

# **Globalisation and the Gender Earnings Gap: Evidence from Sri Lanka and Cambodia**

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## Abstract

Using household and labour force surveys from Cambodia and Sri Lanka, we find large positive wage premiums and a closing of the male-female wage gap during the Multi-Fibre Arrangement (MFA) period, but smaller premiums and a widening wage gap after the end of the MFA. Our results suggest that apparel exports continued to benefit women in developing countries post-MFA but women—both in and out of the apparel industry—are susceptible to changes in global apparel prices.

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*Keywords:* apparel, Multi-Fibre Arrangement, textile, wages, women, working conditions

## 1. Introduction

Although incorporating women into the formal workforce contributes to economic development and women have made gains over the last 20 years (Anderson & Eswaran, 2009; Duflo, 2012; Galor & Weil, 1996), women's labour force participation still falls short of men's (ILO, 2018). Trade liberalization and rising exports, especially in apparel, have created opportunities for women to move from either agriculture or informality into the formal labour force (Bezuidenhout, Khunou, Mosoetsa, Sutherland, & Thoburn, 2007; Kabeer & Mahmud, 2004; Lopez-Acevedo & Robertson, 2012, 2016; Robertson, Brown, Pierre, & Sanchez-Puerta, 2009).<sup>1</sup>

Working in export-oriented industries, however, makes women more susceptible to falling prices in the global apparel market. Figure 1 shows that for U.S. consumers, the apparel price index (relative to the overall consumer price index) has been steadily falling since 1990. Prices are

falling because supply has been increasing (as opposed to falling demand). The end of the Multi-Fibre Arrangement (MFA) in 2005 contributed to falling prices as production shifted to low-wage countries (Harrigan & Barrows, 2009). Falling prices have been linked to working conditions in Cambodia (ILO, 2016a) and the structure of the apparel sector in Sri Lanka (Kelegama, 2005a, 2005b, 2006, 2009). Our study evaluates the relationship between price changes and gender earnings gaps in Cambodia and Sri Lanka.

[Figure 1 near here]

Studies of globalisation and gender earnings gaps include several approaches. Cross-country results (Anderson, 2005; Kucera & Milberg, 2000, Oostendorp, 2009) vary with the countries studied. Alternatively, Becker's (1971) discrimination model predicts that trade liberalization will increase competition, reduce the employer's ability to discriminate, and reduce the gender wage gap. Artecona and Cunningham (2002) and Black and Brainerd (2004) find results consistent with Becker's model, but others find that increasing trade openness is associated with higher gender wage gaps (Berik, van der Meulen Rodgers, & Zveglic, 2004; Menon & Rodgers, 2009).

A third approach begins with trade theory and treats males and females as separate factors of production (perhaps differentiated by skill as in Galor & Weil, 1996<sup>2</sup>). Tariff reductions may favour women in both employment and consumption (Aguayo-Tellez, Airola, Juhn, & Villegas-Sánchez, 2010; Juhn, Ujhelyi, & Villegas-Sanchez, 2013, 2014). Papers that focus on exports find mixed results (Kis-Katos, Pieters, & Sparrow, 2017; Klein, Moser, & Urban, 2010; Saurè &

Zoabi, 2014).

Our paper extends earlier research on the gender gap in Sri Lanka (Ajwad & Kurukulasuriya, 2002; Arunatilake & Jayawardena, 2010; Gunewardena, 2002, 2010; Gunewardena, Abeyrathna, Ellagala, Rajakaruna, & Rajendran, 2008; World Bank, 2013, 2016) and Cambodia (Gorman, Dorina, & Kheng, 1999; Lopez Mourello & Samaan, 2018) in three ways. We decompose wages using both the Oaxaca-Blinder and Mincerian wage equations, compare wage components with output prices with a particular focus on the apparel industry, and we compare Sri Lanka and Cambodia directly.

Our Oaxaca-Blinder approach shows that the unobservable component of the male-female wage gap, which would include trade and discrimination, explains most of the gap over time. Second, following Acosta and Gasparini (2007), Blau and Kahn (2017), and Do, Levchenko, and Raddatz (2011), we use micro-level data and show that changes in the apparel-specific wage premium and the economy-wide gap between male and female wages move as predicted by trade theory and not in ways predicted by discrimination theory.

We focus on Sri Lanka and Cambodia because they take U.S. and EU demand as exogenous (which aids with identification), they have comparable female labour force participation rates, and, as in many developing countries, apparel is their key manufacturing industry. We then exploit differences: Cambodia entered the global apparel market more recently and experienced more volatility than Sri Lanka. Figure 2 shows that Cambodian apparel exports to the United States and the European Union (EU-28) rose more quickly than Sri Lanka's apparel exports. Figure 3 shows that all output prices are lower in 2016 than in 2000, but the difference between the degree of price changes across source and destination countries makes the comparison

informative.

[Figure 2 near here]

[Figure 3 near here]

Moving forward, section 2 explains the theoretical framework and empirical approach. Section 3 describes the data and empirical results, and section 4 concludes.

## 2. Theoretic Framework and Empirical Approach

Wages, represented by  $w_{it}$  for a given individual  $i$  at time  $t$ , are influenced by a range of demographic and other characteristics represented with  $X_{it}$ . The  $X_{it}$  elements include both observable elements—such as gender, age, education, family characteristics, location, occupation, industry, and firm-specific characteristics—and unobservable elements, like initiative, luck, and perhaps charisma.

To estimate the contribution of different elements on earnings, a typical Mincerian wage equation is often used:

$$w_{it} = \beta_0 + \beta_{1t}gender_{it} + \beta_{2t}age_{it} + \beta_{3t}age_{it}^2 + \beta_{4t}education_{it} + \beta_{5t}family_{it} + \beta_{6t}location_{it} + \beta_{7t}occupation_{it} + \beta_{8t}industry_{it} + e_{it} \quad (1)$$

The estimated beta coefficients represent each element's contribution to earnings. For example,

$\beta_{4t}$  represents the change in wages that would result from an additional year of education ('returns to education'). The final term  $e_{it}$  captures the unobservable characteristics of earnings. In Mincerian wage equations, observable factors usually explain about a third of the total earnings variation.

There is an important difference between industry-specific and those that are economy-wide. For example,  $\beta_{1t}$  represents the male-female wage gap throughout the entire economy, which is different from a male-female wage gap within a given industry. The contributions of industry-specific factors to wages are captured in the  $\beta_{8t}$  coefficients. In particular, the  $\beta_{8t}$  coefficients represent the difference in earnings for all workers—male and female—within a given industry relative to other industries.

The beta terms are indexed by  $t$  because changes in the economy can change the estimated coefficients. The tremendous literature surrounding the determination of  $\beta_{1t}$  term generally and how globalisation might contribute to these changes falls roughly into two groups. The first postulates that firms prefer to hire males and use rents to pay males higher wages. Import competition increases competition and reduces rents, and therefore should close the male-female gap *within the industry experiencing import competition*. The predicted effects of globalisation are therefore industry specific because if there was another industry that did not discriminate, that industry would offer women higher (relative) wages. Moreover, if perfectly mobile, women would leave the industry that offers lower wages. Thus, for the discrimination theory to hold, the wage gap must vary by industry and women must not be perfectly mobile.

Alternatively, the Heckscher-Ohlin (HO) trade model predicts that a country that is abundant in a given factor will tend to export the good that intensively employs that factor. Goods differ in

their factor intensity (the ratio at which they employ the two factors) and countries differ in their factor endowments (the ratio of the supply of one factor to the supply of the other). We follow several papers that apply the HO model to gender wage differentials using males and females as different factors (e.g. Do, Levchenko, & Raddatz, 2011; Juhn, Ujhelyi, & Villegas-Sanchez, 2014).

The Stolper-Samuelson theorem, illustrated in Figure 4, describes the link between output prices and wages in the HO model. Since the Stolper-Samuelson theorem assumes perfect competition and full employment, marginal costs equal output prices. The two curves in Figure 4 represent the combinations of male ( $w^m$ ) and female ( $w^f$ ) wages that equate marginal cost (being a combination of the costs of males and females) with the output price. Perfect mobility between industries implies that the two industries must pay the same for males and the same for females. Thus, the equilibrium  $\beta_{1t}$  (the ratio of  $w^m/w^f$ ) is determined by the intersection of these two curves.

[Figure 4 near here]

The HO-based Stolper-Samuelson theorem predicts that changes in output prices would change  $\beta_{1t}$ . An increase in the output price of female-intensive industry would increase women's wages (in absolute and real terms) and reduce men's wages (in absolute and real terms). If the price of female-intensive goods fell, the opposite would occur. The falling price of female-intensive goods (apparel) would increase the wage gap in all industries.<sup>3</sup>

These predictions are different from discrimination theory because the Stolper-Samuelson

predictions suggest that the male-female wage gap is not industry specific. Wages for males are the same in both industries and wages for females, while different than wages for males, are the same in both industries. Discrimination theory, however, suggests that falling prices would reduce the ability of firms to discriminate and therefore the male-female wage gap would shrink within that industry. Whether the gap would fall in other industries, or how the gap would fall in other industries, is not usually considered.

It is increasingly appreciated that workers are not perfectly mobile in the short run. The ‘specific factors’ version of the HO model, often called the Ricardo-Viner model, suggests that when factors are immobile, wages are closely tied to industries and not immediately subject to the general-equilibrium effects captured by the Stolper-Samuelson theorem.

Industry-specific effects, as described in the Ricardo-Viner model, are also elements of the Mincerian wage equation shown above. Specifically, the industry-specific effects are represented by the  $\beta_{8t}$  term.

An increase in apparel prices would increase demand for apparel workers. Before workers move between industries, wages in the apparel industry increase while wages in the other industry remain constant. Gradually, however, workers migrate from the non-apparel industries to apparel, causing a movement along each demand curve to the new equilibrium wage. Thus, in the short run, the wages in apparel will increase relative to others, but in the long run wages will again equalise across industries.

The industry-specific effects represented by the  $\beta_{8t}$  term are therefore functions of output prices. That is, when factors are specific, an increase in one industry’s output price will increase the industry-specific component of earnings (that is, the  $\beta_{8t}$  term). Note that the price effects on the



$\beta_{8t}$  term should be most evident in the short run, before factors have a chance to move. As factors move, the general equilibrium Stolper-Samuelson effects emerge. Specifically, an increase in apparel prices would cause the industry-specific coefficient ( $\beta_{8t}$ ) to increase and would cause the wage gap ( $\beta_{1t}$ ) to get smaller (with the reverse happening for a fall in apparel prices).

Of course, many other factors affect earnings. We therefore use household data to control for these observable characteristics, examine how the coefficients change over time, and compare changes in the estimated coefficients with changes in prices of female-intensive apparel. Note that we also focus on industry-specific gender differentials to estimate the predictions of the discrimination model.

### **3. Data and Empirical Results**

#### ***3.1 Data Description***

The Cambodian data come from the 1996, 1999, 2004, and 2007–2014 iterations of the cross-sectional Cambodia Socio-Economic Survey (CSES), conducted by the National Institute of Statistics. Each survey covers roughly 12,000 households and collects data on wages, education, age, marital status, gender, location, industry, occupation, some working conditions, and hours worked. We include both full-time and part-time worker data.

For Sri Lanka, we use the 1992, 1994–1996, 1998–2004, 2007, 2008, and 2011–2015 waves of the cross-sectional Sri Lanka Labour Force Surveys (LFS), and the 2006 wave of the Sri Lanka Household Income and Expenditure Survey (HIES) conducted by the Sri Lankan Department of Census and Statistics. We assume that differences in the focus and method of the surveys do not

affect the measurement of similar variables. They contain information about work-related activities (for example, employment status, occupation, industry, and wages), household characteristics (for example, size and location), and individual demographic characteristics (such as age, gender, and education, among others) for 30,000 to 60,000 individuals. Both full-time and part-time workers are included.

Table 1 illustrates the value of comparing Cambodia and Sri Lanka. The male labour force participation rates are quite similar and stable (around 70 per cent), but the Cambodian female labour-force participation rate rises over time. The share of the total labour force employed in the apparel industry was relatively small and remained stable in Sri Lanka but rose along with female labour force participation in Cambodia.

[Table 1 near here]

The female share of apparel employment was 74.1 per cent in Sri Lanka (2015) and 77.5 per cent in Cambodia (2014) and is consistently higher than the female share of total employment. By nearly any definition, the apparel sector is female intensive.

Apparel workers are more educated than the country average, but men working in the apparel sector are more educated than women, reflecting the national gender education gaps. Table 2 shows that average apparel wages were higher than agriculture wages in both countries but lower than the economy-wide average and that men earn more than women. We now decompose the gender earnings differences into observable and unobservable components.

[Table 2 near here]

### ***3.2 Decomposing the Gender Wage Differential***

Gender wage differentials are explained by observable (e.g. education and age) and unobservable (e.g. discrimination, globalization) factors. The Oaxaca-Blinder decomposition is often applied to gender wage differentials to separate the observed wage differences into the observable and unobservable components.

Our observable characteristics include age, age squared, and education. Figures 5a and 5b show the total gender wage gap and unexplained portions in Sri Lanka and Cambodia (full results are available upon request, Table A.8). The gap is mostly unexplained in both countries. In Sri Lanka, the estimated gap is rising more consistently than in Cambodia. In Cambodia the gap grew from 11.8 per cent in 1996 to 32.1 per cent in 2011 (consistent with López Moureló & Samaan, 2018). After 2011, however, it fell to approximately 19 per cent (Figure 5a). In Sri Lanka the wage gap has increased from 5 to 23 per cent since 1992 (Figure 5b).

[Figures 5a and 5b around here]

The main message of Figures 5a and 5b is that they suggest that we can look at changes in the betas of the Mincerian wage equation over time because those changes clarify the ‘unexplained’ part of the Oaxaca-Blinder decomposition. The large role of the unexplained component suggests that globalisation could be playing a significant role through the general equilibrium effects that apparel price changes have in the economy. Of course, discrimination and changes in returns to other characteristics may also be affecting the unexplained portion. We compare these explanations in the next section.

### 3.3 Specification and Estimation Issues

The hedonic Mincerian equation decomposes earnings into characteristic-specific dimensions (equation 2). We regress wages<sup>4</sup> for worker  $k$  on gender ( $gen_k$ ); age ( $age_k$ ;  $age_k^2$ ); years of education ( $edu_k$ ); industry dummies<sup>5</sup> ( $ind_k$ ) that include all industries except textiles and garments; a textile and garment industry dummy ( $TG_k$ ); occupation dummies<sup>6</sup> ( $occup_k$ ); a year dummy ( $year$ ) equal to the value of one for the year 2005 and beyond; an interaction term between  $TG_k$  and the  $year$  dummy; and a remaining match-specific component that is captured in the residual term  $\varepsilon_k$ .

$$\log(wage_k) = \beta_0 + \beta_1 gen_k + \beta_2 age_k + \beta_3 age_k^2 + \beta_4 edu_k + \sum_j \gamma_j ind_{kt} + \beta_5 TG_{kt} + \sum_i \lambda_i occup_k + \alpha * year + \psi * year * TG_k + \varepsilon_k \quad (2)$$

We correct for the possibility of selection bias that comes from the censoring of (mainly female) wages by using the two-step Heckman approach and incorporating available variables known to affect labour force participation (ILO, 2016b). Workers with a positive wage value are considered to be participating in the labour force.<sup>7</sup> Wage-equation variables are added to marital status, household head educational attainment, household size, and the number of children in two different age groups (0–5 years and 5–18 years) to form the selection equation.<sup>8</sup>

Endogeneity of occupation selection (Bonin, Dohmen, Falk, Huffman, & Sunde, 2007; Polachek & Solomon, 1981) is a potential estimation issue that could be addressed with instruments for endogenous occupation selection, but the search for adequate instruments was unsuccessful. Endogenous selection may not be as severe in our case as in developed countries. In developed

countries, endogenous selection can lead to positive wage differentials if high-ability workers sort into high-productivity occupations. In our case, labour markets are probably more accurately characterised by a state of excess supply that allows firms to select from the upper end of the worker distribution. If so, then rising apparel prices, which raises the demand for workers, would induce firms to work down the distribution when hiring (because they already selected from the top of the distribution). In this case, endogenous selection could cause the wage difference in apparel to fall relative to the rest of the economy because lower-productivity workers are entering the high-wage sector. Furthermore, the structure of the apparel industry is relatively flat in the sense that the main occupation is sewing, which may not offer the same opportunities for sorting (and thus endogenous occupation selection bias) that might be found in other regions.

Another estimation issue is that estimates of the apparel coefficient are sensitive to the omitted industry category. We therefore apply the ‘grand mean’ approach (Haisken-DeNew & Schmidt, 1997). The estimated industry dummy coefficients are interpreted as ‘inter-industry wage differentials’ (Krueger & Summers, 1987) and represent the difference earned in each industry relative to the overall mean wage (rather than the omitted industry).

### ***3.4 Main Results***

In this section we discuss the results of tests of whether the textile and garment (apparel) premium changes over time. We then consider tests of whether the gender wage differential changes over time.<sup>9</sup>

In Heckman selection models, interpreting coefficients may not be straightforward (especially in the presence of interaction terms). We therefore compute the implied marginal effects (that derive from both stages of the Heckman) using Stata’s MFX commands. These estimates are

nearly identical quantitatively and identical qualitatively from those estimated directly (without calculating the marginal effects) and are available upon request (Table A.6 and A.7).

Interestingly, the estimated hazard ratio is generally positive and statistically significant, which indicates that selection matters. The positive sign indicates that the unobserved characteristics that might affect the decision to work are positively correlated with earnings. Furthermore, the coefficient on the estimated hazard ratio is rising over time, which implies that the estimated covariance between the decision to work and the wage earned is rising. One interpretation might be that ability or initiative are becoming more important for individual workers, but further exploration is outside our scope. Estimates with and without sample weights are qualitatively and quantitatively similar (estimates with sample weights are available upon request, Table A.1 and A.2).

In both countries, working in apparel pays a premium compared to the economy average.<sup>10</sup> Column 1 of table 3 shows that the pre-2005 wage premium was 31.7 per cent in Cambodia and column 3 of table 3 shows that this premium was 6.0 per cent in Sri Lanka. This result contrasts with table 2, which might be interpreted as demonstrating that the apparel sector is a low-wage ‘sweatshop’ sector. In comparison to international and unadjusted domestic wages, apparel wages are low. But table 3 shows that relative to alternatives for similar individuals (generally younger, unmarried, less-educated females), the apparel jobs (T&G dummy) pay higher than average.<sup>11</sup>

[Table 3 near here]

Table 3 shows a short-run drop in the apparel premium after 2005 that is consistent with López Mourelo and Samaan (2018), World Bank (2016), and Figure 3. The interaction with post-MFA and the T&G sector (apparel) is negative and significant in both countries. In Cambodia, the apparel wage premium declined post-MFA by 20.4 per cent compared to other industries, but still remained 11.3 per cent higher than the economy average. In Sri Lanka the apparel premium fell by 11.8 per cent after 2005.

An alternative specification separates the pre-2005 period using 1999 as a dividing year to leverage differences between Cambodia and Sri Lanka. Cambodia entered the international market around 1999. Cambodia's unit value of apparel exports increased between 1998 and 2000. The wage premium increased 40.5 percentage points in the 1999–2004 period as the apparel price increased. In the pre-2005 period, the premium fell but remained 16.2 percentage points higher than in the pre-1999 period. This pattern also matches the changes in unit values shown in Figure 3.

In Sri Lanka, moderate price movements accompany smaller changes in the apparel wage premium. Figure 3 shows that the unit values in the 1999–2004 period were lower than in the 1998–1999 period, and that they continued to fall after 2005. The estimated apparel wage premiums in Table 3 (column 4) fall over time.

Columns 1 and 3 of Table 4 show that the male-female wage gap throughout the economy in both countries increased after the end of the MFA, which is consistent with the theoretic prediction that falling prices for female-intensive goods should reduce the wages of women throughout the economy. The two countries exhibit similar wage-gap changes over time.

[Table 4 near here]

Dividing the pre-2005 period using 1999 as a break point reveals that the male-female wage gap closed considerably in Cambodia when the price of apparel increased between 1999 and 2004. In Sri Lanka, the gender wage gap increased during the 1999–2004 period and continued increasing after the end of the MFA when the unit value of apparel dropped.

In separate unreported results (available upon request, Table A.3 and A.4), we estimate year-by-year log hourly wage regressions using a simple Mincerian model with the Heckman correction. The apparel coefficient, which represents wages of all (male and female) apparel workers relative to other workers, and the female dummy coefficient, which captures male-female wage differentials in all industries (throughout the entire economy), vary over time in both countries.

Figure 6a graphs these two variables for Sri Lanka. Since apparel prices globally have been declining generally (Figure 1) and in Sri Lanka (Figure 3), it is not surprising that in Sri Lanka the apparel wage premium (solid line) falls consistently over time and the male wage premium (dashed line) increases over time (trend lines estimated with an OLS trend term are added for emphasis).

[Figure 6a near here]

Figure 6b graphs the same two variables for Cambodia. When Cambodia first enters the global market, it experiences a sharp increase in the apparel prices, and both the apparel premium and



the wage gap between men and women (the dashed line) falls dramatically until about 2006.

When the apparel premium starts to fall in 2006, the wage gap between men and women throughout the economy starts to rise.

[Figure 6b near here]

The apparel premium starts to rise again in 2011, and the wage gap between men and women falls in the last two years for which we have data. Starting around 2011, Cambodia began switching its main export destination from the United States to the European Union. The switch increased output prices. Although we only have 10 time-series observations for the male-female wage gap, a simple OLS regression of the male-female wage gap on the 1-year lagged (log) exports to the United States explains 76 percent of the variation in the male-female wage gap in Cambodia (with an estimated coefficient (standard error) of  $-0.125$  ( $0.0248$ )). Exporting apparel to the United States is correlated with a reduction in the male-female wage gap throughout the economy (not just in the apparel industry), which is consistent with the Stolper-Samuelson prediction. Moreover, a decline in exports to the United States was correlated with a rising wage gap throughout the economy.

[Figure 7 near here]

Of course, alternative explanations are possible. The discrimination model suggests that firms in export industries may have the opportunity to discriminate against women because they receive

higher wages. Table 4 shows that women in the apparel industry earn more relative to men than women in other industries in Cambodia. In Sri Lanka, the male-female wage gap is not statistically different in apparel than in other industries. Neither result supports the discrimination model. If anything, these results suggest that the women in apparel receive a premium relative to women in other industries (at least relative to men).

Since women adjust along the extensive margin in response to labour demand shocks (Sauré & Zoabi, 2014), we estimate marginal effects (evaluated at the means of the regressors) of the independent variables on labour force participation in Cambodia and Sri Lanka. Overall, the results (available upon request, Table A.9) show that women's labour force participation is relatively constant over time in Sri Lanka and rising consistently in Cambodia. Our results therefore seem to be driven by neither adjustments along the extensive margin nor unaccounted selection bias.

Working conditions seem to improve consistently. Sri Lanka's 2006 Garments without Guilt and 2008 Abhimani ('pride') campaigns<sup>12</sup> improved working conditions, but working conditions are still far from ideal (Staritz & Frederick, 2011b). Cambodia's Better Factories Cambodia (BFC) program linked labour compliance to U.S. apparel import quotas. The 2004 Foreign Investment Advisory Service survey rated Cambodia the highest on 'level of labour standards' among Asian apparel-exporting countries, including Bangladesh, China, Thailand, and Vietnam (Staritz & Frederick, 2011a).

In separate results, available upon request (Table A.10), we analyse overtime and child labour. In 2008, on average, 76 (78) percent of people in Sri Lanka (Cambodia) worked more than 40 hours a week (the average is about 52 hours). In Cambodia this share decreased from 2008 to 2014,

while in Sri Lanka it remained constant. We also find that there was a very small percentage of workers below 14 years old—on average less than one percent from 1996 to 2014. The percentage of workers in apparel younger than 14 years old was slightly higher than the economy for selected years, but lower than the agriculture average.

The main point here is that employment fluctuates with changes in labour demand, suggesting imperfect mobility between industries. Child labour, hours worked, and working conditions fluctuate less over time, suggesting that these alternative explanations probably do not explain changes documented earlier.

#### **4. Conclusions**

Apparel exports create both opportunities and risks for women in developing countries. Apparel workers earn significant wage premiums relative to other options. Especially in Cambodia, these premiums increased significantly when Cambodia started exporting apparel. The gender wage gap follows changes in apparel prices in ways consistent with trade theory, but not in ways suggested by other models, such as discrimination theory. Overall the results suggest that women benefit from apparel exports, but they are increasingly susceptible to changes in the global apparel markets.

#### **Notes**

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<sup>1</sup> Liberalization in developing countries increased demand in these countries for female workers, while reducing the demand for female workers in developed countries (Kucera & Milberg, 2000).

<sup>2</sup> Females, however, are not necessarily less skilled (Domínguez-Villalobos & Brown-Grossman, 2010).

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<sup>3</sup> Other industry-specific factors, such as input costs and technological change, may also affect wages.

Falling input costs or an increase in (some forms of) technological change could also result in both increased demand for exports and Stolper-Samuelson effects.

<sup>4</sup> Specifically, the natural logarithm of real hourly individual labour income in 2005 prices.

<sup>5</sup> Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. When necessary, the omitted category is Agriculture and Forestry.

<sup>6</sup> Occupation dummies are according to 1-digit ISCO-08; the omitted category is Managers.

<sup>7</sup> Without unemployment insurance, people who are able and willing to work generally earn some non-zero amount in either the formal or informal labour markets and unemployment rates are low. For a popular-press discussion, see <https://www.cambodiadaily.com/editors-choice/cambodias-low-jobless-rate-hides-harsh-reality-106803/>.

<sup>8</sup> The possibility that the women choosing the T&G sector are different cannot be ruled out in principle and deserves some empirical consideration. One way to approach this would be to identify variables that would condition the selection into T&G that do not affect wages, but we were unable to find suitable measures.

<sup>9</sup> Several papers split the sample (Blau et al., 2017) between male and females. This is the Oaxaca-Blinder (OB) decomposition that separates the wage gap into observed and unobserved components. We are not concerned with the unobserved portions. Combining the sample allows us to compare male and female wages directly before, during, and after the end of the MFA.

<sup>10</sup> While informality matters, our household surveys lack specific information on benefits and type of contract beyond the measurements of working conditions described in the previous section.

<sup>11</sup> The results present T&G relative to the ‘rest’ using grand means. This makes the omitted category irrelevant, as it recalculates all of the industry dummy variables as the difference between each industry's mean wage and the overall average wage in the economy.

<sup>12</sup> Here we refer to the five-year strategy developed in 2002 (see Ruwanpura, 2016).

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Table 1: Labour Force Characteristics for Cambodia and Sri Lanka (Selected Years)

A. Cambodia

	1996	1999	2004	2007	2008	2014
<i>Employment and Education</i>						
Labour force participation rate, all	38.0 (48.5)	37.6 (48.4)	43.6 (49.6)	49.0 (50.0)	52.9 (49.9)	68.1 (46.6)
Labour force participation rate, males	51.0 (50.0)	49.3 (50.0)	52.4 (49.9)	58.7 (49.2)	61.6 (48.6)	72.7 (44.5)
Labour force participation rate, females	26.5 (44.1)	26.9 (44.3)	35.6 (47.9)	40.1 (49.0)	45.1 (49.8)	64.0 (48.0)
Females in employment (per cent)	36.2 (48.1)	37.3 (48.4)	42.8 (49.5)	41.3 (49.2)	42.1 (49.4)	49.0 (50.0)
Hours worked, all	42.6 (15.3)	47.3 (13.8)	44.5 (18.0)	47.3 (17.2)	47.8 (15.1)	44.4 (16.2)
Hours worked, males	43.3 (14.9)	47.3 (13.4)	46.0 (17.2)	49.0 (16.1)	49.1 (14.4)	45.6 (15.1)
Hours worked, females	41.4 (15.9)	47.3 (14.4)	42.5 (18.8)	44.9 (18.4)	46.0 (15.9)	43.0 (17.1)
Years of education	3.9 (3.6)	5.3 (4.2)	4.8 (4.0)	6.0 (4.6)	6.2 (4.7)	6.5 (4.9)
Years of education for females in T&G	4.8 (3.2)	5.6 (3.2)	5.5 (2.8)	6.0 (3.0)	6.0 (2.7)	6.7 (3.3)
Years of education for males in T&G	5.0 (3.3)	7.8 (3.3)	7.3 (3.4)	8.5 (3.8)	7.2 (2.6)	8.3 (3.5)
Years of education in T&G	4.8 (3.2)	6.0 (3.3)	5.8 (3.0)	6.4 (3.3)	6.2 (2.7)	7.0 (3.4)
<i>Employment Share of the Industry</i>						
Agriculture (per cent)	60.3 (48.9)	45.6 (49.8)	45.6 (49.8)	38.4 (48.6)	36.3 (48.1)	40.4 (49.1)
T&G (per cent)	2.2 (14.7)	6.5 (24.6)	6.9 (25.4)	6.9 (25.4)	7.9 (27.0)	12.3 (32.8)
Share of females in T&G (per cent)	79.2 (40.7)	82.8 (37.8)	81.3 (39.0)	82.9 (37.7)	80.9 (39.4)	77.5 (41.8)

Table 1 (continued)

## B. Sri Lanka

	1992	2002	2012	2015
<i>Employment and Education</i>				
Labour force participation rate, all	47.6 (49.9)	51.9 (50.0)	48.6 (50.0)	50.3 (50.0)
Labour force participation rate, male	65.2 (47.6)	70.0 (45.8)	68.8 (46.3)	69.0 (46.3)
Labour force participation rate, female	30.3 (46.0)	34.6 (47.6)	30.4 (46.0)	33.8 (47.3)
Females in employment (per cent)	28.5 (45.1)	32.4 (46.8)	32.1 (46.7)	34.7 (47.6)
Hours worked, all	45.8 (15.5)	45.4 (15.9)	46.2 (14.0)	46.0 (15.0)
Hours worked, male	47.5 (15.2)	47.9 (15.5)	48.7 (13.5)	49.0 (14.4)
Hours worked, female	41.7 (15.5)	40.1 (15.3)	40.8 (13.6)	40.4 (14.5)
Years of education	7.9 (3.7)	8.0 (3.6)	8.6 (3.4)	8.8 (3.3)
Years of education for females in T&G	8.9 (2.6)	9.6 (2.1)	9.7 (2.0)	9.8 (1.8)
Years of education for men in T&G	9.1 (2.7)	9.8 (2.1)	9.8 (2.1)	9.9 (2.0)
Average years of education in T&G	9.0 (2.6)	9.7 (2.1)	9.7 (2.0)	9.9 (1.9)
<i>Employment Share of the Industry</i>				
Agriculture (per cent)	29.6 (45.7)	33.0 (47.0)	30.0 (45.8)	29.4 (45.6)
T&G (per cent)	5.1 (22.0)	5.8 (23.4)	5.5 (22.7)	5.6 (23.1)
Share of female in T&G (per cent)	71.0 (45.4)	72.3 (44.7)	71.1 (45.4)	74.1 (43.8)

Table 2: Monthly Real Wage Levels in U.S. Dollars for Cambodia and Sri Lanka, 2005 prices  
(1996–2014 for Cambodia; 1992–2015 for Sri Lanka)

Panel A: Cambodia

	1996	1999	2004	2010	2014
<i>Mean wage in T&amp;G, all</i>	50.2 (54.6)	59.3 (50.6)	61.0 (32.5)	58.8 (47.0)	80.8 (57.3)
Male	61.0 (51.4)	80.2 (95.9)	69.0 (47.8)	70.4 (72.1)	84.3 (65.7)
Female	47.5 (55.2)	55.0 (33.0)	59.1 (27.2)	56.7 (40.5)	79.9 (54.6)
<i>Mean wage in agriculture, all</i>	48.9 (148.9)	43.7 (90.7)	24.2 (32.5)	31.0 (30.5)	55.9 (48.9)
Male	55.5 (145.7)	46.9 (92.1)	29.0 (42.2)	35.0 (34.5)	62.7 (53.7)
Female	36.8 (154.0)	36.5 (87.3)	19.5 (16.9)	26.9 (25.2)	47.5 (40.9)
<i>Mean wage, all</i>	69.2 (277.9)	67.1 (413.2)	50.9 (73.4)	65.8 (67.3)	91.8 (115.5)
Male	76.3 (321.0)	64.1 (214.8)	53.8 (83.6)	73.4 (73.6)	100.7 (140.7)
Female	58.0 (191.1)	72.2 (616.0)	46.7 (55.3)	55.3 (56.0)	80.1 (68.0)

Table 2 (continued)

## Panel B: Sri Lanka

	1992	2000	2011	2015
<i>Mean wage in T&amp;G, all</i>	51.7 (29.5)	60.6 (55.5)	67.4 (44.2)	76.8 (61.5)
Male	64.5 (40.0)	82.3 (86.3)	87.6 (64.2)	108.2 (66.7)
Female	47.4 (23.3)	53.0 (36.7)	58.8 (27.9)	65.6 (55.4)
<i>Mean wage in agriculture, all</i>	34.1 (22.7)	38.9 (26.2)	47.2 (30.0)	61.7 (53.9)
Male	37.7 (25.1)	43.4 (30.4)	52.7 (31.7)	70.2 (57.2)
Females	27.7 (15.7)	32.8 (17.3)	39.5 (25.6)	41.6 (38.1)
<i>Mean wage, all</i>	55.5 (37.6)	68.2 (61.5)	79.8 (57.1)	102.0 (117.2)
Male	57.9 (38.3)	72.9 (65.7)	84.0 (57.8)	110.7 (121.5)
Female	50.0 (35.6)	58.8 (51.2)	70.8 (54.4)	82.7 (104.4)

*Notes:* Calculations based on Cambodia Socio-Economic Surveys, the Sri Lankan 2006 Household Income and Expenditure Survey, and the 1992–2002, 2008, 2011, and 2012 Labour Force Surveys. Selected years shown to save space. The local currency was transformed into the U.S. dollars using the Consumer Price Index (CPI) and the exchange rate from the World Development Indicators Database. Standard deviations are in parentheses. T&G = textiles and garments.

Table 3: Changes in Apparel Premium over Time (1996–2014 for Cambodia; 1992–2015 for Sri Lanka)

	Cambodia		Sri Lanka	
	(1)	(2)	(3)	(4)
Female dummy	-0.183*** (0.011)	-0.181*** (0.011)	-0.360*** (0.014)	-0.330*** (0.014)
Age	0.056*** (0.004)	0.055*** (0.004)	0.078*** (0.003)	0.071*** (0.003)
Education	0.047*** (0.001)	0.047*** (0.001)	0.041*** (0.001)	0.041*** (0.001)
T&G dummy	0.317*** (0.019)	0.005 (0.046)	0.060*** (0.012)	0.120*** (0.017)
1999–2004 dummy		0.102*** (0.012)		-0.200*** (0.007)
2005 and above dummy	0.411*** (0.009)	0.482*** (0.012)	0.159*** (0.005)	0.034*** (0.007)
T&G * (1999–2004 dummy)		0.405*** (0.057)		-0.099*** (0.023)
T&G * (2005 and above dummy)	-0.204*** (0.022)	0.162*** (0.054)	-0.118*** (0.017)	-0.178*** (0.022)
Hazard ratio	0.145*** (0.026)	0.132*** (0.026)	0.207*** (0.024)	0.153*** (0.024)
Constant	5.467*** (0.084)	5.372*** (0.085)	1.808*** (0.079)	2.086*** (0.079)
Observations	68,023	68,023	271,863	271,863

*Source:* Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014, and the Sri Lankan 1992–2002, 2008, and 2011–2015 Labour Force Surveys.

*Note:* Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1) and (3) is 2004 and earlier; the omitted time category in cols (2) and (4) is 1998 and earlier.

Table 4: Changes in Gender Differential over Time (1996-2014 for Cambodia; 1992-2015 for Sri Lanka)

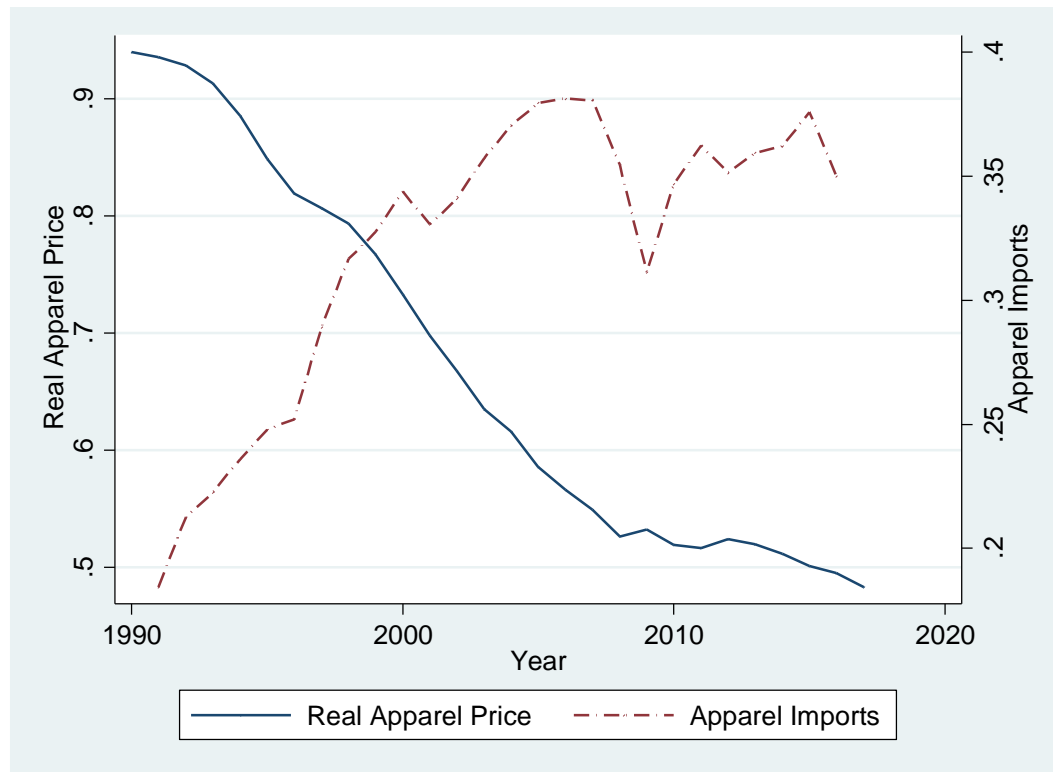
	Cambodia		Sri Lanka	
	(1)	(2)	(3)	(4)
Female dummy	-0.168*** (0.014)	-0.233*** (0.021)	-0.282*** (0.015)	-0.218*** (0.018)
Age	0.055*** (0.004)	0.054*** (0.004)	0.077*** (0.003)	0.070*** (0.003)
Education	0.047*** (0.001)	0.047*** (0.001)	0.041*** (0.001)	0.041*** (0.001)
T&G dummy	0.224*** (0.024)	-0.055 (0.048)	0.038** (0.016)	0.083*** (0.021)
1999–2004 dummy		0.068*** (0.014)		-0.185*** (0.008)
2005 and above dummy	0.425*** (0.010)	0.472*** (0.014)	0.200*** (0.006)	0.084*** (0.007)
T&G * (1999–2004 dummy)		0.355*** (0.058)		-0.074*** (0.024)
T&G * (2005 and above dummy)	-0.181*** (0.024)	0.151*** (0.055)	-0.055*** (0.017)	-0.099*** (0.023)
Female * (1999–2004 dummy)		0.099*** (0.024)		-0.054*** (0.014)
Female * (2005 and above dummy)	-0.045*** (0.015)	0.025 (0.022)	-0.146*** (0.010)	-0.181*** (0.013)
Female * T&G	0.131*** (0.022)	0.126*** (0.022)	-0.013 (0.019)	-0.012 (0.019)
Hazard ratio	0.135*** (0.027)	0.119*** (0.027)	0.196*** (0.024)	0.141*** (0.024)
Constant	5.475*** (0.085)	5.418*** (0.085)	1.808*** (0.079)	2.079*** (0.079)
Observations	68,023	68,023	271,863	271,863

*Source:* Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014, and the Sri Lankan 1992–2002, 2008, and 2011–2015 Labour Force Surveys.

*Note:* Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

The grand mean effects of the industries are calculated; post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1) and (3) is 2004 and earlier; the omitted time category in cols (2) and (4) is 1998 and earlier.

Figure 1: U.S. Apparel Imports and Real Apparel Prices (1991–2017)

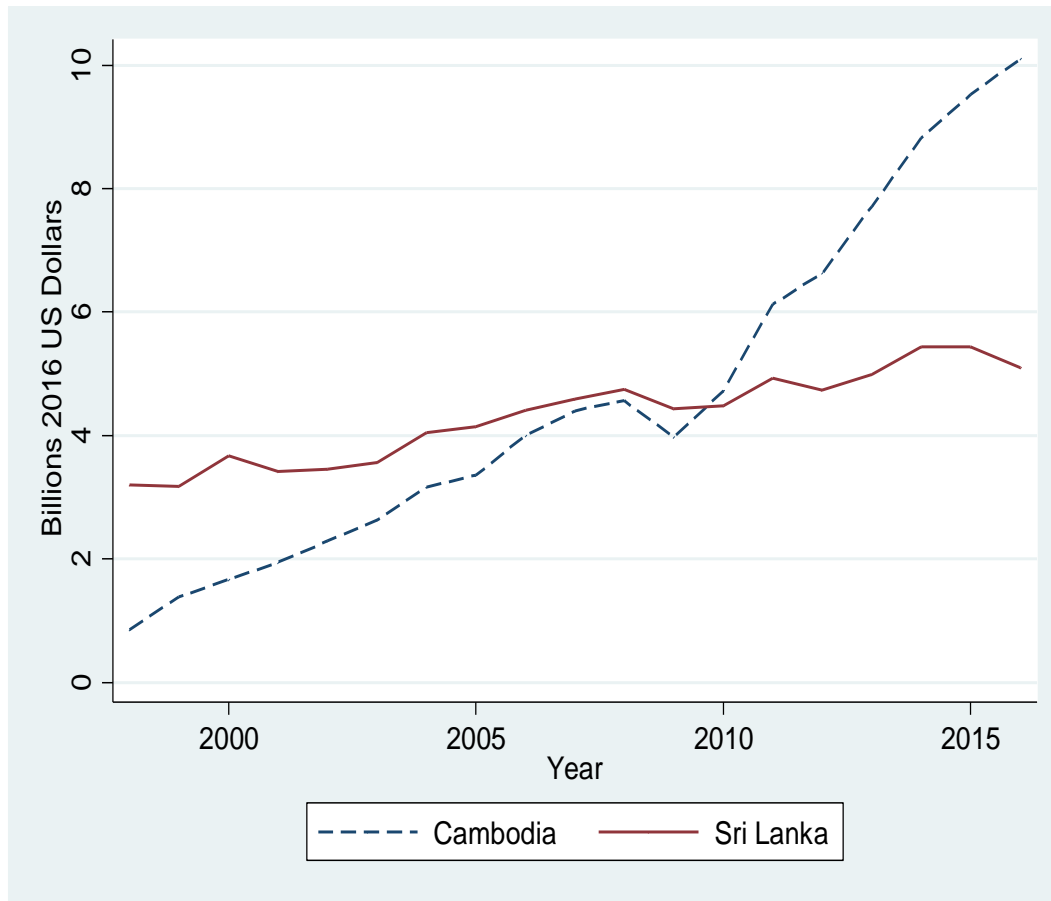


*Source:* U.S. import data come from COMTRADE.

*Note:* Data represent billions of U.S. constant dollar (1982-1984 dollars) imports of Harmonized System categories 61 and 62. Real prices are the U.S. consumer price index for apparel divided by the consumer price index for all goods (all urban consumers). The real price index base period is 1982-1984.



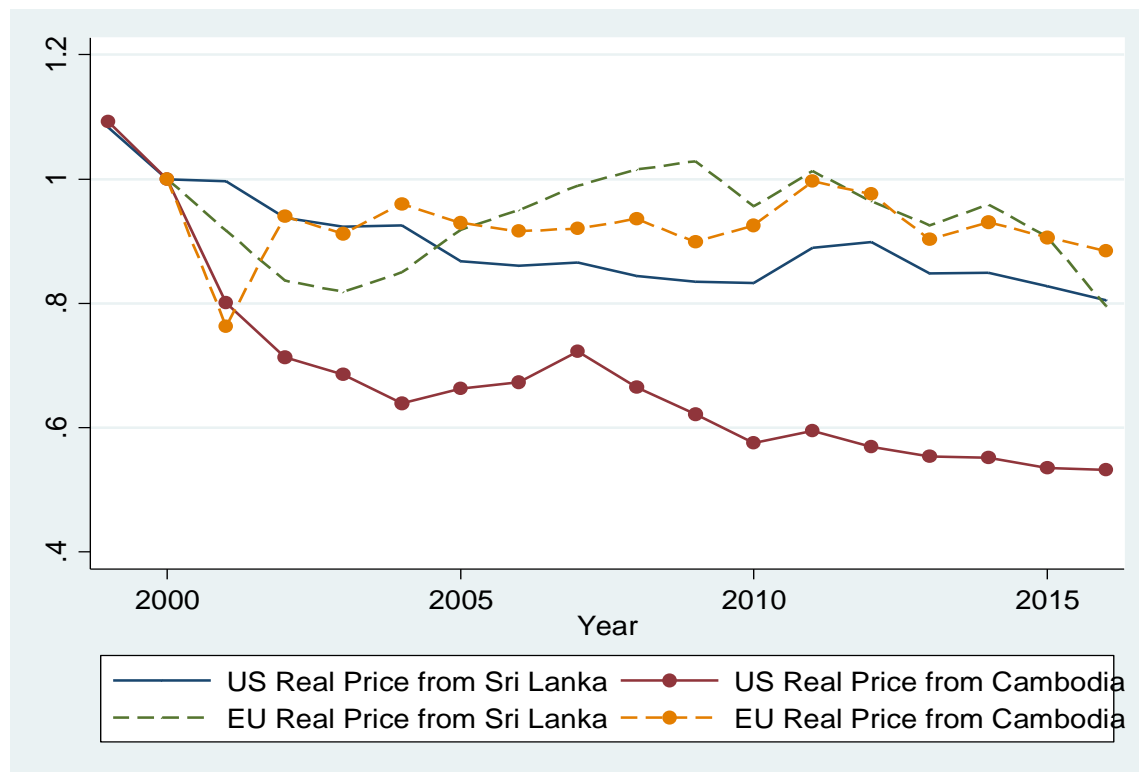
Figure 2: Apparel Exports by Country and Year (1998–2016)



*Source:* United Nations Commodity Trade Statistics Database (UN Comtrade).

*Note:* Figures are in billions of real (2016) U.S. dollars using the U.S. Consumer Price Index for all urban consumers to deflate the nominal import data. Exports are represented by imports reported by partner countries. Apparel Classification: HS 1992: Woven: HS62; Knit HS61.

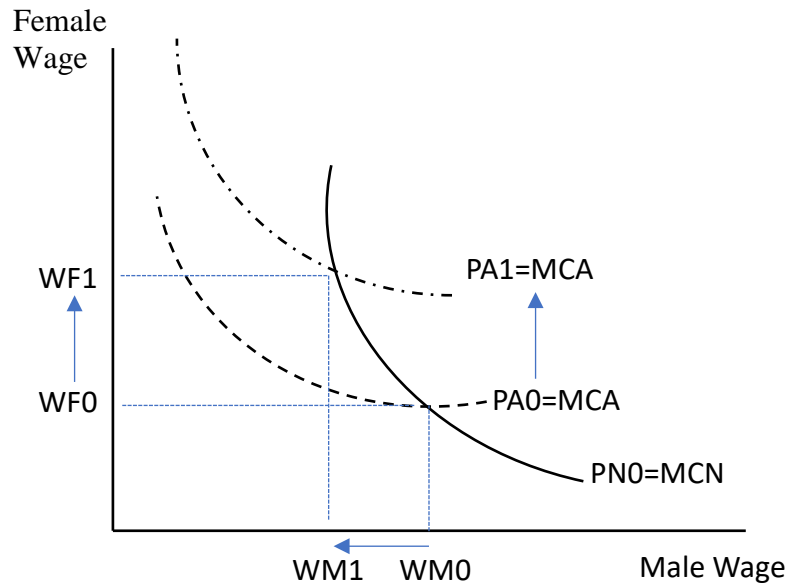
Figure 3: Unit values for U.S. and EU imports of HS 61 and 62 from Cambodia and Sri Lanka (1999–2016)



*Sources:* Data from Eurostat and the U.S. International Trade Administration’s Office of Textiles and Apparel (OTEXA).

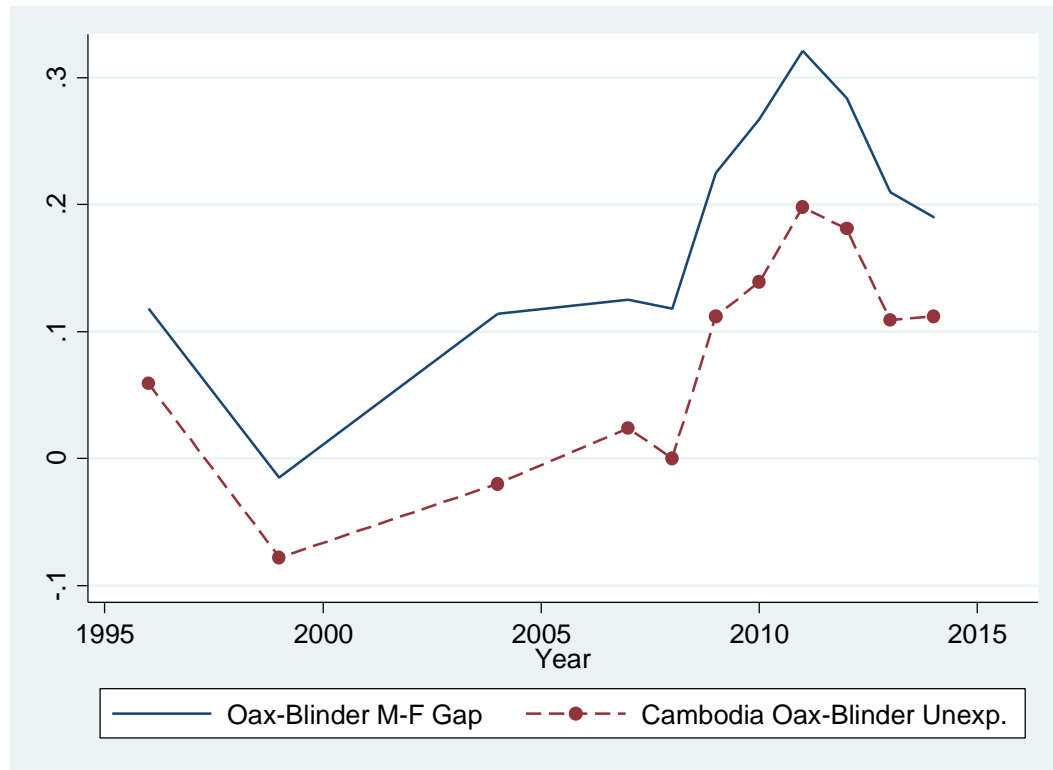
*Note:* The EU unit values are calculated by first taking the value of imports (in nominal euros) divided by the quantity (in KG). The euro-values are then turned to real U.S. dollars using the euro-dollar exchange rate and the U.S. CPI. The U.S. unit values are calculated by turning all of the 10-digit HS category units to SME values, summing over all HS categories within each year, and then dividing total nominal dollar value of imports by total SME import quantities. The resulting unit values are then turned to real values using the U.S. CPI. All four series were then normalised by the 2000 values to illustrate the relative changes in output prices since 2000 in each country for each importer.

Figure 4: General Equilibrium Adjustment from Increase in Apparel Demand (Male-Female Wage Differential in All Industries)



Source: Prepared by the authors.

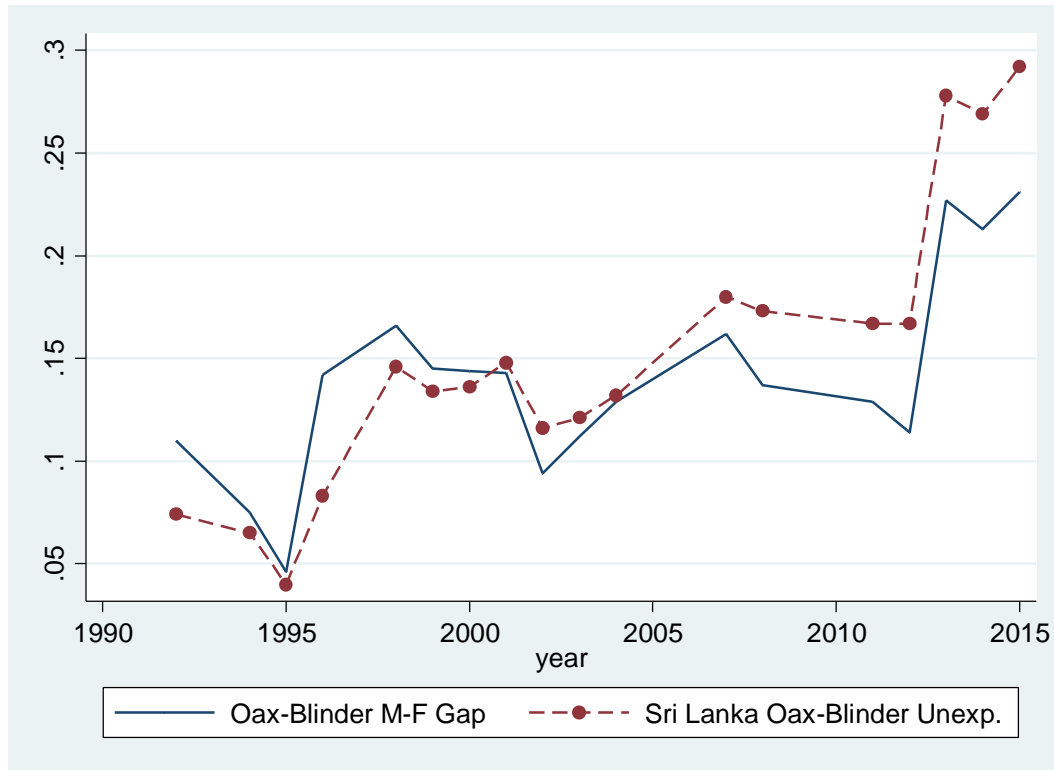
Figure 5a: Oaxaca-Blinder Decomposition for Male-Female Wage Difference in Cambodia (1996–2014)



*Source:* Own estimates based on the Cambodia Socio-Economic Surveys (CSES).

*Note:* The solid line represents the total male-female wage difference. The dashed line represents the unexplained portion (due to changing returns to wage elements).

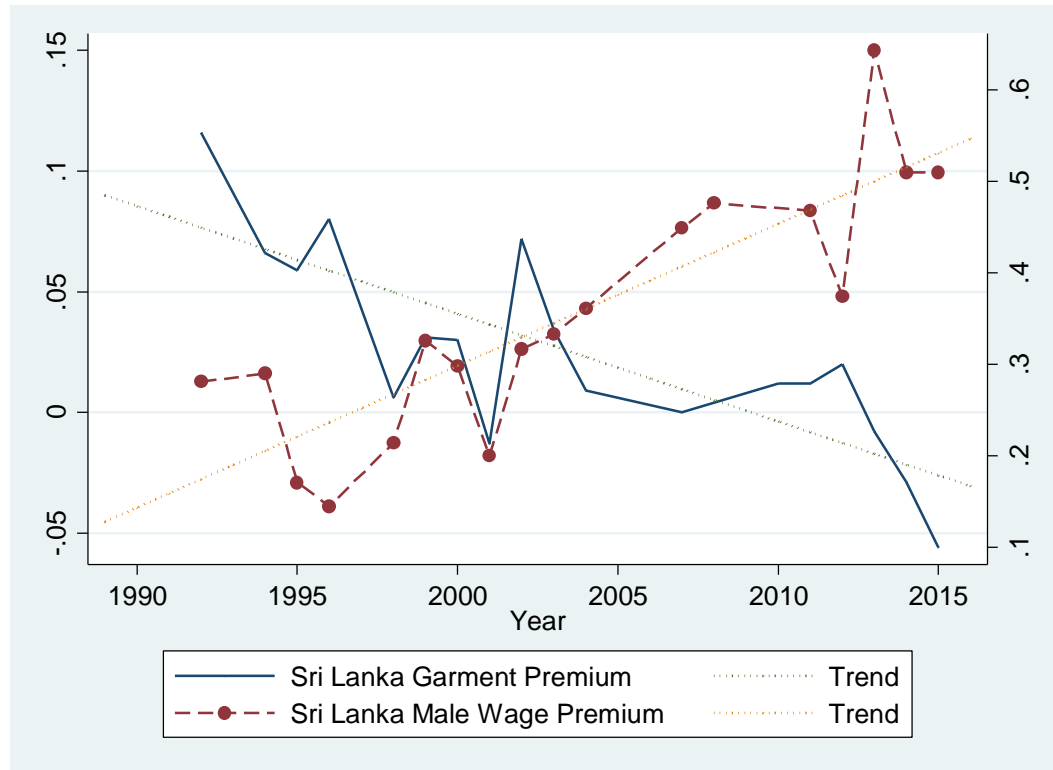
Figure 5b: Oaxaca-Blinder Decomposition for Male-Female Wage Difference in Sri Lanka (1992–2015)



*Source:* Own estimates based on the Sri Lanka Labour Force Surveys.

*Note:* The solid line represents the total male-female wage difference. The dashed line represents the unexplained portion.

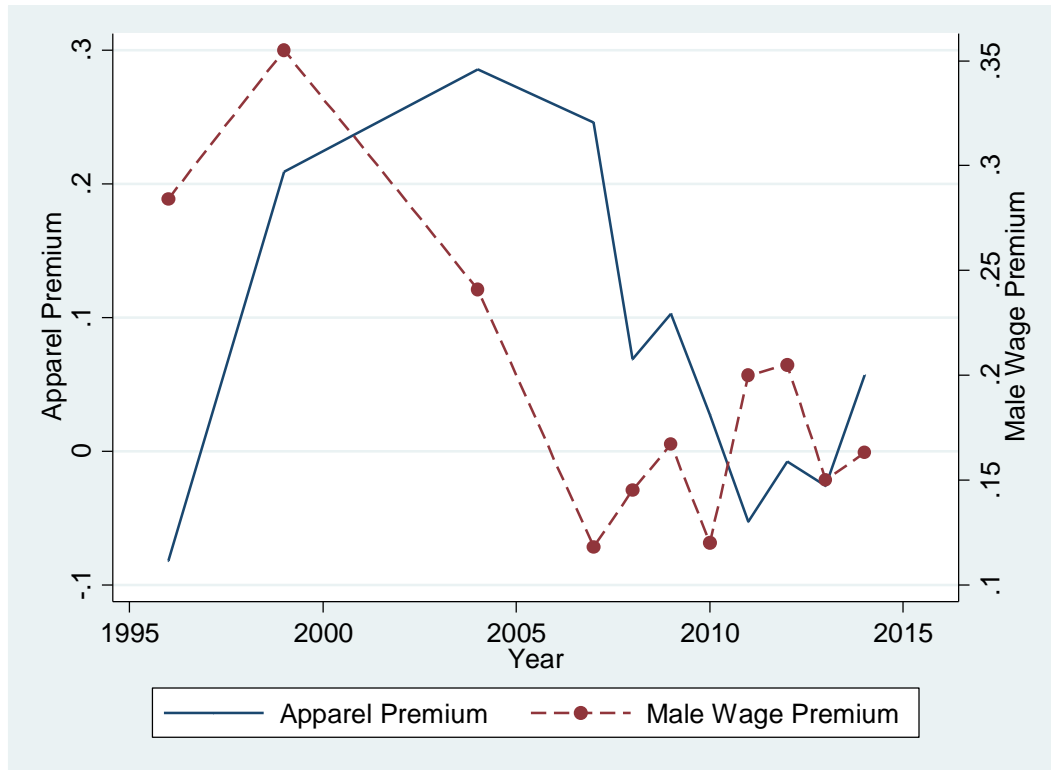
Figure 6a: Apparel Premium and Economy-wide Male-Female Wage Differential in Sri Lanka (1992–2015)



*Source:* Own estimates based on the Sri Lanka Labour Force Surveys.

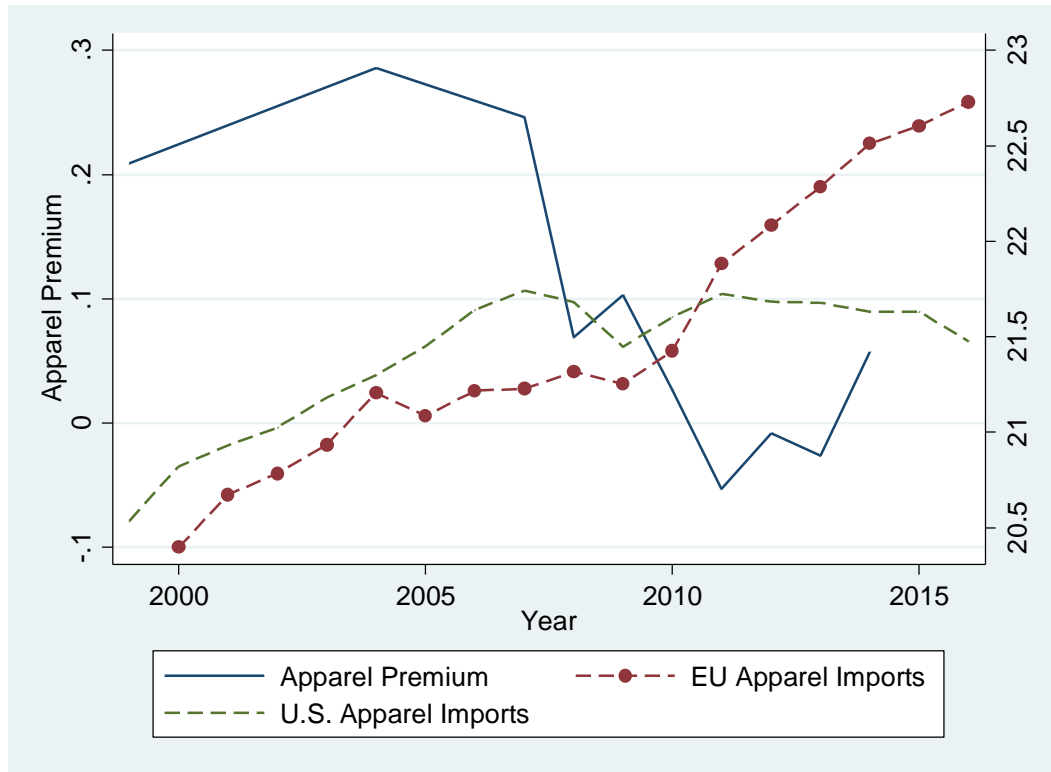
*Note:* Dotted lines represent linear time trend estimates.

Figure 6b: Apparel Premium and Economy-wide Male-Female Wage Differential in Cambodia (1996–2014)



Source: Own estimates based on the Cambodia Socio-Economic Surveys (CSES).

Figure 7: Cambodian exports to the European Union and US and the Apparel Wage Premium (1999–2016)



*Sources:* United Nations Commodity Trade Statistics Database (UN Comtrade) and own estimates based on the Cambodia Socio-Economic Surveys (CSES).

*Note:* Regressing the estimated the male-female wage gap in Cambodia on lagged U.S. imports from Cambodia generates an adjusted R-squared value of 73.1 per cent.



## APPENDIX

Table A.1 presents the results of wage regressions in which we test whether the textile and garment (apparel) premium changes over time, using weights.

**Table A.1. Changes in Apparel Premium over Time (using weights)**

	Cambodia		Sri Lanka	
	(1)	(2)	(3)	(4)
Female dummy	-0.230*** (0.012)	-0.226*** (0.012)	-0.369*** (0.014)	-0.343*** (0.014)
Age	0.061*** (0.003)	0.060*** (0.003)	0.080*** (0.003)	0.074*** (0.003)
Education	0.048*** (0.001)	0.048*** (0.001)	0.041*** (0.001)	0.041*** (0.001)
T&G dummy	0.312*** (0.019)	0.006 (0.046)	0.061*** (0.012)	0.121*** (0.017)
1999–2004 dummy		0.100*** (0.012)		-0.199*** (0.007)
2005 and above dummy	0.408*** (0.009)	0.478*** (0.012)	0.159*** (0.005)	0.034*** (0.007)
T&G * (1999–2004 dummy)		0.397*** (0.057)		-0.099*** (0.023)
T&G * (2005 and above dummy)	-0.204*** (0.022)	0.156*** (0.054)	-0.119*** (0.017)	-0.178*** (0.022)
Hazard ratio	0.150*** (0.016)	0.140*** (0.016)	0.225*** (0.024)	0.176*** (0.024)
Constant	5.331*** (0.070)	5.237*** (0.071)	1.757*** (0.077)	2.018*** (0.077)
Observations	68,023	68,023	271,863	271,863

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014, and the Sri Lankan 1992–2002, 2008, 2011 - 2015 Labour Force Surveys.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

The grand mean effects of the industries are calculated; post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1) and (3) is 2004 and earlier; the omitted time category in cols (2) and (4) is 1998 and earlier.

Table A.2 presents the results of wage regressions in which we test whether the male-female wage differential changes over time, using weights.

**Table A.2. Changes in Gender Differential over Time (using weights)**

	Cambodia		Sri Lanka	
	(1)	(2)	(3)	(4)
Female dummy	-0.211*** (0.015)	-0.270*** (0.022)	-0.291*** (0.015)	-0.232*** (0.017)
Age	0.060*** (0.003)	0.059*** (0.003)	0.079*** (0.003)	0.073*** (0.003)
Education	0.048*** (0.001)	0.048*** (0.001)	0.041*** (0.001)	0.042*** (0.001)
T&G dummy	0.223*** (0.024)	-0.052 (0.048)	0.039** (0.016)	0.084*** (0.021)
1999–2004 dummy		0.068*** (0.014)		-0.184*** (0.008)
2005 and above dummy	0.424*** (0.010)	0.471*** (0.014)	0.200*** (0.006)	0.085*** (0.007)
T&G * (1999–2004 dummy)		0.350*** (0.058)		-0.074*** (0.024)
T&G * (2005 and above dummy)	-0.178*** (0.024)	0.149*** (0.055)	-0.056*** (0.017)	-0.099*** (0.023)
Female * (1999–2004 dummy)		0.094*** (0.024)		-0.054*** (0.014)
Female * (2005 and above dummy)	-0.051*** (0.015)	0.017 (0.022)	-0.146*** (0.010)	-0.180*** (0.013)
Female * T&G	0.121*** (0.022)	0.117*** (0.022)	-0.013 (0.019)	-0.012 (0.019)
Hazard ratio	0.145*** (0.016)	0.132*** (0.016)	0.215*** (0.024)	0.165*** (0.024)
Constant	5.328*** (0.071)	5.272*** (0.072)	1.754*** (0.077)	2.008*** (0.077)
Observations	68,023	68,023	271,863	271,863

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014, and the Sri Lankan 1992–2002, 2008, 2011 - 2015 Labour Force Surveys.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

The grand mean effects of the industries are calculated; post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1) and (3) is 2004 and earlier; the omitted time category in cols (2) and (4) is 1998 and earlier.

Table A.3 presents the results of log hourly wage regressions for each year of available data for Cambodia and Sri Lanka, respectively, using a simple Mincer model with Heckman correction.

**Table A.3. Year-by-Year Wage Mincerian Regressions**  
**Panel A. Cambodia**

Variables	1996 (1)	1999 (2)	2004 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)
Female dummy	-0.284*** (0.038)	-0.355*** (0.042)	-0.241*** (0.041)	-0.118** (0.060)	-0.145*** (0.052)	-0.167*** (0.022)	-0.120*** (0.032)	-0.200*** (0.027)	-0.205*** (0.030)	-0.150*** (0.028)	-0.163*** (0.017)
Age	0.060*** (0.009)	0.093*** (0.012)	0.067*** (0.011)	0.040*** (0.015)	0.067*** (0.013)	0.058*** (0.009)	-0.001 (0.014)	0.059*** (0.013)	0.057*** (0.013)	0.060*** (0.011)	0.062*** (0.007)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.033*** (0.004)	0.036*** (0.003)	0.049*** (0.003)	0.049*** (0.004)	0.051*** (0.004)	0.043*** (0.002)	0.043*** (0.003)	0.039*** (0.003)	0.043*** (0.003)	0.045*** (0.002)	0.033*** (0.001)
T&G dummy	-0.082 (0.089)	0.209*** (0.077)	0.286*** (0.045)	0.246*** (0.062)	0.069 (0.060)	0.103*** (0.035)	0.027 (0.052)	-0.053 (0.046)	-0.008 (0.037)	-0.026 (0.034)	0.057*** (0.016)
Hazard ratio	0.088* (0.052)	0.347*** (0.071)	0.298*** (0.083)	0.080 (0.129)	0.302** (0.129)	0.078 (0.059)	-0.239*** (0.091)	0.128 (0.094)	0.122 (0.097)	0.192** (0.085)	0.254*** (0.059)
Constant	5.416*** (0.225)	4.477*** (0.286)	5.104*** (0.253)	6.121*** (0.359)	5.290*** (0.323)	5.971*** (0.192)	7.233*** (0.300)	5.947*** (0.275)	5.935*** (0.270)	5.793*** (0.222)	6.174*** (0.143)
Observations	8,319	8,559	8,129	2,536	2,778	9,081	3,262	3,488	3,839	4,148	13,860

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.

**Table A.3. Year-by-Year Wage Mincerian Regressions**  
**Panel B. Sri Lanka**

Variables	1992 (1)	1994 (2)	1995 (3)	1996 (4)	1998 (5)	1999 (6)	2000 (7)	2001 (8)	2002 (9)	2003 (10)	2004 (11)	2007 (12)	2008 (13)	2011 (14)	2012 (15)	2013 (16)	2014 (17)	2015 (18)
Female dummy	-0.281*** (0.029)	-0.290*** (0.042)	-0.171*** (0.038)	-0.145 (0.093)	-0.214*** (0.029)	-0.326*** (0.032)	-0.298*** (0.026)	-0.200*** (0.031)	-0.317*** (0.031)	-0.333*** (0.032)	-0.361*** (0.024)	-0.449*** (0.025)	-0.476*** (0.026)	-0.468*** (0.031)	-0.374*** (0.026)	-0.643*** (0.038)	-0.510*** (0.030)	-0.510*** (0.030)
Age	0.074*** (0.008)	0.069*** (0.011)	0.045*** (0.010)	0.012 (0.027)	0.046*** (0.008)	0.075*** (0.008)	0.070*** (0.007)	0.042*** (0.008)	0.072*** (0.008)	0.076*** (0.008)	0.079*** (0.006)	0.089*** (0.006)	0.095*** (0.006)	0.089*** (0.007)	0.073*** (0.005)	0.091*** (0.006)	0.070*** (0.005)	0.068*** (0.005)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.051*** (0.002)	0.044*** (0.002)	0.048*** (0.002)	0.036*** (0.005)	0.038*** (0.002)	0.037*** (0.002)	0.036*** (0.002)	0.037*** (0.002)	0.036*** (0.002)	0.033*** (0.002)	0.033*** (0.001)	0.039*** (0.002)	0.040*** (0.002)	0.042*** (0.002)	0.042*** (0.002)	0.046*** (0.002)	0.048*** (0.002)	0.042*** (0.002)
T&G dummy	0.116*** (0.020)	0.066** (0.028)	0.059** (0.027)	0.080 (0.059)	0.006 (0.019)	0.031* (0.019)	0.030* (0.017)	-0.013 (0.020)	0.072*** (0.020)	0.034* (0.018)	0.009 (0.015)	0.000 (0.017)	0.012 (0.017)	0.012 (0.022)	0.020 (0.019)	-0.008 (0.018)	-0.029* (0.017)	-0.056*** (0.017)
Hazard ratio	0.145*** (0.052)	0.176** (0.076)	-0.014 (0.073)	-0.037 (0.193)	0.037 (0.060)	0.270*** (0.063)	0.228*** (0.051)	0.041 (0.058)	0.241*** (0.059)	0.283*** (0.058)	0.298*** (0.043)	0.377*** (0.046)	0.421*** (0.047)	0.411*** (0.052)	0.245*** (0.043)	0.351*** (0.045)	0.208*** (0.036)	0.175*** (0.035)
Constant	1.834*** (0.178)	2.077*** (0.262)	2.608*** (0.249)	4.858*** (0.634)	2.827*** (0.193)	2.157*** (0.206)	2.395*** (0.170)	2.879*** (0.196)	2.121*** (0.195)	2.047*** (0.194)	2.023*** (0.141)	1.995*** (0.150)	1.679*** (0.150)	1.867*** (0.175)	2.199*** (0.145)	1.628*** (0.133)	2.141*** (0.122)	2.407*** (0.117)
Observations	16,399	6,590	6,654	14,140	12,074	11,878	12,201	9,104	12,224	13,511	19,658	14,471	15,474	11,225	12,500	25,784	26,791	27,438

Source: Calculations based on the Sri Lankan 1992-2002, 2008, 2011 - 2015 Labour Force Surveys

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.

Table A.4 presents the results of log hourly wage regressions for each year of available data for Cambodia and Sri Lanka, respectively, using a simple Mincer model with Heckman correction and including the interaction between T&G and gender.

**Table A.4. Year-by-Year Wage Mincerian Regressions, (T&G \* Gender)**  
**Panel A. Cambodia**

Variables	1996 (1)	1999 (2)	2004 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)
Female dummy	-0.283*** (0.038)	-0.354*** (0.042)	-0.254*** (0.041)	-0.120** (0.060)	-0.156*** (0.053)	-0.184*** (0.023)	-0.125*** (0.034)	-0.240*** (0.029)	-0.232*** (0.031)	-0.170*** (0.029)	-0.191*** (0.018)
Female * T&G	-0.045 (0.159)	-0.017 (0.113)	0.126* (0.066)	0.060 (0.102)	0.155* (0.087)	0.151*** (0.056)	0.036 (0.083)	0.256*** (0.065)	0.164*** (0.060)	0.150*** (0.056)	0.149*** (0.027)
Age	0.060*** (0.009)	0.093*** (0.012)	0.066*** (0.011)	0.039** (0.015)	0.065*** (0.013)	0.057*** (0.009)	-0.001 (0.014)	0.058*** (0.013)	0.056*** (0.013)	0.058*** (0.011)	0.059*** (0.007)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.033*** (0.004)	0.036*** (0.003)	0.049*** (0.003)	0.049*** (0.004)	0.051*** (0.004)	0.043*** (0.002)	0.043*** (0.003)	0.040*** (0.003)	0.043*** (0.003)	0.045*** (0.002)	0.033*** (0.001)
T&G dummy	-0.048 (0.149)	0.222** (0.113)	0.211*** (0.060)	0.208** (0.090)	-0.027 (0.081)	0.007 (0.050)	0.005 (0.074)	-0.202*** (0.059)	-0.101** (0.050)	-0.111** (0.047)	-0.016 (0.021)
Hazard ratio	0.088* (0.052)	0.348*** (0.071)	0.284*** (0.083)	0.070 (0.130)	0.276** (0.129)	0.074 (0.059)	-0.239*** (0.091)	0.123 (0.093)	0.115 (0.097)	0.175** (0.086)	0.230*** (0.059)
Constant	5.415*** (0.225)	4.474*** (0.287)	5.126*** (0.253)	6.140*** (0.360)	5.330*** (0.324)	5.968*** (0.192)	7.229*** (0.300)	5.939*** (0.274)	5.941*** (0.270)	5.824*** (0.222)	6.213*** (0.143)
Observations	8,319	8,559	8,129	2,536	2,778	9,081	3,262	3,488	3,839	4,148	13,860

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.

**Table A.4. Year-by-Year Wage Mincerian Regressions, (T&G \* Gender)**  
**Panel B. Sri Lanka**

Variables	1992 (1)	1994 (2)	1995 (3)	1996 (4)	1998 (5)	1999 (6)	2000 (7)	2001 (8)	2002 (9)	2003 (10)	2004 (11)	2007 (12)	2008 (13)	2011 (14)	2012 (15)	2013 (16)	2014 (17)	2015 (18)
Female dummy	-0.281*** (0.029)	-0.294*** (0.042)	-0.179*** (0.039)	-0.142 (0.093)	-0.207*** (0.029)	-0.327*** (0.032)	-0.293*** (0.026)	-0.197*** (0.032)	-0.314*** (0.031)	-0.332*** (0.032)	-0.362*** (0.024)	-0.453*** (0.025)	-0.476*** (0.026)	-0.470*** (0.031)	-0.375*** (0.026)	-0.643*** (0.038)	-0.508*** (0.030)	-0.509*** (0.030)
Female * T&G	-0.010 (0.042)	0.078 (0.056)	0.090* (0.055)	-0.058 (0.117)	-0.079** (0.038)	0.015 (0.037)	-0.060* (0.034)	-0.029 (0.039)	-0.032 (0.041)	-0.016 (0.038)	0.020 (0.031)	0.059 (0.036)	-0.003 (0.035)	0.039 (0.044)	0.018 (0.038)	-0.022 (0.037)	-0.090*** (0.034)	-0.021 (0.037)
Age	0.074*** (0.008)	0.069*** (0.011)	0.044*** (0.010)	0.012 (0.027)	0.046*** (0.008)	0.074*** (0.008)	0.070*** (0.007)	0.042*** (0.008)	0.072*** (0.008)	0.076*** (0.008)	0.079*** (0.006)	0.089*** (0.006)	0.095*** (0.006)	0.089*** (0.007)	0.073*** (0.005)	0.091*** (0.006)	0.070*** (0.005)	0.068*** (0.005)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.051*** (0.002)	0.044*** (0.002)	0.048*** (0.002)	0.036*** (0.005)	0.038*** (0.002)	0.037*** (0.002)	0.036*** (0.002)	0.037*** (0.002)	0.036*** (0.002)	0.033*** (0.002)	0.033*** (0.001)	0.039*** (0.002)	0.040*** (0.002)	0.042*** (0.002)	0.042*** (0.002)	0.046*** (0.002)	0.048*** (0.002)	0.042*** (0.002)
T&G dummy	0.122*** (0.034)	0.017 (0.045)	0.006 (0.042)	0.114 (0.092)	0.051* (0.029)	0.022 (0.028)	0.064** (0.026)	0.003 (0.029)	0.091*** (0.032)	0.043 (0.029)	-0.003 (0.024)	-0.035 (0.028)	0.014 (0.026)	-0.011 (0.034)	0.009 (0.029)	0.006 (0.029)	0.027 (0.027)	-0.042 (0.030)
Hazard ratio	0.146*** (0.052)	0.170** (0.076)	-0.017 (0.073)	-0.034 (0.194)	0.039 (0.060)	0.269*** (0.063)	0.231*** (0.051)	0.042 (0.058)	0.242*** (0.059)	0.285*** (0.058)	0.297*** (0.043)	0.374*** (0.046)	0.421*** (0.047)	0.410*** (0.052)	0.244*** (0.043)	0.353*** (0.045)	0.214*** (0.036)	0.177*** (0.035)
Constant	1.833*** (0.178)	2.094*** (0.263)	2.618*** (0.249)	4.849*** (0.634)	2.823*** (0.193)	2.159*** (0.206)	2.390*** (0.170)	2.875*** (0.196)	2.117*** (0.195)	2.042*** (0.194)	2.026*** (0.142)	2.002*** (0.150)	1.678*** (0.150)	1.869*** (0.175)	2.202*** (0.145)	1.622*** (0.134)	2.120*** (0.123)	2.404*** (0.118)
Observations	16,399	6,590	6,654	14,140	12,074	11,878	12,201	9,104	12,224	13,511	19,658	14,471	15,474	11,225	12,500	25,784	26,791	27,438

Source: Calculations based on the Sri Lankan 1992–2002, 2008, 2011 - 2015 Labour Force Surveys

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.

Table A.5 presents the results of regressions that test whether the apparel premium, or the gender differential, changes over time, in which the only industry dummy included is T&G.

**Table A.5. Changes in Apparel Premium and Gender Differential over Time (Just T&G dummy)**

	Cambodia				Sri Lanka			
	Changes in Apparel Premium over Time		Changes in Gender Differential over Time		Changes in Apparel Premium over Time		Changes in Gender Differential over Time	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Female dummy	-0.139 (0.081)	-0.136 (0.083)	-0.101 (0.117)	-0.139 (0.096)	-0.387*** (0.043)	-0.356*** (0.041)	-0.330*** (0.032)	-0.279*** (0.036)
Age	0.044*** (0.009)	0.043*** (0.010)	0.043*** (0.009)	0.042*** (0.009)	0.075*** (0.006)	0.068*** (0.006)	0.074*** (0.006)	0.067*** (0.006)
Education	0.046*** (0.005)	0.045*** (0.005)	0.046*** (0.005)	0.045*** (0.005)	0.046*** (0.010)	0.046*** (0.010)	0.046*** (0.010)	0.047*** (0.009)
T&G dummy	0.185** (0.065)	-0.176** (0.070)	0.084 (0.063)	-0.253*** (0.072)	0.075* (0.036)	0.139*** (0.041)	0.055* (0.026)	0.111** (0.045)
1999–2004 dummy		0.096** (0.037)		0.076** (0.031)		-0.210*** (0.033)		-0.200*** (0.024)
2005 and above dummy	0.413*** (0.071)	0.479*** (0.069)	0.440*** (0.074)	0.490*** (0.076)	0.090*** (0.019)	-0.034 (0.032)	0.120*** (0.015)	0.002 (0.023)
T&G * (1999–2004 dummy)		0.393*** (0.042)		0.362*** (0.055)		-0.094** (0.035)		-0.079 (0.052)
T&G * (2005 and above dummy)	-0.217*** (0.069)	0.142* (0.080)	-0.179** (0.065)	0.159** (0.071)	-0.137*** (0.022)	-0.202*** (0.039)	-0.092** (0.036)	-0.148** (0.062)
Female * (1999–2004 dummy)				0.060 (0.053)				-0.033 (0.048)
Female * (2005 and above dummy)			-0.078 (0.057)	-0.037 (0.042)			-0.106*** (0.035)	-0.126** (0.058)
Female * T&G			0.110** (0.043)	0.107** (0.045)			-0.003 (0.037)	-0.005 (0.038)
Hazard ratio	0.069 (0.095)	0.055 (0.097)	0.063 (0.091)	0.047 (0.094)	0.234*** (0.049)	0.179*** (0.047)	0.227*** (0.048)	0.171*** (0.044)
Constant	5.033*** (0.346)	4.990*** (0.321)	5.041*** (0.350)	5.018*** (0.332)	2.208*** (0.239)	2.478*** (0.249)	2.207*** (0.240)	2.472*** (0.245)
Observations	67,999	67,999	67,999	67,999	268,116	268,116	268,116	268,116

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014, and the Sri Lankan 1992–2002, 2008, 2011 - 2015

Labour Force Surveys.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

Post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1), (3), (5) and (7) is 2004 and earlier; the omitted time category in cols (2), (4), (6) and (8) is 1998 and earlier.

Table A.6 shows the implied marginal effects that derive from both stages of the Heckman estimates using STATA's MFX commands.

**Table A.6. Changes in Apparel Premium and Gender Differential over Time (Heckman estimates)**

	Cambodia				Sri Lanka			
	Changes in Apparel Premium over Time (1)	(2)	Changes in Gender Differential over Time (3)	(4)	Changes in Apparel Premium over Time (5)	(6)	Changes in Gender Differential over Time (7)	(8)
<b>First stage</b>								
<i>Individual characteristics</i>								
Female dummy	-0.649*** (0.007)	-0.649*** (0.007)	-0.649*** (0.007)	-0.649*** (0.007)	-0.813*** (0.003)	-0.813*** (0.003)	-0.813*** (0.003)	-0.813*** (0.003)
Age (years)	0.211*** (0.002)	0.211*** (0.002)	0.211*** (0.002)	0.211*** (0.002)	0.184*** (0.001)	0.184*** (0.001)	0.184*** (0.001)	0.184*** (0.001)
Age squared	-0.003*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)
Education (years)	0.047*** (0.001)	0.047*** (0.001)	0.047*** (0.001)	0.047*** (0.001)	0.015*** (0.001)	0.015*** (0.001)	0.015*** (0.001)	0.015*** (0.001)
Married dummy	-0.020* (0.011)	-0.020* (0.011)	-0.020* (0.011)	-0.020* (0.011)	-0.083*** (0.005)	-0.083*** (0.005)	-0.083*** (0.005)	-0.083*** (0.005)
Divorced dummy	0.335*** (0.029)	0.335*** (0.029)	0.335*** (0.029)	0.335*** (0.029)	0.206*** (0.014)	0.206*** (0.014)	0.206*** (0.014)	0.206*** (0.014)
Widowed dummy	0.290*** (0.019)	0.290*** (0.019)	0.290*** (0.019)	0.290*** (0.019)	0.016* (0.009)	0.016* (0.009)	0.016* (0.009)	0.016* (0.009)
<i>Household characteristics</i>								
HH head education	-0.011*** (0.001)	-0.011*** (0.001)	-0.011*** (0.001)	-0.011*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)
HH size	-0.035*** (0.002)	-0.035*** (0.002)	-0.035*** (0.002)	-0.035*** (0.002)	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)
Number of kids 0-5	0.014** (0.006)	0.014** (0.006)	0.014** (0.006)	0.014** (0.006)	-0.034*** (0.003)	-0.034*** (0.003)	-0.034*** (0.003)	-0.034*** (0.003)
Number of kids 6-18	-0.022*** (0.003)	-0.022*** (0.003)	-0.022*** (0.003)	-0.022*** (0.003)	-0.094*** (0.002)	-0.094*** (0.002)	-0.094*** (0.002)	-0.094*** (0.002)
<b>Second stage</b>								
Female dummy	-0.177*** (0.014)	-0.174*** (0.014)	-0.136*** (0.016)	-0.173*** (0.022)	-0.373*** (0.014)	-0.345*** (0.014)	-0.302*** (0.015)	-0.250*** (0.017)
Age	0.057*** (0.005)	0.056*** (0.005)	0.055*** (0.005)	0.055*** (0.005)	0.082*** (0.003)	0.076*** (0.003)	0.081*** (0.003)	0.075*** (0.003)
Education	0.049*** (0.001)	0.048*** (0.001)	0.049*** (0.001)	0.048*** (0.001)	0.044*** (0.001)	0.045*** (0.001)	0.045*** (0.001)	0.045*** (0.001)
T&G dummy	0.178*** (0.021)	-0.181*** (0.054)	0.079*** (0.027)	-0.256*** (0.057)	0.064*** (0.012)	0.139*** (0.019)	0.037** (0.018)	0.102*** (0.023)
1999–2004 dummy		0.096*** (0.012)		0.075*** (0.014)		-0.186*** (0.007)		-0.174*** (0.008)
2005 and above dummy	0.405*** (0.008)	0.470*** (0.012)	0.432*** (0.010)	0.483*** (0.014)	0.163*** (0.005)	0.054*** (0.006)	0.202*** (0.006)	0.099*** (0.007)
T&G * (1999–2004 dummy)		0.392*** (0.057)		0.360*** (0.058)		-0.114*** (0.023)		-0.096*** (0.024)
T&G * (2005 and above dummy)	-0.209*** (0.022)	0.149*** (0.054)	-0.170*** (0.023)	0.167*** (0.055)	-0.126*** (0.017)	-0.202*** (0.022)	-0.070*** (0.017)	-0.135*** (0.023)
Female * (1999–2004 dummy)				0.060** (0.024)				-0.039*** (0.014)
Female * (2005 and above dummy)			-0.081*** (0.015)	-0.039* (0.022)			-0.133*** (0.010)	-0.156*** (0.013)
Female * T&G			0.106*** (0.022)	0.102*** (0.022)			-0.003 (0.019)	-0.004 (0.019)
Constant	4.729*** (0.110)	4.678*** (0.110)	4.745*** (0.110)	4.717*** (0.111)	1.953*** (0.079)	2.200*** (0.079)	1.952*** (0.079)	2.193*** (0.079)
Observations	171,813	171,813	171,813	171,813	914,768	914,768	914,768	914,768

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007–2014, and the Sri Lankan 1992–2002, 2008, 2011–2015 Labour Force Surveys.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

Post-MFA is a dummy equal to 1 for years 2005 and later; additional controls include age squared, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Log wages are measured as logarithm of real hourly individual labour income in 2005 prices. The omitted time category in cols (1), (3), (5) and (7) is 2004 and earlier; the omitted time category in cols (2), (4), (6) and (8) is 1998 and earlier.

Table A.7 shows the implied marginal effects that derive from both stages of the year-by-year Heckman estimates using STATA's MFX commands, for Cambodia and Sri Lanka.

**Table A.7. Annual Wage Premium Regressions, (Heckman estimates)**  
**Panel A. Cambodia**

Variables	1996	1999	2004	2007	2008	2009	2010	2011	2012	2013	2014
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>First stage</b>											
<i>Individual characteristics</i>											
Female dummy	-1.151*** (0.022)	-0.951*** (0.022)	-0.603*** (0.018)	-0.682*** (0.034)	-0.651*** (0.033)	-0.404*** (0.018)	-0.432*** (0.033)	-0.350*** (0.034)	-0.540*** (0.034)	-0.644*** (0.034)	-0.602*** (0.019)
Age (years)	0.214*** (0.005)	0.227*** (0.005)	0.161*** (0.005)	0.173*** (0.009)	0.173*** (0.009)	0.210*** (0.004)	0.242*** (0.008)	0.263*** (0.008)	0.278*** (0.008)	0.277*** (0.008)	0.278*** (0.005)
Age squared	-0.002*** (0.000)	-0.003*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.004*** (0.000)	-0.004*** (0.000)	-0.004*** (0.000)
Education (years)	0.066*** (0.004)	0.051*** (0.003)	0.053*** (0.003)	0.057*** (0.005)	0.045*** (0.005)	0.026*** (0.003)	0.015*** (0.004)	0.020*** (0.005)	0.016*** (0.005)	0.013*** (0.005)	-0.000 (0.002)
Married dummy	0.323*** (0.034)	0.106*** (0.036)	-0.161*** (0.028)	-0.120** (0.052)	-0.184*** (0.051)	0.032 (0.028)	0.121** (0.051)	-0.066 (0.054)	-0.018 (0.054)	0.007 (0.055)	-0.181*** (0.030)
Divorced dummy	0.992*** (0.083)	0.462*** (0.115)	0.341*** (0.074)	0.316*** (0.121)	0.233* (0.134)	0.160** (0.067)	0.029 (0.112)	-0.060 (0.122)	0.391*** (0.127)	0.190 (0.148)	0.106 (0.078)
Widowed dummy	1.048*** (0.053)	0.611*** (0.055)	0.247*** (0.047)	0.271*** (0.089)	0.153* (0.092)	-0.013 (0.052)	0.021 (0.093)	-0.069 (0.097)	-0.026 (0.098)	-0.015 (0.102)	-0.025 (0.053)
<i>Household characteristics</i>											
HH head education	0.014*** (0.003)	-0.003 (0.003)	0.001 (0.002)	-0.009** (0.004)	-0.002 (0.004)	-0.008*** (0.003)	-0.016*** (0.004)	-0.029*** (0.004)	-0.030*** (0.004)	-0.036*** (0.004)	-0.013*** (0.002)
HH size	-0.117*** (0.008)	-0.087*** (0.008)	-0.021*** (0.006)	-0.003 (0.010)	-0.049*** (0.011)	-0.063*** (0.006)	-0.053*** (0.010)	-0.059*** (0.010)	-0.011 (0.011)	-0.014 (0.012)	0.012* (0.006)
Number of kids 0-5	0.089*** (0.015)	0.096*** (0.032)	0.069*** (0.014)	0.076*** (0.027)	0.068** (0.027)	0.074*** (0.015)	0.032 (0.029)	0.055* (0.029)	0.048 (0.030)	-0.056* (0.030)	-0.091*** (0.017)
Number of kids 6-18	0.048*** (0.010)	0.036*** (0.010)	-0.013* (0.008)	-0.011 (0.015)	0.005 (0.015)	0.072*** (0.008)	0.079*** (0.016)	0.080*** (0.016)	-0.006 (0.016)	-0.011 (0.017)	-0.062*** (0.009)
<b>Second stage</b>											
Female dummy	-0.262*** (0.039)	-0.314*** (0.044)	-0.098** (0.048)	-0.036 (0.093)	-0.030 (0.080)	-0.320*** (0.038)	-0.131*** (0.051)	-0.250*** (0.034)	-0.290*** (0.039)	-0.224*** (0.037)	-0.189*** (0.019)
Age	0.061*** (0.010)	0.087*** (0.013)	0.028** (0.014)	0.017 (0.024)	0.011 (0.022)	0.135*** (0.018)	0.026 (0.026)	0.085*** (0.019)	0.103*** (0.019)	0.088*** (0.015)	0.069*** (0.008)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.002*** (0.000)	-0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.033*** (0.004)	0.035*** (0.004)	0.043*** (0.005)	0.047*** (0.008)	0.047*** (0.006)	0.052*** (0.003)	0.039*** (0.003)	0.042*** (0.003)	0.045*** (0.003)	0.046*** (0.002)	0.034*** (0.001)
T&G dummy	-0.194** (0.080)	-0.056 (0.069)	0.200*** (0.047)	-0.075 (0.084)	-0.111 (0.077)	0.077** (0.034)	-0.060 (0.052)	-0.148*** (0.045)	-0.114*** (0.038)	-0.125*** (0.035)	-0.044** (0.018)
Constant	4.523*** (0.251)	3.728*** (0.307)	5.842*** (0.356)	5.685*** (0.629)	5.847*** (0.535)	3.127*** (0.414)	5.962*** (0.561)	5.009*** (0.411)	4.463*** (0.378)	4.345*** (0.286)	5.561*** (0.160)
Observations	27,949	23,186	29,408	7,327	7,178	23,904	7,244	6,950	7,360	7,453	23,854

Source: Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014.

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.



**Table A.7. Annual Wage Premium Regressions, (Heckman estimates)**  
**Panel B. Sri Lanka**

Variables	1992	1994	1995	1996	1998	1999	2000	2001	2002	2003	2004	2007	2008	2011	2012	2013	2014	2015
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>First stage</b>																		
<i>Individual characteristics</i>																		
Female dummy	-0.703*** (0.012)	-0.693*** (0.019)	-0.661*** (0.019)	-0.637*** (0.013)	-0.599*** (0.014)	-0.654*** (0.014)	-0.637*** (0.014)	-0.684*** (0.016)	-0.702*** (0.014)	-0.717*** (0.013)	-0.741*** (0.011)	-0.714*** (0.013)	-0.753*** (0.013)	-0.789*** (0.015)	-0.810*** (0.014)	-1.490*** (0.013)	-1.488*** (0.013)	-1.472*** (0.013)
Age (years)	0.199*** (0.003)	0.201*** (0.004)	0.202*** (0.004)	0.203*** (0.003)	0.192*** (0.003)	0.196*** (0.003)	0.194*** (0.003)	0.190*** (0.004)	0.195*** (0.003)	0.193*** (0.003)	0.193*** (0.003)	0.187*** (0.003)	0.184*** (0.003)	0.185*** (0.003)	0.184*** (0.003)	0.214*** (0.003)	0.248*** (0.003)	0.248*** (0.003)
Age squared	-0.003*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)
Education (years)	-0.010*** (0.002)	-0.007** (0.003)	-0.013*** (0.003)	-0.018*** (0.002)	-0.003 (0.002)	0.005** (0.002)	0.006** (0.002)	0.011*** (0.003)	-0.000 (0.003)	0.005* (0.002)	0.003* (0.002)	0.011*** (0.002)	0.020*** (0.002)	0.023*** (0.003)	0.031*** (0.003)	0.029*** (0.003)	0.044*** (0.003)	0.044*** (0.003)
Married dummy	-0.129*** (0.018)	-0.136*** (0.029)	-0.217*** (0.029)	-0.131*** (0.021)	-0.187*** (0.022)	-0.173*** (0.023)	-0.168*** (0.022)	-0.172*** (0.026)	-0.179*** (0.023)	-0.164*** (0.021)	-0.125*** (0.018)	-0.155*** (0.021)	-0.123*** (0.021)	-0.112*** (0.024)	-0.135*** (0.023)	0.099*** (0.020)	0.103*** (0.021)	0.082*** (0.021)
Divorced dummy	0.138** (0.054)	0.151 (0.105)	0.025 (0.096)	0.100 (0.069)	-0.041 (0.068)	-0.004 (0.070)	0.047 (0.071)	0.193** (0.077)	0.202*** (0.063)	0.042 (0.062)	0.118** (0.055)	0.216*** (0.060)	0.130** (0.057)	0.317*** (0.064)	0.203*** (0.057)	0.383*** (0.053)	0.504*** (0.052)	0.372*** (0.052)
Widowed dummy	-0.129*** (0.036)	-0.076 (0.061)	-0.233*** (0.059)	-0.073* (0.042)	-0.135*** (0.045)	-0.083* (0.044)	-0.032 (0.044)	-0.025 (0.050)	-0.035 (0.043)	-0.052 (0.041)	-0.016 (0.034)	-0.000 (0.040)	0.094*** (0.038)	0.127*** (0.043)	0.127*** (0.042)	0.313*** (0.035)	0.334*** (0.035)	0.345*** (0.035)
<i>Household characteristics</i>																		
HH head education	0.014*** (0.002)	0.018*** (0.003)	0.015*** (0.003)	0.007*** (0.002)	-0.002 (0.002)	-0.001 (0.002)	-0.003 (0.002)	0.004* (0.002)	0.003 (0.002)	0.000 (0.002)	-0.012*** (0.002)	-0.012*** (0.002)	-0.013*** (0.002)	-0.015*** (0.003)	-0.015*** (0.002)	-0.023*** (0.002)	-0.029*** (0.002)	-0.031*** (0.002)
HH size	-0.005 (0.003)	-0.006 (0.005)	-0.006 (0.006)	0.018*** (0.004)	0.009** (0.005)	0.014*** (0.005)	0.023*** (0.005)	0.023*** (0.005)	0.006 (0.005)	0.011** (0.005)	0.003 (0.004)	0.036*** (0.005)	0.041*** (0.005)	0.037*** (0.006)	0.038*** (0.005)	-0.017*** (0.005)	-0.009* (0.005)	0.001 (0.005)
Number of kids 0-5	0.013 (0.009)	-0.018 (0.015)	0.005 (0.015)	-0.032*** (0.011)	-0.014 (0.012)	-0.025** (0.013)	-0.018 (0.013)	-0.031** (0.015)	-0.045*** (0.013)	-0.020 (0.012)	-0.003 (0.010)	-0.092*** (0.013)	-0.084*** (0.012)	-0.080*** (0.014)	-0.074*** (0.014)		-0.012 (0.012)	-0.034*** (0.013)
Number of kids 6-18	-0.064*** (0.005)	-0.064*** (0.008)	-0.057*** (0.008)	-0.064*** (0.006)	-0.074*** (0.007)	-0.064*** (0.007)	-0.088*** (0.007)	-0.090*** (0.008)	-0.065*** (0.007)	-0.077*** (0.007)	-0.080*** (0.006)	-0.104*** (0.007)	-0.104*** (0.007)	-0.101*** (0.008)	-0.126*** (0.008)	-0.086*** (0.012)	-0.087*** (0.008)	-0.105*** (0.008)
<b>Second stage</b>																		
Female dummy	-0.291*** (0.059)	-0.179** (0.086)	-0.261*** (0.064)	-0.083 (0.110)	-0.303*** (0.057)	-0.389*** (0.066)	-0.269*** (0.057)	-0.188*** (0.068)	-0.256*** (0.066)	-0.476*** (0.063)	-0.404*** (0.051)	-0.555*** (0.057)	-0.545*** (0.062)	-0.403*** (0.064)	-0.422*** (0.043)	-0.685*** (0.063)	-0.487*** (0.036)	-0.496*** (0.038)
Age	0.100*** (0.016)	0.078*** (0.024)	0.081*** (0.018)	0.010 (0.033)	0.077*** (0.016)	0.094*** (0.018)	0.077*** (0.016)	0.051*** (0.017)	0.074*** (0.017)	0.131*** (0.016)	0.106*** (0.012)	0.132*** (0.013)	0.121*** (0.014)	0.093*** (0.014)	0.094*** (0.009)	0.102*** (0.010)	0.067*** (0.006)	0.068*** (0.006)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000 (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.002*** (0.000)	-0.001*** (0.000)	-0.002*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education	0.041*** (0.003)	0.038*** (0.005)	0.051*** (0.004)	0.043*** (0.006)	0.040*** (0.004)	0.041*** (0.004)	0.043*** (0.004)	0.042*** (0.005)	0.043*** (0.004)	0.036*** (0.003)	0.038*** (0.003)	0.051*** (0.004)	0.055*** (0.004)	0.046*** (0.004)	0.054*** (0.003)	0.050*** (0.002)	0.051*** (0.002)	0.046*** (0.002)
T&G dummy	0.096** (0.045)	0.029 (0.065)	0.058 (0.050)	0.088 (0.072)	-0.004 (0.041)	0.035 (0.042)	-0.020 (0.041)	-0.034 (0.047)	-0.080* (0.045)	0.016 (0.038)	-0.041 (0.034)	0.096** (0.042)	0.023 (0.042)	0.025 (0.047)	0.031 (0.032)	-0.075** (0.030)	-0.044** (0.020)	-0.046** (0.023)
Constant	1.434*** (0.382)	1.745*** (0.570)	1.944*** (0.424)	4.556*** (0.767)	2.069*** (0.396)	1.557*** (0.442)	1.976*** (0.387)	2.523*** (0.429)	2.042*** (0.417)	0.797** (0.389)	1.343*** (0.301)	0.908*** (0.337)	0.980*** (0.357)	1.813*** (0.361)	1.655*** (0.238)	1.653*** (0.223)	2.483*** (0.145)	2.706*** (0.153)
Observations	72,210	27,476	27,206	53,678	47,517	46,928	46,744	35,595	46,341	52,800	74,205	53,735	57,447	44,135	48,390	54,055	62,790	63,516

Source: Calculations based on the Sri Lankan 1992-2002, 2008, 2011 - 2015 Labour Force Surveys

Note: Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Log wages are measured as the logarithm of real hourly individual labour

Table A.8 shows the Oaxaca-Blinder decomposition for Cambodia and Sri Lanka.

**Table A.8. Oaxaca-Blinder Decomposition**  
**Panel A. Cambodia**

Variables	1996 (1)	1999 (2)	2004 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)
male	6.358*** (0.015)	6.507*** (0.015)	6.529*** (0.015)	6.872*** (0.021)	6.840*** (0.020)	6.792*** (0.012)	7.034*** (0.018)	7.130*** (0.017)	7.130*** (0.015)	7.198*** (0.014)	7.343*** (0.008)
female	6.241*** (0.019)	6.522*** (0.019)	6.415*** (0.018)	6.747*** (0.025)	6.723*** (0.021)	6.567*** (0.013)	6.767*** (0.020)	6.809*** (0.017)	6.846*** (0.016)	6.988*** (0.015)	7.153*** (0.008)
difference	0.118*** (0.024)	-0.015 (0.024)	0.114*** (0.023)	0.125*** (0.033)	0.118*** (0.029)	0.225*** (0.018)	0.267*** (0.027)	0.321*** (0.024)	0.284*** (0.022)	0.210*** (0.021)	0.190*** (0.011)
explained	0.059*** (0.006)	0.063*** (0.006)	0.134*** (0.009)	0.101*** (0.014)	0.118*** (0.014)	0.113*** (0.008)	0.128*** (0.013)	0.123*** (0.012)	0.103*** (0.011)	0.101*** (0.011)	0.078*** (0.005)
unexplained	0.059** (0.024)	-0.078*** (0.024)	-0.020 (0.022)	0.024 (0.031)	0.000 (0.027)	0.112*** (0.017)	0.140*** (0.025)	0.198*** (0.021)	0.181*** (0.020)	0.110*** (0.019)	0.112*** (0.010)

*Source:* Calculations based on Cambodia Socio-Economic Surveys.

*Note:* Standard errors are in parentheses. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

**Table A.8. Oaxaca-Blinder Decomposition**  
**Panel A. Sri Lanka**

Variables	1992 (1)	1994 (2)	1995 (3)	1996 (4)	1998 (5)	1999 (6)	2000 (7)	2001 (8)	2002 (9)	2003 (10)	2004 (11)	2007 (12)	2008 (13)	2011 (14)	2012 (15)	2013 (16)	2014 (17)	2015 (18)
male	3.292*** (0.006)	3.414*** (0.009)	3.429*** (0.010)	4.527*** (0.017)	3.411*** (0.007)	3.463*** (0.007)	3.485*** (0.007)	3.479*** (0.008)	3.412*** (0.007)	3.436*** (0.007)	3.454*** (0.005)	3.556*** (0.007)	3.515*** (0.006)	3.608*** (0.007)	3.689*** (0.006)	3.663*** (0.005)	3.718*** (0.005)	3.821*** (0.005)
female	3.182*** (0.012)	3.338*** (0.017)	3.383*** (0.017)	4.386*** (0.024)	3.245*** (0.012)	3.318*** (0.011)	3.340*** (0.011)	3.336*** (0.013)	3.318*** (0.012)	3.324*** (0.011)	3.325*** (0.009)	3.393*** (0.012)	3.378*** (0.011)	3.479*** (0.013)	3.575*** (0.011)	3.436*** (0.009)	3.504*** (0.009)	3.590*** (0.009)
difference	0.110*** (0.013)	0.075*** (0.019)	0.046** (0.020)	0.142*** (0.030)	0.166*** (0.014)	0.145*** (0.013)	0.144*** (0.013)	0.143*** (0.015)	0.094*** (0.014)	0.112*** (0.013)	0.129*** (0.011)	0.162*** (0.014)	0.137*** (0.013)	0.129*** (0.015)	0.114*** (0.013)	0.227*** (0.011)	0.213*** (0.010)	0.231*** (0.011)
explained	0.035*** (0.008)	0.011 (0.011)	0.006 (0.011)	0.059*** (0.008)	0.020*** (0.007)	0.011 (0.007)	0.008 (0.007)	-0.005 (0.008)	-0.021*** (0.008)	-0.009 (0.007)	-0.002 (0.006)	-0.017** (0.008)	-0.035*** (0.007)	-0.038*** (0.007)	-0.053*** (0.007)	-0.051*** (0.004)	-0.056*** (0.004)	-0.062*** (0.004)
unexplained	0.074*** (0.010)	0.065*** (0.015)	0.040** (0.016)	0.083*** (0.029)	0.146*** (0.011)	0.134*** (0.011)	0.136*** (0.010)	0.148*** (0.013)	0.116*** (0.012)	0.121*** (0.011)	0.132*** (0.009)	0.180*** (0.011)	0.173*** (0.010)	0.167*** (0.012)	0.167*** (0.011)	0.278*** (0.010)	0.269*** (0.009)	0.292*** (0.010)

*Source:* Calculations based on the Sri Lankan 1992, 1994-1996, 1998-2004, 2007-2008 and 2011-2015 Labor Force Surveys.

*Note:* Standard errors are in parentheses. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

Table A.9 reports marginal effects (evaluated at the means of the regressors) of the independent variables on labour force participation in Cambodia and Sri Lanka

**Table A.9. Marginal Effects for Labour Force Participation**  
**Panel A. Cambodia**

Variables	1996 (1)	1999 (2)	2004 (3)	2007 (4)	2008 (5)	2009 (6)	2010 (7)	2011 (8)	2012 (9)	2013 (10)	2014 (11)
<i>Individual characteristics</i>											
Female dummy	-0.379*** (0.006)	-0.323*** (0.007)	-0.281*** (0.005)	-0.283*** (0.010)	-0.251*** (0.010)	-0.127*** (0.006)	-0.120*** (0.010)	-0.085*** (0.009)	-0.133*** (0.009)	-0.153*** (0.008)	-0.149*** (0.005)
Age (years)	0.070*** (0.001)	0.078*** (0.002)	0.060*** (0.001)	0.061*** (0.003)	0.055*** (0.003)	0.071*** (0.001)	0.080*** (0.002)	0.080*** (0.002)	0.077*** (0.002)	0.074*** (0.002)	0.072*** (0.001)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education (years)	0.017*** (0.001)	0.017*** (0.001)	0.010*** (0.001)	0.012*** (0.002)	0.009*** (0.002)	0.003*** (0.001)	-0.002 (0.001)	0.000 (0.001)	0.001 (0.001)	-0.000 (0.001)	-0.003*** (0.001)
Married dummy	0.123*** (0.011)	0.037*** (0.012)	0.080*** (0.009)	0.060*** (0.017)	0.046*** (0.017)	0.152*** (0.009)	0.141*** (0.016)	0.065*** (0.015)	0.070*** (0.014)	0.054*** (0.014)	0.007 (0.008)
Divorced dummy	0.363*** (0.028)	0.171*** (0.046)	0.214*** (0.019)	0.166*** (0.032)	0.158*** (0.033)	0.076*** (0.019)	0.031 (0.031)	-0.009 (0.035)	0.070** (0.028)	0.057* (0.031)	0.026 (0.019)
Widowed dummy	0.399*** (0.017)	0.232*** (0.022)	0.223*** (0.012)	0.169*** (0.023)	0.172*** (0.022)	0.040*** (0.014)	0.027 (0.025)	-0.011 (0.026)	0.009 (0.023)	0.003 (0.023)	-0.006 (0.013)
<i>Household characteristics</i>											
HH head education	0.003** (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.005*** (0.001)	0.001 (0.001)	-0.005*** (0.001)	-0.007*** (0.001)	-0.011*** (0.001)	-0.011*** (0.001)	-0.012*** (0.001)	-0.006*** (0.001)
HH size	-0.044*** (0.003)	-0.031*** (0.003)	-0.027*** (0.002)	-0.021*** (0.003)	-0.027*** (0.003)	-0.040*** (0.002)	-0.033*** (0.003)	-0.030*** (0.003)	-0.014*** (0.003)	-0.010*** (0.003)	-0.005*** (0.002)
Number of kids 0-5	0.034*** (0.005)	0.035*** (0.011)	0.032*** (0.004)	0.036*** (0.008)	0.027*** (0.008)	0.039*** (0.005)	0.027*** (0.008)	0.030*** (0.008)	0.026*** (0.008)	-0.011 (0.008)	-0.013*** (0.004)
Number of kids 6-18	0.018*** (0.003)	0.013*** (0.003)	0.010*** (0.003)	0.007 (0.005)	0.016*** (0.005)	0.034*** (0.003)	0.027*** (0.005)	0.024*** (0.004)	0.000 (0.004)	-0.006 (0.004)	-0.015*** (0.002)
Observations	31,787	23,472	44,662	11,023	10,915	39,117	11,588	11,476	12,416	12,344	38,268

*Source:* Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014.

*Note:* Marginal effects of the labour force participation are evaluated at the mean of the independent variables. Standard errors are in parentheses. Never married is an omitted category for marital status. Standard errors are reported below the estimated coefficients. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively.

**Table A.9. Marginal Effects for Labour Force Participation**  
**Panel A. Sri Lanka**

Variables	1992 (1)	1994 (2)	1995 (3)	1996 (4)	1998 (5)	1999 (6)	2000 (7)	2001 (8)	2002 (9)	2003 (10)	2004 (11)	2007 (12)	2008 (13)	2011 (14)	2012 (15)	2013 (16)	2014 (17)	2015 (18)
<i>Individual characteristics</i>																		
Female dummy	-0.455*** (0.004)	-0.471*** (0.006)	-0.469*** (0.006)	-0.447*** (0.005)	-0.422*** (0.005)	-0.445*** (0.005)	-0.451*** (0.005)	-0.470*** (0.006)	-0.476*** (0.005)	-0.488*** (0.005)	-0.482*** (0.004)	-0.474*** (0.005)	-0.483*** (0.004)	-0.507*** (0.005)	-0.528*** (0.005)	-0.492*** (0.004)	-0.509*** (0.004)	-0.499*** (0.004)
Age (years)	0.108*** (0.001)	0.109*** (0.002)	0.111*** (0.002)	0.110*** (0.001)	0.105*** (0.001)	0.104*** (0.001)	0.107*** (0.001)	0.106*** (0.001)	0.107*** (0.001)	0.105*** (0.001)	0.106*** (0.001)	0.101*** (0.001)	0.102*** (0.001)	0.101*** (0.001)	0.101*** (0.001)	0.085*** (0.001)	0.102*** (0.001)	0.102*** (0.001)
Age squared	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
Education (years)	0.007*** (0.001)	0.005*** (0.001)	0.005*** (0.001)	0.003*** (0.001)	0.006*** (0.001)	0.007*** (0.001)	0.008*** (0.001)	0.011*** (0.001)	0.010*** (0.001)	0.011*** (0.001)	0.011*** (0.001)	0.012*** (0.001)	0.013*** (0.001)	0.018*** (0.001)	0.019*** (0.001)	0.015*** (0.001)	0.022*** (0.001)	0.021*** (0.001)
Married dummy	-0.168*** (0.007)	-0.142*** (0.012)	-0.154*** (0.012)	-0.123*** (0.009)	-0.123*** (0.009)	-0.109*** (0.009)	-0.097*** (0.009)	-0.087*** (0.011)	-0.086*** (0.009)	-0.068*** (0.009)	-0.097*** (0.008)	-0.034*** (0.009)	-0.031*** (0.009)	0.006 (0.010)	-0.004 (0.010)	-0.022*** (0.008)	0.001 (0.009)	-0.017** (0.008)
Divorced dummy	-0.029 (0.022)	-0.001 (0.045)	-0.030 (0.040)	-0.067** (0.028)	-0.071** (0.028)	-0.099*** (0.029)	-0.098*** (0.029)	-0.025 (0.032)	0.003 (0.027)	0.008 (0.026)	0.001 (0.023)	0.099*** (0.025)	-0.004 (0.024)	0.136*** (0.027)	0.098*** (0.024)	0.062*** (0.020)	0.108*** (0.021)	0.061*** (0.021)
Widowed dummy	-0.143*** (0.012)	-0.097*** (0.021)	-0.135*** (0.020)	-0.112*** (0.015)	-0.116*** (0.016)	-0.109*** (0.016)	-0.098*** (0.016)	-0.048*** (0.019)	-0.069*** (0.016)	-0.041*** (0.015)	-0.084*** (0.012)	-0.031** (0.015)	-0.013 (0.015)	0.059*** (0.016)	0.050*** (0.016)	0.002 (0.013)	0.041*** (0.014)	0.032** (0.014)
<i>Household characteristics</i>																		
HH head education	-0.009*** (0.001)	-0.008*** (0.001)	-0.006*** (0.001)	-0.010*** (0.001)	-0.013*** (0.001)	-0.011*** (0.001)	-0.013*** (0.001)	-0.011*** (0.001)	-0.011*** (0.001)	-0.010*** (0.001)	-0.013*** (0.001)	-0.015*** (0.001)	-0.014*** (0.001)	-0.016*** (0.001)	-0.017*** (0.001)	-0.014*** (0.001)	-0.017*** (0.001)	-0.017*** (0.001)
HH size	-0.001 (0.001)	-0.003 (0.002)	0.003 (0.002)	0.001 (0.002)	-0.005*** (0.002)	-0.001 (0.002)	0.002 (0.002)	0.004** (0.002)	0.003 (0.002)	0.008*** (0.002)	0.003 (0.002)	0.009*** (0.002)	0.006*** (0.002)	0.002 (0.002)	0.002 (0.002)	0.002 (0.002)	0.003* (0.002)	0.011*** (0.002)
Number of kids 0-5	-0.003 (0.004)	-0.006 (0.006)	-0.017*** (0.006)	-0.023*** (0.005)	-0.016*** (0.005)	-0.024*** (0.005)	-0.028*** (0.005)	-0.037*** (0.006)	-0.043*** (0.006)	-0.039*** (0.005)	-0.023*** (0.004)	-0.059*** (0.005)	-0.046*** (0.005)	-0.040*** (0.006)	-0.035*** (0.006)		-0.036*** (0.005)	-0.047*** (0.005)
Number of kids 6-18	-0.034*** (0.002)	-0.031*** (0.003)	-0.034*** (0.003)	-0.032*** (0.002)	-0.020*** (0.003)	-0.027*** (0.003)	-0.033*** (0.003)	-0.037*** (0.003)	-0.041*** (0.003)	-0.048*** (0.003)	-0.042*** (0.002)	-0.051*** (0.003)	-0.047*** (0.003)	-0.049*** (0.003)	-0.053*** (0.003)	-0.058*** (0.005)	-0.056*** (0.003)	-0.067*** (0.003)
Observations	73,503	28,012	27,419	54,155	48,054	47,657	47,163	35,906	46,582	53,142	74,466	53,943	57,673	44,329	48,503	54,455	63,110	63,855

*Source:* Calculations based on the Sri Lankan 1992–2002, 2008, 2011 - 2015 Labour Force Surveys

*Note:* Standard errors are in parentheses. Standard errors are clustered at the industry level. Statistically significant coefficients at the 10, 5, and 1 per cent level are indicated by one, two, and three asterisks respectively. The grand mean effects of the industries are calculated; additional controls include, industry, and occupation dummies. Occupation dummies are according to 1-digit ISCO-08; the omitted category is managers. Industry dummies include 15 categories: Agriculture and Forestry; Mining; Food, Beverage, and Tobacco; Textile and Apparel; Wood; Other Manufacturing; Utilities; Construction; Sales; Transport; Financial, Insurance, and Real Estate; Public Administration; Social Services; and Other Services. Log wages are measured as the logarithm of real hourly individual labour income. Log wages are measured as the logarithm of real monthly individual labour income in 2005 prices.

Table A.10 reports the percentage of workers working more than 40 hours a week and the percentage of children less than 14 years old in the employed population in Cambodia and Sri Lanka

**Table A.10. Hours Worked**  
**Panel A. Cambodia**

	Per cent of workers working more than 40 hours a week										
	1996	1999	2004	2007	2008	2009	2010	2011	2012	2013	2014
Male	68.4	80.4	72.2	79.1	81.6	62.2	70.4	69.2	71.8	73.8	73.4
Female	61.2	77.2	62.6	67.8	72.0	55.2	59.2	58.9	61.5	66.7	65.3
Agriculture	59.2	70.8	60.6	57.3	63.4	42.5	42.2	38.7	40.7	44.2	42.9
T&G	68.9	93.2	93.4	92.6	94.1	89.8	92.4	93.7	95.3	96.6	96.5
All sectors	65.8	79.2	68.1	74.4	77.6	58.8	64.7	63.9	66.7	70.3	69.4
	Per cent of children less than 14 years old in the employed population										
	1996	1999	2004	2007	2008	2009	2010	2011	2012	2013	2014
Male	0.44	0.33	2.01	1.01	0.70	1.31	0.38	0.23	0.11	0.22	0.16
Female	0.85	0.27	2.55	1.64	1.00	1.21	0.42	0.41	0.27	0.27	0.17
Agriculture	0.59	0.52	2.78	2.24	1.67	1.90	0.49	0.44	0.30	0.42	0.28
T&G	1.89	0.18	0.30	0.71	0.42	0.75	0.63	0.76	0.25	0.12	0.20
All sectors	0.59	0.31	2.24	1.27	0.83	1.26	0.40	0.33	0.19	0.24	0.17

*Source:* Calculations based on the Cambodian Socio-Economic Surveys 1996, 1999, 2004, 2007 - 2014

*Note:* T&G = textiles and garments.

**Table A.10. Hours Worked**  
**Panel B. Sri Lanka**

	Per cent of workers working more than 40 hours a week																
	1992	1994	1995	1996	1998	1999	2000	2001	2002	2003	2004	2007	2008	2011	2012	2013	2014
Male	81.2	82.0	81.0	48.9	78.6	79.4	78.7	81.5	80.2	80.2	81.4	82.62	83.23	83.61	84.89	83.74	85.05
Female	66.3	66.7	64.9	41.1	59.0	61.8	61.9	64.0	60.4	62.7	63.9	62.4	61.31	61.95	63.87	62.71	64.24
Agriculture	67.4	64.0	61.0	44.9	58.5	59.5	57.9	59.2	56.2	60.1	61.6	61.75	61.28	63.04	64.01	62.85	63.89
T&G	80.4	87.0	86.7	48.4	87.2	88.7	89.3	90.2	89.5	88.8	87.7	85.18	84.71	87.00	87.21	85.11	86.91
All sectors	76.9	77.6	76.3	46.4	71.9	73.6	73.1	75.9	73.8	74.8	75.9	75.68	75.69	76.51	78.14	76.55	78.01
	Per cent of children less than 14 years old in the employed population																
	1992	1994	1995	1996	1998	1999	2000	2001	2002	2003	2004	2007	2008	2011	2012	2013	2014
Male	0.26	0.24	0.12	0.22	0.48	0.49	0.24	0.19	0.16	0.15	0.20	0.11	0.16	0.09	0.06	-	-
Female	0.49	0.30	0.24	0.26	0.65	0.64	0.42	0.32	0.28	0.21	0.33	0.11	0.10	0.04	0.07	-	-
Agriculture	0.23	0.19	0.10	0.30	1.03	1.09	0.57	0.49	0.43	0.23	0.47	0.23	0.33	0.21	0.07	-	-
T&G	0.07	0.29	0.00	0.00	0.13	0.14	0.00	0.09	0.23	0.22	0.21	0.00	0.00	0.00	0.00	-	-
All sectors	0.33	0.26	0.16	0.23	0.54	0.54	0.30	0.23	0.20	0.17	0.24	0.11	0.14	0.08	0.06	-	-

*Source:* Calculations based on the Sri Lankan 1992-2002, 2008, 2011 - 2015 Labour Force Surveys. Years 2013-2015 capture working age population from 15 years and above.

*Note:* T&G = textiles and garments.