

## CI 06 The Gender Pay Gap among Informal Labours in the Informal Agricultural Sector: Gap, Causes and Impact: A Case Study in Southern Dry Zone of Sri Lanka

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The study attempts to examine the salience of a Gender Pay Gap (GPG) in a developing country context, through an empirical study of differentials in wages across gender in the informal agricultural sector of Southern Dry Zone in Sri Lanka. The gender pay gap refers to the percentage gap between the male average wages and female average wages in the same activity. Although the GPG has received considerable attention in the field of inequity and development, the practical-reality of this issue from developing countries including rural Sri Lanka remains scant. The GPG, in favour of men, discourages the women in economic activity and consequently, substantial segment of the rural labour force kept outside the country's production process and value added chain; thereby generating unemployment, under-employment and a higher incidence of poverty throughout the rural society. The secondary data for the study was supported by a household survey which was conducted by interviewing 102 labourers from 8 *Grama Niladari* Divisions (GND) in four Divisional Secretariats (DS) of Hambantota and Moneragala districts. The quantitative data was supplemented by qualitative data gathered from interviews with key informants in respective villages and case studies on selected respondents. Labourers (n=20) from private sector were interviewed for comparison purposes. Three broad areas: gender differences in daily wages, possible explanations for the GPG, and impact of GPG on the standard of living in labour households were analysed using various methodological approaches. The study found that GPG was significant (31%). Social factors including undervaluation of women's work were the main explanatory factors of GPG. One third of income poverty of a labour household can be explained through GPG (assuming other factors affecting poverty are remaining constant). A policy package by amalgamating of different institutions is necessary for closing the negative effect of GPG on living standards of rural households.

**Keywords:** gender, wage labour, inequality