



SRI LANKA

REGION
South Asia

MAIN BUSINESS CITY
Colombo

INCOME GROUP
Lower-middle Income

FEMALE LABOR FORCE PARTICIPATION
34 percent

Despite important development successes, Sri Lanka still faces challenges as it works toward greater competitiveness, inclusion, and resilience. One of these key challenges is achieving gender equality. When women are given the same opportunities as men, they enter and remain in the labor force, strengthening economies and enabling development. Gender equality is also associated with better development outcomes, such as lower rates of vulnerable employment and extreme poverty among female workers.

WBL INDEX SCORE

65.6

ABOVE
REGIONAL AVERAGE
FOR SOUTH ASIA

63.7

BELOW
GLOBAL AVERAGE

76.1

SRI LANKA ENACTED REFORMS
AFFECTING TWO OF THE
EIGHT INDICATORS,
INCREASING ITS SCORE:

Index score
in 1971

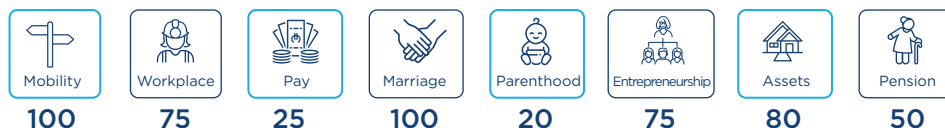
56.9

Index score
in 2021

65.6



WBL 2021 SCORE BY INDICATOR



Within the region, the highest score observed is 80.6 (Nepal) and the lowest is 38.1 (Afghanistan). Among lower-middle income economies in the region, Sri Lanka scores above the average of 66.3. Economies of the same income group that receive a higher *Women, Business and the Law* index score than Sri Lanka include Bhutan, India, and Nepal.

In Sri Lanka, *Women, Business and the Law* captured two reforms over the last 50 years affecting the laws measured by the Workplace and Marriage indicators. The first observed reform took place in 1995, when the country criminalized sexual harassment through an amendment to the Sri Lankan Penal Code. Sexual harassment is considered a criminal offense when it takes place in public places, on public transport, and in the workplace.

In 2005, the Sri Lankan parliament took another step towards protecting women from gender-based violence when it unanimously passed the Prevention of Domestic Violence Act. The law provides for protection orders in the case of sexual harassment and physical violence, which are considered penal offenses under Sri Lankan law. Yet since the law does not directly link protection order applications to the criminal justice process, criminal punitive action is not automatic. Nonetheless, the law is considered a key milestone by civil society organizations, as it was the first law to expressly protect women from domestic violence.

South Asia WBL 2021 Index Score

0 10 20 30 40 50 60 70 80 90 100





1995

WORKPLACE

An Act to Amend the Penal Code of 1995

2005

MARRIAGE

Prevention of Domestic Violence Act of 2005



MOBILITY 100/100

Of the eight economies in South Asia, five, including Sri Lanka, receive a score of 100 on the Mobility indicator. Mobility affects every step in a working woman's life. Limitations in this area reduce opportunities for women to build networks with other entrepreneurs and exchange vital information on market opportunities, ultimately preventing them from developing their full potential as successful entrepreneurs. Increasing women's mobility, including the opportunity to freely commute to and from a workplace outside the home, can give women access to better employment opportunities. Sri Lanka achieves a perfect score on this indicator. The country's laws and regulations on passports, migration, and matrimonial rights do not contain differences between the rules that govern the rights of men and women to travel abroad, choose where to live, and leave their home at will.

CAN A WOMAN CHOOSE WHERE TO LIVE IN THE SAME WAY AS A MAN?

✓ YES

CAN A WOMAN TRAVEL OUTSIDE HER HOME IN THE SAME WAY AS A MAN?

✓ YES

CAN A WOMAN APPLY FOR A PASSPORT IN THE SAME WAY AS A MAN?

✓ YES

CAN A WOMAN TRAVEL OUTSIDE THE COUNTRY IN THE SAME WAY AS A MAN?

✓ YES





WORKPLACE 75/100

The Workplace indicator analyzes laws affecting women's decisions to enter and remain in the labor force. Sri Lanka receives a score of 75 under this indicator because there is no dedicated provision in the legal framework prohibiting discrimination in employment based on gender. By adopting these protections, economies can help ensure women's job security. By prohibiting discrimination on the basis of gender, Sri Lanka would join five other economies in the region that have introduced such legislation.

A good practice example of legislation in this area is Bhutan, where according to the Labor and Employment Act 2007, an employer or employment agent shall not discriminate based on sex against employees or job applicants in connection with recruitment, dismissal, transfer, training, and demotion.

CAN A WOMAN GET A JOB IN THE SAME WAY AS A MAN? ☒ YES

DOES THE LAW PROHIBIT DISCRIMINATION IN EMPLOYMENT BASED ON GENDER? ☒ NO

IS THERE LEGISLATION ON SEXUAL HARASSMENT IN EMPLOYMENT? ☒ YES

ARE THERE CRIMINAL PENALTIES OR CIVIL REMEDIES FOR SEXUAL HARASSMENT IN EMPLOYMENT? ☒ YES



PAY 25/100

Just two economies in South Asia, and less than one-third globally, receive a score of 100 on the Pay indicator, which examines laws and regulations affecting occupational segregation and the gender wage gap. Pay has the second lowest performance of all indicators, with an average global score of just 67.5. Should a woman successfully enter and remain in the labor force, it is imperative that she not face job restrictions or receive lower pay than a man holding the same position. Yet 88 economies, including Sri Lanka, still limit the jobs women can hold.

The current legislation in Sri Lanka prohibits women from undertaking certain industrial jobs. Specifically, the Mines and Mineral Act and the Employment of Females in Mines Ordinance prohibit women from working in mines, while the Factories Ordinance prohibits women from working certain jobs in factories. Sri Lanka could move toward greater gender equality and increase labor productivity by removing these restrictions.

Fewer than half of economies worldwide (90) mandate equal remuneration for work of equal value. This standard originates from the International Labour Organization (ILO)'s Equal Remuneration Convention No. 100 of 1951 and provides a broader framework than equal pay for equal work, as it allows a comparison not only between the same or similar jobs, but also between different jobs of equal value. Sri Lanka is among the countries that have yet to fully align with these standards, despite having ratified the ILO Equal Remuneration Convention in 1993. Such a good practice exists in Nepal, which recently began allowing women to work at night and mandated equal remuneration for work of equal value under its 2017 Labor Act.

DOES THE LAW MANDATE EQUAL REMUNERATION FOR WORK OF EQUAL VALUE? ☒ NO

CAN A WOMAN WORK AT NIGHT IN THE SAME WAY AS A MAN? ☒ NO

CAN A WOMAN WORK IN A JOB DEEMED DANGEROUS IN THE SAME WAY AS A MAN? ☒ YES

CAN A WOMAN WORK IN AN INDUSTRIAL JOB IN THE SAME WAY AS A MAN? ☒ NO

MINING ☒ NO

CONSTRUCTION ☒ YES

FACTORIES ☒ NO

AGRICULTURE ☒ YES

ENERGY ☒ YES

WATER ☒ YES

TRANSPORTATION ☒ YES

OTHER ☒ YES



MARRIAGE 100/100

Unequal rights in marriage and divorce can have negative effects on women's intra-household bargaining power and jeopardize their financial security. Gender equality in this sphere includes protection from domestic violence as well as the ability to divorce and remarry in the same way as men. Sri Lanka is one of three economies in South Asia to score 100 on the Marriage indicator. This was achieved with the passage of Sri Lanka's first domestic violence legislation in 2005, which protects women from physical, sexual, and psychological violence. Over the last two decades, seven out of eight economies in the region have passed legislation specifically addressing domestic violence.

IS THERE NO LEGAL PROVISION THAT
REQUIRES A MARRIED WOMAN TO OBEY
HER HUSBAND? ☒ **YES**

CAN A WOMAN BE HEAD OF HOUSEHOLD
IN THE SAME WAY AS A MAN? ☒ **YES**

IS THERE LEGISLATION SPECIFICALLY
ADDRESSING DOMESTIC VIOLENCE? ☒ **YES**

CAN A WOMAN OBTAIN A JUDGMENT OF
DIVORCE IN THE SAME WAY AS A MAN? ☒ **YES**

DOES A WOMAN HAVE THE SAME RIGHTS
TO REMARRY AS A MAN? ☒ **YES**

Sri Lanka is also one of the four economies in the region that grants women the ability to obtain a judgment of divorce in the same way as men. Equal divorce procedures promote women's economic participation by allowing them to leave abusive marriages and ensuring their financial stability during and after a divorce.

INTRODUCTION OF DOMESTIC VIOLENCE LEGISLATION IN SOUTH ASIA, 1997-2021

- ☒ 1997 India
- ☒ 2005 Sri Lanka
- ☒ 2009 Nepal
- ☒ 2010 Bangladesh
- ☒ 2012 Maldives
- ☒ 2013 Bhutan, Pakistan





PARENTHOOD 20/100

Sri Lanka receives its lowest score, 20/100, on the Parenthood indicator, which examines laws affecting women's work during pregnancy and after having children. Maternity, paternity, and parental leave schemes can help recognize and redistribute unpaid care work. Sri Lanka is among the four economies in the region that do not grant at least 98 days of paid maternity leave, the standard established by the ILO. Since 2018 Sri Lanka's Shop and Office Employees Act, the legislation applicable to the specific case study assumptions used by *Women, Business and the Law*, only provides for 84 days of paid maternity leave to female employees. Economies from the same region that carried out reforms in this area to meet the ILO standard include Bangladesh, which lengthened paid maternity leave from 84 to 112 days in 2006, as well as India, Nepal, and Pakistan. All economies in the region, however, including

Sri Lanka, require employers to assume some level of liability for maternity leave, instead of establishing a compulsory social insurance scheme or financing the benefit through public funds; this can worsen the situation of women workers and lead to discrimination in the workplace. No economy in the region has provisions requiring the government alone to administer this benefit, making the cost of hiring women more expensive than men. Finally, paid paternity leave is limited to three days for public sector employees. Expanding paternity leave would further help redistribute unpaid care work.

LENGTH OF PAID LEAVE (CALENDAR DAYS)

	Maternity	Paternity	
India	182	0	<div></div>
Bangladesh	112	0	<div></div>
Pakistan	112	0	<div></div>
Nepal	98	21	<div></div>
Afghanistan	90	14	<div></div>
Sri Lanka	84	0	<div></div>
Maldives	60	3	<div></div>
Bhutan	56	7	<div></div>

IS PAID LEAVE OF AT LEAST 14 WEEKS AVAILABLE TO MOTHERS?

✗ NO

DOES THE GOVERNMENT ADMINISTER 100% OF MATERNITY LEAVE BENEFITS?

✗ NO

IS PAID LEAVE AVAILABLE TO FATHERS?

✗ NO

IS THERE PAID PARENTAL LEAVE?

✗ NO

IS DISMISSAL OF PREGNANT WORKERS PROHIBITED?

✓ YES



ENTREPRENEURSHIP 75/100

Laws that prescribe equal access when conducting financial transactions, applying for credit, or initiating entrepreneurial activity are key to expanding access to finance for women-owned businesses. The Entrepreneurship indicator analyzes constraints for women starting and running businesses. Sri Lanka scores 75 out of 100 points on this indicator because financial institutions are not prohibited by law from discriminating based on gender when granting credit. Introducing such legislation would offer protection to women entrepreneurs and could increase the number of female-run businesses. In South Asia, only Maldives has enacted a law prohibiting discrimination in access to credit based on gender. Article 9b of the 2016 Gender Equality Act of Maldives prohibits direct and indirect discrimination based on sex. Article 23 establishes that financial institutions have the responsibility to offer services to men and women equally, without discrimination.

DOES THE LAW PROHIBIT DISCRIMINATION IN ACCESS TO CREDIT BASED ON GENDER?

✗ NO

CAN A WOMAN SIGN A CONTRACT IN THE SAME WAY AS A MAN?

✓ YES

CAN A WOMAN REGISTER A BUSINESS IN THE SAME WAY AS A MAN?

✓ YES

CAN A WOMAN OPEN A BANK ACCOUNT IN THE SAME WAY AS A MAN?

✓ YES



ASSETS 80/100

The Assets indicator examines gender differences in property and inheritance law. Access to property can increase women's financial security and provide them with the necessary collateral to access credit and start businesses. Sri Lanka receives a score of 80 out of 100 in this indicator because it does not recognize the value of nonmonetary contributions upon dissolution of marriage. The default marital property regime in Sri Lanka is separation of property, a regime where each spouse retains ownership and control over their property. While gender neutral in theory, this disproportionately affects women, who are more likely to perform unpaid activities such as child or elder care, and typically obtain fewer monetized contributions and assets during marriage. The negative impact of the separation of property regime can be mitigated in divorce proceedings by the legal recognition of nonmonetary contributions, which can grant women a greater share of the marital property. No economy in South Asia legally provides for the valuation of nonmonetary contributions upon dissolution of marriage. A good practice example in this area from a lower middle-income economy is the legislation in Zimbabwe (see Box 1.1).

DO MEN AND WOMEN HAVE EQUAL OWNERSHIP RIGHTS TO IMMOVABLE PROPERTY?

✓ YES

DO SONS AND DAUGHTERS HAVE EQUAL RIGHTS TO INHERIT ASSETS FROM THEIR PARENTS?

✓ YES

DO MALE AND FEMALE SURVIVING SPOUSES HAVE EQUAL RIGHTS TO INHERIT ASSETS?

✓ YES

DOES THE LAW GRANT SPOUSES EQUAL ADMINISTRATIVE AUTHORITY OVER ASSETS DURING MARRIAGE?

✓ YES

DOES THE LAW PROVIDE FOR THE VALUATION OF NONMONETARY CONTRIBUTIONS?

✗ NO



BOX 1.1 GOOD PRACTICE EXAMPLE FROM ZIMBABWE: VALUATION OF NONMONETARY CONTRIBUTIONS

Matrimonial Causes Act, as amended in 1987, Sec. 7

"(1) ...in granting a decree of divorce, judicial separation or nullity of marriage, or at any time thereafter, an appropriate court may make an order with regard to— (a) the division, apportionment or distribution of the assets of the spouses..."

(4): "In making an order in terms of subsection (1) an appropriate court shall have regard to all the circumstances of the case, including ... (e) the direct or indirect contribution made by each spouse to the family, including contributions made by looking after the home and caring for the family and any other domestic duties."





PENSION 50/100

The Pension indicator assesses laws affecting women's economic prospects in retirement. Sri Lanka receives a score of 50/100 on this indicator. While the ages at which men and women can retire with partial benefits are the same, Sri Lanka does not establish the same retirement ages for men and women with full benefits, and periods of absence due to childcare are not accounted for in pension benefits.

One driver of the gender gap in pension benefits may be gender differences in retirement ages. In economies where women's retirement ages have been equalized with those of men, women work longer, consequently paying greater contributions to the mandatory pension scheme, which leads to higher retirement benefits. In the South Asia region, India, Maldives, and Nepal have legislation that establishes the same age at which men and women can retire with full pension benefits.

Explicit crediting of periods of childcare (e.g., maternity leave) toward pension benefits helps women secure economic stability in old age. Pakistan is the only economy in the region where periods of absence due to childcare are accounted for in pension benefits. According to the Sindh Employees' Old-Age Benefits Act, 2014, the period during which maternity benefits are paid is deemed to be a contributory period for the calculation of pension entitlements. Provisions such as these can help ensure women's economic security in old age.

IS THE AGE AT WHICH MEN AND WOMEN CAN RETIRE WITH FULL PENSION BENEFITS THE SAME? ☐ NO

AGE (WOMEN) 50

AGE (MEN) 55

IS THE AGE AT WHICH MEN AND WOMEN CAN RETIRE WITH PARTIAL PENSION BENEFITS THE SAME? ☒ YES

IS THE MANDATORY RETIREMENT AGE FOR MEN AND WOMEN THE SAME? ☒ YES

ARE PERIODS OF ABSENCE DUE TO CHILDCARE ACCOUNTED FOR IN PENSION BENEFITS? ☐ NO

THE WAY FORWARD

Over the years, Sri Lanka has made progress toward gender equality. Of the 35 good practices measured by *Women, Business and the Law*, 30 percent have room for improvement. Prioritizing reforms in the areas of **Workplace, Pay, Parenthood, Entrepreneurship, Assets, and Pension** is crucial to help women achieve full equality before the law.

In the area of **Entrepreneurship**, the country could improve women's economic inclusion by prohibiting discrimination in access to credit. Enacting such legislation would make Sri Lanka a pioneer in South Asia. Currently Maldives is the only country in the region to establish this protection. Introducing nondiscrimination in access to credit will also support female entrepreneurship, which could positively impact key economic outcomes such as job creation and growth. Another priority area should be that of **Pay**, where Sri Lanka could eliminate legal restrictions on women's employment. Increasing access to employment opportunities previously not available to women could also impact important economic outcomes such as occupational segregation and the gender pay gap, which remain pressing issues in both the formal and informal sectors.

In the area of **Parenthood**, Sri Lanka could consider amending the Shop and Office Employees Act and the Maternity Benefits Ordinance by increasing the duration of maternity leave available to women to 14 weeks in line with the minimum standard established by the ILO. When employers are required to pay for maternity leave but have no legal obligation to provide paid paternity leave, the disparity between the cost of hiring women compared to men may lead to an increased gender pay gap and a disincentive for employers to hire women. Among South Asian economies, Sri Lanka is one of four that does not provide any paid paternity leave for private sector workers.

Even where Sri Lanka has pursued reforms, the legal framework and implementation of some measures can still be improved. For example, despite the criminalization of sexual harassment on public transportation, civil society and researchers have highlighted that persistent harassment on trains and buses still presents an obstacle to many women entering the workforce. In the area of Marriage, an important example where legal reforms could lead to more robust protections for women is the Prevention of Domestic Violence Act. This Act fails to include economic violence in the definition of domestic violence. It also enables courts to mandate family counseling between the parties prior to pursuing cases in court, which can result in women withdrawing complaints due to intimidation. The Ministry of Women and Child Affairs of Sri Lanka has submitted a proposal to amend the Act in order to expand the categories of persons who can request protection orders on behalf of victims, especially children, in an effort to reduce the isolation that victims often experience. The same proposal removes the Act's prescription of mandatory counseling prior to the court's issuance of a permanent protection order. Parliament has not yet reviewed or enacted the proposed amendments. Lastly, The Asia Foundation – Sri Lanka called attention to discriminatory practices in Sri Lankan personal laws. For example, Muslim Personal Law does not currently allow for women to contract marriage in the same way as men.

LIST OF SOURCES

UN Committee on the Elimination of Discrimination Against Women (CEDAW), Concluding observations of the Committee on the Elimination of Discrimination against Women: Sri Lanka, 9 March 2017, CEDAW/C/LKA/CO/8

ACKNOWLEDGEMENTS

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Women, Business and the Law presents an index covering 190 economies and structured around the life cycle of a working woman. It employs eight indicators that are structured around women's interactions with the law as they begin, progress through, and end their careers: Mobility, Workplace, Pay, Marriage, Parenthood, Entrepreneurship, Assets, and Pension. Overall scores are calculated by taking the average of each indicator, with 100 representing the highest possible score.



For more information, including analysis over time, please visit wbl.worldbank.org or contact wbl@worldbank.org.

ANALYSIS: SRI LANKA IN THE *WOMEN, BUSINESS AND THE LAW* INDEX

INDICATOR	QUESTION	SRI LANKA LEGAL BASIS	SRI LANKA (Y/N)	REGIONAL TREND (Y/N)
 Mobility	Can a woman choose where to live in the same way as a man?	No restrictions could be located	Yes	75% 25%
	Can a woman travel outside her home in the same way as a man?	No restrictions could be located	Yes	88% 12%
	Can a woman apply for a passport in the same way as a man?	Immigrants and Emigrants Regulations, First Schedule Form A; Passport application form	Yes	88% 12%
	Can a woman travel outside the country in the same way as a man?	No restrictions could be located	Yes	100% 0%
 Workplace	Can a woman get a job in the same way as a man?	No restrictions could be located	Yes	100% 0%
	Does the law prohibit discrimination in employment based on gender?	No applicable provisions could be located	No	62% 38%
	Is there legislation on sexual harassment in employment?	Penal Code, Sec. 345(1)	Yes	100% 0%
	Are there criminal penalties or civil remedies for sexual harassment in employment?	Criminal: Penal Code, Sec. 345 Civil: Penal Code, Sec. 345	Yes	88% 12%
 Pay	Does the law mandate equal remuneration for work of equal value?	No applicable provisions could be located	No	25% 75%
	Can women work the same night hours as men?	Shops and Office Employees Act, Sec. 10	No	50% 50%
	Can women work in jobs deemed dangerous in the same way as men?	No restrictions could be located	Yes	75% 25%
	Are women able to work in the same industries as men?	Mines and Mineral Act No. 33, Sec. 55; Employment of Females in Mines Ordinance No.13, Sec. 2; Factories Ordinance No. 45 of 1942, Secs. 25, 67 and 67A (2)	No	38% 62%
 Marriage	Is there no legal provision that requires a married woman to obey her husband?	No applicable provisions could be located	Yes	88% 12%
	Can a woman be head of household in the same way as a man?	No restrictions could be located	Yes	100% 0%
	Is there legislation specifically addressing domestic violence?	Prevention of Domestic Violence Act, No. 34 of 2005	Yes	88% 12%
	Can a woman obtain a judgment of divorce in the same way as a man?	No restrictions could be located	Yes	38% 62%
	Does a woman have the same rights to remarry as a man?	No restrictions could be located	Yes	50% 50%
 Parenthood	Is paid leave of at least 14 weeks available to mothers?	Shop and Office Employees Act, Sec. 18B; Shop and Office Employees (Regulation of Employment and Remuneration) (Amendment) Act, No. 14 of 2018	No	50% 50%
	Does the government pay 100% of maternity leave benefits?		No	0% 100%
	Is there paid paternity leave?	No applicable provisions could be located	No	50% 50%
	Is there paid parental leave?	No applicable provisions could be located	No	0% 100%
	Is dismissal of pregnant workers prohibited?	Shop and Office Employees Act, Art. 18E	Yes	50% 50%
 Entrepreneurship	Does the law prohibit discrimination in access to credit based on gender?	No applicable provisions could be located	No	12% 88%
	Can a woman sign a contract in the same way as a man?	No restrictions could be located	Yes	100% 0%
	Can a woman register a business in the same way as a man?	No restrictions could be located	Yes	88% 12%
	Can a woman open a bank account in the same way as man?	No restrictions could be located	Yes	100% 0%
 Assets	Do men and women have equal ownership rights to immovable property?	Married Women's Property Ordinance, Sec. 5	Yes	100% 0%
	Do sons and daughters have equal rights to inherit assets from their parents?	Matrimonial Rights and Inheritance Ordinance, Sec. 24	Yes	50% 50%
	Do female and male surviving spouses have equal rights to inherit assets?	Matrimonial Rights and Inheritance Ordinance, Sec. 22	Yes	50% 50%
	Does the law grant spouses equal administrative authority over assets during marriage?	Married Women's Property Ordinance, Sec. 5	Yes	100% 0%
	Does the law provide for the valuation of nonmonetary contributions?	Married Women's Property Ordinance, Sec. 5	No	0% 100%
 Pension	Are the ages at which men and women can retire with full pension benefits equal?	Employees Provident Fund Act, Sec. 23	No	38% 62%
	Are the ages at which men and women can retire with partial pension benefits equal?	No applicable provisions could be located	Yes	50% 50%
	Are the mandatory retirement ages for men and women equal?	No applicable provisions could be located	Yes	100% 0%
	Are periods of absence due to child care accounted for in pension benefits?	No applicable provisions could be located	No	12% 88%