

# **Prioritizing the Care Economy for an Inclusive Sri Lanka**

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## Working Paper

# Prioritizing the Care Economy for an Inclusive Sri Lanka

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## Abstract

Unpaid care and domestic work (UCDW) sustains households and supports the functioning of the broader economy, yet it remains largely invisible in economic policy and national accounting frameworks in Sri Lanka. Performed predominantly by women, UCDW includes childcare, eldercare, cooking, cleaning, and other household maintenance activities that shape well-being, labour market participation, and gender relations. This paper synthesizes findings from two studies: a desk-based review of Sri Lanka's care economy and a valuation of UCDW using data from the 2017 National Time Use Survey. Using replacement cost methods, the study estimates that the value of unpaid care and domestic work is equivalent to approximately 14% of GDP, with women contributing 86% of this value. The findings highlight the substantial but unrecognized economic contribution of care work and its implications for female labour force participation, gender inequality, and social welfare. The paper identifies significant gaps in care-related policies and services and argues for greater recognition of UCDW within economic policymaking through improved measurement, satellite accounting, expanded care services, and policies that promote a more equitable distribution of care responsibilities. Prioritizing the care economy, the paper argues, is essential for inclusive growth, social well-being, and economic resilience in Sri Lanka.

## Context

Unpaid care and domestic work (UCDW) 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. Although UCDW sustains households, shapes individual well-being and enables the visible “productive” economy to function, it remains invisible in national economic accounts, and is rarely acknowledged by policy frameworks. This neglect reinforces gender inequality and obscures and undermines women’s contributions to the economy and society. This paper synthesizes evidence from two working papers on the care economy in Sri Lanka – a desk-based synthesis of existing literature and policy documents, and analysis of the 2017 National Time Use Survey – and examines the implications for labour force participation, gender equality, and social welfare, and highlights implications for policy.

## Why is it Important?

UCDW 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 unpaid care and domestic work is work tends to result in both skewed policy-making and unintended policy outcomes.

UCDW encompasses a range of essential tasks that are often overlooked but underpin the functioning of economies and societies. These tasks include domestic work such as cooking, cleaning, water and fuel collection, as well as care work such as childcare, elder care and care for persons with disabilities (PWD). Women and girls bear a disproportionate burden of these activities 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).

Persistent gender norms continue to associate caregiving primarily with women, reinforcing unequal gender divisions of labour within households and society. This places a disproportionate burden on women and girls, limiting their opportunities for paid employment, education, and participation in public and political life. When women and girls bear primary responsibility for caregiving and household tasks, they have less time to attend school, engage in paid work, or pursue economic opportunities, making it harder to achieve economic security and escape poverty. This unequal distribution of unpaid work also contributes to lower female labour force participation.

On the other hand, when women bear responsibility for both paid and unpaid work, this further reinforces systemic gender inequalities. When women do work in the paid economy, they face a “double burden” of balancing employment with caregiving and household responsibilities, which can constrain their professional advancement and economic independence. In Sri Lanka, women spend more than ten additional hours per week on total work activities than men, and employed women spend around 25% more time working when unpaid work is included (Discenza et al., 2021).

Despite its significance, UCDW is not formally recognized as “economic activity” in labour force surveys or incorporated into calculations of gross domestic product (GDP) worldwide. 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 UCDW alone is equal to 6.6% of global GDP (ILO, 2018).

Recognizing UCDW as work is essential for advancing gender equality. More equitable sharing of unpaid care can strengthen families and communities, expand women’s economic opportunities, and improve

overall well-being. This is especially important in Sri Lanka's current context of economic adjustment and fiscal constraint, where both households and public services face heightened pressure on care provision. Addressing the care economy is therefore central to social well-being, economic resilience, and sustainable development.

## Data and Methods

### *Mapping Sri Lanka's Care Economy – Desk Study*

This study used desk-based research to review and synthesize literature, policy documents, and secondary data on care work in Sri Lanka, including early childhood care, elder care, and UCDW. It assesses the current care landscape and its implications for labour market participation, social welfare, and gender equality, and identifies key gaps in knowledge and policy.

### *Valuing UCDW 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 UCDW activities, such as childcare, eldercare, cooking, cleaning, and other household maintenance tasks.

To estimate the economic value of UCDW, the paper used the **Replacement Cost Method**: This method estimates the cost of replacing UCDW 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).

## Key Findings

The economic valuation of unpaid work reveals that the economic contribution of UCDW is substantial, equivalent to a value of 14% of GDP when valued using a basket of comparable activities to generate a specialist wage. Studies from the region conducted at the same time arrive at surprisingly similar rates, ranging from 14.8% in Bangladesh (Sen et al., 2021) to 16% in Bhutan (Suh, et al., 2020) and a higher rate of 18.9% of GDP in a later study for Bangladesh (UN Women-Asia and Pacific, 2025). Kenya’s Bureau of Statistics and Mexico’s National Institute of Statistics and Geography (INEGI) report higher rates of 23% and 26% of GDP, respectively (Kenya National Bureau of Statistics, 2025, Mexico Solidarity Media 2025).

In Sri Lanka, the value of UCDC as a percentage of GDP is higher than that of the agriculture sector in the same year (7.7%), while in Mexico, this value exceeds that of the manufacturing and trade sectors. This highlights the substantial but invisible contribution of unpaid care and domestic work to the economy. A critical aspect of this result is that it highlights that women are the main contributors of this value, contributing a value of 12% of GDP, or 86% of the value of all unpaid work, contradicting the notion that women “do not work” (see Table 1).

Table 1: Economic value of UCDW in Sri Lanka

<b>Total annual value, as a % of GDP*</b>	<b>Male</b>	<b>Female</b>	<b>All</b>
<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 UCDW 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. UCDW 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 5-6 state-run eldercare institutions (Asian Development Bank, 2021, Centre for Poverty Analysis, 2023) 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 UCDW is perceived and integrated into national economic planning and policymaking. The findings of both papers advocate for enhanced recognition of UCDW'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

**Measuring UCDW systematically and reporting it through satellite accounts alongside GDP** can improve economic understanding and inform policymaking. Several countries, including Bangladesh (UNWomen-Asia Pacific, 2025), Kenya (UNWomen-Africa, 2025) and Mexico (UNWomen-Americas and the Caribbean) already use such approaches, which strengthen the visibility of unpaid work within official statistics and policy debates. This visibility is not merely descriptive; it shifts policy attention by making the scale and gendered distribution of care work measurable, and therefore harder to ignore in planning and budgeting processes. Once incorporated into official statistics, UCDW can be valued in ways that make its economic significance more explicit, enabling its inclusion in policy analysis and fiscal decision-making. Improved recognition in this sense can lead to more responsive policies. It can support the expansion of social protection and services for caregivers. It can also inform work-life balance policies that reduce the unequal distribution of care responsibilities and promote gender equality in employment. In addition, greater visibility of care constraints can strengthen the case for public investment in care services, helping to relieve household burdens while also generating employment opportunities in the care sector.

**Reducing the care burden and shifting gender roles** requires policies that promote shared caregiving. Paid paternity leave encourages men's participation in care work. Public awareness campaigns and school-based education can help shift social norms. Affordable childcare and eldercare services, along with flexible work arrangements, reduce time constraints on women and support labour market participation. Legal protections for gender equality reinforce these changes.

**Expanding care provision through state, market, and community mechanisms** is essential to restructuring the care economy. Incentives such as subsidies, tax measures, and public-private partnerships can expand private sector involvement. Public investment in care infrastructure and community-based services is critical. Improving working conditions in the care sector strengthens service quality and employment.

By developing a more comprehensive ecosystem of care provision, these policy shifts can greatly improve societal well-being and enhance social inclusion, positioning care work as a pivotal element of equitable growth.

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