



Tackling Childcare: The Business Case for Employer-supported Childcare in Sri Lanka

Case Study

Selyn

Hand Loom Weaving, Home Products,
Toys & Fabrics



Creating Markets, Creating Opportunities

ABOUT IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

ABOUT IFC'S WOMEN IN WORK PROGRAM IN SRI LANKA

The IFC-led Women in Work (WiW) Program, a four-year program valued at US\$11.5mn and funded by the Australian Government, launched in April 2017.¹ It is IFC's largest, standalone country-based gender program, working with private sector companies to close gender gaps while improving business performance. The program, which benefits from multisector program design and works closely with the World Bank on research, tackles women's access to jobs and assets at the same time. It aims to increase women's workforce participation in Sri Lanka's private sector, create more and better jobs for women, and has the potential to increase company profits and drive overall economic growth. WiW also contributes to the vision of the Government of Sri Lanka where all citizens can achieve higher incomes and better standards of living by 2025.²

Access to quality childcare services is a key constraint on women's labor force participation. Following IFC's global Tackling Childcare initiative, this report highlights Sri Lanka-specific data, experiences and resources on employer-supported childcare and may not only be relevant to individual businesses but can also serve as a resource for special economic zones, Information Technology (IT) parks and other consortium models. This case study is one of 10 featured in the report: *"Tackling Childcare: The Business Case for Employer-supported Childcare in Sri Lanka"*, available at www.ifc.org/tacklingchildcare.

COPYRIGHT AND DISCLAIMER NOTICE

© International Finance Corporation 2018. All rights reserved.

2121 Pennsylvania Avenue, N.W.

Washington, D.C. 20433

USA

Internet: www.ifc.org

The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC does not guarantee the accuracy, reliability, or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of the World Bank Group concerning the legal status of any territory or the endorsement or acceptance of such boundaries. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank Group or the governments they represent.

The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, certain of the companies and parties (including named herein).

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC Communications, 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, USA.

International Finance Corporation is an international organization established by Articles of Agreement among its member countries, and a member of the World Bank Group. All names, logos and trademarks are the property of IFC and you may not use any of such materials for any purpose without the express written consent of IFC. Additionally, "International Finance Corporation" and "IFC" are registered trademarks of IFC and are protected under international law.



Selyn Exporters (Pvt) Ltd engages the traditional Sri Lankan community of handloom weavers in producing fashion items and accessories, home products, toys and fabrics and was founded in 1991 by Sandra Wanduragala. Sri Lanka's only fair-trade guaranteed handloom company started working with 15 women in the village of Wanduragala (close to Kurunegala, the capital city of Sri Lanka's North Western Province) and has since grown into a network of around 1000 workers (90 percent women³) across the island. To date, Selyn exports its fair-trade products to 40 countries around the world⁴ and at the same time retails in premium locations across the country.

To be able to meet the export demand for its products, Selyn has established independent workshops in handloom villages in the rural outskirts of the Northwestern, Eastern and Southern Provinces of Sri Lanka in an attempt to move away from a centralized model to one where artisans can reach within the comfort of their own homes. In addition, they have a 200-strong homemaker model, which allows women to work from home or work part-time at the factories. Selyn currently owns 6 factories including a state of the art dye facility. They operate as a social enterprise and hope to not only empower the artisans financially, but to also create a way of life within which they are comfortable.

Today Sri Lanka's traditional handloom industry faces a decline due to various reasons ranging from the lack of skilled workers, uncompetitive market prices, outdated designs, and a lack of infrastructure and technology. Selyn is committed to revive Sri Lanka's heritage and to extent the business benefits to rural women and men. To tackle its human resources challenges, the company has three different ways of working with people:

- Selyn directly employs 350 employees (95 percent women), who work in Selyn's four handloom factories, its dye plant, and its toy factory.
- Selyn has an independent workshop model where clusters of people work together. These are typically groups of 5 to 35-40 people who are working together. These are mostly weaving and stitching units.
- Selyn also has a 200-strong home worker model where women work in their homes to produce (non-weaving) items. This model has increasing popularity among women who look for flexibility as they face various challenges to come to work. The model also includes the possibility to work part-time at the Selyn factories.

Creating an enabling environment for women to access and stay at work is an integral part of Selyn's work ethic. For example, Sri Lanka's official school times/schedule is not very conducive for parents who want to also pursue a fulltime job and career. Selyn starts its hours of operations at 8:00 a.m. so that parents can drop their child to school and come to work. This enables them to work part-time in the factories as well as benefit from the homemaker model. The employees work until 12 noon and pick up their child. Facilities such as a breast-feeding room and a doctor on call are also available at the factory. Furthermore, they provide childcare or day care facilities at some of their village-based workshops where culturally women (especially young mothers) do not typically work outside their homes and alternative childcare facilities are non-existent or expensive. This is also an essential component of Selyn's recruitment and retention strategy as Selyn is particularly keen and aware that it needs to attract younger artisans/workers to join the trade in order to maintain a sustainable business model.

Kumbukgette, the company's largest weaving village, has over 35 weavers. Here Selyn introduced a daycare center in 2013 for children from the ages of 3-5 years old. In 2018, to cater to school going children of 6 to 8 years, Selyn also developed a concept named "Kids Club" in addition to the daycare center. The "Kids Club" was launched to enable weavers' children to come to the factory after school. Today, both facilities are occupied by 10 children. There is a qualified teacher who supports the children with educational activities and afterschool homework. Parents undergo an orientation program for themselves prior to enrolling their child(ren) with both facilities, which helps them understand the safety guidelines, early childhood education and other skills that will be taught. The costs of running the facilities (at Rs 4000/per child/month respectively) are fully borne by the Selyn Foundation.⁵ Selyn hopes to extend this service to children up to 18 years as they see that older children too, especially young girls, would benefit from being close to their parents during and after school hours.

Selyn found that their childcare strategy and support has been paying off. Their employees were worried about informal care arrangements for their children during working hours as younger children are often left with relatives (mostly grandparents) which is common but can be unreliable and, in some cases, unsafe. In addition to benefiting the community and well-being of local children, Selyn sees a clear business rationale for the day care center and Kids Club as it has resulted in reduced absenteeism, increased staff productivity and retention of skilled workers (specifically female workers with children), and lower staff turnover costs.

Sandra Wanduragala, Attorney-at-Law, the founder of Selyn, is a renowned lawyer in Kurunegala by profession and the challenges she faced growing up made her realize the importance of access to jobs and finance for women. Selyn is Sri Lanka's only fair-trade guaranteed company and supplies to fair-trade and commercial customers all over the world. Among Ms. Wanduragala many accolades are the National Chamber of Exporters (NCE) Export Award for Best Women Exporter from 2000 to 2006, the Indira Gandhi Priyadharshini Award presented by the Federation of Indian Women Entrepreneurs in 2003 and the 2014 Asia Pacific Award for Woman Entrepreneur of the Year. Most recently in 2018 she was welcomed to the prestigious Ernst & Young Entrepreneurial Winning Women global network. Her daughter, Selyna Peiris, Attorney-at-Law, who is at present Director of Business Development at Selyn, will succeed her.

In addition to childcare support, Selyn found ways to further enhance their “employer of choice” brand. For people working at Selyn’s village centers, the company provides bicycles for easier commute. In addition, health camps, life skills, leadership and entrepreneurship development programs are offered. The life skills programs range from how to deal with pertinent social issues such as domestic abuse, alcoholism, women’s health and balancing work with their personal lives. The leadership and entrepreneurship programs are specifically designed for selected leaders and include sessions on business skills. Selyn also provides its workers free legal advice, financial management programs, access to finance and voluntary savings schemes, the latter being delivered in partnership with SANASA Development Bank (SDB), an IFC client company and SheWorks Sri Lanka member.⁶ Selyn’s management is particularly focused on increasing the satisfaction and productivity of its employees while giving back to the community. The company has positioned itself as an employer of choice for working parents (not only from rural communities) and acts as a role model for other mid-sized companies.



1 IFC. 2017. Government of Australia Partner to Support More and Better Jobs for Women in Sri Lanka.

2 Office of the Prime Minister. 2017. Vision 2025. A Country Enriched. See page 26.

3 Women Talk. “Selyna Peiris.” November 15, 2017. <https://womentalksl.wordpress.com/2017/11/27/selyna-peiris/>

4 <https://www.selyn.lk/where-to-buy>

5 The Selyn Foundation is set up as a non-profit and the primary donor is Selyn Exporters (Pvt) Ltd which donates 1% of its turnover to the fund. In addition, the company runs a fair-trade tourism project where all profits are donated to the foundation.

6 Women Talk. “Selyna Peiris.” November 15, 2017. <https://womentalksl.wordpress.com/2017/11/27/selyna-peiris/>

IFC Women in Work Program

IFC, Level 15, NDB-EDB Tower
42, Nawam Mawatha
Colombo 2
Sri Lanka

Email: womeninwork@ifc.org

December 2018