

# **High Achievement in Education but Low Participation of Labour Force: a case of Females in Sri Lanka**

## **Introduction**

Among South Asian countries, Sri Lanka has shown remarkable achievements in terms of the female education, during past four decades. Female literacy rate which was 71% in 1971 has increased to 91% by 2011. Rate of female school enrolment at primary level has increased and become similar to the male enrolment rate, representing gender equality in education. At the secondary level, majority of female students enroll for studies similar to male students. In the boundary examinations they show even higher performances than male students. At the tertiary level, majority of the university students enroll for undergraduate programs in Sri Lankan universities are females. These trends in the female education level represent higher educational achievements of females in Sri Lanka.

As suggested by the literature, education widens the path for the labour force participation and employment for both males and females. Hence, increased education level opens the door for females to enter the labour force. However, it seems that narrowing male-females gap in education has not resulted in higher female labour force participation. Even though the females show higher performance in the education, their participation in labour force is at a lower level in Sri Lanka. Female labour force participation, during last three decades, has stagnated around 30 to 35 percent of the working age female population of 10 years and above. This trend has generated a higher percentage of economically inactive female population, despite rapid enhancement in the female education all over the country. Hence, it is a puzzle, that why the enhancement in the female education level does not result in higher female labour participation in Sri Lanka.

## **Objectives of the Study**

This study aims to explore why female labour force participation is low in Sri Lanka despite having higher educational achievements. Study explains the recent trends in the labour force participation and educational achievements of females in Sri Lanka and explores the factors behind the low female labour force participation rate, despite having high female education level.

## **Review of Literature**

Literature suggests that education enhances the labour productivity and empowers the people in the labour market. Empirical studies, confirm a positive impact of education on labour force participation in both developed and developing countries (Faridi and others (2009), Sackey (2005). Studying the determinants of female labour force participation, Tansel (2002) suggest that the female education significantly affect the labour force participation in Turkey. Analyzing the impact of female education on the labour force participation in Uganda, Bbaale and Mpuga (2011), confirm that higher level of female education increases the probability of

females to be entered to the labour force. They concluded that, especially the post secondary level education resulted in higher rate of labour force participation of the females.

## Data and Methods

This study utilized labour force statistics, published in the annual and quarterly labour force surveys conducted by Department of Census and Statistics, Sri Lanka. Education statistics were collected from the University Grant Commission, Department of Examination and Department of Census and Statistics, Sri Lanka. Discussions were held with ten key informants to explore the reasons for low female participation. Factors contributed for the low female participation were examined through descriptive manner utilizing these secondary and primary data.

## Recent Trends in Female Education and Labour Force Participation

During last four decades, level of education of females in Sri Lanka has increased rapidly. This remarkable increase, has taken Sri Lanka to the second place in the South Asian region in terms of female literacy, which only behind to Maldives. Table 1 presents the increase in the male and female literacy rates during last four decades.

As a result of enhancement in the female education level, the gap between male and female literacy rates has been narrowed significantly. This implies a rapid increase in the female literacy rate, which has grown faster than the male literacy rate, in the country. During the period 1971 and 2009 male literacy rate has increased by 7.6 percentage points but among females the corresponding increase is as high as 20.

**Table 1: Literacy Rate by Gender and Sector, Sri Lanka**

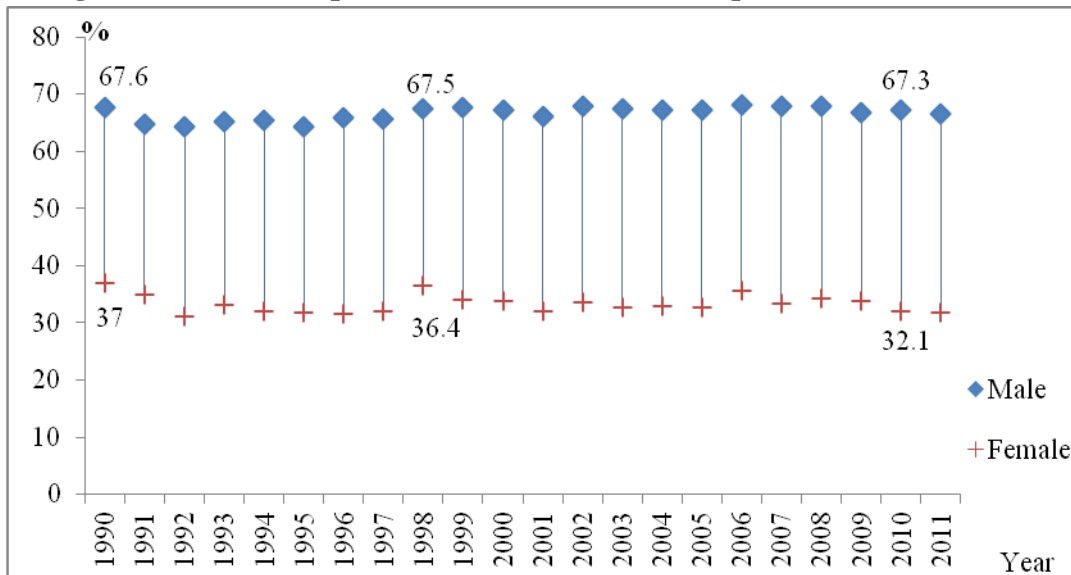
Year	Literacy Rate (%)	
	Male	Female
1971	85.6	70.9
1981	90.5	82.8
1985/86	88.6	80.0
1991	90.0	83.8
1994	92.5	87.9
2001	92.6	89.7
2009	93.2	90.8

*Source: Department of Census and Statistics.*

Beyond the literacy rate, female enrolments for primary, secondary and tertiary education also have increased remarkably. Since 1950s, free education, from grade one to university degree level, is offered in Sri Lanka, and during past couple of decades more females than males enter to the G.C.E. (Advanced Level) classes, particularly to the tertiary level institutions

However, with this rapid increase in the female education level, labour force participation of females have not increased significantly. During last four decades, it has been changed slowly with up and down fluctuations. Currently, only 32% of females of the working age population participate for the labour force. Comparing with the 67% of male participants in the labour force, female labour force participation is quite low (figure 1). The gap has even widened during past few years.

**Figure 1: Gender Gap in the Labour Force Participation Rate, Sri Lanka**



Source: Department of Census and Statistics.

Sri Lanka is far behind to many of the South Asian countries, such as Nepal, Bhutan, Bangladesh and Maldives in terms of the female participation for the labour force, despite of having far better achievements in education and thereby experiencing a higher status of women in the South Asia.

**Discussion and Conclusions**

Education does not always assure employment for the people. It empowers the people in knowledge, which helps them to be economically active. During past decades, females in Sri Lanka have achieved a remarkable level, in terms of education. However, their participation for labour is still at a lower level comparing with the other countries in Asia, and male labour force participation in Sri Lanka. Number of factors might have contributed to the low female labour force participation despite having high female education in Sri Lanka.

Issues in the education system, including the predominance of knowledge enhancement courses that do not enhance life skills, higher level of female unemployment, narrowed choices of females in the labour market, labour market structure including structural rigidities and wage discriminations; multiple roles of females in Sri Lankan context and availability of child caring facilities are the main reasons behind the low female labour force participation.

Educational achievements of females also contribute for low female labour force participation at young ages, since the students spend part of their working age for studies.

Migration of females to Middle-Eastern countries for employment might also have created a shortage of potential females to the local labour markets. Of the annual departures for foreign employment, females accounted for 33% in 1986, but by 1995 the female component increased to 73% of the total. Of the total labour migrants in Asia, who supply labour for the foreign markets, the proportion of females in Sri Lanka is found to be significantly higher than that of any other Asian country.

There are many socio-economic consequences of low female labour force participation. On the positive side, females at home are very important for child development and protection. On the other hand, low female labour force participation generates a disadvantaged situation to the economy as well as at the household level. Mainly it results in loss of part of the developed labour force, which can be used for the production enhancement of the country. Working women contribute to household income, at the household level, which increases the household welfare. Further, this income diversification also increases the economic security of the households.

Ensuring gender equality and empowerment of women is one of the millennium development goals to be achieved by Sri Lanka. However, contribution of women to economic development is determined by their participation for the labor force. Currently, female labor force participation is half of male labour force participation. Despite having a significantly high level of education and status, female participation of labour is not at a satisfactory level.

The age structure transition that has taken place in the past decades in Sri Lanka has produced a demographic dividend, covering the period from 1991 to 2017, which is conducive for an economic takeoff of the country. In order to capitalize this demographic dividend, female participation in the productive employment is a crucial parameter. Since occurrence of such dividend is a rare opportunity for any country, policy makers should develop appropriate policies to enhance the female participation in the Sri Lankan labour markets immediately to capitalize the benefits of this best demographic environment.