several KIs noted that as Sri Lankans are living longer, care needs shift from children to aging parents, and sometimes these care needs overlap.

**FINDING 2: TRADITIONAL EXPECTATIONS ABOUT WOMEN’S ROLES DISCOURAGE THEIR FORMAL LABOR FORCE PARTICIPATION, PARTICULARLY IN THE TOURISM AND ICT SECTORS.**

There is a belief that education is more important for girls than boys. World Bank research found that parents, teachers, and both boys and girls believe that boys have better job prospects and earning ability,
regardless of educational achievement. Parents believe that girls need education more than boys in order to find a job or to improve their marriage prospects (World Bank, 2018).

The same study found that parents, teachers, and students agree that parents keep a tighter rein on girls and that they have less freedom to do what they want with their extra-curricular time (World Bank, 2018). This protective upbringing can put them at a disadvantage later in life and makes them more vulnerable to exploitation, especially in urban centers (Herath, 2015).

Despite high levels of educational attainment, women are largely remaining outside the labor force. Traditional views of women’s roles are most strongly held in the north, where female labor participation is the lowest. It might be assumed that a rigid patriarchal structure would be diluted in a post-conflict environment, due to the increase in female-headed households, but recent research found that stereotypical views of women remain deeply entrenched (Kandanearachchi and Ratnayake, 2017).

Research sponsored by the World Bank found that being married reduces the probability of paid employment for women but increases the probability for men. Having young children reduces the probability of employment by 17 percent for women, but it has no effect on whether men engage in paid work (Gunewardena, 2015). Women with strong bonds with relatives are less likely to be employed, while women who have strong relationships with friends or are involved in organizations are more likely to be employed (Gunatilaka and Vithanagama, 2018).

When women do work, they tend to engage more in home-based work in order to meet their household responsibilities. This work is usually at lower levels of the value chain, and women entrepreneurs often do not have a clear understanding of their own potential to grow as entrepreneurs (Madurawala et al., 2016). Many women struggle to see themselves in roles beyond their traditional roles as caretakers and homemakers (Jeyasankar and Ganhewa, 2018). Their expressed preferences for home-based work are likely shaped by cultural norms as well as by their limited expectations about possible help with care work, whether from a family member, within the community, or at a workplace (Chopra and Zambelli, 2017).

Institute for Policy Studies research found that women entrepreneurs were largely unaware of financial and non-financial services offered by government, business associations, NGOs, and the private sector, and they rarely participate in business associations (IPS, 2017). Women entrepreneur KIs confirmed these results. One woman explained that she knew about available services but decided not to pursue them. The process takes so long that she believed her needs would change between applying for support and when the support is finalized. Another woman expressed frustration that she received training on how to apply for assistance and began the process, only to discover that the program was abolished when the government leadership changed.

**WOMEN’S PARTICIPATION IN THE TOURISM INDUSTRY** Women are greatly under-represented in Sri Lanka’s tourism industry, particularly compared to other tourism destinations in the region. Female employment in tourism has not been calculated in official statistics, but the previous government set a 2020 target of 10 percent of the
600,000 total employees — which represents a sizeable increase from the total of 319,436 sector employees in 2015 (GSL Ministry of Tourism, 2017). The fact that there are currently so few women in the industry, along with the perception that work in tourism is not safe or dignified, are factors that militate against increasing the share of women. Work in tourism is also logistically difficult for women, due to long and late hours as well as the requirement to travel distances to places of work (GSL Ministry of Tourism, 2017). Despite acknowledging the cultural hurdles, KIs commonly cited tourism as the most promising industry for increasing women’s labor force participation.

The Private Sector Tourism Skills Committee estimates that 25,000 to 30,000 additional employees will be required each year through 2023 to provide for the projected increases in visitor arrivals (USAID/Sri Lanka, 2018). There are signs that the tourism industry is adapting to be more friendly for women as it tries to attract more labor. A World Bank study found that employers in tourism, more than in any other industry, are most likely to report that women are better, more reliable workers than men, and they are accordingly more willing to make contributions for childcare. They are also most likely to offer maternity leave (74 percent) and to provide separate toilets for women (91 percent).

**WOMEN’S PARTICIPATION IN THE ICT INDUSTRY** ICT was the second most promising industry for women cited by KIs, despite their currently low numbers. Unlike tourism, lack of participation in ICT appears to be more the result of lack of encouragement rather than active discouragement.

Few women are currently working in the IT industry. A 2019 survey by the Sri Lanka Association for Software Services Companies (SLASSCOM) reviewing ICT startups found that only 13 percent of founders were female — though that is an increase from 4 percent in 2016. The survey also found that, although only 32 percent of firms have women on their Board of Directors, 52 percent have women in the management team. Low female participation was identified as one of the top ICT ecosystem issues (SLASSCOM, 2019). Part of the explanation is the general low level of computer literacy.

Over the past 10 years, the overall ICT sector has grown on average by 17.31 percent per year (GSL, 2018). The fast growth of the industry and consequent high demand for labor are promising factors for drawing women into the ICT workforce.

Since it is a relatively new industry, ICT has not yet been fully gender-typed as “men’s work” (Solotaroff, 2017). Female enrollment in educational programs run by the ICT Association (ICTA) is higher than male

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19 The GSL uses a definition of ICT that is based on the definition accepted by the Organisation for Economic Cooperation and Development, European Union, and U.N. Statistical Commission: “the production (goods and services) of a candidate industry…intended to fulfil or enable the function of information processing and communication by electronic means, including transmission and display” (GSL, 2018).
enrollment, but participation in ICTA events after the initial courses drops considerably due to women's difficulty attending events and courses, which are frequently held in the evening.

**FINDING 3: WORKPLACE ENVIRONMENTS, INCLUDING LACK OF FLEXIBILITY, DISCRIMINATION, AND HARASSMENT LIMIT WOMEN’S LABOR FORCE PARTICIPATION.**

KIs commonly cited workplace environments and norms as challenges to women joining the workforce. Policies that would help women (and men) balance work and household needs — such as flexible working hours, part-time employment, and job-sharing — are rare. Discrimination and harassment are widespread.

There are no laws in Sri Lanka mandating nondiscrimination in employment based on gender or requiring equal remuneration for work of equal value (World Bank, 2020). World Bank research assessing the influence of individual, household, and other characteristics on labor market outcomes found a strong presence of gender discrimination that both impedes women’s entry into the labor force and reduces women’s wages. Employer surveys confirmed these results by showing a clear preference for men over women for hiring, promoting, and increasing salaries. The differences were largest at the managerial level, where approximately 40 percent of employers expressed a preference for hiring men. Views on whether women or men are better workers varies by sector. Employers in the ICT industry perceived men to be better workers than women, but the reverse was true for tourism (Solotaroff et al., 2017).

Sexual harassment in employment is a criminal offense, and media campaigns have attempted to raise awareness. However, understanding of sexual harassment remains inadequate, and victims are reluctant to file complaints (Pswarayi-Riddihough, 2019). Sexual harassment has been a criminal offense since 1998, and this includes unwelcome sexual advances in the workplace. The Government has issued guidelines on identifying sexual harassment, creating a zero-tolerance policy in the workplace, and establishing informal and formal redress mechanisms (OECD, 2019). However, protective measures are often not enforced, and women fear speaking out due to reprisal and backlash (Kandanearachchi and Ratnayake, 2017). Sexual harassment by employers, community members, and at government offices is particularly problematic for female heads of households, who cite fear of harassment and violence as an important factor limiting their employment activities outside the home (Jeyasankar and Ganhewa, 2018).

Unlike men, women are restricted by law from working at night, which is a significant barrier to employment in the ICT industry, where many firms work non-standard hours to align with the working hours of their customers (GSL, 2018). It is also a barrier in other industries that require night work, such as tourism, where shift work (including night work) can allow women to adjust their schedules to accommodate other responsibilities.

Several KIs, including many women entrepreneurs, indicated that they experienced or knew of others who experienced discrimination at banks. One woman said that she was rejected for a bank loan because the loan officer was doubtful about her ability to repay and inquired about whether she had a husband. Other women confirmed this experience as commonplace.

Reliable official statistics on gender-based violence are unavailable. According to the United Nations, violence against women is widespread and underreported (OECD, 2019). Sexual and gender-based violence is a major reason why women prefer to stay at home, either working informally or self-employed.
FINDING 4: THE LACK OF SAFE, CONVENIENT, AND AFFORDABLE TRANSPORTATION REDUCES WOMEN’S MOBILITY, AND THEREFORE EMPLOYMENT OPPORTUNITIES.

Many women in Sri Lanka have limited mobility, due to concerns over transportation safety as well as socio-cultural norms that stigmatize women who travel outside their village (Jeyasankar and Ganhewa, 2018). A survey by the United Nations Population Fund (UNFPA) found that 90 percent of women and girls have experienced sexual harassment on public buses and trains in Sri Lanka at least once in their lifetime. Only 40 percent of women were aware that there is a criminal penalty for sexual harassment, and only 4 percent had reported an incident. Incidents are more prevalent during peak commuting hours when transportation is more crowded, which is a contributing factor to low female labor force participation (UNFPA, 2018a).

Concerns over the transportation safety and availability was another common theme among interviews with KIs. Lack of safe transportation options is an impediment to women seeking employment, and it reduces the profitability of women-owned businesses because they pay more for inputs, do not receive the best prices for finished products, and have difficulty accessing bank branches and other services.

Employer-sponsored transportation is common in the apparel sector, where women are most of the labor force, but the business case has not been sufficiently compelling for this practice to be adopted in other industries.

Donor organizations are increasingly offering training programs in locations that reduce the need for women to travel. DFAT has worked with hotels to produce video training programs that not only reduce their training costs, but also improve their ability to recruit women who may be reluctant or unable to attend third-party trainings and hospitality schools.

FINDING 5: MANY CONSTRAINTS AFFECTING THE COMPETITIVENESS OF ALL SMES OFTEN DISPROPORTIONALLY AFFECT WOMEN.

During KI interviews, the research team heard several recurring themes that affect the competitiveness of all SMEs, but that disproportionally impact women.

- Digital illiteracy and limited use of ICT. KIs report that although smartphones are common, SMEs do not use technology to its full potential. This underutilization impacts efficiency as well as market linkages. As of 2016, only 26 percent of women and 30 percent of men were computer literate (SLASSCOM, 2019). The fact that computer literacy is so low for both genders and that the disparity is not large may represent an opportunity for women.

- Sri Lankan SMEs are predominantly family-owned businesses. KIs cited the large representation of family businesses as a constraint to competitiveness because they are frequently less sophisticated in their processes, not sustained to a third generation, and rarely sold or transferred to non-family members. These businesses also tend to be unwilling to seek outside support or expertise in areas where women are more likely to provide professional services, such as legal services, bookkeeping, and human resources management.

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Note that computer literacy is defined as the ability to use a computer independently. This differs from digital literacy, which is the ability to access information and technology through a tool of technology such as a computer, laptop, or smartphone. In Sri Lanka, 31 percent of women and 37 percent of men are digitally literate (ITC, 2018).
 Integrating WE3 into Labor, SME Development, and the Enabling Environment in Sri Lanka | February 2020

- Poor supplier and market linkages. Lack of market linkages, particularly accessing and meeting the requirements of export markets (especially packaging), is a widespread problem across most industries in Sri Lanka. Information on opportunities are largely spread by word of mouth and through informal networks, and therefore frequently does not reach women.

- Policy inconsistency. Elections in Sri Lanka are accompanied by policy upheaval. All the ministers as well as the structure and responsibilities of the ministries change, and policies are reversed. Many KIs described their frustration with policy inconsistency and lack of coordination across ministries. Due to these challenges, many SMEs prefer to operate informally. Concerns over the fairness and consistency of tax policy was cited as one of the main drivers behind the large informal sector.

- Patronage. Several KIs indicated that patronage determines who receives assistance through government programs, employment, and other benefits. Women, lacking political connections and networks, are especially disadvantaged by the inefficiencies and employment displacement caused by patronage.

- Access to finance. KIs from all sectors raised access to finance as a constraint for SMEs, but there was wide variation in the reasons given. Specific finance-related concerns raised included: financial illiteracy; high interest rates; over-reliance on collateral; discrimination against women on the part of formal banks; over-indebtedness; the role of informal lenders; and the lack of non-loan financing opportunities.

5.2 RECOMMENDATIONS FOR INCREASING WOMEN’S EMPLOYMENT AND ENTREPRENEURSHIP

Research Questions: What interventions will most efficiently and effectively increase women’s participation in SMEs across sectors (particularly in entrepreneur, management, and leadership roles)? What uses of ICT would catalyze SME development in a way that increases opportunities for women, including minority women?\(^{21}\)

There is widespread recognition — among the government, businesses, civil society, academia, and donors — of the need to increase women’s labor force participation in Sri Lanka (Box 1). As a highly educated potential workforce, Sri Lankan women are well-placed to make significant contributions to the economy. The International Monetary Fund estimates that closing the workforce gender gap would increase Sri Lanka’s long-term GDP by 20 percent (IFC, 2018a). Household/care

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Box 1: Quote from President Gotabaya Rajapaksa

“We will assign high priority to increasing the labour force participation of women and to promoting women entrepreneurs. We will build on the high levels of literacy and education of women in Sri Lanka to not only provide opportunities for women to be equal partners in development but also to harness their skills to prepare the next generation to face the challenges ahead.”

– Recently elected President Gotabaya Rajapaksa’s National Policy Framework, “Vistas of Prosperity and Splendour”

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\(^{21}\) ICT is a cross-cutting issue that is relevant to many recommendations for increasing women’s participation in SMEs. Therefore, these two research questions are addressed in tandem.
responsibilities are repeatedly cited as the top factors keeping women from pursuing employment opportunities. Without addressing this issue, female labor force participation is unlikely to improve, regardless of potential enabling environment reforms or direct support to woman-owned SMEs.

**RECOMMENDATION 1: SUPPORT THE DEVELOPMENT OF THE CARE ECONOMY**

A 2017 study showed that, despite the increase in income associated with paid work, employment without a corresponding reduction of care work has net negative effects on women. Few women were able to successfully manage both paid and unpaid work, and most experience “physical and emotional depletion.” They suffered more from pain, vision problems, and lung disease as well as worry, tension, stress, and concern about transferring care work to daughters (Chopra and Zambelli, 2017).

An increase in paid work for women often does not result in increased participation by men in unpaid care work. Rather, these responsibilities are transferred to children — usually daughters. Without formal childcare, women may need to take their children to their worksite, exposing them to dangerous situations. Work at home can also be dangerous to children if they are exposed to hazardous materials such as chemicals or dyes, or if children share the work (Chopra and Zambelli, 2017).

A 2016 meta-study found that greater availability or lower cost of childcare had a positive effect on female labor force participation (Kan and Klasen, 2018). Employers providing childcare report benefits in recruitment, retention, productivity gains, increased workforce diversity, and enhanced reputation (IFC, 2018a). There are benefits for children as well. Children with access to early childcare perform better on average in school and become healthier and more productive adults (IFC, 2018a).

Addressing the burdens of unpaid care work for women is becoming even more urgent as the population ages and eldercare needs become more significant. Sri Lanka is one of the fastest aging countries in the world. In 2015, 10 percent of the population was 65 years or older, but the World Bank projects that by 2050, the proportion of elderly will increase to 23 percent, surpassing the share of youth (17 percent) (World Bank, 2019b). According to the 2012 census, life expectancy for men is 72 years and life expectancy for women is 79 years, which means that elderly women will be more prevalent.

A consequence of fewer women in the workforce is increased vulnerability for older women who lack financial independence (UNFPA, 2018b). In order to meet these growing care needs, the current family-based care system needs to transform to a hybrid model of community-based and institutionalized elderly care (UNFPA, 2018b).

Investing in care options would not only contribute to women’s empowerment by giving them more choice about whether to enter the labor market; it would support economic growth by adding more female participation and provide additional employment opportunities for women as paid caregivers. Expanding care services could also provide a way to absorb women returning from abroad as domestic workers (Solotaroff, 2017). Box 2 illustrates the potential of such services, as demonstrated by the IFC’s Women in Work Initiative.
Box 2: Employer-Supported Childcare at Selyn (IFC, 2018b)

The Women in Work Initiative led by IFC promotes women’s leadership, recruitment, and retention in 18 of Sri Lanka’s largest companies. Part of this work includes making the business case for employer-supported childcare. Many of the successful models it promotes are sponsored by large corporations in Colombo; but Selyn, a handloom weaving company, shows what is possible on a smaller scale outside the capital. In the village of Kumbukgete, North Western Province, Selyn operates a facility with over 35 weavers.

Selyna Peiris, Director of Business Development at Selyn, says: “Sri Lanka’s hand-loom industry has traditionally been dominated by women. However, in the recent past, we have seen a decline in the industry due to several reasons, one of which was the lack of skilled workers. Many women who were skilled in the art were unable to continue working in the industry, mainly due to family obligations, such as looking after their children. We recognized this issue and decided to establish a number of initiatives to support the women, so that they could continue to remain in the workforce.” (Daily News, 2019.)

In 2013, the company opened a daycare center for three- to five-year-olds; in 2018, they realized there was also a need for care for school-aged children. Their “Kids Club” for children aged six to eight provides educational activities and afterschool homework help with a qualified teacher. The company hopes to expand their afterschool program for older children who would benefit from being close to their parents, especially girls. This program is valued by employees and also makes business sense. Selyn has found that its day care center and Kids Club result in reduced absenteeism, greater staff productivity, and increased retention of skilled female workers.

SHORT-TERM RECOMMENDATIONS

- Assess childcare availability within program-targeted SMEs, sectors, and geographic areas, and facilitate investment in childcare options where they are most needed. There are four dimensions for evaluating the appropriateness of childcare provision (IFC, 2018a): availability (location as well as working hours); affordability (costs as well as financial support, like subsidies and allowances); accessibility (ease and safety with which childcare can be reached); and quality (from simple safety to developmental concerns, like cognitive and emotional skills acquisition).
- Facilitate the provision of subsidized day care within communities or on-site at companies. Studies show that if there is a childcare mandate without subsidies, employers often pass along the cost to female employees in the form of lower salaries (Buvinic and O’Donnell, 2016).
- Expand early childhood development centers, which carry less stigma than purely childcare facilities.
- Support the development of women-owned care-based businesses.
- Support the development of informal childcare and eldercare cooperatives by working with village leaders and women’s associations.
- Work with nonprofit organizations, educators, parent representatives, business leaders and others to create and monitor a certification system for day care and after-school standards.
- Develop training programs on early childhood education and care.

**LONG-TERM RECOMMENDATIONS**

- Advocate for a robust, but practical system of day care, pre-school, and after-care standards with implementation support.
- Advocate for public subsidies and/or tax credits for childcare expenses.
- Expand public education to include pre-primary education.\(^2\)
- Expand and enhance public vocational training for early childhood educators and administrators.
- Encourage healthcare providers to include fathers in pre- and post-natal care visits and to provide parenting workshops for fathers.

**RELEVANT RESOURCES FOR RECOMMENDATION 1:**

- [ILO's Care Work and Care Jobs for the Future of Decent Work](https://www.ilo.org/global/publications/index/lang--en.html)
- [The Imperative of Addressing Care Needs for G20 Countries](https://www.ilo.org/global/publications/index/lang--en.html)

**RECOMMENDATION 2: IMPROVE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR WOMEN**

After lack of childcare options, the research team consistently heard three other major reasons why women remain outside the labor force: social norms about the appropriateness of women working, non-conducive workplace environments, and lack of safe and convenient transportation.

**RECOMMENDATION 2A: SUPPORT, AND AIM TO ACCELERATE, THE CHANGE IN SOCIAL NORMS ABOUT WOMEN WORKING.**

KIs in all sectors described an attitude they viewed as prevalent throughout Sri Lanka: that girls should be educated, but women should get married and care for their families full-time. It is important to note that no KIs appeared to hold this view themselves and they did not seem to think it was a majority opinion in Colombo. As a result, the research team was unable to validate how entrenched this view is throughout the country. Secondary research supports the impression that traditional views persist; however, further first-hand research is recommended in target communities and sectors, to better understand the ways in which social norms may be an impediment to USAID’s programs.

Promotion of role models and outreach to girls as well as communities can challenge conventional notions and can provide examples of what is possible and achievable for women. Customized training can attract women to industries where they have been less engaged (see Box 3). Programs that are explicitly tied to private sector firms have been shown to bring women into the labor market, by identifying and responding to market demands through mechanisms such as: vocational and business development training; “soft skills” trainings; job internships; vouchers; and stipends. In order to be successful, such programs must also reduce gender-specific constraints (time, finances), including...

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\(^2\) According to its website ([https://www.unicef.org/srilanka/education-early-childhood](https://www.unicef.org/srilanka/education-early-childhood)), UNICEF is working with the GOSL to roll out Early Learning Development Standards, to strengthen formal and non-formal pre-school education models, and to advocate for an increased public role in the provision of pre-school education.
providing childcare and working to address the biases of trainers and potential employers (Buvinic and O’Donnell, 2016).

Box 3: Jetwing Travels’ Youth Development Program Counters Social Norms about the Hospitality Industry

To address its staffing needs, Jetwing Travels, one of the largest hotel chains in Sri Lanka, needed to address the cultural perception that hospitality is not a respectable career choice. The company launched its Youth Development Program in 2006, to train underprivileged youth in the communities where their hotels are located. Shiromal Cooray, Managing Director of Jetwing Travels, explained that eight months before opening a hotel, Jetwing approaches religious leaders in the community to meet with young people who will be entering the workforce soon, to explain the benefits of working in the hospitality industry to them and their parents. In war-affected Jaffna, many families did not know what a hotel was; so Jetwing took a group of 60 parents to one of their hotels in another city to help them understand better.

Young people of both genders are included, but there is an effort to target young women, through free transportation and through celebrating role models such as the company’s five female general managers as well as Ms. Cooray herself. She said, "This is one industry that globally has a skew to women averaging at least 60 percent. It is sad that Sri Lanka, with its high level of education and gender equity, has not surmounted the inclusion of women into hospitality, with a dismal figure of 8 percent average for women in tourism. We can and must do better." (The Island, 2018.)

Social norms can be slow to change, and often women are under significant social pressure. Two private sector KIs indicated that their companies have found it important to provide counseling services to their female employees.

SHORT-TERM RECOMMENDATIONS

- Identify and actively engage potential champions of all genders who support women deciding for themselves whether to work and in what capacity.
- Celebrate role models, especially in growth industries such as tourism and ICT.
- Facilitate mentoring programs within industries as well as informal support networks for women.
- Develop advanced management and leadership skills training for women in general as well as specific to target industries.
- Provide training and guidance to university students, young graduates and potential labor market reentrants, not just on career options but also on how to balance work and family obligations.

SOURCE: JETWING HOTELS
• Through schools, religious centers, and other community gathering locations, proactively provide women with resources and information for finding employment opportunities, especially for returning to the workforce.

LONG-TERM RECOMMENDATIONS

• Expand vocational training programs and enhance job information and placement services for girls and women in schools and communities, especially in rural areas.
• Encourage companies to provide counselling services for employees.
• Engage in advocacy work with religious leaders.
• Encourage men to formally and informally act as advocates for women in the workplace.

RECOMMENDATION 2B: ADDRESS WORKPLACE ENVIRONMENT ISSUES SUCH AS DISCRIMINATION AND HARASSMENT THAT REDUCE WOMEN’S LABOR FORCE PARTICIPATION.

Interviews with KIs confirmed extensive discrimination and harassment. One private sector KI said that harassment is so commonplace that many men as well as women do not know what unacceptable workplace behavior is or what to do when they encounter it. Women are often reluctant to report discrimination and harassment for fear of reprisal or not being taken seriously, though KIs noted recent positive developments associated with public shaming on social media.

Sexual harassment not only affects individuals but has also been shown to affect companies, through absenteeism, low productivity, decreased morale, and staff turnover (IFC, 2019). While USAID may have limited scope to address the issue, it is important to recognize that having women in management positions can change workplace culture and is more effective than either training or awareness-raising campaigns for reducing sexual harassment in the workplace (Dobbin and Kalev, 2017).

The most extreme form of harassment is the danger of human trafficking that is associated with some aspects of the tourism industry. See the recommendations and resources identified in Box 4.

Box 4. Trafficking in the Tourism Industry

Migrant workers leaving Sri Lanka are at the highest risk for human trafficking, but there are also elevated risks in the tourism sector. There have been reports of exploitation, especially of children, in hotels in Sri Lanka; some police reportedly accept bribes to permit brothels to operate (U.S. Embassy in Sri Lanka, 2019). To combat this, USAID projects can:

• Work with hotels and other providers in the hospitality industries to develop and monitor plans for preventing trafficking in their facilities.
• Engage human trafficking experts to provide training to hotel staff, customized for managers, security staff, housekeepers, etc.
• Encourage hospitality providers to publicize their efforts to combat trafficking in the tourism industry.

Relevant Resources:

• Reporting on Forced Labour and Fair Recruitment: An ILO Toolkit for Sri Lankan Journalists
• International Tourism Partnership Human Rights Resources
• Oxford Brookes University Combat Human Trafficking Toolkit
• International Labour Organization: Forced Labour, Modern Slavery and Human Trafficking
• Protecting Children in Tourism
• United Nations Global Initiative to Fight Human Trafficking
• The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism
SHORT-TERM RECOMMENDATIONS

- Engage with women before scheduling events and trainings, to identify times and places that are convenient to women with care responsibilities.
- Include the number of women in leadership positions as one of the criteria for selecting enterprises for USAID support.
- Work with companies to expand recruiting and retention of women for leadership positions and to train men co-workers and supervisors on how best to support women in leadership positions.
- Encourage the development of apps for women to report cases of harassment and discrimination, including location information. Work with community groups to address identified problems.
- Support the development and expansion of women’s business associations, cooperative groups, and unions to advocate for the elimination of public and workplace harassment.
- Advocate for companies to provide part-time and flexible work schedules as well as fixed shift schedules (as opposed to fluctuating schedules), particularly in the ITC and tourism industries.

LONG-TERM RECOMMENDATIONS

- Provide training to both women and men on what constitutes unacceptable workplace behavior and what victims and witnesses should do.
- Increase awareness and support implementation of company-level policies and procedures to prevent and respond to discrimination and harassment.
- Work with companies to institute third-party grievance handling mechanisms.
- Improve the government’s ability to prevent, identify, and stop human trafficking and other human rights abuses.
- Work with companies to measure and regularly track gender gaps in remuneration and benefits.

RECOMMENDATION 2C: REDUCE THE IMPACT OF TRANSPORTATION CHALLENGES LIMITING WOMEN’S LABOR FORCE PARTICIPATION

Studies in South Asia have revealed very large differences in how men and women use transportation, emphasizing the need to incorporate gender considerations into transportation strategies and policies. Other studies in the region showed that improving bus service and increasing the number of paved roads greatly increased female labor force participation (Kan and Klasen, 2018).

Ideally, the safety of public transportation would be improved, but work in this area is out of scope of the anticipated private sector development project. USAID is likely to have more impact by working to reduce the need for women to use public transportation and by promoting safe alternatives, such as employer-sponsored private transportation and women’s taxis. Increasing the availability of services in smaller towns and villages disproportionally helps women by reducing their need to travel, as illustrated in Box 5.

23 Examples from other countries include: https://safecity.in/, https://harassmap.org/en/, and https://sexharassmap.espivblogs.net/

24 There is a growing movement for taxi services provided by women for women passengers. See http://www.womenstaxi.org/
Box 5: Bringing Banking Services Closer to Women

Transportation challenges are particularly acute for women in the war-affected Northern Province. Consequently, women business-owners face significant hurdles accessing even basic banking services. To address this, Australia’s Department of Foreign Affairs and Trade (DFAT) partnered with Sri Lanka’s largest mobile money and payment service, eZ Cash, to install mobile operated ATM machines in 200 retail establishments in the Northern Province. Using technology developed in collaboration with the University of Moratuwa Mobile Communications Research Laboratory, the machines perform cash withdrawals and cash acceptance using mobile phones (Daily Financial Times, 2018).

SHORT-TERM RECOMMENDATIONS

- Include an assessment of transportation needs and supply for potential workers in all industry studies, with an emphasis on needs of women.
- Support the development of dedicated private transportation by firms or groups of firms.
- Encourage remote services using digital platforms and video.
- Encourage companies to provide bicycles and helmets to female employees.
- Promote women-provided transportation services for women passengers (such as tri-shaws or ride-sharing services).

LONG-TERM RECOMMENDATIONS

- Engage current transportation providers to improve safety for women.
- Advocate for greater participation and leadership by women in public transportation planning and management.
- Engage women’s organizations to advocate for and provide support for enhanced safety measures on all modes of public transportation, especially during peak travel times.
- Support flexible working hours so that women can avoid peak times, when most harassment occurs.
- Encourage and facilitate work-from-home options.
- Encourage development of opportunities outside of cities, to reduce the need to commute.
RELEVANT RESOURCES FOR RECOMMENDATION 2:

- USAID’s Women’s Economic Empowerment and Equality Guide (to be released on Marketlinks later this year)
- IFC’s Making Progress: Sri Lankan Businesses Advance Gender Equality at the Workplace
- International Development Research Centre’s The Norms Factor: Recent Research on Gender, Social Norms, and Women’s Economic Empowerment
- MenEngage Alliance’s Engaging Men and Boys in Social Norms Transformation as a Means to Achieving Agenda 2030 and the SDGs
- International Development Research Centre’s Stalled Progress: Recent Research on Why Labor Markets Are Failing Women
- UNFPA’s Does She Travel Safe? Report on Sexual Harassment in Public Transportation in Sri Lanka
- USAID’s Evidence and Guidance on Women’s Wage Employment

RECOMMENDATION 3: PROVIDE SUPPORT TO WOMEN-OWNED ENTERPRISES

Small and medium enterprises are defined as employing fewer than 300 people and generating revenues less than 750 million Sri Lankan Rupees (LKR) (approximately 4 million USD) (Table 2). These firms account for more than 75 percent of total enterprises, 45 percent of total employment, and 52 percent of gross domestic production (GSL, n.d.).

Information is limited on the number, size, and sectors of women-owned SMEs in Sri Lanka. In 2012, only 10 percent of SMEs nationally were led by women, and the majority of these were micro-enterprises operating in the informal sector (Deyshappriya, 2019).

TABLE 2: OFFICIAL DEFINITIONS OF MICRO, SMALL AND MEDIUM ENTERPRISES IN SRI LANKA

<table>
<thead>
<tr>
<th>Sector</th>
<th>Criterion</th>
<th>Medium</th>
<th>Small</th>
<th>Micro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>Annual Turnover</td>
<td>Rs.Mn. 251-750</td>
<td>Rs.Mn. 16-250</td>
<td>Less than Rs.Mn. 15</td>
</tr>
<tr>
<td></td>
<td>No. of Employees</td>
<td>51-300</td>
<td>11-50</td>
<td>Less than 10</td>
</tr>
<tr>
<td>Service</td>
<td>Annual Turnover</td>
<td>Rs.Mn. 251-750</td>
<td>Rs.Mn. 16-250</td>
<td>Less than Rs.Mn. 15</td>
</tr>
<tr>
<td></td>
<td>No. of Employees</td>
<td>51-200</td>
<td>11-50</td>
<td>Less than 10</td>
</tr>
</tbody>
</table>

Note: Rs. Mn. = millions of Sri Lankan rupees

Recent research has investigated the SME ownership gender gap by examining women-owned enterprises in four districts of the Uva and Central provinces. Microenterprises accounted for 80%

25 Micro-enterprises are defined as employing fewer than 10 people and generating revenues less than LKR 15 million (approximately 84,000 USD).
percent of the SMEs in these districts. The study found a wide range in the percentage of SMEs owned by women — from 20 percent in Nuwara Eliya district, to 48 percent in Monaragala district (Deyshappriya, 2019). That study also found that SMEs are more likely to be owned by older, married women. Younger and unmarried women prefer the job security of government and private sector employment over the risk and unpredictability of entrepreneurship. Women with children are less likely to have any paid work and are therefore less likely to be owners. Women with more education are also less likely to own SMEs, saying that they preferred permanent employment with higher wages.

The limited information available from secondary sources and KIs suggests that there is a wide range in the sophistication of women-owned enterprises across the regions of Sri Lanka. **A thorough needs assessment should be completed in the regions and sectors where activities will be conducted.**

Typical jobs for women include teaching, weaving, nursing, picking, labelling, assembling, sewing work in the garment industry, agricultural activities, tea plucking, tea packing, rubber-tapping, and coir production work in the plantation sector (Herath, 2015) (Figure 6). These areas may be obvious choices for support, but given women’s high educational attainment and achievement, there is also a great deal of potential for women-owned businesses in services such as law and accounting. Many KIs indicated that lack of access to these services is a major constraint for SMEs in general (regardless of gender) and that this is a high-potential opportunity for women, as they comprise the majority of lawyers (65 percent) (Asia Business Law Journal, 2019).

**FIGURE 6: OCCUPATIONAL STRATIFICATION BY GENDER (USAID SAIL PROJECT)**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and fishing</td>
<td>59.8</td>
<td>40.2</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>95.3</td>
<td>4.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>52.0</td>
<td>48.0</td>
</tr>
<tr>
<td>Construction, Electricity, gas, steam and air...</td>
<td>95.3</td>
<td>4.7</td>
</tr>
<tr>
<td>Wholesale and retail trade, repair of motor...</td>
<td>70.2</td>
<td>29.8</td>
</tr>
<tr>
<td>Transportion and storage</td>
<td>96.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Accommodation and food services activities</td>
<td>64.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>71.9</td>
<td>28.1</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>58.5</td>
<td>41.5</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>66.3</td>
<td>33.7</td>
</tr>
<tr>
<td>Administrative and support service activities</td>
<td>71.6</td>
<td>28.4</td>
</tr>
<tr>
<td>Public administration and defense compulsory...</td>
<td>63.9</td>
<td>36.1</td>
</tr>
<tr>
<td>Education</td>
<td>30.2</td>
<td>69.8</td>
</tr>
<tr>
<td>Human Health and social work activities</td>
<td>32.3</td>
<td>67.7</td>
</tr>
<tr>
<td>Other service activities</td>
<td>69.9</td>
<td>30.1</td>
</tr>
<tr>
<td>Activities of households as employers,...</td>
<td>52.0</td>
<td>48.0</td>
</tr>
<tr>
<td>Other</td>
<td>77.5</td>
<td>22.5</td>
</tr>
</tbody>
</table>

There may also be significant entrepreneurship opportunities related to supporting a growing market of working women, such as in women-only transportation services as well as products designed to reduce
women’s time spent on household chores. A private sector KI provided the example of a woman who has started a business selling pre-washed, pre-cut greens.

Three industries were repeatedly cited by KIs as the most promising for women’s entrepreneurship and employment: tourism, ICT, and child- and eldercare.

**TOURISM** General country-wide information on women-owned SMEs in the tourism sector is lacking, but a 2017 International Trade Centre survey of 98 women-led businesses in Colombo and neighboring districts (in the Western province) provides some information on growth bottlenecks. Tourism-related businesses accounted for 78 percent of the surveyed firms, three-quarters of which were micro or small enterprises (ITC, 2018). Many of the women-led micro or informal businesses in the tourism sector value chain sell products such as gemstones, leather bags, shoes, postcards, groceries, cashews, beach wear, and jewelry made of seashells, along the coastal areas and cultural triangle.

Despite serving primarily foreign clients, few women-led tourism-related firms hold the kinds of international quality certificates that are recognized by global travel agencies. While 70 percent of firms held domestic quality certificates, only 32 percent held an international quality certificate (ITC, 2018). Although computer literacy in Sri Lanka is low in general, the women-led businesses surveyed have high technology usage — not surprising, given the ICT requirements for tourism businesses. Nearly all use email, and most use computers and have a website for their business. ICT usage for women-led firms in non-tourist sectors is somewhat lower (Figure 7).

![Figure 7: ICT Usage Among All Surveyed Women-Led Firms (Industries Other Than Tourism)](source: ITC, 2018)

The tourism industry offers the potential for effective cooperative initiatives. Box 6 describes a successful cooperative effort to create a new tourist destination, benefiting an entire community.
Box 6: A Community Comes Together to Become a New Tourist Destination

Ten years ago, few tourists stayed in the small village of Ella, but that changed after an Australian couple opened a homestay and encouraged women in the village to start their own guest houses — catering to the increasing number of hikers and backpackers traveling to the region to experience the beautiful mountain forests and waterfalls. The Ella Good Neighbours initiative supported 12 women by providing instruction on best practices for establishing guesthouses and marketing themselves to foreign tourists through sites like TripAdvisor. One guesthouse owner explains, “Through Ella Good Neighbours, we discuss our challenges, what problems we have and how to solve them.” Working together also countered the cultural stigma associated with the hospitality industry. In Ella, women working in hospitality industry is commonplace; and tourism brings many benefits to the community. Most women started small, with just one or two rooms, and have expanded as Ella has become a more popular destination. The success of the initiative has been astonishing with average monthly income increasing roughly ten-fold, from 20,000-30,000 LKR (110-165 USD) in 2008 to 250,000 LKR (1,377 USD) in 2019.

SHORT-TERM RECOMMENDATIONS

- Support women currently operating or seeking to open guesthouses and restaurants.
- Support women in providing additional services to tourists, such as laundry facilities, entertainment, guided tours, driving services, etc.
- Encourage women to promote their businesses to women traveling alone — including special services like women-only group tours and evening social hours for women, excursions, etc.
- Provide assistance on the requirements and processes for acquiring international quality certifications.
- Support the expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.

LONG-TERM RECOMMENDATIONS

- Develop networks of guesthouses and restaurants in different parts of the country that can promote each other to tourists passing through.
- Promote Sri Lanka as a destination for women travelers and promote the women-owned businesses that support them.
- Encourage collaboration between women-owned and men-owned tourism-related businesses.

ICT A factor that may contribute to the gap between women’s higher educational attainment and achievement and their lower participation in the workforce is a mismatch between the subjects that women study and the needs of the job market. For example, few girls are studying subjects that will prepare them for careers in the ICT sector. Vocational education has been shown to be more helpful for bringing women into the labor force than general education, and this effect is greater for women than for men (Kan and Klasen, 2018).

26 All information is drawn from the YouLead video, “Ella Good Neighbours” https://www.youtube.com/watch?v=C3upw8gcSn0
Many KIs suggested ICT as a promising industry for women because it makes use of their education and also provides more opportunities for flexible schedules and working from home. Separately, KIs in several sectors indicated improved use of ICT as one of the main needs for greater SME competitiveness. Promoting women in ICT would not only help women but could have a significant positive impact on SMEs generally in Sri Lanka. Box 7 presents a collective effort to do just that.

**Box 7: Women in Tech in Sri Lanka Are Working to Increase Their Numbers**

Chinthi Weerasinghe, CEO of the software company Mitra’s Digital Business Unit, recently joined with a group of other executives in the tech industry in Sri Lanka to launch Diversity Collective LK (DCLK). The organization — which is sponsored by the Asian Development Bank, the Export Development Bank, and industry associations such as the Sri Lanka Association of Software and Service Companies (SLASSCOM) — will undertake initiatives aimed at increasing women’s participation in information technology and business process outsourcing. DCLK’s activities will revolve around three pillars:

- **Schools**: providing training for teachers on how to encourage girls to pursue studies related to ICT
- **Higher Education**: encouraging women to study STEM subjects through programs addressing common misperceptions in the industry
- **Industry**: preparing women with both hard and soft skills, including resume preparation, interviewing, and corporate etiquette

Weerasinghe believes there is great potential for women in ICT in Sri Lanka. “The free education system we have, coupled with the parental consciousness of allowing the girl child to be equally educated as the boy child, top the list. The culture of getting educated places us far above some of our regional counterparts. The tag line we try to use in terms of ICT is ‘island of ingenuity’. The fact that we have limited people, limited resources often drive us to think out of the box, and we need to translate that to drive innovations, and to make the best out of the ICT sector” (The Island, 2019).

**SHORT-TERM RECOMMENDATIONS**

- Promote ICT skills bootcamps for girls and women.
- Facilitate networking among female STEM and business students.
- Encourage technology companies to provide more flexible work schedules and work-from-home options.
- Facilitate mentoring opportunities with women in technology in the U.S., U.K., and elsewhere outside Sri Lanka.

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● Develop in-school mentoring, peer group support, and internships for women, in partnership with ICT firms.

● Encourage women to start their own IT education businesses.

● Provide assistance on the requirements and processes for acquiring international quality certifications.

● Support the expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.

**LONG-TERM RECOMMENDATIONS**

● Advocate for programs to promote science, technology, engineering, and mathematics fields to young girls as well as their parents and teachers.

● Increase the availability and improve access to remote learning opportunities.

● Promote safeguards for online safety and security, particularly related to online harassment and cyberbullying.\(^\text{28}\)

● Encourage Peace Corps volunteers arriving in summer 2020 to start coding clubs and other ICT-related activities as secondary projects.

**CARE INDUSTRY** Because lack of childcare options is the primary constraint for women joining the labor force, it represents a significant opportunity for women-owned businesses. Based on the discussions with KIs in Colombo, cultural norms are rapidly changing, and daycare is becoming more accepted and common in the capital.

Care homes for the elderly are less common, but several KIs mentioned that this is changing as well (Box 8). An NGO KI says that the expectations of the current population of adults differs dramatically from the previous generation, in that they would rather have places where they can still lead independent lives rather than be reliant on their children. Several NGO and private sector KIs also mentioned elder “day care” as a need, saying that this could be combined in positive way with childcare.

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\(^{28}\) For more information, see United Nations University and Equals Global Partnership. (2019). *Taking Stock: Data and Evidence on Gender Equality in Digital Access, Skills, and Leadership.*
SHORT-TERM RECOMMENDATIONS

- Complement the work IFC is doing to make the business case for employer-provided childcare at large companies by exploring the business case for community-level and cooperative childcare in rural and semi-urban areas.
- Educate and engage the community and religious leaders, as well as the business community, on the benefits offered by expanded childcare for women, children, and the economy.
- Encourage childcare and eldercare facilities as business opportunities.
- Provide assistance on the requirements and processes for acquiring international quality certifications.
- Support the expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.

LONG-TERM RECOMMENDATIONS

- In the absence of public standards, support the development of private industry standards, including certification and monitoring.
- Educate women’s associations and returning migrants working in the healthcare industry on the opportunities for developing care-related businesses.

RELEVANT RESOURCES FOR RECOMMENDATION 3:

- Center for Global Development’s Revisiting What Works: Women, Economic Empowerment and Smart Design
- IFC’s Tackling Childcare in Sri Lanka: The Business Case for Employer-Supported Childcare
- World Bank’s Women and Tourism: Designing for Inclusion
- International Center for Research on Women’s Women Entrepreneurs Need More Than Capital
- Building Businesses for Girl Impact: Insights from SPRING Accelerator

5.3 CONSTRAINTS IN THE ENABLING ENVIRONMENT FOR WOMEN’S ECONOMIC EMPOWERMENT

Research Question: What enabling environment interventions (such as: legal reforms, simplification of taxes, the formation of a Small Business Administration-type organization or ombudsman, technical assistance to government or SMEs, etc.) would most effectively catalyze gender-sensitive SME growth?

STARTING AND RUNNING A BUSINESS AND EMPLOYMENT REGULATIONS

In general, starting a business in Sri Lanka requires seven procedures, takes eight days, and costs 8.7 percent of average income per capita. This is only slightly better than the South Asian average of 7.3 procedures, 14.6 days, and 8.3 percent of average income per capita. There is no legal difference in registration requirements between men and women (World Bank, 2019a). Women can legally sign contracts in the same way as men (World Bank, 2020).

29https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/employment/SriLanka_Tackling_Childcare
There are two employment regulations that have disproportionate impact on women. First, the law requires that employers give the same compensation to part-time and full-time workers upon termination, which creates a disincentive to hiring women (who may need the flexible hours of part-time work) (Pswarayi-Riddihough, 2019). Second, official restrictions on students working (GSL, 2018) prevent women (and men) from getting work experience before graduation, which can be a factor in later obtaining employment.

While dismissal of pregnant workers is prohibited, there are no mandated paid maternity leave or parental leave benefits. Through an amendment to the Shop and Office Employees Act in 2018, Sri Lanka extended paid maternity leave from 59 to 118 days (World Bank, 2020). Generally, however, maternity leave is viewed as a benefit rather than a right. Factory workers receive fewer days of maternity leave than shop and office workers, and women with two or more children receive less time than women having their first or second child. Fathers are allocated only three days for paternity leave. (Pswarayi-Riddihough, 2019.)

**ASSETS AND FINANCE**

Under the law, women and men have equal ownership rights to immovable property, and spouses have equal administrative authority over assets during marriage. Female surviving spouses have an equal right to inherit assets as male spouses, and daughters have the same rights as sons to inherit assets from their parents (World Bank, 2020). Figure 8 shows the World Bank index for women’s legal rights in various areas. In practice, however, property ownership remains patriarchal: women have difficulty obtaining loans from formal lending institutions because assets are registered primarily in their husband’s name (Herath, 2015).

![Figure 8: Women, Business and the Law (WBL) Index](image)

**Note:** A score of 100 indicates equal standing with men.

While it is not part of the formal Sri Lankan legal system, traditional Tamil communities in the north follow Thesawalamai Law, which requires married women to have their husband’s consent before selling
or managing property. This can be especially problematic for women whose husbands are presumed dead, or for widows who do not have a death certificate (Marcus, 2018).

There is no significant gender gap in bank account ownership in Sri Lanka. Nearly three-quarters of women have bank accounts, compared to 64 percent on average for South Asia and 53 percent on average for lower-middle income countries (World Bank, 2017). Sri Lanka has over 5,000 unregulated microfinance institutions, and there is evidence that over-indebtedness maybe more problematic for women than lack of credit (The Economist, 2019). Women can open bank accounts in the same way as men, and creditors are prohibited by law from discriminating based on gender in access to credit (World Bank, 2020).

CURRENT REFORM EFFORTS

USAID’s Supporting Accelerated Investment in Sri Lanka Project (SAIL) is currently working to improve Sri Lanka’s labor law. SAIL identified the following aspects of the labor law disproportionately affecting women that require reform:

- Anti-discrimination provisions are confined to the Constitutional realm; there is no provision in the law for challenging discrimination by parties other than the State or Executive (government) administration.
- Sexual harassment is a crime, but few perpetrators are prosecuted because victims do not have the right to file for action under penal provisions.
- There are no protections for the informal sector, such as domestic work.
- Rights and obligations of parties to employment contracts are not clearly spelled out.
- The law does not allow for pro-rata benefits for part-time work and flexible schedules.
- The costs associated with maternity leave discourage employment of women.
- Night work for women is prohibited.
- Overtime is restricted.
- There is a focus on litigation, because practices are not defined by the law, but rather must be interpreted by courts.
- The law should be simplified – workers are not aware of protections and rights.

SRI LANKA IS IN A PERIOD OF TRANSITION AND HIGH POLICY UNCERTAINTY

A recurring theme among KIs is the uncertainty of the policy environment that has prevailed historically, and currently continues with regard to the upcoming parliamentary elections anticipated to be held in April 2020. Gotabaya Rajapaksa was sworn in as President of Sri Lanka on November 18, 2019. He served as defense chief from 2005 to 2015 during the presidency of his brother, Mahinda Rajapaksa, who is now interim Prime Minister until the upcoming parliamentary elections.

The campaign of Rajapaksa’s party, Sri Lanka People’s Front (Sri Lanka Podujana Peramun), expressed support for women’s economic empowerment including for increasing women’s employment and economic opportunities, expanding childcare, providing maternal leave, increasing skills training,

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30 This section draws on a July 2019 presentation by Shyamali Ranaraja entitled, “Gender and Labour Laws in Sri Lanka.”
improving financial services, and reducing gender-based violence and discrimination (Rajapaksa, 2019). This expressed support of women's economic empowerment by the new government aligns well with the interests of the private sector.

Most KIs who discussed the political situation are expecting substantial change in the organization and leadership of the government, but what these changes will be and what effect they will have on the political and economic environment are unknown. As a result, the possibility for meaningful policy reform in the next five years is uncertain. Significant impact is more likely to be achieved by focusing on activities with the private sector.

RECOMMENDATIONS

- Continue the labor law reforms currently underway by the SAIL project, to the extent possible.
- Encourage greater representation of women in public-private dialogue forums.
- Advocate for increasing representation of women in decision-making bodies and policy-related task forces.
- Introduce electronic procedures whenever possible, to reduce the likelihood for harassment or discrimination when interacting with government officials.

5.4 DATA GAPS

Research Question: What data exists, and what are the data gaps related to the new activity?

High-level data on employment of women by sector (public/private/estate) is available, and there is also some limited data available broken out at a slightly more detailed level (manufacturing, services, etc.). However, the research team was unable to find data on employment broken out by sub-sector (tourism, law, food processing, etc.). Additionally, and not surprisingly, data on the informal sector is limited. The research team was also unable to find publicly available data in on the number, size, and activities of women-owned businesses.

UNFPA has collected data on harassment on public transportation, but there are not reliable statistics on harassment or gender-based violence more generally.

RECOMMENDATIONS

- Conduct thorough needs assessments for both women's employment and women-owned enterprises, capturing data on type of employment arrangement, function, income, industry, and other business characteristics.
- At the start of the project, collect data to establish a baseline, conduct mid-term and final evaluations.
- Encourage implementers to disaggregate project data by sex and other relevant factors (such as, age, marital status, and income level) for all project components.

31 Given that the policy work is out of scope of the anticipated project, recommendations in this section are not separated into short-term and long-term.
ANNEXES

ANNEX 1: STATEMENT OF WORK

USAID/Sri Lanka/Economic Growth office
Enabling Environment Activity
Women’s Economic Empowerment Assessment and Design
December 4, 2019

1. OBJECTIVE

USAID seeks support in designing a new 5 year/19.5 million-dollar activity to help small and medium sized businesses grow and create a conducive business enabling environment in Sri Lanka. The activity will support key economic sectors with the most potential for SME-based economic development. Tourism is expected to be among the key sectors targeted. Utilizing information and communication technology (ICT) will also be explored as a tool to catalyze growth.

The activity will help increase SME revenue and profits through a possible combination of regulatory reforms, direct support to SMEs, or other interventions. In addition, the activity will seek to increase female participation in the workforce within the supported sectors. Therefore, all activities must be gender sensitive and viewed through a gender lens to ensure inclusive development of SMEs.

The USAID/Sri Lanka/EG office, USAID/Trade and Regulatory office and E3/GenDev are collaborating to ensure this activity significantly empowers women’s participation and leadership in Sri Lanka’s SMEs. E3/GenDev requested that WE3 TA work with USAID’s Trade and Regulatory reform office to conduct an assessment, present results and recommendations, and advise the Mission’s design team.

2. BACKGROUND

USAID supports the reform efforts of the Government of Sri Lanka (GSL) to develop a prosperous, democratic, and inclusive country where all Sri Lankans can enjoy the benefits of development. This includes assisting the GSL’s efforts to strengthen its democratic systems, promote sustainable economic growth, and support marginalized and disaster-affected communities.

SMEs play a crucial role in the economy of Sri Lanka and accounting for 75 percent of all active enterprises, providing 45 percent of employment and contributing 52 percent of the country’s gross
Given the strategic importance of tourism to Sri Lanka’s economy as a source of growth, income and employment, and the ongoing support extended by USAID, tourism will be a sectoral focus in this activity. However, this activity is by no means limited to tourism and is envisioned to contribute towards the growth of SMEs across all sectors. The specific areas considered for assistance under this activity include but are not limited to simplifying business registration and formalization of the SME sector to facilitate better access to business enabling services, improving tax compliance, and strengthening contract enforcement. Utilizing information and communication technology (ICT) will also be explored as a tool to catalyze growth.

Women’s participation in Sri Lanka’s economy is low compared to regional peers. In tourism, a key growth sector of the economy, women’s participation lags far behind. The World Travel and Tourism Council’s 2014 report showed that, worldwide, women made up nearly 70 percent of the tourism workforce; however, women constituted a mere 10 percent of the formal tourism sector in Sri Lanka. This activity, therefore, seeks to increase women’s workforce participation. In addition to tourism, other sectors would also stand to benefit greatly from increased women’s participation.

USAID activities in Sri Lanka support the Indo-Pacific Vision (IPV) to advance a free and open Indian Ocean region accessible to all. Under IPS, this activity will support trade and competitiveness, as well as digital connectivity and cybersecurity. This activity will also assist Sri Lanka in its Journey to Self-Reliance (J2SR), which scores below average on the J2SR inclusive development metrics.

The new activity will build upon the work undertaken by USAID/Sri Lanka’s Biz+ SME support program, which ended in July 2019, and USAID’s SAIL business enabling environment activity, which provides technical assistance to draft a new labor law. SAIL is slated to end September 2020. The activity will contribute to one or more of the following intermediate results from USAID/Sri Lanka’s 2017-2020 (amended) CDCS.

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36 Idem. The same report, however, shows that although women made up almost ⅔ of the sector globally, they were greatly underrepresented in positions of power, holding under 40 percent of managerial jobs, less than 20 percent of management positions, and between 5 and 8 percent of board seats. Idem. at p. 66.


38 See https://selfreliance.usaid.gov/country/sri-lanka.

39 Abbreviated version publicly available CDCS is at https://www.usaid.gov/sites/default/files/documents/1861/CDCS_Sri_Lanka_December_2019.pdf. USAID will also separately provide the revised version, most recently updated July 8, 2019. Note: The IRs mentioned here retain the same names in the updated CDCS.
1. IR 2.1 Improved policy and regulatory environment for trade and investment; and
2. IR 2.2 Strengthened enterprise competitiveness, especially in rural areas and secondary cities.

USAID currently has the following activities in implementation:

- YouLead!: The YouLead! project increases youth employability and sustainable self-employment opportunities to foster inclusive economic growth and development throughout Sri Lanka. The objectives of the program are to: (1) increase youth employability skills in targeted sectors; (2) improve the quality and relevance of technical and vocational education and training delivery; and (3) increase prospects for successful self-employment. Period of Performance: June 2017 – June 2021.

- Development Credit Authority: USAID has partnered with two local banks to provide local financing to private, micro-, small, and medium-sized enterprises throughout Sri Lanka. This activity helps youth entrepreneurs to access capital, expand businesses, and, ultimately, create more jobs. It unlocks critical resources that help to spur innovation, foster investment, and provide critical resources to under-served segments of Sri Lanka’s economy including existing MSMEs and start-ups. Period of Performance: September 2018 – September 2025.

- Supporting Accelerated Investment in Sri Lanka (SAIL): The Supporting Accelerated Investment in Sri Lanka (SAIL) activity supports the Government of Sri Lanka’s economic reforms designed to improve the business enabling environment, specifically policies that affect foreign direct investment (FDI). SAIL also supports government institutions to function effectively as investment promotion agencies and as one-stop-shops for FDI entry into Sri Lanka. Period of Performance: November 2016 – October 2020.

- Public Financial Management and Trade (PFM+T): The PFM+T project will provide technical assistance to the Government of Sri Lanka to improve the policy and regulatory environment for trade, investment, and public financial management. PFM+T will also provide technical assistance to strengthen GSL capacity to promote practices that assess the viability of infrastructure projects in line with international best practices. Period of Performance: August 2019 – August 2024.

The WE3 Dashboard[^40] provides a quick assessment of women’s inclusion in the economy of Sri Lanka.

[^40]: Available at [https://idea.usaid.gov/women-e3/sri-lanka](https://idea.usaid.gov/women-e3/sri-lanka). Unfortunately, information is not currently available to measure Sri Lankan women’s access to technology or property rights, but they are slightly below the regional average for entrepreneurship roles and effort to start a business.
3. METHODOLOGY

WE3 TA’s assessment will primarily address the following questions in the context of Sri Lanka:

- What issues inhibit women’s participation in the workforce (particularly among SMEs) across all sectors (particularly tourism)?
- What interventions will most efficiently and effectively increase women’s participation in SMEs across sectors (particularly in entrepreneur, management, and leadership roles)?
- What enabling environment interventions (e.g., legal reforms, simplification of taxes, the formation of a Small Business Administration-type organization or ombudsman, technical assistance to government or SMEs, etc.) would most effectively catalyze gender-sensitive SME growth?
- What uses of ICT would catalyze SME development in a way that increases opportunities for women, including minority women?
- What data exists and what are the data gaps related to the new activity?

Following an initial desk review, a WE3 TA representative, accompanied by a USAID Trade and Regulatory Reform office representative, will visit Sri Lanka for two weeks to meet with USAID and conduct stakeholder consultations. WE3 TA will then participate in iterative advisory discussions with the Mission’s Design Team as it defines the activity SOW.

USAID/Sri Lanka will provide materials to WE3 TA, not limited to the new CDCS and the associated CDCS gender analysis; relevant USAID activity-level analyses (including gender), assessments, reports, and evaluations; relevant documentation from the BIZ+ and SAIL activities, relevant assessments, evaluations, and reports from other donors or multilateral organizations; and relevant assessments, evaluations, and reports from other U.S. Government agencies.

WE3 TA will conduct desktop research to supplement information provided by the Mission. USAID/Sri Lanka staff will assist in putting WE3 TA in contact with relevant partners, such as other implementers, GSL representatives, other donors, etc. In addition, consultative meetings and/or focus group discussions are required with key stakeholders in-country to validate findings from the assessment and address information gaps relevant to the new activity.

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41 Part of the associated desk review and field research needed to answer this question should identify current constraints on women’s participation in the tourism sector. If there is a reasonable risk that expanding Sri Lanka’s tourism industry will also increase trafficking in persons (TIP) (e.g., increased prostitution associated with an increase in sex tourism), then additionally consider how USAID’s interventions in this sector can also serve to limit or reduce TIP, e.g., by integrating prevention and reporting mechanisms.

42 The desk review and field research should take into consideration the supply side of SME growth. In the case of the tourism sector, for example, the assessment should consider current and prospective tourist populations and their motivations for visiting Sri Lanka.
4. RESULTS AND GOALS

WE3 TA will furnish USAID with an assessment that includes a desk review of available information,\textsuperscript{43} responses to the above questions, and recommendations for the Mission’s Design Team to follow when drafting the activity SOW.

5. DELIVERABLES

1. Draft Desk Review Summary Report and Interview Instruments - November 2019

   Illustrative components of the report are detailed below:
   - Overview of documents reviewed
   - Summary of relevant research in Word document (could be in table format), accompanied by brief holistic synthesis of available information, noting areas where available information is substantially insufficient
   - Relevant annexes

   USAID inputs for desk review summary report and interview instruments include:
   - Provide relevant documents (including those identified in Section 2 above) to WE3 TA
   - Review the desk review summary report and provide feedback
   - Review questions and proposed stakeholder list
   - Approve final desk review summary report

2. Final Desk Review and Interview Instruments – December 2019

3. Two-week trip to Sri Lanka - January 6-17, 2020

   - Conduct interviews and collect data.
   - Draft preliminary report.
   - Present in-person out brief to USAID staff, including preliminary findings and recommendations, to take place on January 17\textsuperscript{th}.

   USAID inputs for TDY and activity concept include:
   - Confirm location, dates, and schedule for in-country visit
   - Schedule meetings with key USAID staff as well as government, civil society, and private sector stakeholders, including women-owned businesses and women’s organizations/associations/networks
   - Send out an introductory email to key internal and external partners about assessment

4. Draft Final Assessment Report\textsuperscript{44} February 4, 2020

\textsuperscript{43} The desk review should, at a minimum, examine significant donor interventions and private sector investments planned or ongoing in Sri Lanka’s tourism sector; examine available research explaining women’s abnormally low participation Sri Lanka’s tourism sector; and review how ICT-based innovations in tourism (worldwide) affected women’s labor participation.

\textsuperscript{44} Note: report may subsequently be used subsequently by the Mission as the Gender Analysis portion of the activity design.
- Report provides a detailed analysis of factors inhibiting women’s participation in the SMEs sector and specifically highlight factors affecting the same in tourism.
- Recommend interventions to address the factors inhibiting women’s participation for the design team to consider in designing the scope of the private sector development activity.
  - Categorize intervention recommendations into short- (0-2 years) and long-term (3-5 years) interventions, including quick wins of former.
  - Categorize intervention recommendations into tourism-specific and cross-sectoral.
  - Consider cost and feasibility.
  - Submit the draft for USAID review.

5. **Final Assessment Report**
   **February 21, 2020**
   - Provide the final report after incorporating USAID feedback.

**USAID inputs for draft activity SOW**
- Advise WE3 TA on which interventions are within USAID’s budget and manageable interest
- USAID will provide review and comment by February 11.

   - Continued iterative consultations with Design Team on activity design

### 6. SCHEDULES AND LOGISTICS

WE3 TA will arrange consultant travel to and from location, hotels (based on USAID recommendation), and per diem for the in-country visit. USAID/Sri Lanka will coordinate meeting schedules for the in-country visit. The consultant is responsible for its own logistics (i.e., transport).

### 7. TEAM COMPOSITION

A WE3 TA consultant (managed and technically supported by the WE3 TA Chief of Party) will conduct the assessment with close coordination and input from a USAID Trade and Regulatory Reform office economist and a member of USAID/Sri Lanka’s EG Office.

### 8. DISSEMINATION PLAN AND DEC

The assessment may constitute the Gender Analysis, which is a mandatory step in activity design. Because the activity design will be procurement sensitive until after an award is made, the assessment will initially be circulated only to privileged parties with a need to know. The assessment, or portions thereof, may be included with the solicitation itself, or portions of the assessment (e.g., model language) may be copied or otherwise adapted in drafting the final activity scope. After the solicitation is released for the new program, the final report will be posted on the Development Experience Clearinghouse.

### 9. BUDGET – TBD

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45 Note: report may subsequently be used subsequently by the Mission as the Gender Analysis portion of the activity design.

46 See ADS 205 & 201.3.16.3 (a) for more information on the Gender Analysis requirement.
ANNEX 2: SUMMARY OF RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Short-Term</th>
<th>Long-term</th>
</tr>
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</table>
| **1: Support the development of the care economy** | ● Assess childcare availability within program-targeted SMEs, sectors, and geographic areas and facilitate investment in childcare options where they are most needed. There are four dimensions for evaluating the appropriateness of childcare provision (IFC, 2018a): availability (location as well as working hours); affordability (costs as well as financial support, like subsidies and allowances); accessibility (ease and safety with which childcare can be reached); and quality (from simple safety to developmental concerns, like cognitive and emotional skills acquisition).  
● Facilitate the provision of subsidized day care within communities or on-site at companies. Studies show that if there is a childcare mandate without subsidies, employers often pass along the cost to female employees in the form of lower salaries (Buvinic and O’Donnell, 2016).  
● Expand early childhood development centers, which carry less stigma than purely childcare facilities.  
● Support the development of women-owned care-based businesses. | ● Advocate for a robust, but practical system of day care, pre-school, and after-care standards with implementation support.  
● Advocate for public subsidies and/or tax credits for childcare expenses.  
● Expand public education to include pre-primary education.  
● Expand and enhance public vocational training for early childhood educators and administrators.  
● Encourage healthcare providers to include fathers in pre- and post-natal care visits and provide parenting workshops for fathers. |
| **2: Improve professional development opportunities for women to increase labor force participation** | **Social Norms:**  
● Identify and actively engage potential champions of all genders who support women deciding for themselves whether to work and in what capacity.  
● Celebrate role models, especially in growth industries such as tourism and ICT. | **Social Norms:**  
● Expand vocational training programs and enhance job information and placement services for girls and women in schools and communities, especially in rural areas. |

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47 According to its website (https://www.unicef.org/srilanka/education-early-childhood), UNICEF is working with the GOSL to roll out Early Learning Development Standards, to strengthen formal and non-formal pre-school education models, and to advocate for an increased public role in the provision of pre-school education.
- Facilitate mentoring programs within industries as well as informal support networks for women.
- Develop advanced management and leadership skills training for women, both in general and specific to target industries.
- Provide training and guidance to university students, young graduates, and potential labor market reentrants, not just on career options but also how to balance work and family obligations.
- Through schools, religious centers, and other community gathering locations, proactively provide women with resources and information for finding employment opportunities, especially for returning to the workforce.

**Workplace Environment:**
- Engage women before scheduling events and trainings to ensure they are held at times and places that are convenient to women with care responsibilities.
- Include the number of women in leadership positions as one of the criteria for selecting enterprises for USAID support.
- Work with companies to expand recruiting and retention of women for leadership positions.
- Encourage the development of apps for women to report cases of harassment and discrimination, including location information. Work with community groups to address identified problems.\(^{48}\)
- Support the development and expansion of women’s business associations, cooperative groups, and unions to advocate for the elimination of public and workplace harassment.
- Advocate for companies to provide part-time and flexible work schedules as well as fixed shift schedules (as opposed to fluctuating schedules), particularly in the ITC and tourism industries.

- Encourage companies to provide counselling services for employees.
- Engage in advocacy work with religious leaders.
- Encourage men to act formally and informally as advocates for women in the workplace.

**Examples from other countries include** [https://safecity.in/](https://safecity.in/), [https://harassmap.org/en/](https://harassmap.org/en/), and [https://sexharassmap.espivblogs.net/](https://sexharassmap.espivblogs.net/)
<table>
<thead>
<tr>
<th>Transportation:</th>
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<tbody>
<tr>
<td>● Include an assessment of transportation needs and supply for potential workers, with an emphasis on needs of women, in all industry studies.</td>
<td>● Engage current transportation providers to improve safety for women.</td>
</tr>
<tr>
<td>● Support the development of dedicated private transportation by firms or groups of firms.</td>
<td>● Advocate for greater participation and leadership by women in public transportation planning and management.</td>
</tr>
<tr>
<td>● Encourage remote services using digital platforms and video.</td>
<td>● Engage women’s organizations to advocate for and provide support for enhanced safety measures on all modes of public transportation, especially during peak travel times.</td>
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<tr>
<td>● Encourage companies to provide bicycles and helmets to female employees.</td>
<td>● Support flexible working hours so women can avoid peak times, when most harassment occurs.</td>
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<tr>
<td>● Promote women-provided transportation services for women passengers (such as tri-shaws or ride-sharing services).</td>
<td>● Encourage and facilitate work-from-home options.</td>
</tr>
<tr>
<td>● Engage current transportation providers to improve safety for women.</td>
<td>● Encourage development of opportunities outside of cities, to reduce the need to commute.</td>
</tr>
<tr>
<td>● Advocate for greater participation and leadership by women in public transportation planning and management.</td>
<td></td>
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<tr>
<td>Support the expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.</td>
<td>Encourage collaboration between women-owned and men-owned tourism-related businesses.</td>
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<tr>
<td>ICT:</td>
<td>ICT:</td>
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<tr>
<td>● Promote ICT skills bootcamps for girls and women.</td>
<td>● Advocate for programs to promote science, technology, engineering, and mathematics fields to young girls (and their parents and teachers).</td>
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<tr>
<td>● Facilitate networking among female STEM and business students.</td>
<td>● Increase the availability of, and improve access to, remote learning opportunities.</td>
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<tr>
<td>● Encourage technology companies to provide more flexible work schedules and work-from-home options.</td>
<td>● Promote safeguards for online safety and security, particularly related to online harassment and cyberbullying.</td>
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<tr>
<td>● Facilitate mentoring opportunities with women in technology in the U.S., U.K., and elsewhere outside Sri Lanka.</td>
<td>● Encourage Peace Corps volunteers arriving in summer 2020 to start coding clubs and other ICT-related activities, as secondary projects.</td>
</tr>
<tr>
<td>● Develop in-school mentoring, peer group support, and internships for women, in partnership with ICT firms.</td>
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<tr>
<td>Care Industry:</td>
<td>Care Industry:</td>
</tr>
<tr>
<td>● Encourage women to start their own IT education businesses.</td>
<td>● In the absence of public standards, support the development of private industry standards, including certification and monitoring.</td>
</tr>
<tr>
<td>● Provide assistance on the requirements and processes for acquiring international quality certifications.</td>
<td>● Educate women’s associations and returning migrants working in the healthcare industry on the benefits of childcare for women, children, and the economy.</td>
</tr>
<tr>
<td>● Support the expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.</td>
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<tr>
<td>Care Industry:</td>
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<tr>
<td>● Complement the work IFC is doing to make the business case for employer-provided childcare at large companies by promoting the business case for community-level and cooperative childcare in rural and semi-urban areas.</td>
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</tr>
<tr>
<td>● Educate and engage the community and religious leaders, as well as the business community, on the benefits of childcare for women, children, and the economy.</td>
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</tr>
</tbody>
</table>

49 https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/employment/SriLanka_Tackling_Childcare
<table>
<thead>
<tr>
<th><strong>Encouraging childcare and eldercare facilities as business opportunities.</strong></th>
<th><strong>Provide assistance on the requirements and processes for acquiring international quality certifications.</strong></th>
<th><strong>Support expansion of and participation in women’s business associations, as a means of networking, information dissemination, and skills development.</strong></th>
</tr>
</thead>
</table>

**Enabling Environment**

- Continue the labor law reforms currently underway by the SAIL project, to the extent possible.
- Encourage greater representation of women in public-private dialogue forums.
- Advocate for increasing representation of women in decision-making bodies and policy-related task forces.
- Introduce electronic procedures whenever possible, to reduce the likelihood for harassment or discrimination when interacting with government officials.

**Data Gaps**

- Conduct thorough needs assessments for both women’s employment and women-owned enterprises, capturing data on type of employment arrangement, function, income, industry, and other business characteristics.
- At the start of the project, collect data to establish a baseline, conduct mid-term and final evaluations.
- Encourage implementers to disaggregate project data by sex and other relevant factors (such as age, marital status, and income level), for all project components.
ANNEX 3: LIST OF WORKS CITED


Marcus, Rachel. 2018. The norms factor: Recent research on gender, social norms, and women’s economic empowerment. International Development Research Centre.


http://uis.unesco.org/en/country/lk


https://www.doingbusiness.org/en/data/exploreeconomies/sri-lanka#DB_sb


ACCESS TO CAPITAL
The 'Access to Capital' dimension includes data related to women's access to financial services, rights to ownership, and usage of technology. Greater access to capital gives women the tools they need to participate more fully in the economy.

1.8 Financial Services score (0 to 5, higher is better)
The 'Financial Services' sub-dimension is calculated from data on access to credit, access to a bank account, and access to credit cards and debit cards.

N/A Ownership score (0 to 5, higher is better)
The 'Ownership' sub-dimension is calculated from data on property rights.

N/A Technology score (0 to 5, higher is better)
The 'Technology' sub-dimension is calculated from data on internet and mobile phone usage.

ACCESS TO MARKETS
The 'Access to Markets' dimension includes data related to women's labor force participation, legal ease of starting businesses, and entrepreneurship. Easier access for women to all levels of the labor market and simpler procedures for starting a business empower women economically.

2.8 Labor Force score (0 to 5, higher is better)
The 'Labor Force' sub-dimension is calculated from data on labor force participation, discriminatory attitudes, and researchers.

2 Entrepreneurship score (0 to 5, higher is better)
The 'Entrepreneurship' sub-dimension is calculated from data on family workers, self-employed, and middle management.

1 Business score (0 to 5, higher is better)
The 'Business' sub-dimension is calculated from data on time, cost, and procedures related to starting a business.

2.6 Laws score (0 to 5, higher is better)
The 'Laws' sub-dimension is calculated from data on laws on violence against women, laws on reproductive autonomy, and compliance with human trafficking laws.

2 Violence score (0 to 5, higher is better)
The 'Violence' sub-dimension is calculated from data on homicide.

0.9 Child Marriage score (0 to 5, higher is better)
The 'Child Marriage' sub-dimension is calculated from data on legal age of marriage and parental consent.

GENDER-BASED VIOLENCE
The 'Gender-Based Violence' dimension includes data on laws pertaining to violence against women, prevalence of violence against women, and child marriage. When women are safer from gender-based violence, there are fewer obstacles to economic empowerment.

2.6 Laws score (0 to 5, higher is better)
The 'Laws' sub-dimension is calculated from data on laws on violence against women, laws on reproductive autonomy, and compliance with human trafficking laws.

2 Violence score (0 to 5, higher is better)
The 'Violence' sub-dimension is calculated from data on homicide.

0.9 Child Marriage score (0 to 5, higher is better)
The 'Child Marriage' sub-dimension is calculated from data on legal age of marriage and parental consent.
LEADERSHIP AND AGENCY
The 'Leadership and Agency' dimension includes data on women's political leadership, private leadership, and decision-making. Women with higher degrees of decision-making agency have more social, political, and economic empowerment.

HUMAN CAPITAL
The 'Human Capital' dimension includes data related to women's education, maternity, health care, life expectancy, and HIV infections. Better educated and healthier women are less restricted from participating in the economy.

3 Decision Making score (0 to 5, higher is better)
The 'Decision Making' sub-dimension is calculated from data on household responsibilities and laws on divorce.

1.4 Private Leadership score (0 to 5, higher is better)
The 'Private Leadership' sub-dimension is calculated from data on employers, ownership, and management.

1.3 Political Leadership score (0 to 5, higher is better)
The 'Political Leadership' sub-dimension is calculated from data on parliament seats and power distribution.

4.3 Education score (0 to 5, higher is better)
The 'Education' sub-dimension is calculated from data on literacy, completion, net intake, enrollment, and expected years of schooling.

3 Maternity score (0 to 5, higher is better)
The 'Maternity' sub-dimension is calculated from data on prenatal care, maternity leave benefits, paid maternity leave, and access to contraceptives.

1.2 Life Expectancy score (0 to 5, higher is better)
The 'Life Expectancy' sub-dimension is calculated from data on adult mortality rates, infant mortality rates, maternal mortality ratio, and life expectancy.

N/A HIV Infections score (0 to 5, higher is better)
The 'HIV Infections' sub-dimension is calculated from data on new HIV infections, prevalence of HIV, and knowledge about HIV.
ANNEX 5: LITERATURE REVIEW WORKSHEET

Data gaps were identified during the desk review. This information was used to develop the interview guides, in coordination with the Mission scoping activities.

LITERATURE REVIEW SUMMARY

<table>
<thead>
<tr>
<th>RESEARCH CATEGORY</th>
<th>LITERATURE REVIEW FINDINGS</th>
<th>POTENTIAL QUESTIONS FOR ADDITIONAL RESEARCH</th>
</tr>
</thead>
</table>
| Women's Labor Force Participation | ● Household and care responsibilities are the primary driver behind low labor force participation, with accessibility and safety of transportation also a major factor.  
● Women in the workforce tend mainly to engage in home-based work, in order to also meet their household and care responsibilities.  
● A UNFPA survey found that 90 percent of women and girls have experienced sexual harassment on buses and trains in Sri Lanka at least once in their lifetime. | ● Are there models for successful child- and eldercare that could be scaled up?  
● Are there models for successful women-friendly transportation that could be scaled up?  
● Do workplaces have policies in place for non-discrimination based on sex, gender identity, or marital status, for hiring, promotion, retention, salaries, benefits, and skills and training opportunities?  
● Do third-party reporting mechanisms for sexual harassment and abuse of power exist for men and women in the workplace?  
● Do policies exist to support education, training, and business development for women- and minority-owned businesses?  
● Are formal or informal mentorship opportunities for girls and women provided through women’s collectives or associations, workplaces, or schools?  
● How are transportation decisions made within the government? Who makes them? Are they designed with gender considerations? What role does the private sector play in this area?  
● Which sectors are women employed in (through wage work)? Where (geographically) are they working?  
| Entrepreneurship | ● There is limited data on women-owned businesses; however, there is evidence that most of them are micro- or small-businesses.  
● There seems to be considerable variation by region in the number of women-owned businesses. | ● What SME services exist in country (financial management, access to markets, networks, training, etc.)? Who provides them? Do current services meet the needs of women business owners? Do women use these services? Why or why not?  
● Where (geographically) are women-owned businesses located, in what sectors, and what are their firm characteristics?  
● How do SME business practices encourage or discourage women’s participation? Factors may include employee recruitment, promotion, and management practices, as well as where and how business deals are made. |
### Enabling Environment

- There is no law in Sri Lanka mandating nondiscrimination in employment based on gender, or equal remuneration for work of equal value.
- Women are restricted by law from working at night, which is a significant barrier to employment in the ICT industry.
- How do women and men, respectively, rate business registration requirements as sufficiently simple, transparent, and low-cost?
- To what extent does the enabling environment support home-based businesses as a pathway for women in the workforce?
- Is there a difference in the benefits of women vs. men, derived from tax incentives?

### ICT Industry

- Participation in events after completing courses drops considerably due to the difficulty for women to attend events and courses, which are frequently held in the evening.
- To what extent do women-owned businesses and female leaders have access to information on knowledge-based economic opportunities?
- What spaces exist for female leadership and influence in emerging innovative industries, including digital innovation?
- How many owners of SMEs are women vs. men?
- What are the reasons commonly given by women and men for occupational segregation?
- How do men and women currently learn about employment opportunities?

### Tourism Industry

- Women are greatly under-represented in the tourism industry, particularly compared to other destinations in the region.
- The fact that there are currently so few women in the industry, and the perception that work in tourism is not safe or dignified, are deterrents to increasing the share of women.
- To what extent do women-owned businesses and female leaders have access to information on tourism-based economic opportunities?
- What spaces exist for female leadership and influence in the tourism industry?
- How many owners of SMEs are women vs. men?
- How do men and women currently learn about employment opportunities?
ANNEX 6: INTERVIEW GUIDE QUESTIONS

The following questions were developed in consultation with USAID to guide on-site interviews.

Government

1. With the understanding that the government is new and has not had much time in office, are you considering policies and programs to increase female labor force participation? Which are the highest priorities? Are any efforts already getting started?

2. Which sectors do you think are most promising for paid employment for women? Why? Does that vary geographically? Are there policies or programs under consideration for these sectors? Are any efforts already getting started?

3. Why are there more women-owned businesses in certain geographic areas than in other places? What are those locations? Why are women more frequently working in certain sectors? Which sectors are these? Are there specific policies or programs under consideration to further support these women-owned businesses or to support women’s entry into new sectors and/geographies? [Note: This question will be updated with more geographic and sectoral information as we learn more.]

4. What small and medium enterprise (SME) services exist in country (such as financial management, access to markets, networks, training, etc.)? Who provides them? Do current services meet the needs of women business owners? Do women use these services? Why or why not?

5. How are transportation decisions made within the government? Who makes them? How do transportation policymakers consider gender considerations? What role does the private sector play in this area?

6. How are proposals developed and decisions made about employment and other policies that affect parents, such as childcare and parental leave?

7. What policies exist to support education, training, and business development for women- and minority-owned businesses?

8. To what extent does the enabling environment support home-based businesses as a pathway for women in the workforce? Are there policies or programs under consideration to support/further support home-based businesses?

9. Are there differences in tax policy for men and women? If so, what are the differences, and what is the rationale behind them?

10. To what extent do women-owned businesses and female leaders have access to information on knowledge-based economic opportunities? Are there policies or programs under consideration to support/further support access to information for women owned businesses and female leaders on knowledge-based economic opportunities?

11. What spaces exist for female leadership and influence in emerging innovative industries, including digital innovation? Are there policies or programs under consideration to support/further support female leadership and influence in emerging innovative industries?
12. To what extent do women-owned businesses and female leaders have access to information on tourism-based economic opportunities? Are there policies or programs under consideration to support/further support access to information on tourism-based economic opportunities?

13. What spaces exist for female leadership and influence in the tourism industry? Are there policies or programs under consideration to support/further support female leadership in the tourism industry?

Donors

1. What has been your experience of working with women entrepreneurs? Has it varied across different regions or sectors?

2. What have been the biggest challenges?

3. What has been the most successful initiative?

4. Have you observed any models for successful child- and eldercare that could be scaled up? Have you provided support in this area? What has worked? Not worked?

5. Have you observed any models for successful women-friendly transportation that could be scaled up? Have you provided support in this area? What has worked? Not worked?

6. Have you worked with the government on policy issues? If yes, specifically, which issues? What has worked? Not worked?

7. Is there anything you would like to do, but are not able to?

8. Do you have any recommendations?

9. What small and medium enterprise (SME) services exist in country (such as financial management, access to markets, networks, training, etc.)? Who provides them? Do current services meet the needs of women business owners? Do women use these services? Why or why not? Have you provided support in this area? What has worked? Not worked?

10. To what extent do women-owned businesses and female leaders have access to information on knowledge-based economic opportunities? Have you provided support in this area? What has worked? Not worked?

11. What spaces exist for female leadership and influence in emerging innovative industries, including digital innovation? Have you provided support in this area? What has worked? Not worked?

12. How do men and women currently learn about employment opportunities? Have you provided support in this area? What has worked? Not worked?

13. To what extent do women-owned businesses and female leaders have access to information on tourism-based economic opportunities? Have you provided support in this area? What has worked? Not worked?

14. What spaces exist for female leadership and influence in the tourism industry? Have you provided support in this area? What has worked? Not worked?
Private Sector (emphasis on tourism)

1. What is the size of your company’s staff, and what percentage of them are women?

2. What is the size of your senior management team? Number of men and women? Which positions do women occupy?

3. What positions/units within the company are commonly filled by women?

4. In your experience, does your company receive applications for qualified women candidates? If not, why do you think that is? Do you actively recruit women? If so, how?

5. Have you seen any advantages or benefits from having women on your staff? If so, what are they? Have there been any disadvantages or drawbacks from hiring women? If so, what are they?

6. Do you provide parental leave for your employees? Why or why not? Is your approach common in your industry? If so, what is working well and what is not working well?

7. Do you provide childcare or other care-related support for your employees? Why or why not? Is this common in your industry? If so, what is working well and what is not working well?

8. Do your female employees work mostly at home or do they travel to work? If they travel, how do they get there, and how satisfactory is that method for them? How could traveling to work be better (safer, quicker, more convenient)? Would you be amenable to more work-from-home opportunities? Why or why not?

9. What are your policies on employment issues like hiring, promotion, retention, salaries, benefits, and skills and training opportunities? Is gender or marital status a factor? Do you anticipate any changes to these policies? Why or why not?

10. If an employee in your company is involved in, or made aware of, sexual harassment or an abuse of power, what mechanisms are available to him or her to report the incident — and what guarantees and protections does that employee have against reprisal?

15. Are there any government policies that affect the number of women you hire? How do they affect the business? Would you recommend changes to the policies? Why or why not?

16. If you could change one thing to improve opportunities for women, what would it be? Why?

Female Entrepreneurs

1. Tell me about your background. What were the reasons you started your company?

2. When was your company started? Is it formal or informal? If formal, what was the process like to get registered? If informal, why?

3. What does your company do?

4. How many employees do you currently have? (# male and female?) What positions/units within the company are commonly filled by women?

5. What are the biggest challenges you have faced — both from the company perspective and personally? How did you overcome these challenges?
6. What small and medium enterprise (SME) services exist (such as financial management, access to markets, networks, training, etc.)? Who provides them? Have you used them? (If not, why not?) Did the services meet your needs? Why or why not?

7. Do you use information and communication technology (ICT) in your business? If so, how? If not, why not?

8. In your experience, does your company receive applications from qualified women candidates? If not, why do you think that is? Do you actively recruit women? If so, how?

9. Have you seen any advantages or benefits from having women on your staff? If so, what are they? Have there been any disadvantages or drawbacks from hiring women? If so, what are they?

10. If your employees have children, do they generally take leave? For how long? Are there any company policies associated with parental leave? Why or why not? If so, what is working well and what is not working well?

11. Is providing childcare common in your industry? Does your company provide childcare or care-related services for your employees? What kind? What works well and what does not work well?

12. Do your female employees work mostly at home or do they travel to work? If they travel, how do they get there, and how satisfactory is that method for them? How could traveling to work be better (safer, quicker, more convenient)? Would you be amenable to more work-from-home opportunities? Why or why not?

13. What are your policies on employment issues like hiring, promotion, retention, salaries, benefits, and skills and training opportunities? Is gender or marital status a factor? Do you anticipate any updates to these policies? Why or why not?

14. If an employee in your company is involved in, or made aware of, sexual harassment or an abuse of power, what mechanisms are available to him or her to report the incident — and what guarantees and protections does that employee have against reprisal?

15. Are there any government policies that affect the number of women you hire? How do they affect the business? Would you recommend changes to the policies? Why or why not?

16. If you could change one thing to improve opportunities for women, what would it be? Why?

Business Associations/Service Providers

1. *[If not a women’s association]* What percent of your members/clients are women? What type of work are women doing? Where (geographically) are they located?

2. What types of services does your organization provide, and what types of activities does your organization do? Are any of them tailored to meet the needs of women business owners?

3. Does your organization advocate for new or changed policies or regulations that impact women? Why or why not? What has worked? Not worked? Have you learned anything from this experience?

4. *[For associations]* Do you provide mentoring, whether formal or informal, for your female members?

5. What do you do to increase your membership/clientele? Do you encourage more active participation by women in your organization/use of your services? Why or why not? How?
6. What activities or factors have been most successful and least successful in increasing employment or entrepreneurship opportunities for women in your field? Why?

7. [For associations] What small and medium enterprise (SME) services exist (such as financial management, access to markets, networks, training, etc.)? Who provides them? Do current services meet the needs of women business owners? Do women use these services? Why or why not?

8. If you could change one thing that holds women back from participating more/using services more, what would it be?

9. How are the women you are working with handling their childcare and household responsibilities? Are you aware of any particularly good ideas for addressing these responsibilities that would be good to apply more widely? Do you account for care responsibilities in designing and delivering services?

10. Do your female members/clients work mostly at home, or do they travel to work? If they travel, how do they get there, and how is that method for them? How could traveling to work be better for them (safer, quicker, more convenient)? Are your services available to your female members/clients remotely? Or are they required to travel to access your services? Is there anything you do to address transport barriers?

11. Do your female members/clients use information and communication technologies (ICT)? If so, how? If not, why not?

12. What are your/your client’s policies related to employment issues such as hiring, promotion, retention, salaries, benefits, and skills and training opportunities? Is gender or marital status a factor? Where can these policies be improved to increase women’s participation and leadership?

13. If an employee in the companies you work with is involved in, or made aware of, sexual harassment or an abuse of power, what mechanisms are available to him or her to report the incident — and what guarantees and protections does that employee have against reprisal?

14. What do you think are the most promising opportunities for increasing employment and entrepreneurship opportunities for women? Why?