Sri Lanka: No Magic Bullets on Women's Waged Labour

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As part of Sri Lanka's economic bailout, the International Monetary Fund (IMF) is telling us that we should increase women's labour force participation. It is part of a recommendation about 'growth-enhancing structural reforms' including reducing youth unemployment, liberalising trade, developing a wide-reaching and coherent investment promotion strategy, and reforming price controls and State-Owned Enterprises (SOEs) (IMF 2022: 2, 29).

The inclusion of women's labour as part of 'growth-enhancing structural reforms' should not surprise us. During times of crisis, women's bodies and their labour often enter policy discussions as part of an easy solution. Following the end of Sri Lanka's civil war in 2009 – the Sri Lankan State together with the international community promoted small and medium self-employment and entrepreneurship development (SMEs) as a magic bullet to alleviate poverty and empower women, particularly women-headed households in the North and East, and rebuild the economy of those areas. SMEs are no longer the flavour of the month, although they continue to be pushed by the UN and other development organisations as a route for women's economic empowerment and economic recovery. However, in a context where over 25% of families in Sri Lanka continue to be headed by women, I revisit that particular prescription for empowerment as a reminder that we should be wary about these easy policy prescriptions about women, their labour, and economic empowerment.

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In postwar Sri Lanka, for a while, SME programmes were all the rage in development circles (Kodikara 2018; Lokuge, Senn & Ranawana 2019; Ranawana & Senn 2019). SME programmes, ranging from home gardening, beekeeping, tailoring, poultry farming, dairy farming, and small retail shops proliferated across the North and East with support from the State as well as a plethora of international and local organisations. The internationals included the International Committee of the Red Cross (ICRC), the International Organisation for Migration (IOM), the Food and Agriculture Organisation (FAO), the International Labour Organisation (ILO), the United Nations Development Programme (UNDP), and the World Bank. Local Non-Government organisations engaged in SME development included Sarvodaya, Sewalanka, and World Vision. State institutions involved include the National Enterprise Development Authority (NEDA), the Ministry of Women and Child Affairs, and the Samurdhi development project. The German Agency for International Cooperation for International Cooperation (GIZ), Asian Development Bank (ABD), and USAID were among those involved in funding such initiatives. Such programmes were also a part of bilateral aid programmes from foreign governments such as Australia, Germany, and Norway through their local embassies. It can be safely said that many millions in foreign currency changed hands as part of these programmes.

Some of these programmes targeted individuals, others only collectives whether it was farmer organisations, women's development organisations, or cooperatives. Some assistance came in the form of a comprehensive package providing monitoring and follow-up assistance over a considerable period of time. Other SME programmes consisted of one-time grants or distribution of material assistance in the form of seeds, farming implements, livestock, poultry, sewing machines, and the like. Some assistance was more popular than others. The number of organisations that distributed chicks ranging from the age of five days to 40, for instance, was legion. Microcredit was an important component of many of these programmes with interest rates ranging from around 20% to 70%. In fact, Ranawana and Senn note that “entrepreneurial culture is by default debt culture” (2019: 15).

As Ananya Roy points out, it is most often women who are produced as figures of resilience and charged with overcoming poverty through enterprise in these programmes. She refers to SME and microfinance programmes as “technologies of gender” that entail the feminisation of risk, responsibility, and obligation in the global fight against poverty (Roy 2012: 143). In Sri Lanka, the individuals targeted by these programmes were those from ‘marginalised’ communities – women, ex-combatants, and youth. Women heads of households tended to be on top of this list.

But as we and the women who were expected to become entrepreneurs found out, these SME activities were deeply precarious and impossible to sustain in the long term. Poultry and livestock died, hens went missing, petty trading ventures collapsed due to a lack of steady markets, the rain didn’t fall, and crops failed. Moreover, what women earned from these activities was so meagre that during some weeks they didn’t earn enough for sugar and tea. In 2015/2016, when I conducted research on SMEs, their earnings fluctuated between Rs 300 and Rs 600 and half of this went into paying their micro-credit loan instalments (see also Ranawana and Senn 2019). In most cases, women were then forced to engage in multiple and overlapping activities to augment insufficient incomes. While the literature on livelihoods recognises that diversification can be deployed as an accumulation strategy, in the case of poor women-headed households it was a coping mechanism; a survival strategy; a response to crisis often for very low returns. Indeed, the self-employment strategies of these women were distress driven, and their only reliable resource was their own labour.

In Philip Mader’s analysis, these self-employment and microfinance programmes exploit the labour of the poor and indeed extract higher returns by financing petty businesses under the guise of assisting them to become entrepreneurs. Marder elaborates that such financial relationships are more advantageous to owners of capital than direct employment because 1) there is no need for any actual entrepreneurial activity by owners of capital, 2) a number of fixed costs are avoided, 3) the risks of entrepreneurship are outsourced to others, and 4) there is no risk of employees appealing to or joining forces against employers/owners (Harper 2011: 59).

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More than 10 years after the end of the war, we may no longer be talking about making entrepreneurs of poor women. Now, according to the IMF women must contribute their labour to the formal waged labour market. Does this mean that women will get a job with a pay cheque at the end of each month that amounts to a living wage and employment benefits, such as paid and medical leave, and child-care facilities? Many women did not have that option after the end of the war. If women in higher numbers enter formal employment with living wages, rights at work, social protection, and support for family responsibilities, that is a good thing. But most likely the jobs on offer will be in the informal economy: exploitative and not empowering. In any event, the ‘problem’ of women’s labour force participation in Sri Lanka is not simply a question of having access to formal waged labour. Women’s labour available for productive work in most households — but particularly in women-headed households, is deeply entangled with and constrained by the labour needed to take care of homes and families. Women in households headed by them have to cook, clean, wash clothes, draw water, take children to school, and look after elders, the infirm, and relatives with disabilities, without State, non-State, or community support. Moreover, in the North and East, women's productive labour continues to be conditioned by the labours of traumatic memory. Women continue to bear the overwhelming burden of searching for truth and justice for war-related atrocities.

What the empirical data reveals is that poor women need support to engage in a diverse and plural repertoire of livelihood strategies. They need to have access to wage labour some days of the week or month. On other days, they will have to necessarily depend on one or more self-employment activities because of the inability to leave their homes, even if these remain at the survival end of the self-employment continuum. It is this need for flexibility and diversity that must be recognised and responded to by the State and the IMF at this moment of economic crisis, including a robust social welfare programme. As the Feminist Collective for Economic Justice has argued, a universal social security programme will aid long-term economic "recovery and development", and "contribute to productivity, respond to inequality, and strengthen inclusive growth and social peace".

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