

Prioritizing the Care Economy for an Inclusive Sri Lanka

Context

Unpaid care work plays a crucial role in Sri Lanka, yet its significance is overlooked by policy makers, and it remains excluded from the system of national accounts. This work, predominantly carried out by women, encompasses a wide range of activities such as childcare, eldercare, cooking, cleaning, and other household maintenance tasks. Despite its critical role in determining individual well-being, influencing household dynamics and facilitating the visible productive economy, unpaid care work remains largely invisible in national economic accounts and receives insufficient recognition in policy deliberations. This oversight has detrimental effects on the socio-economic fabric of Sri Lanka, perpetuating gender inequality and undermining women's contributions to both the economy and society. By recognizing and valuing unpaid care work, we can take steps toward a more equitable and inclusive future.

Why is it Important?

Unpaid care work is critically important for several reasons, particularly for the impact it has on female labour force participation and the perpetuation of gender inequality. Most importantly, ignoring that care work is *work* has important implications for policy.

Unpaid care work encompasses a range of essential tasks that are often overlooked but underpin the functioning of economies and societies. These tasks include household duties such as cooking, cleaning, water and fuel collection, childcare, and elder care. Women and girls bear a disproportionate burden for these duties compared to men and boys. According to the 2017 National Time Use Survey, in Sri Lanka, more than 85% of total time spent in unpaid work is by women (Department of Census & Statistics, 2020). This no doubt contributes to a low female participation rate in the labour force standing at 32.1% compared to 70.5% for men (Department of Census & Statistics, 2023).

The significant time and effort women dedicate to unpaid care responsibilities limits their availability for paid employment, educational opportunities, and participation in public and political life. This directly affects female labour force participation rates. When women are the main caregivers at home, they are less likely to have time to attend school or secure paid work, making it even more difficult for them to escape poverty.

The unequal distribution of unpaid care work reinforces systemic gender inequalities. Women's "double burden" of performing both paid jobs and caregiving duties can hinder their professional growth and economic independence. In fact, women in Sri Lanka spend over ten hours more than men on work activities and women in employment spending around 25% more working time than men if unpaid work activities are considered (Discenza et al., 2021). Moreover, gender

stereotypes often associate women with caregiving roles, perpetuating traditional gender norms that limit opportunities for women.

Despite its significance, unpaid care work is not formally recognized as "economic activity" in labour force surveys or incorporated into calculations of gross domestic product (GDP). However, it has enormous economic value. International Labour Organization (ILO) estimates suggest that globally, unpaid care and domestic work contribute as much as 9% of global GDP, which amounts to a staggering USD 11 trillion; the value of women's unpaid care work alone is equal to 6.6% of global GDP (ILO, 2018).

Therefore, recognizing and valuing unpaid care work as "real" work is crucial for achieving gender equality. Furthermore, by redistributing this invisible labour more equitably, we can build stronger social ties, enable economic dynamism, and promote well-being across societies. This is particularly relevant within the context of Sri Lanka, which is currently undergoing an economic crisis, the effects of which has been felt keenly by both caregivers and care receivers, particularly through the impact on the health sector. Recognizing and addressing the care economy within the context of Sri Lanka is crucial for social well-being, economic stability, and sustainable development.

Data and Methods

Mapping Sri Lanka's Care Economy – Desk Study

This study involved a comprehensive desk-based research approach, which focused on the review and synthesis of existing literature, policy documents, and secondary data analysis pertaining to care work in Sri Lanka. It examined various sources, including national policy frameworks, guidelines, and reports related to early childhood care, elder care, and unpaid care work. The objective of this study was to assess the current landscape of care work, including its implications for labour market participation, social welfare, and gender equality. By collating and analysing available data, policy frameworks, and scholarly findings, the study aimed to identify gaps in knowledge and policy action.

Valuing Unpaid Care Work in Sri Lanka using the National Time Use Survey 2017

This study utilized Sri Lanka's 2017 National Time Use Survey, which provides comprehensive data on how individuals aged 10 years and older allocate their time across different activities during a 24-hour period. This survey includes data on unpaid care work activities, such as childcare, eldercare, cooking, cleaning, and other household maintenance tasks.

To value unpaid care work economically, the paper employed the **Replacement Cost Method**: This method estimates the cost of replacing unpaid care work with paid services, using wage rates for similar tasks in the labour market. It involves applying average wage rates for care-related occupations to the time spent on unpaid care activities using either a generalist or specialist wage, or both.

- Using a Generalist Wage: the median wage of domestic helpers and housekeepers was used as a lower bound and the median wage of primary school teachers and early childhood educators was used as an upper bound.
- Using a Specialist Wage: unpaid work activities belonging to productive non-SNA (System of National Accounts) activities according to the International Classification of Activities for Time-Use Statistics (ICATUS) were matched to wages of similar specialist occupations using the International Standard Classification of Occupations (ISCO 08).

The study estimated the contribution of unpaid care work to the national GDP using economic valuations derived from the **replacement cost** method using both the generalist wage and specialist wage approaches. This estimation highlights the significant economic value of unpaid care work that is not accounted for in traditional economic metrics.

Key Findings

The economic valuation of unpaid work reveals that the economic contribution of unpaid care work is substantial, equivalent to a value ranging from 10.3% to 42% of GDP (based on different wage rates) of which the majority (8.6% to 35% of the GDP) is contributed by women (see Table 1). This highlights the substantial but invisible contribution of unpaid care work to the economy. A critical aspect of this result is that it highlights that women are the main contributors of this value, giving lie to the notion that women “do not work”. This has implications for understanding gender inequality in economic participation and underscores the need for policies that recognize and value the contribution to the formal economy, such as including it in the system of national accounts.

Table 1: Economic value of unpaid care work in Sri Lanka

| Total annual value, as a % of GDP* | Male | Female | All |
|---|-------------|---------------|------------|
| <i>Generalist wage</i> | | | |
| <i>Lower bound – Domestic cleaner</i> | 2.4 | 10.3 | 12.7 |
| <i>Upper bound – Primary school teacher</i> | 8.1 | 33.8 | 41.9 |
| <i>Upper bound – Early childhood educator</i> | 3.7 | 15.4 | 19.0 |
| <i>Minimum wage</i> | 2.0 | 8.3 | 10.3 |
| <i>Specialist wage</i> | 2.1 | 12.0 | 14.1 |

Source: Gunewardena, D., & Perera, A. (2023). Valuing Unpaid Care Work in Sri Lanka using the National Time Use Survey 2017: First Estimates.

A review of the policy architecture reveals government’s efforts to support care work through policies such as the National Policy on Early Childhood Care and Development and the Protection of the Rights of Elders Act. However, significant gaps persist. Unpaid care work remains inadequately recognized in economic and policy frameworks. Social protection for caregivers is insufficient, and access to quality care services is limited. For example, there are only 5 public eldercare homes (Asian Development Bank, 2021) while primary childcare facilities remain unaffordable (Warnasuriya, 2020). Comprehensive policy reforms are needed to better support care workers, recognize the economic and social value of care work and promote gender equality

and economic development. These reforms should reduce the care burden on women and ensure a more equitable distribution of care responsibilities.

There is a need to shift how unpaid care work is perceived and integrated into national economic planning and policymaking. The findings of both papers advocate for enhanced recognition of unpaid care work's economic value, support for gender equality by addressing the disproportionate burden of care on women, and the development of inclusive policies that improve the provision of care through market, community, and state mechanisms.

Policy implications

Integrating unpaid care work into the System of National Accounts (SNA) brings significant policy implications that could reshape economic understanding and policymaking. Acknowledging and valuing unpaid care work within the SNA framework suggests a profound shift towards recognizing its substantial contribution to the economy, potentially altering GDP calculations and economic growth metrics. This integration would necessitate the formulation of gender-sensitive economic policies, acknowledging the disproportionate impact of care responsibilities on women and aiming to reduce gender disparities in labour force participation. Furthermore, it could lead to enhanced social protection and support systems for caregivers, offering them access to benefits such as social security and health care, in recognition of their economic contributions. The move towards incorporating care work in national accounts would also encourage the implementation of work-life balance policies, promoting equitable distribution of care work and supporting gender equality. Moreover, it could drive increased public investment in care services, thereby providing essential support for caregivers and creating job opportunities in the care sector. This transformative approach underscores the need for a comprehensive re-evaluation of economic indicators to more accurately reflect the value of care work in economic and social development.

Enhancing women's bargaining power within households requires targeted policies that address the underlying factors of economic dependency and societal norms. Measures aimed at bolstering women's economic independence—such as ensuring equal pay, improving access to employment opportunities, and providing entrepreneurship support—play a critical role in empowering women financially. This financial empowerment is essential for enabling women to have a more equal say in household decision-making. Moreover, recognizing and valuing unpaid care work contributes to shifting societal perceptions; acknowledging the economic contribution of tasks that are predominantly undertaken by women can ultimately lead to a more equitable and less gendered division of labour between unpaid work and market work.

Addressing the burden of care on women and undoing patriarchal gender roles require policy interventions that foster gender equality in caregiving responsibilities. Initiatives could include promoting a longer duration of paid paternity leave to encourage active caregiving roles for men, implementing public awareness campaigns to shift societal perceptions and challenge traditional gender norms, and integrating gender equality principles into educational curriculums to influence attitudes from an early age. Developing social support systems, such as childcare and

eldercare services, can alleviate the disproportionate care burden on women, further supporting their economic and social participation. Alongside advocating for flexible work arrangements, we can significantly alleviate the care burden on women and facilitate a more equitable distribution of care work. Strengthening legal and policy frameworks to protect women's rights and promote labour equality is also crucial. These measures collectively aim to transform societal attitudes towards caregiving, promoting a shared responsibility model that challenges patriarchal norms and supports gender equality in both public and private spheres.

Enhancing the provision of care through market, community, and state mechanisms aims to restructure the care economy for broader accessibility, affordability, and quality. These efforts include incentives for the private sector to expand care services, such as subsidies, tax benefits, or public-private partnerships. Additionally, substantial public investment in care infrastructure and the development of community-based care solutions are crucial. Ensuring fair labour conditions and opportunities for professional development for care workers is critical, as it can improve the quality of care services and attract a larger workforce. Crucially, addressing the gendered nature of care work is essential. Policies are required to more equitably distribute care responsibilities between genders, thereby promoting gender equality and potentially increasing female labour force participation by alleviating some of the unpaid care work burdens that disproportionately fall on women. By creating a more comprehensive ecosystem of care provision, these policy shifts can greatly benefit societal well-being and enhance social inclusion, positioning care work as a pivotal element of equitable growth.

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