

Impact of Female Labor Force Participation and The Economic Growth in The Sri Lankan Context; An Analysis on The Sri Lankan Female Labor Force Participation and Determinants

Gimhani E.M.¹, Withanwasam M.P.K.², Sewwandi S.P.D.³

Department of Business Economics, University of Sri Jayewardenepura^{1,2,3}

*emgimhani98@gmail.com*¹, *madurangaw@sjp.ac.lk*², *dileesha@sjp.ac.lk*³

ABSTRACT

The purpose of this research is to examine the impact of female labor force participation on economic growth in Sri Lanka, using time series analysis and the ARDL model. The study covers 32 years from 1990 to 2021 and employs secondary data. The methodology adopted for this study is the autoregressive distributed lag (ARDL) bounds cointegration test, and ARDL error-correction model (ARDL-ECM). Though there are plenty of studies can be found which are based on women's employment and economic growth related to global scenarios, there are not any proper studies related to the Sri Lankan context. Therefore, this study intends to fulfill this research gap in the Sri Lankan context. The results obtained from the tests show the existence of both long-run and short-run relationships. The findings indicate a positive and significant relationship between female labor force participation and economic growth in Sri Lanka. The study shows that an increase in female labor force participation leads to an increase in economic growth in the long run, but the relationship becomes statistically insignificant in the short run. The results also suggest that there is a U-shaped relationship between female labor force participation and economic growth only in the long run.

The study provides valuable insights into the role of female labor force participation in the Sri Lankan economy and its impact on economic growth. The findings suggest that the Sri Lankan government should promote policies and initiatives that support women's participation in the labor force, as this would have a positive impact on the overall economic growth of the country. The results of this study can be used to develop gender-sensitive policies and programs that aim to increase female labor force participation and promote economic growth. The study also has implications for future research since the study is limited to the Sri Lankan context and the results may not be generalizable to other countries. In conclusion, this highlights the need for effective and integrated gender-sensitive policies and initiatives to support women's participation in the labor force. The results of this study have implications for policymakers and researchers and can be used to develop gender-sensitive policies and programs aimed at promoting economic growth.

Keywords: Female labor force participation, Economic growth, U-shaped relationship, Autoregressive distributed lag model, Gender-sensitive policies