

**NATIONAL POLICY
FOR
DECENT WORK
IN
SRI LANKA**

**MINISTRY OF LABOUR RELATIONS
AND
FOREIGN EMPLOYMENT**

Development of the National Policy
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THE VISION OF THE NATIONAL POLICY FOR DECENT WORK

A future of peace and prosperity in which all Sri Lankans enjoy a better quality of life free from poverty and deprivation, through the promotion of opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity.

NATIONAL POLICY FOR DECENT WORK IN SRI LANKA

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ACRONYMS/ABBREVIATIONS USED

ARC:	Administrative Reforms Commission
BOI:	Board of Investment of Sri Lanka
DCS:	Department of Census and Statistics
DOL:	Department of Labour
EDB:	Export Development Board
ESDEL:	Employment, Skills Development & Labour Cluster
EFC:	Employers' Federation of Ceylon
FDI:	Foreign Direct Investment
IOM:	International Organisation for Migrants
JAFF:	Joint Apparel Association Forum
MLRFE:	Ministry of Labour Relations and Foreign Employment
MOJ:	Ministry of Justice and Constitutional Affairs
MOF:	Ministry of Finance
MOFA:	Ministry of Foreign Affairs
NCED:	National Council for Economic Development
NLAC:	National Labour Advisory Council
NWC:	National Workers Congress
PSC:	Public Services Commission
SLBFE:	Sri Lanka Bureau of Foreign Employment
TVEC:	Technical and Vocational Education Commission
TEVT:	Technical Education and Vocational Training
YEN:	Youth Employment Network

PREFACE & ACKNOWLEDGMENTS

Increasing the quality and quantity of jobs is the surest way of moving people out of poverty. Quality is the essence of the concept of Decent Work, defined as opportunities for men and women to obtain productive work, in conditions of freedom, equity, security and human dignity. A restatement of the founding principles of the International Labour Organisation, the Decent Work concept is concerned not only with ensuring sources of income, but also as a means for people to live a self-determined life, and for participating fully as citizens in their communities.

The National Policy identifies the existing weaknesses in the focus areas of Decent Work and sets out policies designed to overcome them, while the National Plan of Action converts policy into action. Together these two documents set out the direction that Sri Lanka needs to take in implementing economic and social development. It is also the point of convergence for other policies on several aspects of decent work, and thus creates a blueprint for action in creating employment, and in ensuring the quality of work and workers' lives.

For the purpose of drafting the national policy and plan of action a Tripartite Steering Committee (TSC) was appointed under my chairmanship. The TSC initially identified five key focus areas and appointed five Task Forces comprising all stakeholders. Based on the issue papers prepared by the five taskforces, the National Policy was drafted under the guidance of the TSC, and the draft policy was then subjected to wide consultation both nationally and regionally, and amendments were made to reflect the views of those consulted, and to ensure its acceptability to all the stakeholders. The draft policy was also presented to the National Labour Advisory Council for adoption.

The development of the National Decent Work Policy and the Plan of Action for Sri Lanka was possible owing to kind assistance and cooperation of numerous individuals representing public and private sector organizations, employers, trade unions and non-governmental organizations.

The Tripartite Steering Committee wishes to acknowledge, with grateful appreciation, the contributions made by the members of the five Task Forces and the Consultants who gave of their valuable time and experience in the preparation of the issue papers on which this National Policy is based.

We gratefully acknowledge the technical and financial support extended by the International Labour Organization throughout the process of development of the documents. A special mention must be made of the former Director of the ILO office in Colombo, Ms. Claudia Coenjaerts, for her role in initiating the process and her contributions in the form of technical advice and the administration of the process. Her successor, Ms. Tine Staermose, continued the commitment of the ILO to this process, which is gratefully acknowledged. I wish to place on record my special thanks for the support extended by the staff of the ILO Colombo Office who facilitated the entire process, in particular, Ms. Shafinaz Hassandeen, Senior Programme Officer and Ms. Pramodini Weerasekera, Programme Officer.

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The Steering Committee also wishes to express their grateful thanks to all concerned officers of the Ministry of Labour Relations and Foreign Employment and the institutions that come under its purview, especially, Mr Mahinda Madihahewa, Secretary, and Mr Upali Athukorale, Senior Assistant Secretary of the Ministry, who were involved through out the exercise.



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National Policy and Plan of Action for Decent Work

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Colombo 5

Objectives of the National Policy for Decent Work

- To give full effect, in law and in practice, to the ILO Declaration on Fundamental Principles and Rights at Work, by which Sri Lanka is bound in international law, and to promote an excellent compliance record as a means of improving both economic and social development including Sri Lanka's competitiveness.
- To operationalize the National Employment Policy and the National Productivity Policy, in order to create more and better jobs for women and men, and to contribute towards peace and reconciliation.
- To minimise the social costs of economic and legal reforms by promoting appropriate and gender sensitive social protection and to improve the management of occupational safety and health.
- To strengthen tripartite partners to participate in the development and implementation of social and economic policy.

Guidelines for the Decent Work Strategy

In July/August 2003, following a national tripartite consultation, the Steering Committee agreed on the following guiding principles on Decent Work (ILO, 2004):

- Programmes and activities must be result-oriented and must aim to benefit all workers, including men and women in the informal sector.
- Gender considerations are included in all programmes and activities.
- Coordination and emphasis on synergies is the rule; this requires information sharing and will strengthen collaboration among different State and non-state agencies.
- The tripartite partners remain the principle interlocutors for the concept of Decent Work. As appropriate, activities and programmes will include other government institutions and civil society organisations.

These guidelines will be followed in developing specific action plans to implement decent work.

EXECUTIVE SUMMARY

Sri Lanka is poised at a crucial point in its development process, with the prospect of an economic revival spurred by the hope of a peace settlement to the ethnic conflict which has plagued its growth for over two decades. At the same time the country, like many others in the region, is grappling with the difficult challenge to maximize the benefits of globalization to as many people as possible, while minimizing its costs. This challenge calls for a response that will balance growth with equity, economic development with social development, without sacrificing one for the other.

At the 13th Asian Regional Meeting of the ILO constituents in 2001, the Government, workers' and employers' representatives in Sri Lanka made a commitment to develop a National Policy and a National Action Plan for Decent Work. The goal of decent work is to promote opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity.

The key element underpinning these dimensions is the **opportunity for work**, meaning that all persons who want work should be able to find work, since decent work is not possible without work itself. 'Work' is not confined to wage employment, but can be any form of economic activity, including self employment, unpaid family work and wage employment in both the formal and informal sectors. **Rights at work**, or work in conditions of freedom, recognises that work should be freely chosen and not forced on individuals, that access to work and the workplace itself should be free from discrimination and that certain forms of work such as bonded or slave labour, and child labour, are not acceptable and should be eliminated; it also means that workers are free to join workers' organisations. **Social protection** recognises the obligation to safeguard health at work, and to provide financial and other protection in the event of ill-health, old-age and loss of work or livelihood, and other contingencies. **Social dialogue** requires that workers be treated with respect at work, and be able to voice concerns and participate in decision-making about working conditions; it also means that workers have the right to represent their interests collectively. The focus of these four dimensions is not just the creation of jobs, but **the creation of jobs of acceptable quality**.

Among the many economic dividends of making decent work the cornerstone of development policy is that it provides a quality road to poverty reduction; however, one cannot legislate employment in and poverty out. The working poor in Sri Lanka are worse off than the unemployed, which may indicate that existing jobs do not meet the decent work standard. But there are no 'quick fixes' to poverty: the decent work agenda is about a long and complex process that requires Governments, employers and workers, to work together and define a positive consensus for helping people out of the trap of poverty.

The National Policy on Decent Work in Sri Lanka identifies weaknesses in the focus areas of decent work and sets out the policies designed to overcome them. The National Action Plan for Decent Work has also been developed with tripartite and regional participation to convert policy into action. Together, these two documents set out the direction that Sri Lanka will need to take in implementing economic and social development.

Creating Opportunities for Employment

Sri Lanka faces numerous challenges in creating sufficient employment opportunities to achieve the goals of decent work.

- ❑ High levels of unemployment for women and educated youth, persistent mismatches in supplying the skills demanded by employers, increasing underemployment are deficits that need to be addressed in employment creation initiatives.
- ❑ A large informal sector, low levels of domestic and foreign direct investment, a high degree of regulation of the labour market, low productivity in comparison with other developing countries, and a lackluster public sector in urgent need of reform, hamper employment creation.
- ❑ Low levels of representation for women in decision making positions in both the public and private sectors, and the poor quality of work available to Sri Lankans employed overseas the majority of who are women need specific remedies as they create disadvantages for women.
- ❑ In addition, if a lasting peace is achieved, conflict areas in the North and East of the country need to be rapidly developed in order to achieve parity in employment opportunities to those seeking work in those areas.

In addressing these deficits, the National Employment Policy and the National Productivity Policy will be implemented as priority actions. A National Plan to Action on Youth Employment is being developed with technical assistance from donors aimed at

creating opportunities for employment for youth within a coordinated framework. A nationally applicable policy and framework for the delivery of technical and vocational education is being drafted, and the main objective of this policy and the YEN project will be to remove the regional disparities in employment opportunities. Investment in regional infrastructure development and industry will be encouraged through incentives to locate in regions needing more access to employment opportunities. If a lasting, peaceful resolution is possible to the ethnic conflict, these regional development programs will be specifically targeted at employment creation in the conflict-affected North and East. Entrepreneurial activity will be encouraged by making access to finance and other resources easier for entrepreneurs, especially for those in the informal sector. As enabling action for all these initiatives, necessary reforms to labour law and the public sector will be carried out through a consensus based approach to ensure speedier and more effective implementation.

The Sri Lanka Bureau of Foreign Employment (SLBFE) will be strengthened with necessary financial and human resources, to become a fully-fledged overseas employment service agency, in addition to its regulatory function. Migrant workers will be better protected through government to government agreements for employment, and the improvement of the capacity of the labour officers in Sri Lankan missions abroad. The overall objective will be to promote skilled, safe migration.

Protecting Rights at Work

The Decent work concept requires that rights and economic progress must go hand in hand. Fundamental principles and rights at work are the essential foundation, the

“floor” of decent work; and there must be work if these rights are to be realized. While all rights of labour are important over the last decade the international community has accepted the centrality of a particular group of rights known as core labour standards and defined them as both universal and inalienable, that is, not contingent on a particular stage of economic development. These rights, already enshrined in a number of international conventions, were reiterated in the 'Declaration on Fundamental Principles and Rights at Work' adopted by the International Labour Conference in June 1998. This is binding on all member countries of the ILO, (not only those member states that have ratified the individual conventions on which the Declaration is based) that are pledged to respect, promote and realise in good faith eight core standards.

Sri Lanka has ratified about 40 ILO Conventions, including the eight core conventions, and its national legal framework contains stringent measures in respect of these and other rights and freedoms at work. For instance, the Constitution of Sri Lanka guarantees the fundamental right to the freedom of association (Article 14(1)). Especially in relation to the abolition of child labour, Sri Lanka is well ahead of its' Asian neighbours.

However, despite this strong legal environment there are some problems in giving practical effect to some rights at work.

- ❑ There are deficits in ensuring the freedom of association, particularly in some export processing zones.
- ❑ The high percentage of self-employed and unpaid family workers, smaller size of workplaces, the expansion of the informal sector, and negative perceptions associated with trade unions have also contributed to a decline in the role of workers' organizations in other sectors.
- ❑ Collective bargaining is also not used as a widespread mechanism for dispute resolution and industrial harmony.
- ❑ Women are underrepresented in trade union hierarchy, even in trade unions where they constitute the majority of members.
- ❑ The informal sector comprises about 70 per cent of all economic activity in Sri Lanka, and it also employs the majority of the labour force. Since the nature of the informal sector is not conducive to the formation of trade unions, the right to association is irrelevant to many informal sector workers.
- ❑ Migrant workers are particularly vulnerable as they work and reside in a host country, and they are unable to exercise their right to organize.

Many of these decent work deficits can be overcome by strengthening the capacity of trade unions in new and alternate dispute resolution methods, negotiation, and in organizational management. Much can be done to overcome the traditional adversarial relationship between the social partners and creating a more cooperative attitude towards workplace relations. Adequate representation must be ensured for women in decision making bodies of trade unions. The formation of informal associations in the informal sector will also be encouraged, especially by involving such associations in formulating and implementing policy in the informal sector at regional level.

Encouraging Social Dialogue

Social dialogue is not simply an interface between employer and worker; more importantly, it reflects the mutual respect amongst all players involved in the economic progress of a country. A social dialogue gap reflects shortfalls in both organization and institutions, and often in attitudes. The main cause of this gap is that large numbers of workers have not organized to make their voices heard. Therefore, ensuring respect for the right to form and join workers organizations is a prerequisite to encouraging social dialogue.

There are other challenges in promoting social dialogue. The adversarial dispute resolution system that exists in Sri Lanka is more focused on litigation and as a result, damages the goodwill that should exist between the social partners. In the public sector, the prevailing culture is to use political influence of different trade unions to resolve problems, with little or no recognition of the role of social dialogue. There is also not much emphasis on the tripartism in policy making at national level.

The task ahead is to strengthen the National Labour Advisory Council (NLAC) by revising its mandate and composition of the NLAC, increasing the capacity of its members, establishing a fully resourced secretariat. The objective is to recognize the NLAC as a social and economic policy making body through the meaningful contribution of all tripartite constituents at all stages of policy, from planning to implementation.

A more broad based approach to tripartism is the setting up of the National Council for Economic Development, with various “clusters” addressing issues of national importance. A welcome development is the inclusion of not only tripartite stakeholders, but also practitioners, academics and public officers of other departments in the Employment Creation, Skills Development & Labour Relations (ESDEL) Cluster. If this

body functions effectively it could serve as a mechanism for change with a long term perspective.

Providing Social Protection for all

Social protection is vital for the well-being of workers, their families and the entire community. It is a basic human right and a fundamental means for creating social cohesion, thereby helping to ensure social peace and stability. It is an indispensable part of government social policy, and an important tool to prevent and alleviate poverty. Given the trend of increased labour market mobility and flexibility within a globalized economy, social protection is an important element to assure that such flexibility is balanced with adequate security. Amongst other things it includes unemployment and redundancy benefits and measures, pension and provident fund schemes, social welfare arrangements, and measures to safeguard occupational health and safety.

Although Sri Lanka has a reputation for providing its citizens with a higher level of social protection as indicated by its comparatively superior social achievements, there are some gaps in this area. The absence of an unemployment protection scheme is a major drawback. Pension provisions are inadequate, and only public servants are entitled to a State pension. Many savings and income replacements scheme are not operational in the informal sector, leaving many workers without any form of assistance in times of need. Migrant workers too are not motivated to access traditional forms of savings and insurance schemes.

Sri Lanka has been considering several modes of unemployment insurance with a view to implementing a comprehensive plan in the near future. The National Task Force on Social Security, after consultations

lasting over a year, has formulated the National Action Plan on Extension of Social Security to the Excluded and the Poor, with the following recommendations:

- ❑ The establishment of a regulatory body to oversee all existing schemes and, possibly, new schemes for the informal economy in the long-term
- ❑ Portability of pension funds should be permitted, including shifts between privately managed funds in the short-term, and between future informal schemes and formal schemes in the long-term
- ❑ Prevention of early retrieval of contributions to pension funds in order to safeguard the beneficiaries against a possible early loss of benefits/lump-sum payment
- ❑ Amalgamating the administration of existing public schemes
- ❑ Consider measures to correct the inadequacy of benefits of many private sector superannuation schemes, and to encourage conversion of at least a part of lump-sum benefits to annuity schemes to ensure continuous support in old age
- ❑ Technical and administrative improvement, such as computerization to reduce default rates and avoidance
- ❑ The introduction of a unique social security number for every citizen

Some suggestions such as the introduction of the unique social security number are under discussion, and these recommendations will be implemented over a period of time. The National Task Force on Social Security recognized the role to be played by informal sector organizations, and the need to include such organizations in

policy making and to assist them in obtaining legal recognition.

A special social protection scheme for returnee migrant workers has been launched by the Ministry of Labour Relations and Foreign Employment and the Sri Lanka Beureau of Foreign Employment (SLBFE) A special housing loan scheme is also under consideration, where 30 per cent of the funds will be contributed by the Government, to motivate migrant workers to generate savings.

Issues in Occupational Safety and Health (OSH)

The shortcomings in relation to OSH in Sri Lanka are well recognized. The most critical is that of exclusion, as only about 30 per cent of the labour force is covered by the main statutory provision on OSH. Even within the formal sector, there is inadequate provision to ensure safety and health in occupations in plantations, and even shops and offices.

OSH is at present considered the responsibility of the employer alone, and this approach needs to be revised in favour of a cooperative one between the employer, trade unions and employees in a workplace, supported by the strong and active regulatory role of the Government. The Draft OSH Act, which is under tri-partite discussion prior to presentation to the legislature, will effectively deal with many of these shortcomings. The newly established National Institute for Safety and Health when fully operational will play a pivotal role in standard setting.

Key Enabling Initiatives

Each policy or action outlined above is important in achieving decent work, but there are several critical initiatives which underpin this entire process. These are of equal importance and must be implemented concurrently to facilitate the process of revision and reform.

❑ Restructuring the Department of Labour

The Department of Labour performs a combined enforcement, regulatory and administrative role in relation to employment in Sri Lanka. Recognizing the need for the professional delivery of a comprehensive labour and employment regulatory service to meet the current need of the country, the Ministry of Labour Relations and Foreign Employment has commenced a programme to restructure the Department of Labour and the Ministry of Labour with the assistance and expertise of the ILO.

❑ Implementing labour law reforms through a consultative process

Labour and employment legislation in Sri Lanka needs urgent revision in keeping with the economic and social development goals of the country. However, the numerous stakeholders and especially the social partners have been unable to arrive at a consensus on the nature and type of revisions required, and the process itself has been too time-consuming.

❑ Importance of accurate and comprehensive employment related data

At present, although the information gathering system provides adequate information on labour and employment from a traditional perspective, it provides only a partial, and sometimes a rudimentary, picture of decent work deficits. While there

is adequate information on the quantifiable aspects of decent work, there is little, if any, on its qualitative aspects. The Department of Labour needs to be involved in all data collection activities of the Department of Census Statistics and the Central Bank of Sri Lanka, in order to direct the focus of information gathering towards data related to decent work.

❑ Working together in Government

In many areas of Government today there are instances of overlap and duplication in the activities of ministries and regulatory bodies, but these institutions do not always coordinate their functions in an efficient and effective way. A pre-condition to implementing this National Policy on Decent Work is that these institutions must establish a partnership, rather than operate in isolation from each other.

❑ Timely implementation of public sector reforms

The proposals to improve productivity and efficiency of the public sector need to be implemented expeditiously. At the same time, it is important to highlight the role to be played by civic-conscious citizens in exposing acts of wastage, undue delays, acts of nepotism and various other irregularities in public institutions, without which the accountability and transparency of the public service will deteriorate.

The National Plan Of Action For Decent Work

The next step in this process, the implementation of the accompanying National Plan of Action for Decent Work, will convert these policy initiatives into an integrated platform for action. The plan of action sets out specific actions to implement these policy responses, and identifies the agencies that are responsible for implementation. Actions are categorized as

short, medium and long term actions, with the intention of prioritizing implementation. The monitoring of the action plan will be linked to the initiative to reconstitute the National Labour Advisory Council and the Monitoring Commission to be established under the supervision of the President of Sri Lanka to oversee the implementation of all government policies.

1. Introduction

Background

Sri Lanka is poised at a crucial point in its development process. Like many other countries in the region, it is grappling with the difficult challenge to maximize the benefits of globalization and distribute its benefits to as many people as possible, while minimizing its costs. This challenge calls for a response that will balance growth with equity, and economic development with social development, without sacrificing one for the other.

At the 13th Asian regional meeting in Bangkok in 2001 the member states of the International Labour Organization (ILO) reiterated the value of the decent work concept as a positive strategy for both economic and social development and resolved that each member state would develop a National Plan of Action for Decent Work through a tripartite process. In keeping with that resolution, Sri Lanka held a high level consultation with tripartite constituents and other relevant stakeholders in September 2003. They based their discussion on the Decent Work Country Programme which had been developed with tripartite contributions, to determine how the concept of decent work could be incorporated into national policies for development. A Tripartite Steering Committee under the leadership of the Minister of Labour Relations and Foreign Employment was constituted at this consultation and was entrusted with the task of developing a National Plan of Action for Decent Work. In view of the complexity of the issues relating to Decent Work it focused first on formulating a National Policy for Decent Work in order to lay the foundation for a comprehensive National Plan of Action.

The Steering Committee commissioned issue papers on five areas that were considered to be of importance in ensuring decent work in

Sri Lanka, namely, **macro issues in employment, the public sector, the formal sector, the informal sector and migration.** These issue papers were prepared by experts in each sector, under the guidance of a Task Force consisting of tripartite representatives concerned with that sector, as well as academics, senior public servants, practitioners and researchers who had previously worked in that field (see Appendix 4 for a list of Task force members).

This paper, **A National Policy for Decent Work in Sri Lanka** which is based on the recommendations made in the issue papers was prepared under the direction of the Steering Committee. It sets out both an analysis of problems and a policy pathway. It is supported by the **National Plan of Action for Decent Work in Sri Lanka (Appendix 1)**, which will convert policy into action. Together, these two documents set out the direction that Sri Lanka needs to take in implementing a programme that will provide a positive underpinning to its economic and social development.

The structure of the Policy

The goal of decent work is to promote opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity. The focus is not just the creation of jobs, but also the creation of jobs of acceptable quality. The key elements underpinning this concept and providing an important part of the structure of this report are the *provision of the opportunity for work, rights at work, social protection and social dialogue.*

In Sri Lanka, as in many other developing countries, decent work deficits are most pronounced in the informal economy. Challenges related to the informal economy,

therefore, appear throughout our discussion of decent work alongside issues related to the formal economy, the public sector and migrant workers. The advancement of women workers is also a cross-cutting concern as well as the important task of promoting decent work as a contribution towards the resolution of civil conflict.

Among the many economic dividends of making decent work the cornerstone of development policy is that it provides a quality road to poverty reduction. However, one cannot simply legislate employment in and poverty out. The decent work agenda then is about a long and complex process that requires Governments, employers and workers, to commit themselves to work together over the long term to create a positive consensus for the economic and social development of the country and the fight against poverty.

The next chapter, Chapter II, describes the concept of decent work setting it in both a global and local context. The following chapter provides a brief overview of relevant elements of Sri Lanka's recent economic and social development. The following four chapters, IV - VII review in schematic fashion each of the main elements of decent work, identifying gaps and setting out policy initiatives that might bridge them. The final chapter sets out some necessary institutional reforms that are needed to implement a national policy of decent work. Appendix 1 contains the National Plan of Action for Decent Work. Appendix 2 discusses information needed to monitor, evaluate and measure progress towards decent work. Appendix 3 lists the members of the Steering Committee and Appendix 4 the list of task force members.

2. Decent Work and Sri Lanka

What is Decent Work?

The goal of decent work everywhere, is to promote opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity. In the words of the Director General of the ILO, decent work "... is about your job and future prospects; about your working conditions; about balancing work and family life, putting your kids through school or getting them out of child labour. It is about gender equality, equal recognition, and enabling women to make choices and take control of their lives. It is about your personal abilities to compete in the market place, keep up with new technological skills and remain healthy. It is about developing your entrepreneurial skills, about receiving a fair share of the wealth that you have helped to create and not being discriminated against; it is about having a voice in your workplace and your community. In the most extreme situations it is about moving from subsistence to existence. For many, it is the primary route out of poverty. For many more, it is about realizing personal aspirations in their daily existence and about solidarity with others. And everywhere, and for everybody, decent work is about securing human dignity" (ILO, 2001).

Decent work then is about more than just work it is about life chances. Simply put, "decent work" means that **the jobs created through policies for economic development must be of acceptable quality**; that job creation alone is no measure of growth and development, and that those jobs must guarantee to the worker certain minimum standards. The concept has four interrelated dimensions:

- Productive work
- Rights at work
- Social protection
- Social dialogue

The key element underpinning these dimensions is the **opportunity for work**, meaning that all persons who want work should be able to find work, since decent work is clearly not possible without work itself. The concept of 'work' is not confined to wage employment, but can be any form of economic activity, including self-employment, unpaid family work and wage employment in both the formal and informal sectors. **Rights at work**, or work in conditions of freedom, recognizes that work should be freely chosen and not forced on individuals, that access to work and the workplace itself should be free from discrimination and that certain forms of work such as bonded or slave labour, and child labour, are not acceptable and should be eliminated; it also means that workers are free to join workers' organizations. **Social protection** recognizes the obligation to safeguard health at work, and to provide financial and other protection in the event of ill health, old age and loss of work or livelihood, and other contingencies. **Social dialogue** requires that workers be treated with respect at work, and be able to voice concerns and participate in decision-making about working conditions; it also means that workers have the right to represent their interests collectively. The focus of these four dimensions is not just the creation of jobs, but also **the creation of jobs of acceptable quality**.

At the global level, it is hoped that the promotion of decent work will contribute to a "fair globalization" as spelled out in the report of the World Commission on the Social Dimension of Globalization (2004). As people experience the opportunities and advantages, as well as the risks and exclusions of globalization through their workplace the global dimension of decent work is increasingly apparent. The World

Commission stresses that the path towards fulfilling the broader aspirations of women and men starts at home where people experience gaps in decent work and problems within their own communities, thus highlighting the importance of developing a national agenda for decent work. The ideas underlying decent work offer all nations, especially developing countries like Sri Lanka, a framework to integrate economic growth with social development.

The concept of decent work is not alien to Sri Lanka; in fact, these principles have been a part of its legal and social structure even before the concept was internationally accepted. The Constitution of Sri Lanka adopted in 1978, sets out the following Directive principles of State policy and Fundamental Duties (Chapter 6) which guide Parliament, the President and the Cabinet of Ministers.

“**Article 27:** The State is pledged to establish in Sri Lanka a democratic socialist society, the objectives of which include -

- 2(a) the full realization of the **fundamental rights and freedoms** of all persons;
- (b) the promotion of the welfare of the People by securing and protecting a social order in which **justice (social, economic and political)** shall guide all the institutions of the national life;
- (c) the realization by all citizens of an **adequate standard of living** for themselves and their families.....
- (e) the **equitable distribution** among all citizens of the material resources of the community and the social product, so as best to sub serve the common good.
- (6) The State shall ensure **equality of opportunity** to citizens, so that no citizen shall suffer any disability on the ground of race, religion, language, caste, sex, political opinion or occupation.

- (9) The State shall ensure **social security and welfare**.

These guiding principles, and the fundamental rights relating to employment guaranteed by the Constitution, together contain all the elements of the decent work concept. The State therefore has an obligation to promote and protect decent work for all its citizens.

The Economic Dividends of Decent Work

Despite the structural adjustment policies advocated and implemented by the international financial institutions for the last half-a-century or longer, the populations of some of the developing countries which have followed those policies have seen no significant decrease in poverty levels, as evident in Sri Lanka. One reason for the apparent failure of these traditional economic policies may be the absence of parallel policies directed at social development. But can Sri Lanka, as a developing country with limited resources, struggling to overcome economic barriers, afford to embrace the Decent Work concept? Can our domestic enterprises facing increasing competitive pressures in the global economy be expected or able to pay for social protection? Should we give priority to market-driven economic growth, and aim to deal with the social consequences afterwards, or, can sustainable economic growth only be achieved within a social framework of rights, participation, dialogue and protection? Many argue that there are trade-offs between the quality and quantity of employment, and between social expenditure and investment, and that protective regulation undermines enterprise flexibility and productivity. However, on the contrary, there is considerable evidence from around the world that decent work can pay for itself through improved productivity and social and economic stability.

For instance, a series of tripartite economic and social agreements in Ireland led to,

among other things, wage stability and increased investment in education and training, making the country an attractive destination for foreign direct investment. Employment in enterprises with foreign investment now accounts for almost 50 per cent of all manufacturing employment (ILO, 2001). These and other experiences demonstrate that the principles of decent work can harness the globalization of production and of markets into means of economic and social development in our own country.

Sri Lanka has recognized that the drive for greater efficiency and higher productivity demanded by economic growth must be balanced with respect for basic rights of workers. In recent policy declarations the government has underlined the importance of including the decent work concept in implementing economic policy. For instance a cluster for skills, employment and industrial relations has been created within the National Council for Economic Development (NCED), a high-ranking tripartite coordinating and consultative body, that has as its objective a consultative and participatory approach to achieving Sri Lanka's economic goals. Many issues that are important from a decent work perspective have also been addressed in the *Draft National Employment Policy for Sri Lanka* (Ministry of Employment and Labour, 2002) and the *National Productivity Policy for Sri Lanka* (Ministry of Employment and Labour, (circa 2003)).

The National Policy on Decent Work is therefore intended to weave the many strands of existing policy with decent work principles to create an integrated framework for social and economic development.

Overcoming the Decent Work Deficit

Despite the acceptance of the conceptual validity of decent work, many contradictions exist between these values and aspirations and the workplace in real life, both at the

global level and within countries. While decent work gaps exist in the formal economy, they are generally most pronounced for workers in the informal economy where workers find themselves outside the scope of legislation and regulatory institutions and are not covered by social protection. Work here is generally characterized by unsafe and unhealthy working conditions, low levels of skills and productivity, low or irregular incomes, and long working hours. Access to information, markets, finance, training and technology is limited. Quite paradoxically, it is also here that considerable ingenuity, courage, self discipline and endurance are manifest. To promote decent work in the informal economy, it is necessary to eliminate these negative aspects of informality while at the same time ensuring that its role in creating opportunities for livelihood and entrepreneurship are not destroyed.

In Sri Lanka, households where the main income earner is in regular wage employment are the worst affected by poverty, as over 50 per cent of these households are below the poverty line (DCS, 2002); by contrast, only 5 per cent of households where the main income earner is unemployed are considered to be in poverty. This apparent contradiction, that the working poor are worse off than the unemployed, may point to deficits in decent working conditions which prevent the employed from exiting poverty. A quarter of the households of agricultural workers are also considered to be in poverty, which indicates that workers in agriculture face some drawbacks in achieving decent working conditions.

Table 1. Households below Poverty Line by Livelihood of Main Income Earner (as a percentage of households in each livelihood category)

Livelihood category	Proportion of households
Self Employed (including Employers and Own Account workers)	18.7
Regular Wage and Salaried Households	53.8
Others (including those not employed)	5
Casual workers	NA

Source: Household Income and Expenditure Survey 2002 (excluding Northern and Eastern Provinces), Department of Census & Statistics

Due to these characteristics of poverty in Sri Lanka, programs to assist the population to exit poverty must focus on the employed as well as the unemployed, on the formal as well as the informal sector. While job creation is central; it is as important that new jobs yield incomes above the poverty line and guarantee to workers certain minimum standards that enable them to access a better quality of life. Even in the modern sector the simple need to obtain and remain in employment often requires those who work to forfeit the other aspects of decent work - freedom, equity, security, and human dignity. This unacceptable trade-off creates decent work 'gaps' or 'deficits', which may be less quantifiable than budget deficits of governments, but which are nevertheless real and even more significant from the point of view of ordinary people as well as having a long-term effect on productivity and national economic development.

It is no longer realistic to expect these gaps to be bridged automatically with economic progress, but just as governments and international financial institutions have actively worked on policies to reduce budget deficits, it is now necessary to focus with equal deliberation on strategies to bring down the decent work deficit.

The model of Decent Work maps out 'the quality road to poverty reduction' (ILO, 2003a). In this context it is imperative that labour ministries, and employers' and workers' organizations, are actively involved in poverty reduction strategies. This will ensure that essential elements, such as a high rate of employment generation, the extension of social protection to the poor, and the strengthening of fundamental principles and rights at work and social dialogue, are not overlooked.

There is no global model that will achieve decent work, nor is there any country which can be singled out as having arrived at a "perfect" state of decent work. There is also obviously no suggestion that all countries can realistically aim for the same level of decent work. But it is possible that every country, at whatever level of development, set its own goals to reduce the decent work deficit with due regard to its specific circumstances and capabilities. These goals would be evolving goals, at the centre of a country's development strategy, the goals being revised higher as a country makes progress.

3. Key Indicators Of Economic And Social Development

Sri Lanka has, since the late 1970's, looked to a liberalized economy and economic growth as the key to development. However, despite a reasonable record for economic growth, poverty has not been significantly reduced, and inequality in income distribution has remained virtually unchanged for the last half-century (CBSL, 2004). The experience in Sri Lanka alone makes it clear that economic growth alone will not lead to poverty reduction.

Sri Lanka's economy registered an annual growth of 6 per cent in real Gross Domestic Product (GDP) in 2005. The growth of over 5 per cent is a reflection of the economy's resilience to the many adverse shocks the country had to face in recent times - the surge in international oil prices, a severe drought in the early part of 2004, followed by floods and a devastating Tsunami in the latter part of the year. This achievement was largely supported by the strong growth in exports, consumption and investment as well as the continuation of the ceasefire signed in 2001 suspending nearly two decades of civil conflict. Some recent economic indicators are set out below (CBSL, 2005).

In 2004 the country's per capita GDP exceeded US \$ 1,000; inflation has remained at single-digit levels, with the exception of 2001, when the economy contracted for the first time since independence, and in 2005, when prices were affected by increasing fuel prices. The service sector, including financial services and tourism generates more than half of GDP. Manufacturing accounts for about 16%; almost half of this is in the garment industry with the production of food and beverages and chemical and rubber goods making up much of the rest. Agriculture accounts for about a quarter of GDP.

Table 2. Key Economic Indicators

Indicator	1990	2000	2001	2002	2003	2004	2005
GDP (percentage change)	6.4	6.0	-1.5	4.1	6.0	5.4	6.0
Per capita GDP (US\$)	473	881	841	870	948	1030	1197
Sectoral Classification of GDP (percentage change)							
Agriculture	8.5	1.8	-3.4	2.5	1.6	-0.3	1.5
Industry	7.8	7.5	-2.1	1.0	5.5	5.2	8.3
Services	4.2	7.0	-0.5	6.1	7.9	7.6	6.4
Inflation (percentage change in the consumer price index (1952=1000))	21.5	6.2	12.2	9.6	6.3	7.6	11.6

Source: Central Bank of Sri Lanka (2005), Annual Report.

Income inequality

Income inequality in Sri Lanka during the last half-century has remained at the same level. The lowest 40% income receivers' households received roughly around 15% and the highest 20% received roughly

around 50% of the national income during the years for which data are available. The Gini coefficient, an annual aggregate measure of income inequality, remained almost static hovering around 0.45 during the years for which data are available.

Table 3. Income shares of income receivers (1953 - 2003/04)

Year of Assessment	Income Received by Lowest 40% of Income Receivers	Income Received by Highest 20% of Income Receivers	Gini Coefficient
1953	13.0 %	56.65%	0.46
1963	12.0 %	55.25%	0.45
1973	15.05 %	45.89%	0.35
1978/79	12.13 %	54.09%	0.43
1981/82	11.56 %	56.80%	0.45
1986/87	11.33 %	56.74%	0.46
1996/97	12.83 %	52.96%	0.43
2003/04	12.1%	54.8%	0.46

Source: Consumer Finances and Socio-Economic Survey, CBSL, various years.

Poverty afflicts nearly a quarter of the population nationally, but it varies considerably across the country. For instance, the population in poverty is as low as 6 per cent in the Colombo Districts in 2002 and as high as 37 per cent in the Badulla and Moneragala Districts; the

Central Provincial Districts of Kandy, Matale and Nuwara Eliya have a poverty headcount ratio of 25, 30 and 23 per cent respectively. Poverty also varies considerably between the urban, rural and estate (plantation) sectors, with the latter being worst affected.

Table 4. National Poverty Headcount Ratio (1990 - 2002)

Year	Poverty headcount ratio (%)			
	National	Urban	Rural	Estate
1990-91	26.1	16.3	29.4	20.5
1995-96	28.8	14.0	30.9	38.4
2002	22.7	7.9	24.7	30.0

Source: Official Poverty Line Bulletin, Department of Census and Statistics (2004).

Employment and the Labour force

The labour force, defined as persons aged 10 years¹ and above who are able and willing to work, is numbered at 8.14 million. The

labour force participation rate,² decreased marginally to 48.3 per cent in 2005 compared to the previous year. A gender analysis of the labour force participation rate indicates that the participation rate of males

¹ Sri Lankan legislation prohibits the employments of any person below the age of fourteen years, and this calculation of labour force data is inconsistent with that prohibition. This is one of the inconsistencies in data collection that will be brought in line with the concept of decent work.

² The ratio of the labour force to the household population aged 10 years and above.

has been over twice that of females throughout the recent past (CFSE, 2004). Especially in the 25-49 age group, the participation rate of males is in excess of 95 per cent, while the comparable rate for women is less than 50 per cent. Furthermore, while overall unemployment

levels have decreased rapidly in the past twenty years to single-digit levels, unemployment rates of women still remain at more than double that of men. Strategies for employment creation must therefore emphasize the creation of job opportunities for women.

Table 5. Employment and labour force statistics (1986/87 - 2003/04)

	1986/87	1996/97	2003/04
Labour Force Participation rate	38.1	39.7	40.2
Male	51.7	53.0	55.4
Female	25.4	27.3	26.3
Employment by Industrial Sector (%)			
Agriculture	47.7	37.3	32.8
Industry	21.6	25.6	26.8
Services	30.7	36.7	40.4
Unemployment (% of labour force)	15.5	10.4	9.0
Male	11.3	6.4	6.5
Female	23.6	17.5	13.9

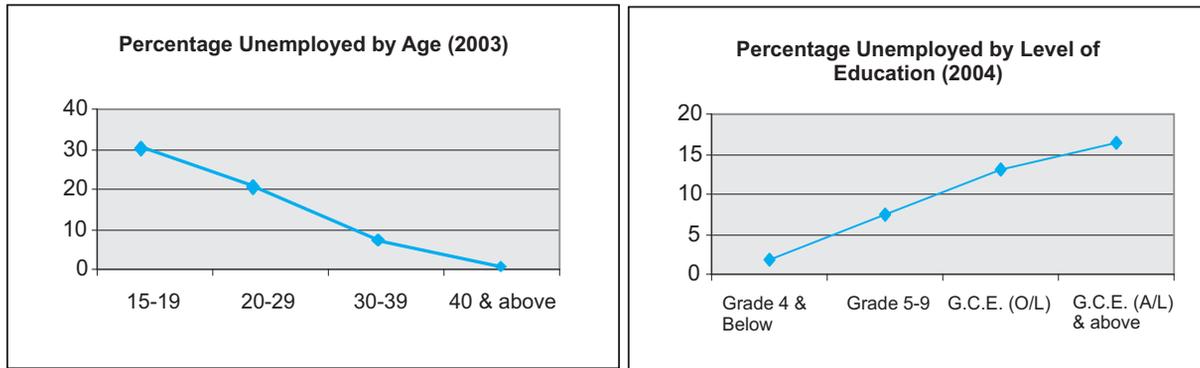
Source: Consumer Finance and Socio Economic Survey (2003/04)

Overseas employment: It is estimated that about 1.2 million Sri Lankans are currently employed overseas, although migrant workers are not included in the labour force data of the country. Foreign employment placements grew by 8.2 per cent to 230,963 in 2005 (CBSL, 2005), and remittances by migrant workers continued to be a major source of foreign exchange for the Government. Women have continued to accept migrant jobs as housemaids, especially in Middle Eastern countries, due to lack of employment opportunities at home and with the hope of accumulating savings to improve the quality of life of their families. This is in spite of increasing concerns of high risks encountered in work places and problems in their own families arising from their absence. The majority of migrant workers in 2005 were female (59 per cent) as in past years, and over half were employed as housemaids (54 per cent), although this

category is the lowest income earning group. Despite State initiatives to encourage skilled migration, 72 per cent of migrant workers were in the unskilled category, and this continues to be a serious issue for Sri Lanka.

Unemployment: In looking at supply and demand characteristics of the Sri Lankan labour market, some aspects need to be specifically addressed when formulating policies for employment creation. Unemployment levels also tend to be high among youth in the age group 19-25 years, and are as high as 28 percent of that age group. Contrary to expectations, unemployment also rises with education, being highest among those with post-secondary level qualifications. This is of particular concern, given that these youth are generally new entrants into the labour market.

Figure 1. Unemployment by Age and Education



Source: Compiled from the Annual Report (2005), Central Bank of Sri Lanka

Social Development

Due to the early investment in universal free education and health services, Sri Lanka has been able to achieve a degree of social development comparable with many

developed countries. In 2005, its estimated population of 19.6 million enjoyed a reasonably high quality of life, as demonstrated by the following indicators (CBSL, 2005).

Table 6. Some indicators of social development

Expectation of Life at birth	
Male	71.7 years
Female	76.4 years
Literacy rate (overall)	
	92.5%
Male	94.5%
Female	90.6%
Access to safe drinking water (percentage of population)	71.5%
Households with electricity (percentage of population)	74.9%

Source: Central Bank of Sri Lanka (2005), Annual Report

Despite these enviable achievements in health and education, there are some deficits which continue to burden the country. The level of development differs significantly between the urban, rural and plantation sectors; for instance, only 25% of households in the estate sector have access to safe drinking water against a national average of 71.5%; only 36% of households in the estate sector have access to safe sanitation in

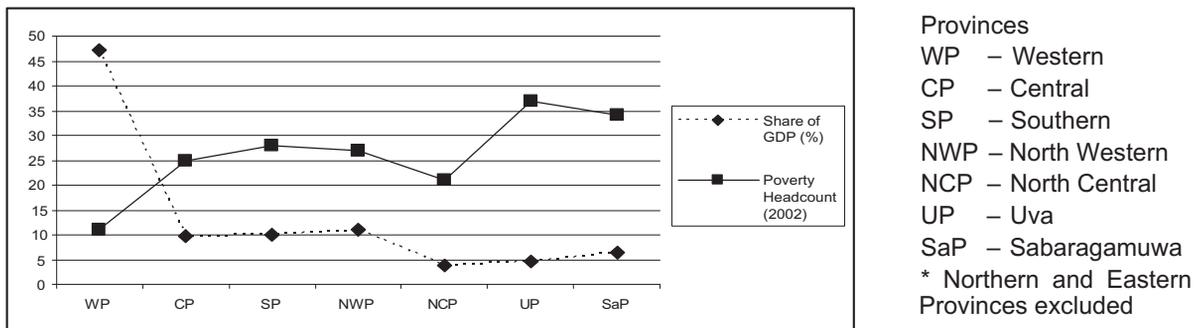
contrast to a national average of 73%; and child mortality (children below the age of 1 year) in the estate sector is 50 in a 1000 births, as compared to 1 in a 1000 births at national level (DCS, 2000). The estate sector is also backward in the levels of attainment in literacy and education, especially among females. In formulating policies to ensure decent work, these differences in social development need to be considered in order to enable disadvantaged sectors to achieve parity with national development standards.

Regional disparity in development

Both economic and social development has been centered in the Western Province, with the other regions in Sri Lanka having a much lower level of progress. There is an inverse relationship between economic growth and poverty levels at regional level - the lower the

growth, the higher the poverty. As 80 per cent of the population resides in rural areas, with 14.7 per cent in urban areas and 5.3 per cent in estates (DCS, 2001), the importance of focusing development on the needs of different regions is clearly indicated.

Table 7. Poverty headcount, and Share of GDP, by Province - 2002



Source: Consumer Finance and Socio Economic Survey (2003/04)

As five decades of development policy focused on economic growth have failed to reduce the deprivation and inequality, decent work becomes even more important as a means of escaping poverty and achieving equity for all

citizens. With that in mind, in the following chapters we examine the challenges arising in each area of decent work and the possible policy responses aimed at resolving decent work deficits.

4. Creating Opportunities For Employment

There is no overstating the importance of job creation. Access to work is the surest way out of poverty, and whilst decent work promotes development, development also promotes decent work. Getting people into productive activities is the way to create the wealth that enables the achievement of social policy goals. Sound and sustainable investment and growth, access to the benefits of the global economy, supportive public policies and an enabling environment for entrepreneurship and enterprise are what drive employment creation (ILO, 2001).

As with many other developing economies, Sri Lanka faces difficulties in providing employment for all those who are willing to work. Over the last two decades, although unemployment has declined from a high of 18 per cent in 1981 to the present level, an estimated 7.7 per cent of the labour force (CBAR, 2005), the decrease in the level of unemployment has slowed as employment creation has been unable to keep pace with those seeking jobs. In addition, the rate of unemployment for women is still more than double that for men (13.5 per cent and 6 per cent respectively).

As we underlined in the previous chapter there is a wide disparity between male and female participation rates particularly in the 25-49 age group. The role of females as caregivers to family, and the reduction in the traditional social support available for this task, appears to restrict the entry into the labour force of females in this age group

(Nanayakkara, 2004). The constraints facing female workers will therefore have to be given special consideration in order to boost economic growth.

In 2002 the Ministry of Labour Relations and Foreign Employment published a **National Employment Policy**, which identified the following seven key areas where policy initiatives needed to be taken to generate employment:

- ❑ Manpower planning to - ensure a better fit between demand and supply - Education and Training for Life-long Employability
- ❑ Redefining Foreign Employment - to enable employment in high skilled high value added jobs in the global market place
- ❑ Encouraging SMEs and Self-employment
- ❑ Fulfilling social obligations and focusing on women, youth and the disabled
- ❑ Re-aligning partnerships to make Sri Lanka attractive to investment
- ❑ Creating an employment sourcing and delivery system

This policy paper was developed after a lengthy consultative process and is a comprehensive response to the problem of creating sufficient jobs. The Ministry of Labour now needs to initiate action to expeditiously implement the recommendations in this paper.

There are other issues which are not critical to economic growth, but need focused policy responses from a decent work standpoint. The lack of employment opportunities for the disabled is one of these issues, and a conscious effort to make the disabled visible in society is required. Initiatives by employers in Sri Lanka to promote opportunities for job seekers with disabilities have been successful, such as the Job Fair conducted by the Employers' Network on Disability in 2003, where over half of the 75 disabled applicants were hired. In addition, based on the ILO's Code of Practice on Managing Disability in the Workplace -which provides guidance to the social partners on the recruitment and retention of people with disabilities - a similar code is being drafted for the private sector in Sri Lanka under the stewardship of the Employers' Federation of Ceylon (EFC). Not only does the Code aim at providing opportunities of productive employment to the disabled, but also focuses on improving employment prospects for persons with disabilities and on promoting a safe, accessible and healthy workplace. The fundamental principle is that the employer undertakes to treat a disabled person in a manner not less favourable than any other employee in all matters pertaining to employment.

In the following section we have identified the more critical of the gaps in creating employment as we currently see them, and the policy responses that are required to bridge them, if the benefits of decent work are to be realized. It is important to stress,

however that in this as in following areas there are two underlying requirements for success:

- ❑ Careful planning in terms of manpower, and skills required by the labour market is central to the successful implementation of many of these policies. Essential to that is the development of a LMI system linked with Jobsnet, which can produce data disaggregated by gender and region. This is a priority, and needs to be developed through a strong partnership between the private and the public sectors, and with the participation of the social partners.
- ❑ Cooperation and a degree of integration in the work of ministries and other government agencies especially through the Ministry of Labour working with other line Ministries and Institutions where natural linkages occur.

The section moves from issues that affect the creation of jobs, such as investment, through to issues that those who work or are seeking work.

Challenges in Employment Creation		Policy Response
<p>1. Insufficient Investment and Infrastructure weaknesses</p>	<p>Sri Lanka needs to increase its economic growth to much higher levels than at present in order to make tangible inroads into poverty levels. In order to achieve this, the investment/GDP ratio needs to rise to well over 30 per cent from its current level of about 25 per cent. As it is unlikely that government investment will increase beyond current levels of around 5 per cent of GDP (CBAR, 2005), private investment, whether foreign direct investment (FDI) or domestic investment, will have to play a leading role in increasing growth.</p> <p>A recent survey of the urban and rural investment climate found that enterprises in both the urban and rural sectors were hampered by poor-quality infrastructure (especially energy and transport) and cost of/limited-access to finance (World Bank/ADB, 2005). Despite more than two decades of generous incentives to attract investors, FDI inflows to Sri Lanka were around 1.3 per cent of GDP, as compared to China, Malaysia and Thailand, where inflows were around 3 per cent of GDP. The constraints identified by existing entrepreneurs therefore appeared to also detract from the attractiveness of Sri Lanka as an investment location to external investors.</p>	<p>Both foreign and domestic investment in industry and infrastructure need to be boosted by financial concessions aimed at diversifying the types of investment projects and their location. Infrastructure development will also be carried out systematically, with policies aimed at improving transport through the upgrading of rail facilities for the movement of goods, and expressways linking strategic locations.</p> <p>National energy security and energy conservation will have to be given high priority with a strong focus on rural electrification to encourage the location of industries in these areas. The infrastructure required to improve telecommunication and information technology will be aimed at improving both industrial development and access to such facilities for all citizens and communities. Technological innovation and harnessing of local resources will be encouraged by increasing the resource allocation for research and development activities, especially in universities.</p>

Challenges in Employment Creation		Policy Response
<p>2. Regional disparity in development</p>	<p>There is also a marked regional disparity in economic growth in Sri Lanka, with considerable variation in the progress made by different regions (see Chapter III). In order to remove these inequalities, economic policies need to be regionally focused, with more emphasis on employment creation in less-developed areas to improve economic growth and quality of life</p>	<p>Specific regional programmes will need to be implemented to affect a regional renaissance, moving away from the Western Province-centered development programmes of the past. Financial and other incentives would encourage investors to establish industries in the regions, with specific emphasis on investments which utilize locally available resources such as minerals and fisheries.</p> <p>Regional development also calls for improving the productivity of agriculture, as regional areas are mostly dependent on this sector. Technology interventions, support for higher yields, and the introduction of modern methods, will be pursued. As the larger part of agricultural production is carried out by small farmers, market access and extension services for small farmers needs to be improved.</p>
<p>3. The need for public sector reforms</p>	<p>Sri Lanka has one of the largest bureaucracies in the Asian region, with a ratio of 3.9 central and non-central Government employees per 100 population (as compared with 1.2 in India, 1.5 in Pakistan and a 2.6 average in Asia). Between 1990 and 2001 public sector employment grew at 3.6 per cent annually, and stood at just over one million workers, constituting about one-eighth of the labourforce. Overstaffing by as much as 30 per cent in the lower grades, administrative</p>	<p>It is worth noting that, had the recommendations made by the Wanasinghe Commission twenty years ago been implemented, Sri Lanka might today possess a public service that would be considered an asset to the development of the country instead of a liability. Urgent measures are clearly required to increase productivity, reduce wastage and delays, prevent corruption and other irregularities in public institutions, and restore the accountability and transparency of the public service.</p>

Challenges in Employment Creation	Policy Response
<p>The need for public sector reforms -Continue-</p> <p>fragmentation, duplication, wastage (partly due to inefficient devolution of power to the provincial governments), perceived corruption, and outdated processes and procedures, have eroded the position of the public sector as the facilitator of the country's development programme (World Bank, 2004).</p> <p>Some practices originating in the colonial era continue, despite their unsuitability in the present context. The annual transfer of public officers is one such unproductive and costly exercise, as all employees on transfer have to be paid an allowance to reimburse the transfer expenses. The dislocation and inconvenience to the family of the transferred officer is also considerable. The advantages of this practice, if any, are negligible, especially in view of the decentralization of regional administration to Provincial Governments.</p> <p>The absence of work norms for officers is also a factor which causes excessive expenditure by way of overtime payments to staff for work which is within the daily norm. An efficient and dynamic public sector is an essential underpinning for private sector investment.</p>	<p>Some of the recommendations that have already been made including a review of cadre, a moratorium on the recruitment of support staff in favour of recruitment of skilled persons to administration and management positions, the creation of senior management groups in every institution, and the formulation of a national training policy for the public sector need to be implemented.</p> <p>Creating awareness among senior public officers of government policy must also be carried out expeditiously, if the public sector is to facilitate policy implementation.</p> <p>Due to the divergence in the factors affecting productivity in the public sector, a different policy component has been developed for the public sector within the National Productivity Policy (see next section). This consists of strategies focused on the labour market, inter-sectoral coordination, legal reform, management of organization, and strategies for individual employee productivity.</p>

Challenges in Employment Creation	Policy Response
<p>4. The Productivity Challenge</p> <p>All sectors of economic activity in Sri Lanka suffer from low levels of productivity, and in the case of agriculture, productivity has been declining over a period. One of the most generous public holiday structures in the world, in addition to statutorily imposed paid leave for various categories of employees, has also reduced the number of working days in a year, especially in the public sector which can have as little as 191 working days; low productivity is a serious concern for the private sector as well. Combined with difficulties in introducing productivity-related wage schemes or performance appraisal systems, Sri Lanka has seen its competitiveness ratings slide, from being ranked 68th (out of hundred countries surveyed) in the world in 2003, to 98th in 2005.</p>	<p>Building on the 2002 National Employment Policy, the National Productivity Policy was developed through a similar consultative process. This policy identifies seven initiatives and specific actions that are fundamental to improving productivity in the private sector:</p> <ul style="list-style-type: none"> • Establish a More Supportive Economic Framework • Encourage More Savings and Better Investment • Improve Labour Market Flexibility • Develop the Workforce • Enhance Enterprise level Productivity • Encourage New Businesses and Support Small and Medium Enterprises (SMEs) • Encourage a Culture of Quality and Productivity <p>Similar initiatives, targeted at improving productivity in the public sector, have also been developed as a separate component, as the problems associated with low productivity in public and private enterprises need different solutions.</p> <p>As an important first step towards implementing these initiatives, the National Productivity Secretariat has been established under the Ministry of Labour Relations and Foreign Employment and will serve as the lead agency in implementing the National Productivity Policy (NPP).</p> <p>It needs to have full support across government as well as the full involvement of the social partners in carrying out its mandate.</p>

Policy Response	Challenges in Employment Creation	
<p>Employers and workers in Sri Lanka need to adopt a more consensual and urgent approach to labour law review and reform than they have in the past. The challenge is to achieve a balance between the need for more flexibility and the also important need for at least minimum protection across the labour force. This would be incrementally improved as the country evolves economically. Change will be carried out with broad tripartite consensus, as industrial disharmony would defeat the whole purpose of labour law reform, that of creating a stable macro economic environment that is conducive to employment creation.</p> <p>Although a more flexible legal environment is required to successfully compete in the global market place, that shift must not, and need not, be at the expense of workers' protection and job quality.</p>	<p>The legal provisions relating to labour and employment in Sri Lanka are complex (Ranaraja, 2005; Rodrigo, 1999) and extensive, although problems of inadequate enforcement and coverage persist. Some of these provisions were formulated more than half a century ago, and employers and workers agree that reforms are timely and necessary. However, a consensus on the nature and extent of these reforms has been difficult to achieve, and some reforms that were initiated despite protests by workers or employers have by and large been difficult to implement in practice (Gunatilleke, 2001).</p> <p>A recent global survey has indicated that Sri Lanka ranks as a country with a high level of employment "rigidity" (IBRD/World Bank, 2005). The survey also found that countries with a high level of employment rigidity or regulation had less employment opportunities for women and youth, and that a larger portion of economic activity tended to shift to the informal sector where decent work is inherently more difficult to ensure.</p>	<p>5. Impact of higher regulation on employment</p>

	Challenges in Employment Creation	Policy Response
<p>6. Skills Mismatch</p>	<p>According to Jobsnet, which was established to provide a user-friendly interface between job seekers and potential employers, there were around 13,000 unfilled vacancies in 2005 mostly in the craft and related trades sector, despite around 101,000 people being registered with Jobsnet. Data from the Sri Lanka Bureau of Foreign Employment (SLBFE) also indicates that the demand for skilled labour in the construction sector, and welders and drivers in the foreign labour market, especially in the Middle East, is not being fulfilled due to the short supply of people with these skills.</p> <p>The mismatch between labour demand and supply in both domestic and foreign labour markets is a major deficit in creating employment in Sri Lanka. In addition critical weaknesses that were identified in the tertiary and vocational training system almost a decade ago including: the absence of an integrated system for the TEVT; the multiplicity of training institutions, lack of well defined responsibilities and target groups for these institutions; (Bowland, 1999), still persist to some degree today.</p> <p>There is a clear segregation by gender at recruitment in both the public and private sectors, and a division of</p>	<p>A nationally accepted policy and framework developed by a Presidential Task force in 2001 for delivery of TEVT with sector-wide consultation, together with a comprehensive action plan is already in place. The Tertiary and Vocational Education Commission (TVEC) and training delivery agencies have been strengthened by the allocation of additional local and foreign resources. These will be reviewed and reinforced periodically.</p> <p>The quality and relevance of training is being improved by the development of national skill standards; corresponding curricula, which are linked to the National Vocational Qualification (NVQ) - Framework ranging from levels 1 (lowest) to 7 (highest) are being developed. These systems need to be linked to a system of Labour Market Information (LMI), which are geared to obtain information on “skill consumers” of trainees in order to continuously improve the demand-supply orientation of TEVT. The linkage with Jobsnet will also be improved in order to channel job-seekers to appropriate TEVT institutions for upgrading of skills.</p> <p>Courses of study in Universities will be increased with the addition of courses in demand by employers. University education will also include a period of practical training in</p>

Challenges in Employment Creation		Policy Response
<p>Skills Mismatch -Continue-</p>	<p>labour based on gender can also be observed. There is gender stereotyping concerning vocational occupations, and women are reluctant to work in non-traditional jobs as tour guides, tailors or engage in outdoor engineering jobs, carpentry, etc., due to non-recognition or stigma. These attitudinal barriers reduce job opportunities available to women, and exacerbate the skills mismatch.</p> <p>The bias in Government recruitment procedures contribute to the widening of existing gaps in occupational segregation, as well as preventing women from accessing positions that determine training and development. For instance, the Skills Development Assistants recruited to the Ministry of Skills Development and Vocational Training are all men.</p>	<p>private and public sector institutions, to provide a mutually beneficial interaction between graduates and employers.</p> <p>The Government will encourage a policy of recruitment of women to non-traditional posts, and will provide where possible the facilities for women to effectively combine family responsibilities while continuing in employment. Women will also be actively encouraged to access non-traditional employment, and educational and vocational training policies will be amended to remove gender-stereotyping. The focus will be on enabling women to achieve the best 'fit' in employment opportunities, without hindrance by traditional barriers.</p>
<p>7. Lack of employment opportunities for youth</p>	<p>As we noted in the previous chapter a striking feature of unemployment in Sri Lanka is that it is particularly a problem for youth. According to current data the unemployment rate in the 20 - 29 age group was 19.4 in 2004, although it is estimated to have decreased to 17.5 in 2005. The high unemployment rates among those with G.C.E. (Advanced Level) and higher qualifications is also a cause for concern, at 14.8 per cent in 2005.</p>	<p>Improving the education-to-work transition requires adjustments both in supply and in demand. A national action plan for youth and the Youth Employment Network (YEN) are being created to provide an integrated framework to overcome this deficit. The national plan of action for youth recognizes the need for specific measures to create employment for different groups of youth, such as those in the plantation sector or rural areas.</p>

Challenges in Employment Creation		Policy Response
<p>Lack of employment opportunities for youth -Continue-</p>	<p>In addition to structural and institutional problems in the labour market for young people there are also attitudinal issues. “Voluntary unemployment,” especially among the more educated and relatively more affluent youth, is widespread; it implies a conscious decision to wait for a job that matches personal preferences and career expectations instead of taking up an existing and often well-paid employment offer. Negative perceptions towards jobs involving manual labour, gender stereotyping concerning vocational occupations such as carpentry and masonry, a general rejection of entrepreneurship and self-employment, high aspirations created by access to higher education; and the perceived prestige and security of public sector employment, all pose a problem of attitudes that block change and ‘artificially’ reduce available employment prospects.³</p>	<p>Competence in English has emerged as a critical issue affecting employability, and the policy of the government is to systematically improve the knowledge of English at all levels of education during the next ten years. Facilities in rural schools will also be improved under this program, by improving information technology and establishing language laboratories.</p>

³ The ‘Queueing hypothesis’, linked to public sector employment and pay policies, explains that in well functioning labor markets, public sector workers have lower pay than their private sector counterparts in order to compensate for the greater stability, attractive benefits, lower work effort and prestige of their jobs. In Sri Lanka however, public servants are deemed to have, on average, all of the above benefits as well as higher pay. As a result, labor market entrants have an incentive to wait for such attractive job openings in the public sector, with most of them choosing to remain inactive instead of taking available jobs outside the public sector. The Government’s recurring tendency of providing employment opportunities to the unemployed is seen as the main reason for job seekers to remain inactive (ILO, 2005).

Challenges in Employment Creation		Policy Response
<p>8. Low Gender Empowerment and Gender issues in Employment</p>	<p>In the world of work <i>equal opportunity</i> means having an equal chance to apply for a particular job, to be employed, to own or run an enterprise, to attend education or training, and equal opportunity to be considered as a worker or for a promotion in all occupations. <i>Equal Treatment</i> refers to entitlements such as pay, working conditions, security of employment and social security.</p> <p>As indicated in the previous chapter women's participation in the labour market, particularly in the 25 - 49 age group, is much lower than that of men and their unemployment rate is much higher. In addition, as the UNDP has noted, women workers earn only just over half the income of male workers (UNDP, 2004). The same report also stresses that women in Sri Lanka have very low representation in decision making and high level economic and political positions. The gender empowerment measure (GEM) for Sri Lanka,⁴ which reveals inequality of opportunities in selected areas, indicates that women hold only 4.4% of parliamentary</p>	<p>In response, equal opportunity and equal treatment in all labour market policies will be promoted and pursued. In addition, specific initiatives will be developed to address significant inequality.</p> <p>For instance, more and more women in rural areas are left with the responsibility of managing agricultural efforts due to migration of males to urban areas for employment, and 40 per cent of all women in employment are now engaged in the agriculture sector (DCS, 2001). Specific initiatives will be introduced to ensure equal access to inheritance of land and property, as women are currently disadvantaged due to the priority given to male heirs in succeeding to land covered by the Land Development Ordinance.</p> <p>Access for women to development finance and other resources for entrepreneurship will also be improved, in order to ensure that women are not marginalized in accessing the benefits of their economic effort.</p> <p>The UN Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) recognizes the</p>

⁴The gender empowerment measure (GEM) reveals whether women take an active part in economic and political life. It focuses on gender inequality in key areas of economic and political participation and decision-making. It tracks the share of seats in parliament held by women; of female legislators, senior officials and managers; and of female professional and technical workers - and the gender disparity in earned income, reflecting economic independence.

Challenges in Employment Creation		Policy Response
<p>seats; make up 49% of professional and technical workers; only 4% of administrators and managers are women; only 3 per cent of Ministerial posts at Government level are held by women, and 23 per cent of professional and technical posts in the public sector are held by women (DCS, 2002).</p> <p>It is also a cause for concern that these inequalities have persisted for some time despite Sri Lankan women being comparatively better educated than their Asian sisters. The low representation of women at decision making levels, especially in the legislature, makes gender-friendly policies less visible and more difficult to introduce and implement.</p>	<p>right of women to work in conditions free from harassment and discomfort, and outlaws any form of sexual harassment in the workplace. Sri Lanka recognized the seriousness of the offence by making any form of sexual annoyance or harassment by a colleague or a person in authority a penal offence in 1995. Specific action will be taken to increase awareness of these provisions and to create an environment where women can access justice in cases of harassment.</p>	
<p>9. Under-employment</p> <p>For the purpose of Consumer Finances and Socio Economic Survey (CFS) conducted by the Central Bank of Sri Lanka, a person is underemployed if he is in employment for less than normal duration⁵ and is seeking, or would accept, additional work for a longer duration. Under this definition, persons who worked less than the specified norm due to legitimate reasons, such as vacation, illness or disability, were not considered as underemployed. Underemployment in Sri Lanka is currently estimated to affect 21.6 of the</p>	<p>A major initiative to overcoming low productivity is to provide opportunities for gainful employment, especially for youth. Projects aimed at developing entrepreneurship and risk-taking skills are being encouraged during school education in order to ensure that, at a later stage, students will be able to utilize opportunities for self-employment as an alternative or addition to wage employment. The Government has also approved the removal of the restriction on night work for females in Shops and Offices</p>	

⁵ A working period of 35 hours a week was used as the norm for an employed person.

Challenges in Employment Creation		Policy Response
<p>Under-employment -Continue-</p> <p>labour force, an increase from the previous CFS level in 1996/97 of 17.5 per cent; underemployment in the Agriculture sector was significantly higher, with 34.5 per cent of those employed in the sector considered as being underemployed. This explains to some extent the declining productivity of the Sri Lankan labourforce, especially those engaged in Agriculture.</p>		<p>in the Information Technology sector, and this will be presented to the legislature expeditiously, as it will increase opportunities for youth in this sector.</p> <p>Flexible work arrangements, especially for women who may have a limited amount of time to spare from their other roles as caregivers, need also to be developed and encouraged in order to harness their labour force potential.</p>
<p>10. Exclusion of the Informal Sector</p> <p>Micro, small and medium size enterprises (MSMEs) are the backbone of the economy. Due to relatively low investment requirements, they offer enormous potential to contribute to regionally balanced growth and to generate employment where it is most needed. Yet, this potential is insufficiently realized. Investment levels remain low and opportunities are not made use of. The main reasons lie in the business environment, which does not adequately facilitate enterprise start-up and growth. Key factors include weak infrastructure, in terms of roads, telecommunication and electricity, which limit access to markets and productivity, few financial incentives for investors in rural areas, weak business networks, which limit links to large subcontractors and buyers, and inadequate financial services, including credit, provision of training and information.</p>		<p>Dialogue between MSMEs and District and Provincial Governments will be encouraged as the basis for a better business environment. Such dialogue will be affected through different mechanisms, which can vary from place to place, and will be supported from the national level by relevant Ministries and Chambers of Commerce and Industry. Support will include the provision of services that help strengthen the level of organization of MSMEs, in Chambers and Small Business Associations.</p> <p>Infrastructure development in rural areas is a high priority. Better access to information and larger markets will do much to improve the environment for MSME growth. This will include greater access to the Internet, through the Nana Sela Centres as well as private providers, who will be assisted to develop services that target MSMEs.</p>

Challenges in Employment Creation	Policy Response
<p>Exclusion of the Informal Sector -Continue-</p> <p>In this context, MSMEs see few advantages of interaction with the Government, and an estimated 70 to 80 percent decide to remain informal. Current data indicate that some 70 percent of the labour force is employed in the informal private economy. This is rarely taken into consideration in policy initiatives for MSMEs and those who work in them, which explains their low level of success. Informality limits MSMEs potential for development as they cannot enter into formal contracts and cannot access certain services. The effectiveness of policies and programmes is also limited by the lack of genuine dialogue between the Government and MSMEs, especially at the local level. This results in insufficient information and understanding on both sides. The low level of organisation of MSMEs is partly responsible, since without representative organizations it is difficult for the Government to find partners in the dialogue.</p> <p>This lack of dialogue also affects other initiatives; for instance, social security schemes for those employed in the informal sector such as farmers and fisher-folk have been based on the formal sector concept of regular and time-bound contributions, which ignores the reality of their irregular or seasonally variable income.</p>	<p>Regulations that affect MSMEs will be reviewed, with a view to simplify procedures. Financial incentives, such as tax holidays and import duty exemptions, will be made available that encourage the start up and growth of MSMEs in rural areas and those that make use of local materials, generate large numbers of jobs, and introduce new technologies. Such measures will encourage more enterprises to become part of the formal economy, and will so strengthen their potential to contribute to development.</p> <p>The newly established SME Bank will focus on assisting small and medium entrepreneurs in the informal sector to access finance with a minimum of documentation and formality.</p> <p>SME and Rural Banks will be encouraged to engage in concessional lending such as daily loans and bonded credit for the assistance of pavement vendors and traders who cannot otherwise access formal lending schemes of high-street banks.</p> <p>A national social security scheme is currently being discussed, and the mechanism adopted will also focus on ensuring that the scheme is accessible to the self-employed and those employed in MSMEs, by making use of innovative products aimed at ease-of-use for those in the informal sector.</p>

Challenges in Employment Creation		Policy Response
<p>11. Poor quality of Migrant Work</p>	<p>Although the National Employment Policy recognised the need to access more skilled employment for migrant workers more than 70 per cent of migration even at present is for unskilled or low-skilled jobs such as domestic workers/house maids. Given the inherently difficult working conditions associated with these type of jobs, the over reliance on low skilled employment makes decent work principles unrealistic in practice. In addition, it is a cause for concern that Sri Lankan workers are paid less for even these jobs in comparison with migrant workers from other countries, for instance, from the Philippines.</p>	<p>Opportunities for skilled employment need to be sourced actively, either through the SLBFE or a specialized institution, and to focus on areas such as nursing, shipping, computer science, teaching, and other higher skilled occupations. Specialized institutions providing internationally recognized qualifications in these areas should also be established in order to improve overseas employment opportunities of persons trained locally. The overall objective should be to promote skilled, safe, migration</p>
<p>12. The Impact of conflict on Decent Work</p>	<p>The conflict areas are in urgent need of economic development, but in these areas the emphasis is not moving swiftly enough from humanitarian to development assistance. The constraints in creating employment are so overwhelming that the qualitative aspect of employment tends to be overlooked. In such an environment, children and youth are particularly vulnerable, not only in terms of welfare and safety, but also in terms of education and training.</p>	<p>A systematic program for the development of human resources in the North and East is planned, in the context of a lasting peace. Specific programmes to revitalize traditional industries of these areas, including agriculture and fisheries will be implemented. Other initiatives which need to be reinforced include the rehabilitation and upgrading of all infrastructure, providing increased opportunities for tertiary education to the youth of these areas, making available basic requirements of the education system such as adequate teachers for all schools, the provision of water for irrigation; and re-establishing the industrial sector, such as apparel manufacturing units.</p> <p>In addition, retraining and re-orientation must be provided for combatants on both sides of the conflict who may be demobilized if a permanent peace is achieved.</p>

5. Ensuring Rights and Freedoms at Work

Decent work is concerned with the rights, or “conditions of labour [of all those who work], whether organised or not, wherever work might occur, whether in the formal or the informal economy, whether at home, in the community or in the voluntary sector” (ILO, 1999). The Decent work concept implies that rights and economic progress go hand in hand. What makes work decent can also pay economic dividends in terms for example of productivity and quality.

While all rights of labour are important, over the last decade the international community has increasingly underlined the centrality of a particular group of rights, known as core labour standards, dealing with freedom of association, forced labour, equality, and child labour. It has defined them as both universal and inalienable, that is not contingent on a particular stage of economic development. These rights were already enshrined in eight international conventions of the ILO.:

- ❑ **Convention No. 87:** Freedom of Association and Protection of the Right to Organize
- ❑ **Convention No. 98:** Right to Organize and Collective Bargaining
- ❑ **Convention No. 29:** Forced Labor
- ❑ **Convention No.105:** Abolition of Forced Labor
- ❑ **Convention No.100:** Equal Remuneration
- ❑ **Convention No.111:** Discrimination-Employment and Occupation
- ❑ **Convention No.138:** Minimum Age
- ❑ **Convention No. 182:** Worst Forms of Child Labor

The rights enshrined in these core conventions were reaffirmed in the 'Declaration on Fundamental Principles and Rights at Work' adopted by the International Labour Conference in June 1998. This is binding on all member states of the ILO, (not only those member states that have ratified the individual conventions on which the Declaration is based). Following the Declaration all members of the ILO are pledged to respect, promote and realise in good faith these eight core standards.

Sri Lanka has ratified 40 ILO Conventions, including the eight core conventions, and its national legal framework contains stringent measures in respect of these and other rights and freedoms at work. The Constitution of Sri Lanka guarantees the fundamental right to the freedom of association (Article 14). In relation to the abolition of child labour, Sri Lanka is well ahead of its' Asian neighbours (World Bank, 2002). However, despite the strong legal environment there remain real challenges in giving practical effect to some rights at work. In the following section we examine these and the policy responses which are required to deal with them.

Challenges in Ensuring Rights at Work		Policy Response
<p>1. Limitations on the Freedom of Association and the right to collective bargaining</p>	<p>Despite the Constitutional guarantee of the right to freedom of association, workers' organisations complain that there are shortcomings in the ability to exercise this right, particularly in the EPZs (Gunatillake, 2001), although the Board of Investment of Sri Lanka has made some progress in ensuring that employers respect the right to organise. The high percentage of self-employed and unpaid family workers, smaller size of workplaces, the expansion of the informal sector, and negative perceptions associated with trade unions have all contributed to a decline in the role of workers' organizations in other sectors.</p> <p>Despite a long history of trade unionism, collective bargaining has not thrived as a means of dispute resolution in Sri Lanka, although it continues to be successfully used in the plantations and the banking sector. The Department of Labour registered only 33 collective agreements in 2005.</p>	<p>Trade unions in Sri Lanka are generally acknowledged as having a lesser capacity in strategizing, in organisational management, and in public relations. In order to attract younger and more educated workers, trade unions need to adapt the way they operate to appeal to such workers. Increased access to new and different methods of negotiation, consensus building, and mediation will also help workers' organizations to move away from the traditional adversarial approach to dialogue with employers.</p> <p>Traditional collective bargaining methods have been successfully replaced by concepts such as workplace cooperation (see Box 1) in some enterprises, thus benefiting both employer and workers. The Ministry of Labour will continue to create awareness of such schemes among the employers and trade unions, to discourage disruptive or antagonistic actions which will have an adverse impact on industry as a whole.</p>
<p>2. Difficulties in Organising the Informal sector</p>	<p>There are no organizations which represent informal sector workers with the aim of protecting their rights, except in a very few instances where formal sector trade unions work with informal sector workers or informal associations. The representation is poor due to the</p>	<p>A feature of the informal sector is their ability to form unorthodox partnerships or associations to work for a common goal. This is an aspect that needs to be recognized in organizing the informal sector. Trade unions should be encouraged to link with associations already</p>

Challenges in Ensuring Rights at Work		Policy Response
<p>Difficulties in Organising the Informal sector -Continue-</p>	<p>nature of the informal sector and the absence of a ready welcome for informal sector workers from formal sector organizations. A study carried out by Marga Institute (Perera, 2002) found that informal sector organizations were of the view that their problems could not be resolved, nor could their goals be achieved, through trade unions. Similarly, trade union leaders were not particularly encouraging about organizing informal sector workers into trade unions, as informal sector workers differ from the traditional profile of trade union members. As a result the informal sector lacks voice in the policy making arena.</p>	<p>represented in the informal economy; likewise, employers in the formal sector need to be given incentives to find capable partners through informal groupings in certain industries. Schemes to encourage craft villages and villages to service particular industries ought to be included in rural development programmes to assist these non-traditional groupings.</p> <p>Policy formulation and implementation at all levels of central and regional government and administration should consciously focus on the nature of the informal sector, in order to ensure that policies and action plans include these workers and increase their visibility. This is particularly important given the size of the informal sector in the economy as a whole.</p>
<p>3. Improving legal coverage and enforcement</p>	<p>Although Sri Lanka has a well developed body of legislation relating to employment, much of this legislative protection is not available to large sectors of workers. This is particularly significant in the informal sector, where large numbers of workers are not covered by labour laws, or such laws cannot be enforced to their benefit. For instance, agricultural workers, especially female agricultural workers, undergo much hardship due to the lack of enforcement of benefits such as EPF and ETF payments, maternity benefits, and paid leave.</p>	<p>A systematic review of labour legislation is currently under way, with the appointment of a high level committee to advise the Minister of Labour on labour law reform. The mandate of this committee will include the possibility of expanding coverage of labour legislation and developing mechanisms to ensure enforcement in the informal sector.</p>

Challenges in Ensuring Rights at Work		Policy Response
	<p>Another category consists of domestic workers within Sri Lanka are not entitled to many rights and conditions of employment such as leave, hours of work, or social security payments.</p>	
<p>4. Low Representation of women in Trade Union management</p>	<p>Even where trade unions have been formed in predominantly female occupations and workplaces, women have a very low level of representation at decision-making levels of trade unions. One study found that the lack of participation by women was primarily due to social and cultural constraints, such as spousal unwillingness, and family responsibilities (Jayaweera, et al., 1998a). As a result, many issues which are of particular relevance to women such as maternity protection, childcare facilities, etc., are not pursued with conviction, either at national level or at enterprise level.</p>	<p>As more women are entering the labour force, trade unions need to reflect this reality by having more women in its decision making bodies and management units. This will also help to attract women to join trade unions and workers' organization, and to give effect to their right to freedom of association. While some trade unions have introduced specific quotas to be filled by women from the level of the workplace upto the management council, others may need to introduce their own processes to ensure adequate representation for women.</p>
<p>5. Vulnerability of Migrant Workers</p>	<p>Because migrant workers are resident outside the home state and dispersed even within a single host country, they are extremely vulnerable to the violation of their rights. Data from the Sri Lanka Bureau of Foreign Employment (SLBFE), the regulatory body for migrant workers, shows that contractual violations by the employer are a serious problem for both male and female migrant workers. Where complaints of personal</p>	<p>In Sri Lankan embassies and consulates especially in the Middle East, labour attaches have begun to introduce arrangements to document both employers and migrant workers in the host country. This measure should help to protect the worker in the event of a dispute or rights violation. This scheme now needs to be developed and started in other receiving countries alongside programmes to train labour attaches in the application of these measures.</p>

Challenges in Ensuring Rights at Work	Policy Response
<p>-</p> <p>abuse were concerned, women were markedly more vulnerable than men, indicating that different approaches are required to resolve such complaints. Complaints and allegations are also difficult to deal with because 27% of migrant workers still obtain employment from sources other than licensed recruitment agencies, and an estimated 5 -10 per cent of migrant workers evade registration with the SLBFE. Such workers fall into the category of undocumented migrants and remain outside the protective measures intended to safeguard them.</p> <p>Another major obstacle to ensuring the rights and freedoms of migrant workers is the dearth of organizations representing their interests in Sri Lanka. Although a few advocacy groups have emerged (Dias, 2001), these are hampered by the lack of formal recognition to represent migrant workers.</p>	<p>The SLBFE has also entered into a series of Memoranda of Understanding (MOUs) with recruitment agents in the Middle East, Singapore and Hong Kong, and it is now compulsory for employers wishing to hire Sri Lankan housemaids to have that contract endorsed by the Sri Lankan embassy prior to the housemaid leaving the country. This contract registration scheme requires verification of the credibility of prospective employers by Sri Lankan Missions, and the contract binds the employer to fulfill obligations to domestic workers; it also hastens grievance settlement. This arrangement will be extended to countries such as Malaysia, Hong Kong, Italy and Korea.</p> <p>Finding a workable system for enabling migrant workers, while overseas, to vote in elections in Sri Lanka would also help to ensure that the voices of these workers are heard.</p>
<p>6. Increasing access to employment for persons with disabilities</p>	<p>The Employers' Network on Disability, an activity of the Employers' Federation of Ceylon (EFC), assisted by the ILO conducted the country's first Job Fair for people with disabilities in 2003. It was a complete success with more</p>

Challenges in Ensuring Rights at Work	Policy Response
<p>Increasing access to employment for persons with disabilities -Continue-</p> <p>employment, but lack the opportunity to do so, due to social and cultural barriers. Very often, the inhospitable nature of public utilities such as public transport, makes it impossible for the disabled to obtain and remain in employment. Yet ensuring such access increases the quality of life available to the disabled, while reducing the burden on the State to provide for their care.</p>	<p>than two-thirds of the 75 job-seekers finding employment in some of the most prestigious companies in Sri Lanka. The employers were also agreeable to replicating this project at a Provincial level. Building on that success the EFC has now conducted two more Job Fairs and has developed the “Code of Good Practice on the Employment of Disable People” which was launched at a national level in May 2006.</p> <p>A National Policy on Disability has also been formulated through broad-based consultation by the Ministry of Social Welfare (2003), which sets out guiding principles on managing disability. The fundamental need to build an inclusive environment for the disabled is the focus of the National Policy on Disability, and contains a comprehensive program for the implementation and monitoring of specific actions in areas such as employment, vocational training and skills development. A Draft Bill on Disability Rights has also been prepared, and when enacted will establish the Disability Rights Authority with the power and authority to give effect to the National Policy on Disability.</p>

Challenges in Ensuring Rights at Work	Policy Response
<p>7. Rights at work of those with HIV/AIDS</p> <p>Although less than 0.1 per cent of the adult population of Sri Lanka is infected with HIV/AIDS, a majority of the reported HIV infections are in the most productive, 15-49 age group; therefore, it is important to strengthen HIV/AIDS prevention efforts in the world of work. While the right of an infected person to remain productively employed must be accepted, especially as gainful employment may ensure that s/he is able to access the level of care required by the disease, this must be balanced with the need to prevent the spread of disease.</p>	<p>The Government recognizes that it is necessary to create a non-discriminatory environment at workplaces and hence endorses the adoption of the guidelines of the ILO Code of Practice on HIV/AIDS in World of Work for development of workplace policy and programs. Guidelines will also be developed to ensure the duty of the Media to respect the rights of both the patient and others in reporting on matters related to HIV/AIDS. These and other guidelines to ensure the rights of those infected with HIV/AIDS are being developed through the National Policy on HIV/AIDS in Sri Lanka.</p>

Box 1
Cooperation at the workplace

Of the 6.5 million workers in Sri Lanka it is estimated that some 20% are members of trade unions. Union membership in a workplace does not however imply recognition by management. There are 1600 registered unions with a higher proportion of unions in the public sector than the private sector but a higher level of union membership in the private sector. The higher unionization in the private sector has been seen as a consequence of the historically high membership in the plantations sector with generally negative attitudes in other sectors apart from finance.

However a recent survey by the Social Dialogue and Workplace Cooperation Unit of the Department of Labour found that the traditional assumptions regarding employer-trade union relations and workplace cooperation may need rethinking. Contrary to the impression that trade unions are discouraged in the private sector, workers were organized in trade unions in 42 per cent of the enterprises in the survey, and in each

of these workplaces the management had recognized the relevant trade union as a bargaining agent. In 14 per cent of the workplaces Joint Consultation Councils (JCC) have been established bringing the total workers organizations actively involved in social dialogue to 56.5 per cent of total establishments.

Of the total workforce of 64,223 covered by the survey around 22 per cent, were members of trade unions. Multi-unionism was a feature of the majority of workplaces with different unions organizing different occupations. In the establishments where trade unions were functioning, more than 40% of the workforce were members of a trade union. The survey also found that most trade unions cooperated with management on issues such as productivity improvement campaigns, welfares schemes and leisure activities.

Source: Social Dialogue and Workplace Cooperation Unit, Department of Labour (2005)

6. Encouraging Social Dialogue

Social dialogue is not simply an interface between employer and worker; more importantly, it reflects mutual respect and understanding amongst all players involved in the economic progress of a country. For example, an important element of the recent impressive performance of the Irish economy has been a series of compacts between government, the social partners, and also civil society organizations. These compacts were both generated through, and underpinned by a hierarchy of dialogue institutions which secured commitment to specific policies and institutional reforms including moderate wage increases linked to income tax reductions targeted at low- and middle-income earners. Together with an open approach to foreign direct investment this favourable combination of policies transformed an ailing economy into one of the fastest growing economies in Europe within a relatively short time period (ILO, 2001).

A social dialogue gap reflects shortfalls in both organisation and institutions, and often in attitudes (ILO, 2001). A fundamental cause of this gap is that large numbers of workers are not organized to make their voices heard. In Sri Lanka, only 20 per cent of the labour force is considered to be in

'regular' or 'permanent' wage employment; over 40 per cent are made up of employers, self-employed and unpaid family workers. Nearly 70 per cent of all economic activity takes place in the informal sector, which also makes organization difficult (CBSL, 2005). Even when they are organized, institutional and attitudinal factors may still hinder dialogue. In Sri Lanka, for instance, State intervention in wage setting in the private sector may discourage collective agreements, as one or more parties may consider social dialogue to be unnecessary or irrelevant in that context (Rodrigo, 2001). In the public sector the fragmentation of union organization in small units may hinder dialogue on wider cross cutting issues.

Other factors which weaken social dialogue are the absence of recognized apex bodies of social partners, particularly of workers' organisations, the failure to identify national objectives for social dialogue between the social partners, and the lack of recognition of social dialogue as an effective method of policy and decision making. In the following section we identify the gaps in making social dialogue a reality in many workplaces and the policy responses intended to overcome these shortcomings.

Challenges in Encouraging Social Dialogue		Policy Response
<p>1. Lack of effective national tripartite institutions</p>	<p>Wherever social dialogue at national level has been a success, there have been strong social partners who can speak with authority on behalf of their constituents, and they have worked towards agreed objectives. In Sri Lanka apex bodies are weak or non-existent.</p> <p>A more broad based approach to tripartism is the setting up of the National Council for Economic Development, with various “clusters” addressing issues of national importance. A welcome development is the inclusion of not only tripartite stakeholders, but also practitioners, academics and public officers of other departments in the Employment Creation, Skills Development & Labour Relations (ESDEL) Cluster.</p>	<p>The task ahead is to strengthen and foster a cohesive atmosphere of fruitful social dialogue between the representative organizations within the framework of the National Labour Advisory Council. It is important to further revisit the mandate, functioning, and composition of the NLAC, introduce capacity building of its members, strengthen its secretariat, and lobby for its recognition as a social and economic policy making body with specific objectives. The aim will be to guarantee a meaningful contribution of all tripartite constituents at all stages of policy, from planning through to implementation.</p> <p>If the ESDEL cluster functions effectively, and is given a clear mandate, it could serve as an extremely effective mechanism to bring about changes in this sector in a consultative manner, and with a long term perspective.</p>
<p>2. An adversarial system of Dispute Resolution</p>	<p>In Sri Lanka when the relationship between employers and workers breaks down, recourse to the judicial system or tribunals is inevitable. Although the system was intended to operate efficiently and expeditiously in order to minimise the dysfunction caused to the labour market, that is no longer a reality mainly due to the inordinate delays built-up within these systems. These shortcomings make the resolution of disputes a burden to both employers and workers, and may ultimately disrupt, rather than restore, industrial harmony.</p>	<p>Programs conducted by the Employers' Federation of Ceylon to build understanding of the position of workers for managers and vice versa are considered as being extremely successful in fostering good workplace relations. The extension of such initiatives to a larger segment of industries, especially where there has been disruption to social dialogue, should be encouraged to foster a culture of better workplace relations</p>

Challenges in Encouraging Social Dialogue	Policy Response
<p data-bbox="331 1809 483 2061">3. Weak culture of Social Dialogue in the Public Sector</p> <p data-bbox="331 1028 651 1740">Both informal and formal mechanisms to deal with grievances and disputes that arise in public sector workplaces are lacking. As a consequence even where issues are taken up by a union they are often abandoned due to lack of a system of responsible dialogue; so grievances fester, causing years of strife and distrust between institutional heads and trade unions.</p> <p data-bbox="711 1028 1203 1740">The traditional process of dispute resolution by trade unions in the Public Sector has been to use their political capital, with the result that solutions have sometimes created more disputes for subsequent administrations. The absence of a proper mechanism or a culture of social dialogue also means that solutions by the State and institutional heads are likely to be taken in an <i>ad hoc</i> and piece-meal fashion, with no proper resolution of the underlying issues. The issue of salary anomalies which has plagued some sections of the public service is an example of this decent work deficit (Weerasekera, 2005).</p>	<p data-bbox="331 213 505 959">Given the problems associated with the absence of social dialogue in the public sector, the establishment of a formal mechanism in every government institution to discuss pertinent issues is now clearly a necessity.</p> <p data-bbox="573 213 743 959">The establishment of a National Mediation Council for the public sector to which trade unions could make representations on issues affecting their membership collectively has been suggested by constituents.</p> <p data-bbox="812 213 1317 959">On an issue such as the revision of a salary scale which may have implications on other sectors of the Public Service, the Council could seek the assistance of the National Council for Administration. A mechanism of this nature would also help to eliminate politically motivated or piece-meal problem solving, and prevent the disruption of services to the public due to minor disputes which could be resolved amicably. These and other suggestions that have been proposed will be actively considered for implementation in order to foster a culture of social dialogue in the public sector.</p>

Challenges in Encouraging Social Dialogue	Policy Response
<p>4. Low Priority for Tripartism in policy making</p> <p>The State in Sri Lanka plays a strong role in industrial relations, but problem solving through legislative interventions has been more prominent than dialogue between the social partners. Tripartite structures have existed in various forms, but there has been little or no effort to coordinate the activities of the social partners and to provide them with a role in determining policy in this area at a national level.</p> <p>The National Advisory Council set up in 1989 with the objective of having a permanent consultative mechanism within the Ministry of Labour to consult the workers and employee representatives in policy matters, changes in labour law, and implementation was not markedly successful until its revival as the National Labour Advisory Council (NLAC) in 2001. Although initially providing a tripartite forum which provided a reasonably effective means of communication and discussion, its full potential as a mechanism for tripartite decision making has not been explored.</p>	<p>The NLAC should be reconstituted as a statutory body with a policy making and advisory role. In order to facilitate informed and productive discussion between the social partners on policy reform and implementation it requires an efficient support structure, as well as the right of representation for regional employer and workers organizations. Gender representation needs also to be ensured.</p> <p>The tripartite system of wages boards was set up to determine and revise minimum wages for particular trades in a cooperative and harmonious way. However, those Wages Boards have not extended their consultation beyond wage determination, although there is no barrier to such extension, and have remained limited in operation. The possibility of a conciliation role for some Wages Boards should also be explored.</p>

7. Providing Social Protection For All

Social protection is vital for the well being of workers, their families and the entire community. It is a basic human right and a fundamental means for creating social cohesion, thereby helping to ensure social peace and stability. It is an indispensable part of government social policy, and an important tool to prevent and alleviate poverty. Given the trend of increased labour market mobility and flexibility within a globalized economy, social protection is an important element to support such changes and ensure that they are balanced with adequate security.

Amongst other things, social protection includes unemployment and redundancy benefits and measures, pension and provident fund schemes, social welfare arrangements, and measures to safeguard occupational health and safety.

The assistance of donor organizations and development partners in this area is of considerable importance in view of the opportunity to borrow from successful social protection systems in other countries. In Thailand, for example, the ILO supported a successful pilot programme to improve safety, health and working conditions of home-based workers (largely women), who typically fall outside formal protection systems in that country. This experience is now being replicated on a larger scale in that country.

ILO Programs such as SIYB (Start and Improve Your Business) can also provide flexible working patterns which are especially attractive to women as an effective way of combining work and family responsibilities. More part-time work places would allow more women to actively pursue a working life, thus, lessening the burden on the State to provide social protection .

Although Sri Lanka has a reputation for providing its citizens with a higher level of social protection than other economically similar countries, many gaps still persist. Some of these and the policies needed to correct this are set out below.

Challenges in Providing Social Protection		Policy Response
<p>1. Lack of Unemployment protection</p> <p>The system of social security in Sri Lanka combines several income transfer schemes with statutorily imposed 'severance pay' and superannuation systems. The missing element is a system of unemployment benefits or unemployment insurance, to bridge the gap between these two components. The introduction of an unemployment benefit a system has been under discussion for some time (ILO, 2002), and several modes have been under consideration; however, the concept of unemployment insurance is largely unknown.</p> <p>Although the Employees' Trust Fund was initially intended as a mechanism to tide over a worker in times of unemployment, this has not operated effectively. Under this scheme the employer contributes 3 per cent of the employee's salary to a State-managed fund, and the benefits can be accessed by the employee once in five years where s/he ceases to be employed for any reason. Due to this five year period, the scheme has been viewed as an additional benefit scheme and not as a system of easing the hardship of unemployment.</p>	<p>It is of vital importance to introduce these schemes, especially as many reforms to labour and employment provisions will be necessitated by these policy responses, and an unemployment protection system will help to ease any adverse short-term impact on employment.</p> <p>An integrated system of unemployment protection, which also includes re-training where needed, can help return to productive employment those who lose their jobs; short-term financial support will encourage the search for re employment. Several models are under consideration, and will require close coordination between the system of income replacement, the network of employment services and the providers of training schemes. The scheme needs to be implemented through a process of discussion and dialogue in order to create a stable and sustainable system.</p>	
<p>2. Inadequate Pension Provisions</p>	<p>Pension schemes are available in a limited context, mainly to State employees (workers employed in the national and local government authorities, state</p> <p>The National Task Force on Social Security, after consultations lasting over a year, has developed a National Action Plan on 'Extension of Social Security to the Excluded</p>	

Challenges in Providing Social Protection	Policy Response
<p>Inadequate Pension Provisions -Continue-</p> <p>departments, and public corporations), who are eligible for a non-contributory pension scheme, and to workers in a handful of private sector companies (mainly banks) which offer a pension scheme under collective agreements. Other schemes, funded mainly by employer contributions with some input from workers such as the Employees' Provident Fund (EPF) scheme, provide a lump-sum upon retirement or withdrawal from employment.</p> <p>Social security in the formal sector suffers from one main problem, that of enforcement, with only about a third of employers making contributions to the EPF although all wage employees must receive such benefits. Lack of institutional and regulatory capacity makes the enforcement of these provisions extremely difficult.</p> <p>The movement of employment away from the formal sector and the increase in informal work arrangements also appears to encourage evasion. For instance, the survey by Rodrigo (2000) on sub-contracting practices found that half the sample were not members of the EPF and a further 5 per cent were not aware of whether contributions were being made on their behalf or not.</p>	<p>and the Poor'. The Action Plan has been developed through a dialogue involving the Government, employers, trade unions and civil society, as well as inputs from a large number of stakeholder institutions and organizations. It covers both the formal and the informal economy in an effort to reach those not currently covered by any social security scheme and those who cannot afford regular financial contributions. The suggestions made by the Task force are as follows:</p> <ul style="list-style-type: none"> • The establishment of a regulatory body for all existing schemes and, possibly, new schemes for the informal economy in the long-term. • Portability of pension funds should be permitted, including shifts between privately managed funds in the short-term, and between future informal schemes and formal schemes in the long-term. The proposed regulatory commission should develop an appropriate mechanism for implementation. • Prevention of early retrieval of contributions in order to safeguard the beneficiaries against a possible early loss of benefits/lump-sum payment. • The possible advantages of amalgamating the administration of existing public schemes.

Challenges in Providing Social Protection		Policy Response
<p>Inadequate Pension Provisions -Continue-</p> <p>It is also doubtful whether workers use EPF funds to provide a regular income during retirement for them. Empirical evidence suggests that most often such benefits are used for consumption, or to repay personal debt. There is no provision whereby the benefits in EPF are invested for the long-term sustenance of the workers and his family.</p> <p>It is also estimated that women make up 70 per cent of all persons currently not covered by formal pension schemes, although women will constitute 70 per cent of the very old in future. This leaves a large deficit in social security for women at present and, increasingly, in the coming years. It is also a cause for concern that informal opportunities to supplement incomes for women who are engaged mainly in child rearing or providing care for family members, such as part-time working opportunities, have been declining in Sri Lanka over the last 20 years, and may prevent women from escaping poverty and dependency.</p>	<ul style="list-style-type: none"> • Any new schemes should ensure financial sustain ability, while addressing concerns of the private sector regarding the negative effect of additional liabilities on competitiveness, employment levels and financial obligations. • Consider measures to correct the inadequacy of benefits of many superannuation schemes,⁶ and to encourage conversion of at least a part of lump-sum benefits to annuity schemes to ensure continuous support in old age. • Technical and administrative improvements, such as computerization to reduce default rates and avoidance. • The introduction of a unique social security number for every citizen. <p>Some suggestions such as the introduction of the unique social security number are under discussion, other recommendations should be implemented over a period of time.</p>	

⁶ A worker contributing a full working career will only receive a benefit equivalent to a pension of 30-45% of average wage (ILO, 2004).

Challenges in Providing Social Protection	Policy Response
<p>3. The absence of social protection for informal sector workers</p> <p>Traditional forms of social security schemes have not been successful in reaching the informal sector due to delivery problems arising from inherent nature of this sector (Athukorale, 2005). Most solutions attempt to provide social security for the informal sector based on formal sector models, and therefore fail due to the inability of workers in the informal sector to access these schemes. For instance, many contributory schemes for the self-employed require that such schemes be accessed through formal mechanisms based on extensive documentation and banking requirements, which such workers may be unwilling or unable to comply with.</p> <p>Access to social security schemes for the poor, and especially for women in the informal sector, is of particular importance to help them to better manage the contingencies that make them vulnerable, such as the death of a provider.</p>	<p>The National Task Force on Social Security recognized the role to be played by informal sector organizations, and the need to include such organizations in policy making and to assist them in obtaining legal recognition. An example of the effectiveness of such an organization is to be found in the Self-Employed Women's Association (SEWA) in India, which fills a similar protection gap in India. Its integrated insurance scheme is the largest contributory social security scheme in India for informal economy workers, and at present over 32,000 women workers are insured. (ILO, 2001).</p> <p>Microfinance can also play a major role in providing social security to the informal sector, by becoming themselves conveyors of the various dimensions of decent work creating new employment, helping to promote security, stimulating empowerment, and giving voice through organizing those least able to organize. For instance, a microfinance initiative of the ILO has involved cooperation with the central banks of seven countries in West Africa in support of poverty-oriented banking and now has an average out-reach rate of 19 per cent of the economically active population. The possibility of introducing such schemes in Sri Lanka will be actively explored.</p>

Challenges in Providing Social Protection		Policy Response
<p>4. Absence of Social Protection schemes for migrant workers</p>	<p>The issue of social security for migrant workers arises at two points; firstly during employment in the receiving country, and secondly, on returning to the home country. While the former has received some attention due to the intervention of the Sri Lanka Bureau of Foreign Employment to provide insurance on registration, there is no systematic mechanism to ensure social security and economic reintegration to returnees. The major problem in formulating policies to deal with this issue is the almost complete lack of data on returnees. Since most migrants either repatriate the entirety or the larger part of their entire income for purposes of supporting their households in Sri Lanka, upon returning, there is uncertainty as to their ability to support themselves in the long term. Although there are several credit schemes for housing purposes, many migrant workers lack the awareness or motivation to benefit from these schemes.</p>	<p>A special social protection scheme for returnee migrant workers has been launched by the Ministry of Labour Relations and Foreign Employment and the SLBFE. A special housing loan scheme is also under consideration, where 30 per cent of the funds will be contributed by the Government, to motivate migrant workers to generate savings.</p>
<p>5. Issues in Occupational Safety and Health (OSH)</p>	<p>The shortcomings in relation to OSH in the formal sector are well recognised (Ranaraja, 1999). The most critical is that of exclusion, as only about 30 per cent of the labour force is covered by the main statutory provision on OSH.</p>	<p>OSH is at present considered the responsibility of the employer alone, and this approach needs to be revised in favour of a cooperative one between the employer, trade unions and employees in a workplace, supported by the strong and active regulatory role of the Government.</p>

Challenges in Providing Social Protection		Policy Response
<p>Issues in Occupational Safety and Health (OSH) -Continue-</p>	<p>Even within the formal sector, there is inadequate provision to ensure safety and health in occupations in plantations, and even shops and offices. The main problems that have been identified by numerous researchers are:</p> <ul style="list-style-type: none"> • Restriction of legislative protection to workers in factories • Inadequate enforcement capability • Absence of mandatory registration of factories • Failure to provide for occupational safety and health prior to construction or occupation of buildings intended to be used as factories • Absence of health and safety standards and guidelines in relation to specific industries, especially emerging industries. • Lack of awareness of the importance of occupational health and safety issues on the part of employers, employees and trade unions • The absence of an efficient system of collection, compilation, and dissemination of information on occupational health and safety. • The complexity of existing legislation • The dearth of training and research facilities and programmes, especially by non-governmental institutions. 	<p>The Draft OSH Act, which is under tripartite discussion prior to presentation to the legislature, will effectively deal with many of these shortcomings in terms of the legal framework.</p> <p>The newly established National Institute for Occupational Safety and Health (NIOSH) when fully operational will play a pivotal role in standard setting and regulation. It will also need to work on preventative action through the creation of a culture of safety in workplaces.</p> <p>Much remains to be done in changing attitudes to recognize the mutual dependency of employers and workers in providing a safe and healthy working environment.</p>

Policy Response	Challenges in Providing Social Protection	
<p>The National Institute will also expand its activities into the informal sector. Within the informal sector schemes of education and training as well as the promotion of simple technical solutions to safety and health problems can make an enormous difference to the security of individuals and the productivity of the sector. Given the size of the sector within the Sri Lankan economy this is particularly important.</p>	<p>In Sri Lanka, working conditions are a serious issue in the informal economy where 70 per cent of the workforce is employed. The main concern is that these workplaces are unregulated, unprotected, and characterized with hazardous work, discrimination and harassment, excessive hours of work, low wages, absence of social protection, and absence of voice or representation. Collective bargaining is non-existent and a large number of workers fall outside the protection of labour laws due to problems of enforcement. Many of these shortcomings arise from the weaknesses in the regulatory and enforcement mechanisms, which are based on outdated legislation unsuited to the present context.</p>	<p>Issues in Occupational Safety and Health (OSH) -Continue-</p>

8. Key Enabling Initiatives

All the initiatives and policy directions set out in the chapters above are important in ensuring decent work for all those who work in Sri Lanka. However there are also some key elements of institutional infrastructure, which need to be set in place to provide essential and enabling underpinning to the implementation of other policies. These are set out in this chapter. They are all of equal importance and need to be implemented concurrently to facilitate the process of revision and reform of other decent work areas.

Restructuring the Department of Labour

The Department of Labour performs a combined enforcement, regulatory, policy and administrative role in relation to employment in Sri Lanka. It is therefore the key implementing agency for decent work and every other initiative in the world of work and employment. As part of economic and social development a modern, effective and efficient labour department is vital. However, the failure to upgrade and improve resources, especially personnel, the lack of adequate financial commitment by the State, and the general malaise which affects the public sector at large has eroded much of the effectiveness of the Department of Labour in fulfilling its mandate. Recognising the need for the professional delivery of a comprehensive labour and employment regulatory service to meet the current need of the country, the Ministry of Labour Relations and Foreign Employment has commenced a programme to restructure the Department of Labour with the assistance and expertise of the ILO (ILO, 2005c). The technological capacity (mainly in information technology)

has been improved, and when completed, the Department of Labour will be transformed under this program into a fully fledged regulatory and service organization and will be able to carry out its enhanced mission effectively and efficiently.

Implementing labour law reforms through a consultative process

Issues of employment, employee rights, working conditions, resolution of employment-related disputes and industrial relations in Sri Lanka are governed by a body of law comprising about 45 statutes. Much of this legislation was enacted during the period immediately preceding and after independence, but has been added to cumulatively since that time by various administrations. Statutory provisions have not been the outcome of a broad-based strategy to achieve economic objectives, but as a result of political expediency and *ad hoc* problem-solving strategies. There is no doubt that much of this legislation needs urgent revision and consolidation in keeping with the economic and social development goals of the country. However, the numerous stakeholders and especially the social partners, have been unable to arrive at a consensus on the nature and type of revisions required, and the process itself has been too time-consuming. If Sri Lanka is to benefit from this window of opportunity the social partners need to approach this task with a greater sense of urgency and see it as a central part of a decent work agenda which, alongside other measures, will enable economic and social gains to be made by all parties.

Importance of accurate and comprehensive employment related data

At present, although the information gathering system provides adequate information on labour and employment from a traditional perspective, it provides only a partial, and sometimes a rudimentary, picture of decent work deficits. While there is adequate information on the quantifiable aspects of decent work, there is little, if any, on its qualitative aspects. There are pressing needs in all four dimensions of decent work (see Appendix 2).

In the short term, there may be some relatively simple changes that could be introduced into current data collection, for example, to improve its utility in relation to gender. This might involve amending the data gathering formats in use by the Department of Census & Statistics in Sri Lanka and by the Central Bank of Sri Lanka which are the main agencies that maintain statistical information. These organizations also need to work together to ensure the validity of the data disseminated. The Department of Labour needs to be involved in all these exercises, in order to direct the focus of information gathering towards data related to decent work. Furthermore, successful monitoring and evaluation of decent work depends on the active participation of the social partners. It also requires long-term commitment from all sides and willingness to continuously improve strategies, action plans and implementation. It might be helpful to set up a joint advisory committee of all relevant stake holders to develop a long term strategy and commitment in this vital area.

Of course, the monitoring of progress made in implementing Decent Work cannot be

separated from ongoing and planned monitoring processes for the Millennium Development Goals and the Poverty Reduction Strategy. It will form an integral part of these other efforts in order to avoid duplication but also as a reflection of their interrelatedness.

Working together in Government

In many areas of Government today there are instances of overlap and duplication in the activities of ministries and regulatory bodies, but these institutions do not always coordinate their functions in an efficient and effective way. A pre-condition to implementing this **National Policy on Decent Work** is that these institutions must establish collaborative working practices rather than operate in isolation from each other. For instance, the three key Ministries involved in decision making in the migration sector, namely, the Ministry of Labour Relations and Foreign Employment, the Foreign Ministry and the Health Ministry must form a strong partnership focused on promoting safe migration. The Sri Lanka Bureau of Foreign Employment should become the lead agency in regulating this sector, and strengthen its operations with this primary regulatory role in mind. Other aspects of the activities of the SLBFE should be strengthened through public-private partnerships in order to maximize the utilization of scarce resources and the sustainability of its programs. At present, these institutions lack a coordinated approach focused on the migrant worker, although they perform functions that are critical to the welfare of the migrant worker. In other areas of decent work, such as Occupational Safety & Health key players in Government need to work together to create an employment-centered partnership.

9. Conclusion

This Policy addresses a range of issues and problems relating to Decent work that need to overcome if Sri Lanka is to be set on the high road to development. The next step in this process, the implementation of the accompanying **National Plan of Action for Decent Work**, will convert these policy initiatives into an integrated platform for action. The plan of action sets out specific actions to implement these policy responses,

and identifies the agencies that are responsible for implementation. Actions are categorized as short, medium and long term actions, with the intention of prioritizing implementation. The monitoring of the action plan will be linked to the initiative to reconstitute the National Labour Advisory Council and will be based on the Monitoring indicators developed by the ILO (Appendix 2).

Appendix 1: National Plan of Action for Decent Work

Acronyms/Abbreviations

ARC:	Administrative Reforms Commission	
BOI:	Board of Investment of Sri Lanka	
DCS:	Department of Census and Statistics	
DOL:	Department of Labour	
EDB:	Export Development Board	
ESDEL:	Employment, Skills Development & Labour Cluster	
EFC:	Employers' Federation of Ceylon	
FDI:	Foreign Direct Investment	
IOM:	International Organisation for Migrants	
JAFF:	Joint Apparel Association Forum	
MLRFE:	Ministry of Labour Relations and Foreign Employment	
MOJ:	Ministry of Justice and Constitutional Affairs	
MOF:	Ministry of Finance	
MOFA:	Ministry of Foreign Affairs	
NCED:	National Council for Economic Development	
NLAC:	National Labour Advisory Council	
NWC:	National Workers Congress	
PSC:	Public Services Commission	
SLBFE:	Sri Lanka Bureau of Foreign Employment	
TVEC:	Technical and Vocational Education Commission	
TEVT:	Technical Education and Vocational Training	
YEN:	Youth Employment Network	
		Time Frame for Implementation
		Long term (Over a period of three years or more)
		Medium term (Between one year and three years)
		Short term: (Over the period of six months to one year)

Objective	Strategy	Action	Implementing Agency	Time frame
Employment Creation	Increase Domestic and Foreign Direct Investment in regional areas	<ul style="list-style-type: none"> Implement Financial concessions and tax incentives to encourage location of FDI in the rural areas 	BOI, together with MOF	Medium term
		<ul style="list-style-type: none"> Upgrading railways for movement of goods and passengers 	Relevant line Ministry in consultation with all stakeholders	Long term
	Improve Regional Development	<ul style="list-style-type: none"> Expressways linking strategic locations 	Relevant line Ministry	Long term
		<ul style="list-style-type: none"> Improving rural electrification 	Relevant line Ministry	Long term
		<ul style="list-style-type: none"> Improving access to telecommunication and information technology 	Relevant line Ministry	Long term
		<ul style="list-style-type: none"> Implementing the National Agriculture Policy 	Min. of Agriculture with relevant line ministries	Long term
	A productive and efficient public sector	<ul style="list-style-type: none"> Improving the use of technology in agriculture 	<ul style="list-style-type: none"> Min. of Agriculture with relevant line ministries 	Long term
			<ul style="list-style-type: none"> A cadre review of all executive and non executive posts 	Min. of Public Administration with DCS and MLRFE
		<ul style="list-style-type: none"> Establish a senior management group in each Department consisting of senior officers with high managerial ability and professional skill, to implement State policy and to make decision making more efficient 	<ul style="list-style-type: none"> Min. of Public Administration, Public Management Reform Committee, and all line ministries 	Short term

Objective	Strategy	Action	Implementing Agency	Time frame
		<ul style="list-style-type: none"> Revive the Management Development and Training Units and Advisory Councils Introduce suggestion/complaint scheme for the public to encourage civic consciousness Implement performance appraisal scheme for every public officer in an equitable and transparent manner Introduce Work Norms for every public sector department and institution Introduce performance related component in the Salary for public servants - a fixed and a variable component Formulate a National Training Policy for the Public Sector PSC to Recruit public officers based on competitive examination 	<p>Min. of Public Administration and all Ministries</p> <p>Min. of Public Administration</p> <p>Min. of Public Administration</p> <p>Min. of Public Administration and relevant institutions</p> <p>Min. of Public Administration and relevant institutions</p> <p>Min. of Public Admin., with Sri Lanka Institute for Development Admin., and Public Sector Training Institute</p> <p>PSC, Min. of Public Administrative Reforms Commission</p>	<p>Short term</p> <p>Short term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Mediu</p> <p>Medium term</p>

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Recruit public officers on District basis, to serve within that District (non-transferable)</p> <p>Prepare a Code of Conduct for all public officers</p> <p>Rules of procedure relating to employment in the public sector, especially the Establishments Code, should be strictly applied</p> <p>Review powers and operations of the PSC to make it more effective (e.g. making decisions binding)</p> <p>Implementing the Public and Private sector components of the National Productivity Policy</p> <p>Developing benchmarking systems for various industries using schemes adapted for Sri Lanka, with tripartite participation</p> <p>Building understanding amongst employers, workers on what constitutes productivity for various industries, measuring and rewarding productivity</p> <p>Establish NLAC as statutory body</p> <p>Establish a clear mandate for ESDEL cluster of NCED</p>	<ul style="list-style-type: none"> Recruit public officers on District basis, to serve within that District (non-transferable) Prepare a Code of Conduct for all public officers Rules of procedure relating to employment in the public sector, especially the Establishments Code, should be strictly applied Review powers and operations of the PSC to make it more effective (e.g. making decisions binding) Implementing the Public and Private sector components of the National Productivity Policy Developing benchmarking systems for various industries using schemes adapted for Sri Lanka, with tripartite participation Building understanding amongst employers, workers on what constitutes productivity for various industries, measuring and rewarding productivity Establish NLAC as statutory body Establish a clear mandate for ESDEL cluster of NCED 	<p>Min. of Public Administration</p> <p>Min. of Public Admin.</p> <p>Min. of Public Admin</p> <p>Min. of Public Admin, with MOJ</p> <p>Productivity Secretariat with MLRFE</p> <p>National Productivity Secretariat with DOL and donors</p> <p>DOL, employers and workers organisations, donors</p> <p>MLRFE</p> <p>MOF with MLRFE and Ministry of Skills Development</p>	<p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p> <p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Medium term</p> <p>Short term</p>
	<p>Ensuring equal treatment for public officers and reducing causes for litigation</p> <p>Improving National Productivity</p> <p>Implementing Labour reforms consultatively</p>			

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Creating a better match between skills and demand</p> <p>Increasing employment opportunities for Youth</p> <p>Increase employment opportunities for persons with disabilities</p> <p>Empowering women in employment</p> <p>Reducing Under-employment</p>	<ul style="list-style-type: none"> • Implement National Policy on TEVT • Complete and Implement NVQ grading system speedily • Link TEVT structure with Jobsnet • Complete and implement National Policy on Youth • Complete and Implement YEN • Ensure access/preferential access to training • Increase/promote access of persons with disabilities to Jobsnet • Reduce gender stereo-typing in accessing jobs • SME Bank structure to give preferential access to women • Implement policies to make temporary, flexible, or extra work possible (e.g. removal of restriction on employment of women at night in Shops and Offices) 	<p>Min. of Skills Dev. with MLRFE</p> <p>Min. of Skills Dev. with MLRFE</p> <p>Min. of Skills Dev. with MLRFE and Jobsnet</p> <p>Min. of Youth Affairs, MLRFE and other line ministries</p> <p>Min. of Youth Affairs, MLRFE and other line ministries</p> <p>Min. of Skills Development, TVEC</p> <p>Jobsnet, MLRFE</p> <p>MLRFE, TVEC, Min. of Education</p> <p>MOF, Ministry of Industries, Central Bank</p> <p>MLRFE</p>	<p>Medium Term</p> <p>Medium Term</p> <p>Medium Term</p> <p>Medium Term</p> <p>Medium Term</p> <p>Short to Medium term</p> <p>Short to Medium term</p> <p>Long Term</p> <p>Long term</p> <p>Short term</p>

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Create employment opportunities within the informal sector</p>	<ul style="list-style-type: none"> • Develop entrepreneurship and creativity during school education • Encourage labour oriented methods of development where practicable, especially in infrastructure development in regional areas • SME and Rural Banks to develop lending schemes aimed at informal sector commercial activity (e.g.day-lending schemes) 	<p>Min. of Education with line ministries</p> <p>MLRFE with all Ministries</p> <p>MOF, with Central Bank, with line ministries</p>	<p>Medium Term</p> <p>Short term</p> <p>Medium term</p>
	<p>Encouraging skilled, safe migration</p>	<ul style="list-style-type: none"> • Setting up Employment Sourcing Unit at SLBFE (to monitor job opportunities via internet and international publications) • Establish National Advisory Council on Migration as statutory body with three lead ministries and all stakeholders • Strengthen regulatory and operational functions of SLBFE through adequate resources • Build public-private partnerships for providing migrant services (e.g.insurance) • Establish Task Force to examine means of providing free registration without compromising fee collection 	<p>MLRFE, SLBFE and Jobsnet</p> <p>MLRFE, Foreign Ministry, Min.of Health and SLBFE</p> <p>MLRFE with MOF</p> <p>MLRFE, SLBFE and relevant agencies</p> <p>SLBFE, MLRFE</p>	<p>Short term</p> <p>Medium Term</p> <p>Medium Term</p> <p>Short Term</p> <p>Short term</p>
	<p>All migrant workers are registered</p>			

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Each stage of migration of every worker is documented</p> <p>Make operational aspects of the SLBFE more efficient</p> <p>Improve nature of training to migrant workers</p> <p>Expand assistance schemes to access funds for migration</p> <p>Better monitoring of health and fitness for migration for employment</p> <p>Building employment opportunities for peace</p>	<ul style="list-style-type: none"> • Establish Task force, expand labour force surveys to include migrant workers, and returnees/or carry out independent survey • Prevent/reduce the use of forged documents in migration • Ensuring that appointees to Board of SLBFE have no conflict of interest with its regulatory function • Bring training institutes within NVQ accreditation system • Focus training programs on skills-development rather than with awareness building • Raise public awareness of financial assistance schemes • Make facility readily available by getting rural and development banks to offer assistance to those seeking to migrate for employment • Devise different testing schemes for different regions/groupings of labour receiving countries • Establish sustainable and credible testing regime or medical boards • Develop a systematic program for rebuilding North and East 	<p>SLBFE/MLRFE with DCS</p> <p>SLBFE, Dept. of Immigration Dept. of Registration of persons</p> <p>MLRFE and SLBFE</p> <p>SLBFE, TVEC and MLRFE</p> <p>SLBFE, TVEC and MLRFE</p> <p>SLBFE, MLRFE</p> <p>SLBFE, MLRFE, Central Bank and MOF</p> <p>SLBFE and Ministry of Health</p> <p>All relevant ministries</p> <p>All relevant ministries</p>	<p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p> <p>Medium term</p> <p>Short term</p> <p>Medium term</p>

Objective	Strategy	Action	Implementing Agency	Time frame
Rights at Work	Ensuring Freedom of Association	<ul style="list-style-type: none"> • Capacity building for Trade Unions • Encouraging workplace cooperation • Increasing compliance with statutory provisions governing recognition of trade unions • Encourage the use of collective bargaining as a dispute resolution mechanism • Encourage and build capacity in conciliation/mediation in labour disputes and strengthen mediation efforts 	MLRFE with donor assistance MLRFE, EFC and trade unions MLRFE, BOI MLRFE, EFC and trade unions MLRFE, MOJ, EFC	Long term Medium term Medium term Medium term Medium term
	Develop protection of rights at work as a competitive advantage	<ul style="list-style-type: none"> • Exploring feasibility of promoting social compliance standards for industries other than garment manufacturers 	MLRFE, Sri Lanka Standards Institute, Employers and trade unions	Long term
	Improve enforcement function/capacity of Department of Labour	<ul style="list-style-type: none"> • Implement ongoing initiatives on restructuring DOL 	MLRFE	Short term
	Organising the Informal sector	<ul style="list-style-type: none"> • Establish Task Force to consider making some statutory liabilities self-regulating (e.g. licensing of workplaces for safety compliance) • Encourage the creation of craft villages, and product-based groupings • Encourage linkages/partnerships between formal sector and informal sector 	MLRFE, and all stakeholders Relevant ministries	Short term Short term Medium term
			Ministry of Industries, EDB, relevant ministries	Short term

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Encourage recognition of informal sector organizations, groupings by regional /provincial administrations</p> <p>Increase representation for women in trade union management</p> <p>Protecting the freedom of association of public sector workers</p> <p>Protecting right to equality of public sector workers</p> <p>Enable migrant workers to exercise the right to vote in elections in the home country</p> <p>Improving understanding of legal rights and contractual provisions</p> <p>Improving capacity of Sri Lankan Missions in labour receiving states</p> <p>Intervention in dispute settlement in receiving country</p> <p>Developing non-legal solutions to breaches and rights violations</p>	<ul style="list-style-type: none"> Encourage recognition of informal sector organizations, groupings by regional /provincial administrations Encourage trade unions to allocate proportionate representation for women in management Remove restriction on trade unions in the public sector to federate Inquiry procedure in the PSC to be revised to enable aggrieved officer to be heard in person Develop mechanisms to ensure free, fair and tamper-proof voting at elections Translation of standard contracts into Sinhala and Tamil Developing standard responses to specific types of complaints while in host country (e.g. Breach of contract, sexual harassment) Specialized training in legal rights/ counseling for mission staff Accessing legal/support networks for migrant workers in receiving state Encouraging formation of networks with NGOs and Sri Lankan community in receiving countries 	<p>All ministries</p> <p>MLRFE</p> <p>MLRFE, public sector trade unions</p> <p>Min.of Public Admin., MOJ and other ministries</p> <p>MLRFE, Ministry of Foreign Affairs in consultation with the Commissioner of Elections</p> <p>SLBFE</p> <p>SLBFE. MLRFE and Ministry of Foreign Affairs</p> <p>SLBFE, MLRFE and Ministry of Foreign Affairs</p> <p>SLBFE, Ministry of Labour, with organisations such as IOM and NWC</p> <p>SLBFE, IOM, NGOs</p>	<p>Short term</p> <p>Medium term</p> <p>Short term</p> <p>Short term</p> <p>Long term</p> <p>Short term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p>

Objective	Strategy	Action	Implementing Agency	Time frame
Social Dialogue	Recognise the importance of social dialogue at National level	<ul style="list-style-type: none"> • Establish the NLAC as a statutory body, with institutional capacity to support tripartite decision making • Link the ESDEL Cluster with other national decision making bodies 	MLRFE Min.of Skills Development, MLRFE, MOF Min.of Public Admin.,	Medium term Medium term Medium term
	Improve dispute resolution mechanisms in the public sector	<ul style="list-style-type: none"> • Implement a clearly defined internal grievance handling mechanism with strict time limits for compliance by superior officers in every department 	Min.of Public Admin., MOJ, MLRFE	Medium term
Social Security	Implement Recommendations of National Task Force on Extension of Social Security to the Excluded and Poor	<ul style="list-style-type: none"> • Establish a National Mediation Council address grievances of public sector workers and trade unions • Expeditiously implement unique social security number 	MLRFE and other line Ministries	Short, Medium and Long term
	Recognise right to unemployment benefits of all wage employees	<ul style="list-style-type: none"> • Speedy introduction of universal unemployment insurance benefit system 	MLRFE with all stakeholders	Medium term m term
	Increase compliance with EPF, ETF regulations	<ul style="list-style-type: none"> • Strengthen coordination between EPF Department and enforcement unit of DOL • Enhance capacity of enforcement unit of DOL with additional resources 	MLRFE, Central Bank, DOL MLRFE	Short term Medium term

Objective	Strategy	Action	Implementing Agency	Time frame
	<p>Better data collection and dissemination, especially on labour contractors and suppliers, and informal work arrangements</p> <p>Provide investment advise at time of withdrawal of benefits, including deposit accounts with limited withdrawal facilities</p> <p>Introduce savings/insurance schemes for informal sector workers that provide user-friendly modes of saving (daily/weekly)</p> <p>Access to credit for skills development for returnees through public-private partnerships with Banks, Insurance Companies, etc.</p> <p>Develop social security schemes in host countries through partnerships with international banks</p> <p>Expand coverage to excluded employees, by enacting new Act</p> <p>Develop voluntary Codes of Practice, OSH standards, in traditional as well as emerging and non-traditional industries</p>	<ul style="list-style-type: none"> • Better data collection and dissemination, especially on labour contractors and suppliers, and informal work arrangements • Provide investment advise at time of withdrawal of benefits, including deposit accounts with limited withdrawal facilities • Introduce savings/insurance schemes for informal sector workers that provide user-friendly modes of saving (daily/weekly) • Access to credit for skills development for returnees through public-private partnerships with Banks, Insurance Companies, etc. • Develop social security schemes in host countries through partnerships with international banks • Expand coverage to excluded employees, by enacting new Act • Develop voluntary Codes of Practice, OSH standards, in traditional as well as emerging and non-traditional industries 	<p>MLRFE, DCS, Central Bank</p> <p>EPF Department, Banking sector</p> <p>MLRFE, Banking sector</p> <p>SLBFE, Ministry of Skills Development, MLRFE</p> <p>SLBFE, Ministry of Foreign Affairs, MOF, Central Bank,</p> <p>MLRFE</p> <p>National Institute for Occupational Safety & Health (NIOSH)</p>	<p>Medium term</p> <p>Short term</p> <p>Medium term</p> <p>Medium term</p> <p>Medium term</p> <p>Short term</p> <p>Medium term</p>

Appendix 2 : Measuring Decent Work

How many decent jobs are there in a country? How many decent workplaces? What proportion of workers in a country has decent jobs? We need to know much more about how frequently workers face a loss of fundamental rights at work, and the extent of child labour and gender or other forms of discrimination. We need to know where and how exactly restrictions on workers' rights to organize and bargain collectively take place; we need to know, in order to improve their lot, how many workers are without social protection and security at work and face inadequate or dangerous working conditions; and we need to know much more about the extent of social dialogue, or lack of it, among social partners. And all of this information must necessarily be gender specific, given the need to provide decent work to both men and women, and not a mere gender-neutral statistic.

Answering these questions fully is often impossible, even when national statistical data is available, as they can only be answered using micro individual job-level or establishment level data (Anker, et al., 2002). In this context, the ILO has proposed internationally relevant and gender-sensitive core decent work indicators and monitoring instruments as part of its global decent work programme. An initial tentative list of thirty decent work indicators has been set out that covering ten aspects of decent work, as follows.

1. Employment opportunities
2. Acceptable work
3. Adequate earnings and productive work
4. Decent hours
5. Stability and security of work
6. Fair treatment in employment and at work
7. Safe work environment

8. Social protection
9. Combining work and family life
10. Social dialogue and workplace relations

Some dimensions of decent work are more easily measured than others and this is reflected in the availability of statistics on some of these aspects of decent work, while others are not so readily measured. Presenting the available information provides only a partial and sometimes even rudimentary picture of decent work gaps. However, the only means to obtain accurate and complete information - workplace surveys - are both expensive and methodologically difficult, particularly in the informal sector; some indicators may be subjective assessments unless data collection methods are developed with due care.

An initial assessment has been made in Sri Lanka on the availability of national level data on some possible indicators for each of the four pillars of decent work, together with an analysis of the existing data gaps, and the short term solutions that may overcome these weaknesses. This assessment indicates that, although Sri Lanka has an efficient and effective system of data collection, especially through the Quarterly Labour Force Survey conducted by the DCS, some changes will be required to obtain data for the purpose of measuring progress on Decent Work. The prospect of a permanent solution to the ethnic conflict will also require the recommencement of data collection activities in conflict areas, for which preparation will have to be made.

Therefore, based on the Indicators developed by the ILO, Sri Lanka will work with the social partners towards developing a set of Decent Work Indicators adapted to the country-context.

Appendix 3: Members of the Steering Committee

Honourable Athauda Seneviratne	- Minister of Labour Relations & Foreign Employment
Mr Mahinda Madihahewa	- Secretary, Ministry of Labour Relations & Foreign Employment
Mr Gotabaya Dasanayake	- Director General, Employers Federation of Ceylon
Mr M R Shah	- President, Ceylon Bank Employees Union
Mr Ajit Dias	- Managing Director, Brandix Lanka Limited
Mrs P Ratnayake	- Additional Secretary, Ministry of Labour Relations & Foreign Employment
Mr H Sandrasekera	- Senior Vice President, Ceylon Workers Congress
Mr D W Subasinghe	- General Secretary, Ceylon Federation of Trade Unions
Mr Upali Athukorale	- Senior Assistant Secretary, Ministry of Labour Relations & Foreign Employment
Mr Norton Fernando	- Consultant, Department of Labour
Mr C M M Chandrasekera	- Additional Director General, Department of National Planning
Mrs Ayanthi De Silva	- Deputy Director, Department of National Planning
Mr Prema Cooray	- Secretary General, Ceylon Chamber of Commerce
Mr Lalith Madappuli	- Member, Free Trade Zone Manufacturers Association

Appendix 4: List of Task Force Members

Informal Sector	Ms Myrtle Perera Senior Research Fellow MARGA Institute
Mr Tissa Athukorale Consultant	Prof Swarna Jayaweera Centre for Womens' Study & Research
Mr Daya Senaratne Consultant, Department Of Labour	Mr Gerald Ludowyck Deputy Secretary General National Workers' Congress
Mr Bandula Ratnayake Consultant Federation of Chamber of Commerce & Industry of Sri Lanka	Ms Mallika Samaranayake Institute for Participatory Studies

Migration	
Ms Shymalie Ranaraja Consultant	Mr Mangala Randeniya Sri Lanka Foreign Employment Bureau
Ms Malsiri Dias Migration Expert	Mr Dudley Wijesiri National Workers' Congress
Ms Kanthi Yapa Migration Expert	Ms Sajani Ranatunge International Organization for Migration
Ms Padmini Ratnayake Additional Secretary Ministry of Labour Relations & Foreign Employment	Ms Sharmila Daluwatte International Labour Organization

Formal Sector	
Ms Shyamali Ranaraja - Consultant	Mr M R Shah President Ceylon Bank Employees' Union
Mr Gotabaya Dasanayake Director General Employers' Federation of Ceylon	Mr C M M Chandrasekera Additional Director General Department of National Planning
Mr Y Jagathweera Assistant Commissioner of Labour Department of Labour	

Public Sector

Mr P Weerasekera
Consultant

Mr S Wanasinghe
Retired Public Servant

Ms Dhara Wijayatilleka
Senior Assistant Secretary
Ministry of Justice &
Judicial Reforms

Mr Upali Athukorale
Senior Assistant Secretary
Ministry of Labour Relations & Foreign
Employment

Mr N Almeida
Health Workers' Alliance

Mr G Weeratunge
General Manager
Employee Relations & Welfare
Sri Lanka Telecomm

Mr Saman Ratnapriya
Convener
Health Workers' Alliance

Mr Mahendra Silva
President
Telecom Engineering Diplomates
Association

Mr W H Piyadasa
Secretary
Public Sector Trade Union

Macroeconomic & Sectoral Policies

Ms Ramani Gunatilleke
Consultant

Mr Ravi Peiris
Deputy Director General
Employers' Federation of Ceylon

Mr U Wijeweera
Commissioner
Employees' Provident Fund

Mr Leslie Devendra
General Secretary
Sri Lanka Nidhahas Sevaka Sangamaya

Mr T M R Rassedeen
General Secretary
National Association for Trade Union
Research & Education

Mr D Amerasinghe
Director, Macro Economic Division
Department of National Planning

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