Economic Sensitivity of Non-Working Females for Wage Differential Compensation: Empirical Evidence from Sri Lanka

Citation: Wijewardhana, W. and **Siriwardhane**, **Dinesha**. (2021). *Economic Sensitivity of Nonworking Females for wage differential Compensation: Empirical Evidence from Sri Lanka* [extended abstract publication]. 14th International Research Conference, Kotelawala Defence University, Sri Lanka

http://ir.kdu.ac.lk/handle/345/5176

The pathway towards gender equality, poverty eradication and inclusive economic growth can be built by women empowerment. This study addresses the problem of inadequate female labour force participation in South Asia. As such, following a mixed methodological approach, both the qualitative and quantitative analyses were triangulated to achieve the objective of the study. Women's Wage Compensation Sensitivity Index (WWCSI) is constructed as the ultimate output of the quantitative analysis using a sample of 112 respondents (non-working females) from Sri Lanka, India, Pakistan and Bangladesh. The findings of that analysis suggested that compensating wage differentials can economically empower non-working females in South Asia. However, wage differential compensation is likely to be more productive among rural females and then among urban females, and it will be more successful among less educated females. According to the newly recognized backward bending nature of WWCS curve, wage differential compensation should be offered for females in prime working age (25-45 years) instead of mothers with infants or elder children. Further, governments should come up with temporary subsidization programmes especially for urban females in order to turn housewives into own account worker because the interest of females to earn at home is high. The follow-up qualitative analysis involved an in-depth inquiry on empirical evidence of wage differential compensation sensitivity of non-working females through a case study in Sri Lanka. Therein, motherhood and children's age, co-habitation of grandparents, male supremacy in traditionally patriarchal families, intergenerational education and learning, voluntary child labour, human trafficking for women labour exploitation and growth needs and domestic financial requirements were explored as the determinants of women's wage differential compensation sensitivity.

keywords— female labour force participation, women economic empowerment, women's wage differential compensation sensitivity