**POLICY PROPOSAL**

# Creating spaces for Sri Lankan women to thrive professionally, personally, and emotionally

***Fostering Holistic Success for Women in Sri Lanka:***

***Removing Barriers to Thrive.***

**Prepared for:**
Government of Sri Lanka, MPs, Financial Institutions, and Development Partners


**Prepared by:**
CITIZEN X CORE



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# Policy Proposal

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## Executive Summary

Women-led micro and small enterprises (MSEs) hold enormous potential to transform Sri Lanka's economy, create jobs, and uplift communities. Yet, most women entrepreneurs face two layers of barriers:

1. **Barriers to Start a Business (Entry Barriers)**
   Women often lack access to information, skills, start-up capital, collateral, family support, and confidence to even begin their entrepreneurial journey.

2. **Barriers to Grow and Sustain a Business**
   Those who start businesses struggle due to limited market knowledge, poor access to finance, weak digital skills, cultural constraints, and regulatory burdens.

This policy proposes a comprehensive framework to address these challenges through holistic support including skills training, access to capital, mentorship, emotional well-being programs, market integration, and regulatory reforms. With coordinated action from the government, private sector, and development partners, Sri Lanka can unlock the full potential of women creating not only businesses, jobs and economic growth but also spaces where women thrive professionally, personally, and emotionally

## Introduction

Women in Sri Lanka, particularly in rural and semi-urban areas, are deeply engaged in income-generating activities across handicrafts, agriculture, food processing, apparel, retail, beauty services, and online trade. Many aspire to own formal businesses but face systemic obstacles at every stage, from the decision to start a business to sustaining and growing it.

Supporting women entrepreneurs is not only a matter of gender equity; it is an economic imperative. Women reinvest the majority of their earnings into families and communities, amplifying economic and social benefits. Yet, due to limited access to skills, finance, networks, and holistic well-being support, women-owned businesses remain small, informal, or stagnant.

This policy aims to eliminate these barriers, ensuring that women can start, formalize, and scale their businesses while also fostering their personal growth and emotional resilience contributing meaningfully to Sri Lanka's economic future.

## Barriers to Starting a Business (Entry Barriers)

1. **Lack of Business Knowledge and Confidence**
   - Many women do not know how to register a business, prepare a plan, or access government or financial support.
   - Fear of failure, self-doubt, and low confidence, driven by lack of exposure and role models, hold them back emotionally.
2. **Cultural and Family Expectations**
   - Women are often expected to prioritize family duties over work, limiting time and focus.
   - Some face resistance from family members to start independent ventures, leading to emotional and relational stress.
3. **No Start-Up Capital or Savings**
   - Most aspiring women entrepreneurs cannot self-fund or access seed capital, even for micro-scale businesses.
4. **No Property or Collateral Ownership**
   - Many women lack ownership of land or assets (due to inheritance customs), blocking access to bank loans.
5. **Complicated Business Registration**
   - Business formalization involves complex procedures, time, and travel, discouraging rural women.
6. **No Exposure to Market Opportunities**
   - Even skilled women (in crafts, food, etc.) don’t know which products sell best, where to sell, or how to find customers.
7. **Lack of Early Mentorship and Emotional Support**
   - Lack of programs to help women validate ideas, build confidence, and create a viable business plan in a supportive environment.

## Barriers to Growing and Sustaining a Business

1. **Limited Market Knowledge**
    - Lack of understanding of customer trends, competition, and pricing strategies.
    - Little awareness of export and e-commerce opportunities.
2. **Weak Digital Skills and Marketing Reach**
    - Limited access to social media marketing, branding, and online marketplaces.
    - Lack of affordable tools and training.
3. **Restricted Access to Finance**
    - Difficulty obtaining loans due to no collateral, poor credit history, or informal business status.
    - Dependence on high-interest informal loans or exploitative microfinance.
4. **Data and Research Gaps**
    - No access to affordable, localized market research to take informed business decisions.
5. **Social, Cultural and Personal Barriers**
    - Limited ability to travel, attend training, or network due to traditional norms and caregiving responsibilities.
    - Emotional isolation, burnout, and lack of work-life balance
6. **Regulatory and Administrative Hurdles**
    - Time-consuming and costly registration, licensing, and tax processes discourage scaling or formalization.
7. **Lack of Holistic Mentorship and Support Networks**
    - Few structured mentorship programs that address both business and personal challenges, or peer support groups that foster emotional resilience and well-being.

## Policy Recommendations

### 1. Support Women at the Idea and Start-Up Stage

- Establish local Business Incubation Hubs for Women, offering:
  - Guidance on business registration, planning, and funding applications.
  - Confidence-building and entrepreneurship training with modules on stress management, goal-setting, and emotional resilience.
  - Small start-up grants for idea-stage businesses.

### 2. Build Skills and Knowledge for Growth

- Expand Women Entrepreneur Development Centers (WEDCs) to every district.
- Deliver digital literacy, branding, financial management, and export readiness programs.
- Integrate personal development workshops on time management, boundary-setting, and mental well-being.
- Partner with NGOs and tech companies for free or low-cost digital skills training.

### 3. Enhance Access to Finance

- Create a 'Women's Credit Guarantee Fund' to back loans for women with no collateral.
- Reform microfinance practices, capping interest rates and offering flexible repayment.
- Provide start-up grants and concessional loans for scalable women-led businesses.

### 4. Facilitate Market Access

- Launch a 'government-backed e-commerce platform' for women entrepreneurs, with logistics integration.
- Organize domestic trade fairs and international showcases for women-led businesses.
- Develop 'export fast-track pathways' for certified women-owned enterprises.

### 5. Simplify Registration and Compliance

- Build a 'single-window online portal' for registration, licensing, and tax filing.
- Offer 3–5 years of tax holidays or reduced rates for new women-led businesses.

### 6. Strengthen Mentorship, Networking and Well-Being Support

- Create regional 'Women Entrepreneur Chambers' for advocacy and networking.
- Match emerging entrepreneurs with experienced mentors trained in providing both business guidance and emotional support via public-private programs.
- Establish "Well-Being Circles" or peer-led support groups to address isolation, burnout, and personal challenges in a safe, confidential setting.

### 7. Promote Holistic Well-Being and Work-Life Integration

- Develop and disseminate resources on mental health, digital wellness, and family-inclusive business practices.

- Partner with health NGOs and counselors to offer accessible well-being sessions and crisis support.
- Incentivize family-friendly business practices, such as childcare support at training events and flexible networking hours.

**8. Leverage Public-Private Partnerships**

- Collaborate with telecom providers, banks, and donors to deliver digital tools, mobile banking, and online marketplaces.
- Engage international development agencies (World Bank, UN Women, ADB) to fund training and technical assistance.

## Implementation Framework

- **Lead Agencies:** Ministry of Women & Child Affairs, Ministry of Industries, Central Bank, Export Development Board.
- **Key Partners:** Banks, microfinance institutions, NGOs, chambers of commerce, donor agencies.
- **Rollout Plan:**
    1. **Pilot programs** in three provinces with high female entrepreneurship potential.
    2. **Scale nationally over 3–5 years**, with joint government and donor funding.
    3. Establish a **National Monitoring Framework** to track:
        - Women entering entrepreneurship (new registrations),
        - Loan approvals and repayment rates,
        - Revenue growth and exports,
        - Job creation in women-led enterprises.
        - Well-being indicators**: self-reported confidence, stress levels, work-life balance satisfaction.

## Expected Outcomes

- More women starting businesses, supported with the skills and emotional resiliance to succeed.
- Greater access to finance for both start-up and growth stages.
- Job creation, poverty reduction, and increased exports, especially from rural areas.
- Formalization of enterprises, increasing tax revenues and government engagement.
- Improved personal well-being, work-life balance, and emotional health of women entrepreneurs
- Formalization of enterprises, increasing tax revenues and government engagement.
- Empowered women contributing to economic growth and community development.

## Conclusion

Removing barriers to entry and growth for women entrepreneurs is not just about empowerment, it is about unlocking Sri Lanka's human and economic potential. By addressing not only professional but also personal and emotional challenges, this policy can help transform women-led enterprises into engines of sustainable, inclusive, and holistic growth, benefiting the nation as a whole.