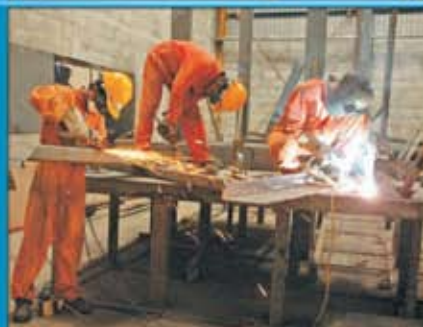


Making Decent Work A National Reality

Sri Lanka Road Map



Ministry of Labour Relations
and Manpower

Making Decent Work A National Reality - Sri Lanka Road Map

**MINISTRY OF LABOUR RELATIONS
AND MANPOWER**

**Development of the Road Map
supported by**



International Labour Office, Colombo

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PREFACE

It gives me immense pleasure to have been associated with the process of developing the Road Map formulated to transform 'Decent Work Policy' into action. This can be described as a programme which has a number of components with specific objectives that will contribute to achieve the goal of decent work, i.e. 'to promote opportunities for women and men to obtain productive work in conditions of freedom, equality, security and human dignity.'

The Road Map captures the priority activities to be embarked on and the twenty Project Plans or Outlines have been derived from the National Plan of Action for Decent Work and designed round the key enabling initiatives contained in the National Plan of Action for Decent Work in Sri Lanka. Project outlines elaborated in this document are inter-related as the thread that links them all are Employment Creation (opportunity to work), Rights at Work, Social Dialogue and Social Protection, the four basic dimensions of Decent Work

The formulation of the Road Map represents a very significant achievement for my Ministry since this clearly identifies the priority initiatives that need to be undertaken by various stakeholders aimed at raising the social platform of people, including those who are too often disadvantaged, such as women, the young, and the disabled to ensure that all can benefit from productive activities in an era of increasing globalization and liberalization.

Decent work is about providing access to quality employment. It is also about protecting workers and their rights, an essential goal, if workers are to recognize a personal stake in enhancing competitiveness and productivity. The decent work agenda includes four main pillars: access to productive and remunerative jobs; a safe working environment; social protection and workers' rights; and social dialogue.

I gratefully acknowledge the technical and financial support extended by the International Labour Organization throughout the process of development of the Road Map and I am convinced that our vision of providing Decent Work for every citizen of this country will be translated into reality.

Athauda Seneviratne

Minister of Labour Relations & Manpower

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ABBREVIATIONS

BDS	=	Business Development Services
BOI	=	Board of Investment Sri Lanka
CG	=	Career Guidance
DCS	=	Department of Census and Statistics
Div.S	=	Divisional Secretariat
DS	=	District Secretariat
DTET	=	Department of Technical Education and Training
FCCISL	=	Federation of Chamber of Commerce and Industries Sri Lanka
FDI	=	Foreign Direct Investment
FDI	=	Foreign Direct Investments
GDP	=	Gross Domestic Product
GND	=	Grama Niladari Division
HRDA	=	Human Resource Development Assistant
ICT	=	Information Communication Technology
ILO	=	International Labour Organisation
LMI	=	Labour Market Information
MDTU	=	Management Development and Training Unit
MEDIP	=	Ministry of Enterprise Development and Investment Promotion
MFEPW	=	Ministry of Foreign Employment Promotion and Welfare
MFP	=	Ministry of Finance and Planning
MHRD	=	Ministry of Highways and Road Development
MLGPC	=	Ministry of Local Government and Provincial Councils
MLRMP	=	Ministry of Labour Relations and Man Power
MNBSID	=	Ministry of Nation Building & State Infrastructure Development
MOU	=	Memorandum of Understanding
MPAHA	=	Ministry of Public Administration & Home Affairs
MPI	=	Ministry of Plantation Industries
MRISEP	=	Ministry of Rural Investment and Self Employment Promotion
MSME	=	Micro, Small and Medium Enterprise
MSSSW	=	Ministry of Social Services and Social Welfare
MVTT	=	Ministry of Vocational and Technical Training
NAITA	=	National Apprenticeship & Industrial Training Authority
NEDA	=	National Enterprise Development Authority
NGO	=	Non-Governmental Organisation
NIBM	=	National Institute of Business Management
NILS	=	National Institute of Labour Studies
NITESL	=	National Institute of Technical Education Sri Lanka
NLAC	=	National Labor Advisor Council
NPDWSL	=	National Policy on Decent Work, Sri Lanka Development
NPS	=	National Productivity Secretariat
NVQ	=	National Vocational Qualification
PRA	=	Participatory Rural Appraisal
SLBFE	=	Sri Lanka Bureau for Foreign Employment
SLILG	=	Sri Lanka Institute for Local Government
SME	=	Small and Medium Enterprise
TEVT	=	Technical Education and Vocational Training
TSC	=	Tripartite Steering Committee
TVEC	=	Tertiary and Vocational Education Commission
VT	=	Vocational Training

Summary of Project Outlines

PROJECT OUTLINES					
PROJECT OUTLINE - 1 Promote foreign direct investment for employment creation and for safeguarding other decent work dimensions in Lagging Regions					
1.1 Consensus created among relevant Agencies regarding Policy & Incentive Package for FDI in Lagging Regions					
1.2 Foreign investors are aware of the Incentive Package for FDI in lagging regions					
1.3 Employability of youth, women and those with disabilities is developed and improved					
1.4 Labour shortages in the Zones are mitigated					
1.5 Labour relations improved due to Social Dialogue and the 'win-win' outcome achieved					
1.6 Employees achieve an acceptable quality of life					
PROJECT OUTLINE - 2 Promote domestic investments and enterprise development (infrastructure)					
2.1 A comprehensive Regional Development Policy for infrastructure development is formulated and adopted by all stakeholders					
2.2 National Planning Frameworks are developed and utilized for formulating regional infrastructure development plans					
2.3 Capability to produce Regional Plans for infrastructure development of acceptable quality is increased in the Planning Secretariats of Provincial Councils					
2.4 A scheme for resources allocation that is responsive to needs and commitment of each Province is adopted for allocating resources					
2.5 All the Provinces/Regions utilize reliable data bases of available resources compiled from scientific surveys for Regional Planning for infrastructure development					
2.6 Regional Planning for Provincial / Regional level infrastructure development utilizes regularly updated Socio-economic data bases with indicators					
2.7 Deficits in infrastructure at Provincial /Regional level are addressed in a systematic manner					
2.8 Rural infrastructure is developed and maintained according to an established System and by the Pradeshiya Sabas that have been strengthened with special competency for it					
PROJECT OUTLINE - 3 Promote domestic investments and enterprise development (private sector investments)					
3.1 The National Enterprise Development Authority provides required services and coordinates investment promotion in the regions					

Summary of Project Outlines

3.2 Necessary mechanisms/systems for domestic investment promotion are functional at Provincial Councils					
3.3 Provincial Councils regularly up date and use the data base on enterprises for their analysis					
3.4 A business development service programme is developed and carried out					
3.5 Business Development Service Centers are established for higher performance of enterprises, especially those of youth, women and those with disabilities					
3.6 A market for business development services is established and SMEs access services for actualizing their full potential					
3.7 Sector Organisations and Chambers support entrepreneurship development					
3.8 Investments at regional level increase resulting in quality employment creation					
PROJECT OUTLINE - 4 Promote micro enterprises and self-employment					
4.1 The Self Employed benefit from being registered and organized sectorally					
4.2 A programme of Business Development (BD) Services is developed for supporting the Self Employed and Micro Enterprises					
4.3 A market is created among Micro Enterprises and the Self Employed For high quality BDS					
4.4 Individual business development plans are formulated, implemented and followed up through service providers					
4.5 The Self Employed and their Sector Organisations are exposed to markets and learn to compete and improve themselves					
4.6 Each Federated Sector Organisation efficiently operates its own revolving credit scheme (for the self employed)					
4.7 Micro financial services channeled through Rural and Regional Banks					
PROJECT OUTLINE - 5 Establish and maintain a labour market information system that is sensitive to gender and persons with disabilities					
5.1 A comprehensive LMI system at national level is accepted at policy level					
5.2 LMI needs are studied and the two existing LMI Units are strengthened to cater to all the identified needs with a comprehensive national system in mind					
5.3 The LMI Units have access to adequate human, material and financial resources for the upgrading and integrating process					

Summary of Project Outlines

5.4 Adequate Information on User Groups that need LMI is obtained, and efficient dissemination tools for eventual fulfillment of their needs are utilised					
5.5 Corporate plans for delivering effective LMI services are implemented					
PROJECT OUTLINE - 6 Develop and establish a mechanism for updating curricula and delivering technical education and vocational training in line with the national vocational qualification framework to meet the demands of labour ensuring gender equity and accessibility to those with disabilities					
6.1 A TVET sector coordination mechanism is functioning effectively					
6.2 All TEVT delivery institutions are managed efficiently in order to fulfill their respective mandates					
6.3 Public and Private sector TEVT delivery network is expanded to meet demand and have adequate capacity for providing high quality training					
6.4 Relevant institutions for curricular development, teacher training, training and quality assurance are capable of fulfilling their respective mandates					
6.5 TEVT institutions are also women friendly and also to those with disabilities					
6.6 The image of TEVT has become attractive to youth, women and those with disabilities					
PROJECT OUTLINE - 7 Develop and strengthen the capacity of employment services providers to be more efficient, effective and sustainable					
7.1 Consensus is created among stakeholders on a national policy on extending the outreach of Employment Services					
7.2 A National level Network of Employment Service Providers functions well based on the automated system of JobsNet					
7.3 At the District level the Network of Employment Services Providers coordinated by the Career Guidance Unit implements a District Career Guidance Plan					
7.4 Coordinated Employment Services are offered at District and Divisional levels					
7.5 Employment Services Providers acquire skills in services provision particularly to youth, women and those with disabilities					
7.6 Competition among Employment Services Providers ensure high levels of service provision					
7.7 Employment Services Providers acquire necessary equipment for service provision					
7.8 A national level resource center for employment services functions effectively					

Summary of Project Outlines

PROJECT OUTLINE - 8					
Promote skilled foreign employment assuring safety and welfare					
8.1 SLBFE is institutionally strengthened to play a stronger role in regulation, welfare and protection					
8.2 An updated information system on available jobs and matching labour, is functional					
8.3 A Coordinating Mechanism for economic and social welfare for foreign labour is functional					
8.4 Foreign Labour Markets are aware that Sri Lanka has highly skilled labour					
8.5 A wider and more responsible range of foreign employment agencies are active					
PROJECT OUTLINE - 9					
Promote migrant worker family welfare and Economic stability					
9.1 A specific body responsible for migrant worker family social wellbeing and economic stability is operational					
9.2 A Regularly updated data base on migrant worker families is available for service provision					
9.3 A Coordinating Mechanism takes on planning and implementation of welfare services					
9.4 The main social and economic needs of worker families are met through a multi-service programme					
PROJECT OUTLINE - 10					
Rationalize the utilization of human resources in the public sector					
10.1 Cadre review based recruitment procedures to select the most suitable, is in place					
10.2 Rationalised structure allocates functions in the most appropriate manner					
10.3 Modern tools and techniques are applied and employees imbibe a productivity and quality culture					
10.4 Deficits are identified through relevant tools and minimised					
PROJECT OUTLINE - 11					
Improve the performance of public sector personnel					
11.1 The Department of Management Services is more effective and efficient					
11.2 Regular cadre reviews and job studies keep the public sector trim and efficient					
11.3 The best candidates are selected for public service through an independent scheme that selects only on merit					

Summary of Project Outlines

11.4 Recruitments, adoption of new procedures and processes are carried out according to a plan and not ad hoc					
11.5 Staff is trained systematically for the tasks they are responsible					
11.6 With participatory management systems in place service delivery is more efficient and effective					
11.7 Citizens are assured of services of an acceptable standard					
11.8 Staff is motivated to improve performance due to rewards and recognition					
11.9 Staff has access to fair and just systems for grievance handling					
11.10 The working environment is satisfactory with mitigation of all forms of discrimination					
11.11 SLIDA offers more needs based training and trains MDTUs					
PROJECT OUTLINES - 12					
Improve productivity in the public sector at organisational level					
12.1 The NP Secretariat acquires the capacity to support the public sector more effectively					
12.2 Citizens' Charters ensure that organisations cater to the felt needs of their clients					
12.3 Public sector organizations are on a path towards productivity increase with the adoption of a code of ethics					
12.4 A concerted effort to increase productivity in the public sector is made					
12.5 Service delivery becomes more systematic and efficient with the adoption of appropriate technology					
PROJECT OUTLINE - 13					
Improve productivity in the private sector at organisational level (Micro, Small and Medium Enterprises (msmes))					
13.1 MSMEs' sectoral and apex organisations function according to expectations					
13.2 MSMEs are able to obtain BD & cleaner production etc. services at affordable rates					
13.3 MSMEs realize the importance of the BD package as also benefits are tied to it					
13.4 MSMEs participate in the service programmes through conviction					
13.5 Chambers take on the task of influencing the productivity of MSMEs					
PROJECT OUTLINE - 14					
Improve productivity in the private sector at organisational level (subsistence agriculture sector)					
14.1 Food crop farmers are organized for collective action to increase productivity					

Summary of Project Outlines

14.2 Food crop farmers prepare their own plans for productivity improvement					
14.3 Essential infrastructure for food crops is put in place and, operated and maintained in a participatory manner					
14.4 Food crop farmers are able to obtain extension services that they require					
14.5 Farmers are able to benefit from improved financial and business development services					
14.6 Farmers are linked to competitive and improved markets with better access roads					
14.7 Farmers understand post harvest technologies and value addition for better incomes					
PROJECT OUTLINE - 15 Strengthen the department of labour for Ensuring rights at work and social dialogue					
15.1 The Department of Labour is streamlined and its capacity strengthened for Decent Work promotion and regulation					
15.2 Decent Work is promoted and enforced at work places at different levels according to a plan owned by all stakeholders					
15.3 Work place performance is assessed through a computerized management information system					
15.4 Trained staff are able to supervise and report on regulation and promotion of Decent Work at work places					
15.5 The performance of Trade Unions with regard to Decent Work is monitored more effectively					
15.6 Trade Unions (TU) adopt plans to promote active participation of their membership in the TU and for social dialogue with the support of the Department					
15.7 Labour relations are smoothened through entering into collective agreements with full knowledge of implications for both parties					
15.8 Workers enjoy improved outside work place conditions, especially in the economic zones					
PROJECT OUTLINE - 16 Strengthen the role of the employers' federation of ceylon (EFC) in the promotion of decent work					
16.1 Action plans for implementing Decent Work norms at work place level are adopted					
16.2 The capacity of management and worker representatives for participatory management, dispute management and occupational safety is increased					
16.3 The training capacity of EFC training unit is strengthened for effective training					

Summary of Project Outlines

16.4 EFC acquires increased capacity for monitoring, evaluation and research for Decent Work promotion					
PROJECT OUTLINE - 17 Strengthen the capacity of trade unions for active participation in promoting decent work					
17.1 An Update Trade Union Act is developed and enacted					
17.2 Trade Unions are reactivated, workers are motivated and membership increased					
17.3 Trade Unions are able to negotiate and bring about change regarding rights at work and social dialogue					
17.4 Trade Unions are able to promote social protection for workers and their families					
PROJECT OUTLINE - 18 Establish and operationalize a tripartite mechanism for consensual labour reforms					
18.1 An Inter Political Party Body ensures consistent labour policies for reforms					
18.2 The Public is made aware of the new labour reforms and their implications for various stakeholders and a dialogue is created					
18.3 NLAC is legally constituted and supported with a well equipped secretariat					
18.4 NLAC identifies key labour issues, gets them studied; share results with relevant parties, and builds consensus on issues					
18.5 NLAC makes studied recommendations on labour issues to Government for approval					
18.6 The informal economy too adopts rights at work and social dialogue					
PROJECT OUTLINE - 19 Improve and extend social security to all					
19.1 Workers and the public are more aware of social security and related issues					
19.2 Political party consensus is reached on sustainable and adequate retirement benefits					
19.3 A Social Security Scheme is developed on the basis of a Tripartite agreement					
19.4 The NLAC scheme is approved by Parliament and is implemented					
19.5 EPF and ETF coverage is increased with improved enforcement					
19.6 The existing pension schemes (farmers, fishermen and self-employed) are improved, made viable and coverage extended					

Summary of Project Outlines

19.7 Mutual social security schemes for those in the informal sector, especially for women and those with disabilities are in place					
PROJECT OUTLINE - 20 Improve occupational safety and health					
20.1 The National Institute of Occupational Safety and Health and Industrial Safety Division are rationalized and their capacity needs assessed and fulfilled					
20.2 OSH is ensured through a licensing scheme of workplaces that is made mandatory					
20.3 With Tripartite collaboration, an integrated OSH plan is implemented					
20.4 OSH standards are fixed; bench mark and data base is established and maintained					
20.5 OSH performance is systematically monitored and followed up					

Decent Work and Sri Lanka

1.1 Background

The National Policy for Decent Work in Sri Lanka (NPDWSL) along with the Action Plan was launched in August 2006 by the Ministry of Labour Relations and Manpower (MLRMP). The NPDWSL is a sequel to the resolution taken by all member states of the International Labour Organization (ILO) at the 13th Asian Regional Meeting in Bangkok in 2001 to develop a National Plan of Action for Decent Work through a tripartite process.

In Sri Lanka, a Tripartite Steering Committee (TSC) had been appointed under the chairmanship of the MLRMP to design a Decent Work Action Plan. The TSC had, in view of the wide range and interconnection of the issues relating to the Decent Work concept, recognized the need for formulating a comprehensive National Policy for Decent Work in Sri Lanka prior to attempting to design an Action Plan. In order to capture the total frame of the concept of Decent Work in its application and its deficits, the TSC commissioned five key issue papers on: Macro Issues in Employment; the Public Sector; the Formal Sector; the Informal Sector and Migration, and appointed five Task Forces comprising of all relevant stakeholders for drafting the five issue papers. A Process Manager was appointed for the formulation of the National Policy and it was drafted based on the five issue papers and was subject to wide consultation nationally and regionally.

1.2 What is Decent Work?¹

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, 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 Dialogue
- Social Protection

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 discrimina-

¹ Sections 1.2 - 1.3 of this Chapter is a reproduction from Chapter 2 of the National Policy for Decent Work in Sri Lanka, Ministry of Labour Relations and Foreign Employment, 2006

tion 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** 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**.

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....
 - (d) 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.

1.3 The Economic Dividends of Decent Work

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 pressure in the global economy be expected or able to pay for 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 recognised that the drive for greater efficiency and higher productivity

demanding 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}).

Sri Lanka's Constitution in Article 27 places on the Parliament, the President and the Cabinet, the onus of assuring fundamental rights and freedoms that are pivotal for decent work: creating a social order in which justice shall guide all the institutions of national life; ensuring equitable distribution of resources among all citizens in order to promote the common good and ensuring social security and welfare of all. Many issues of importance from a decent work perspective have already been addressed in the National Employment Policy for Sri Lanka and the National Productivity Policy for Sri Lanka (2003). It augurs well that the Ten Year Horizon Development Framework - Mahinda Chintana - issued in November 2006 is a broad government policy framework that incorporates very many elements of Decent Work. These concepts are specifically treated in section 11 - Towards a Flexible and Globally Employable Workforce (Page 175), where reference is made to the very large informal economy, regional disparities in development, the need to exiting poverty and to the need to become more productive in order to remain competitive.

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.

1.4 Decent Work Deficit

In spite of the recognition of the importance of decent work and appropriate policies, in actual work situations gaps or deficits exist and the principal among them are the following.

- High levels of unemployment and under-employment of women, youth, particularly the educated youth, and of persons with disabilities.
- A large informal sector, comprising of about 70% of those employed, that does not for the most part ensure Decent Work, especially in non commercial agriculture.
- A significant group of the working poor.
- Low levels of participation of employees in work place decision making.
- Low levels of representation of women in decision making positions in both the public and private sectors.
- Adversarial relationship between employees and employers due to poor communication, exclusion from management and poor negotiating skills.
- Low productivity, adoption of a reward system de-linked from performance and discrimination at entrance to employment, in promotions and disciplinary matters.
- Impediments to the freedom of association for employees.

The National Policy for Decent Work in Sri Lanka addresses such persistent gaps or deficits regarding decent work.

1.5 The Objectives of the National Policy for Decent Work

The objectives are the following.

- 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 Draft 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 stability.

- To minimize 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.

The model of decent work, maps out 'the quality road to poverty reduction' (ILO, 2003). 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.

1.6 The National Plan of Action² and The Road Map on Decent Work

Decent Work does not necessarily occur with economic development as an outcrop or a trickle down effect but deliberate interventions have to be mounted to secure it. The Decent Work Agenda is a complex process that requires the sustained commitment and collaboration of the Government, Workers and Employers for achieving its objectives. In order to implement the

National Policy on Decent Work, a National Action Plan had been designed and it has identified appropriate strategies and interventions for employment creation, for ensuring rights at work, social dialogue and social protection.

Being a broad delineation of strategies and interventions, the National Plan of Action for Decent Work requires for its implementation that these strategies and interventions already identified be further developed into more detailed plans with more specific objectives, outcomes, outputs and activities or project outlines and subsequently developed into comprehensive project proposals by implementing agencies. The project outlines would assist the MLRMP and other involved ministries and agencies in the formulation of detailed project proposals for obtaining required funding for project implementation. With this in view, the ILO in September 2007 commissioned two Consultants to revisit the National Plan of Action for Decent Work and based on it, and in dialogue with the Decent Work tripartite stakeholders, prepare a Road Map viz. complete outlines of relevant projects.

1.7 Methodology of The Road Map

Twenty Project Plans or Outlines have been identified and derived from the National Plan of Action for Decent Work and designed round the key enabling initiatives (NPDWSL, page 47). Project outlines elaborated in this document are inter-related as the thread that links them all are Employment Creation (opportunity to work), Rights at Work, Social Dialogue and Social Protection, the four basic dimensions of Decent Work.

The objectives, strategies and actions listed in the National Plan of Action for Decent Work were examined in order to reinforce the logical sequence among the project outlines in the light of the overall objective of the programme, to fill gaps and to minimize duplication if any. The project outlines thus derived from the National Plan of Action have been whetted by the Ministry of Labour Relations and Man Power (MLRMP) as the principal stakeholder and the ILO as the technical

² The Plan of Action for Decent Work is a part (Appendix 1) of the National Policy for Decent Work in Sri Lanka, Ministry of Labour Relations and Foreign Employment, 2006

agency guiding and funding the Road Map project.

After studying the policy documents and other documents related to the outlines, the Consultants met with the line agencies relevant to each project outline individually (and in groups - only MLRMP) to discuss the issues identified and interventions (actions) recommended in the National Action Plan for Decent Work and obtain information to understand the current situation with regard to the particular interventions, the existing gaps or needs and suggestions or proposals, if any, to fill those gaps in order to achieve the objectives of the National Plan of Action for Decent Work.

Substantial material for the outlines has been supplied by the different agencies that have a stake in the particular project outline in question, in particular, background information regarding the organization, its mandate, its capacity, interventions and programmes being implemented and their plans for the future. They also analyzed the issues related to the implementation of the National Plan of Action for Decent Work, their current status and how they could be addressed if appropriate project interventions are mounted. Project activities too have been indicated by the relevant agencies while also identifying other agencies that have a stake in the project in question.

The first version of the Road Map for Decent Work in Sri Lanka was finalized in January 2008. The current version is further developed with tentative budgets and time frames in collaboration with the Ministry of Labour Relations and Man Power.

Decent Work Road Map - Overview

The Road Map formulated to transform 'Decent Work Policy' into action can be described as a programme which has a number of components with specific objectives that will contribute to achieve the goal of decent work, i.e. 'to promote opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity.'

The main elements of the programme can be summarized in the following manner using the Logical Framework Approach, to show its vertical and horizontal logic to obtain an overview of the entire scheme. The Goal and Objectives are taken from the National Plan of Action Plan for Decent Work in Sri Lanka. The outputs are derived from the 20 project outlines prepared in consultation with the stakeholders of the Action Plan.

The twenty Project Outlines are based on the Action Plan of the National Policy on Decent Work in Sri Lanka and are categorized under four themes of Decent Work, namely:

1. Employment Creation and Promotion and National Productivity Enhancement
2. Rights at Work
- 3., Social Dialogue
4. Social Protection.

The Key Enabling Initiatives proposed in the policy paper are taken into account within the above four themes. The Key Enabling Initiatives are:

1. Tripartite Participation
2. Labour Law Reform through a consultative process
3. Public-Private Partnership
4. Investment Promotion
5. Capacity Building of relevant bodies
6. National productivity improvement
7. Social Protection is extended

The Key Enabling Initiatives listed in the Policy Document are limited to a few areas and there are several more that are relevant. The Road Map takes into account all relevant initiatives.

The project outlines are developed round a particular strategy or strategies for each theme through which stated objectives or outcomes are planned to be achieved. Outputs or Results required for achieving the objectives are elaborated. The outputs listed in the project outlines have the potential of being developed further into separate projects according to stakeholder or donor interests and priorities.

Goal Hierarchy			
Goal To promote opportunities for women and men to obtain productive work in conditions of freedom, equity, security and human dignity.			
Component Objectives			
Component I	Component II	Component III	Component IV
Objective Employment of acceptable quality is created and Promoted	Objective National Productivity is Enhanced	Objective Rights at Work and Social Dialogue are Improved	Objective Social protection is enhanced
Outputs 1.0 Investments are increased and enterprises are developed. 1.1 Foreign direct investment is promoted with special emphasis on peripheral regions. 1.2 Domestic investment is created with special emphasis on peripheral regions. 1.3 Domestic investments are promoted through enterprise development. 1.4 Small, micro and self enterprises with acceptable quality are promoted 1.5 The gap between demand and supply of labour is bridged and access to	Outputs 1.0 Public sector productivity and quality are improved. 1.1 Utilization of human resources in the public sector is rationalized. 1.2 Productivity of the public sector personnel is improved. 1.3 Productivity of the public sector organization is improved. 1.4 Productivity of the private sector non farm enterprises is improved. 1.5 Productivity of the farming sector is improved.	Outputs 1.0 Capacity of key partners is improved. 1.1 Capacity of the Department of Labour for ensuring rights at work, social dialogue and social protection is improved. 1.2 Capacity of EFC is improved. 1.3 Capacity of Trade Unions is improved. 1.4 Conducive labour reforms are effected. 1.5 Tripartite mechanism for labour reforms is established and in operation.	Outputs 1.0 Efficiency and effectiveness of existing social protection schemes are improved. 1.1 Capacity of the institutions for social protection is developed. 1.2 Pilot scheme is planned and implemented. 1.3 Occupational safety and health are improved.

employment increased. 1.6 The information gap in the labour market is filled and accessibility improved. 1.7 Relevance and quality of labour are improved as per industry needs with special emphasis on women and persons with disabilities. 1.8 Access to quality employment services is improved. 1.9 Access to skilled foreign employment with quality and safety is improved. 1.10 Migrant families welfare is improved			
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Chapter 2

Component 1:

Employment of Acceptable Quality is Created and Promoted

STRATEGIES

1. PROMOTE DOMESTIC AND FOREIGN INVESTMENT IN REGIONS THAT ARE LESS DEVELOPED
2. INCREASE PARTICIPATION OF LESS DEVELOPED REGIONS IN ECONOMIC GROWTH
3. DEVELOP AND IMPROVE EMPLOYABILITY WITH EMPHASIS ON YOUTH, WOMEN AND THE DISABLED
4. PROMOTE DECENT EMPLOYMENT

Introduction

Growth and Regional Inequalities

The Ten Year Horizon Development Framework -2006-2016, formulated on the basis of the Mahinda Chintana is expected to achieve a minimum GDP growth of 8% per annum and increase per capita GNP to Rs.485,000/ by 2016 and to elevate Sri Lanka's position to a middle income country. The Framework has identified regional imbalances, slow growth, and unequal distribution of income as the main issues to be addressed. It envisions an economy that is more private sector driven, dynamic and regionally integrated.

Sri Lanka's average economic growth rate during the last decade has been 4-5% GDP. In order to achieve a reasonable standard of living for the population, the minimum required growth rate would have to be 8-10%. This high growth rate could only be achieved with an investment of over 30% of GDP. However, the present rate of investment amounts to 25% while domestic savings is at about 21% and this wide gap has to be filled with increased savings and foreign investments.

The growth achieved to date has been concentrated very much in the Western Province and this feature has created a serious imbalance with the peripheral regions. The Western Province contributes approximately 51% of the GDP while

all the other provinces together account for the balance with the least contribution i.e. 5% being made by the Uva Province. There is an inverse relationship between poverty (and unemployment) and the contribution of the province to the national income. The poverty head count is lowest with 8.2% in the Western Province while the highest amounts to 27% in the Uva Province.³ In the war affected areas of the north and east unemployment and poverty are serious problems. According to a survey conducted by the Federation of Chambers of Commerce and Industries in Sri Lanka, 85% of the small and medium enterprises (SMEs) in the country started after 1977 are located in the Western Province.

Thus increased investments in infrastructure and enterprises in backward provinces are needed to accelerate national economic growth and to increase participation of the regions that lag behind in order to create more productive employment opportunities particularly for women and youth.

The ten year plan of the government, The Mahinda Chintana, emphasizes the need for identifying a specific role for each region based on its comparative advantages for harnessing its potential for growth so that regional imbalances are minimised.

³ Household Income and Expenditure Survey 2006/2007, Department of Census and Statistics, Sri Lanka

The government has established two separate ministries - one for Enterprise Development and Investment Promotion and the other for Rural Industries and Self-Employment Promotion with a view to promoting regional development and investment promotion. Under the former ministry, an authority- National Enterprise Development Authority (NEDA) has been established under the Act No.17 of 2006 for facilitating and coordinating interventions for Micro, Small and Medium enterprise development and investment promotion. This Authority has just been established and its capacity needs to be strengthened with manpower and capital resources.

The Board of Investment of Sri Lanka (BOI) is responsible for the promotion of foreign direct investments (FDI). The BOI offers tax concessions, land, infrastructure facilities and other related services under one roof to foreign investors. Initially privileges given to foreign investors were limited to Export Processing Zones but subsequently in order to promote FDI the facility was extended to the entire country. It promotes FDI in the peripheral regions through setting up of Economic Zones (12 zones with 250 factories to date are in place) with infrastructure facilities and other services to promote regional development. Besides investment promotion, the BOI promotes and facilitates labour management cooperation and industrial harmony in those enterprises through its Industrial Relations Officers.

Foreign Direct Investment inflows have increased globally however, the inflows to Sri Lanka is about 1.3 percent of GDP whereas in Malaysia and Thailand it is around 3%. Though Sri Lanka had been competitive in terms of cheap labour in the late 1970s and early 1980s, it is no longer an incentive for FDI. The Export Processing Zones were initially attractive to the unemployed but now it is no longer so due to increasing cost of living, poor living and other facilities outside work place and social stigma etc. As a result very many BOI enterprises of a total of 1,700 have about 25,000 unfilled vacancies, mostly in unskilled categories. The vast majority of the workforce is female and enterprises are faced with a high worker turnover - about 75% working only for about five years and retiring by the age of 30 years. This phenomenon is specifically due to

the majority female workforce and having to be in-migrants to specially Katunayake and Biyagama Zones. There are also skilled unfilled and potential vacancies particularly in the Business Process Outsourcing (BPO) enterprises.

Looking at the labour problem in a cursory manner, the BOI has taken some measures to provide hostel facilities at Katunayake and Biyagama Zones without an indepth understanding of the needs and the context and hence the interventions had not been successful. In the light of the present situation with regard to employment and other Decent Work conditions, the BOI, prior to any interventions, needs to undertake indepth studies to understand the reasons for the high labour turnover and the dearth of labour for existing vacancies. As labour shortages are mostly faced by Katunayake and Biyagama Zones, directing new investments to the peripheral areas by developing their infrastructure facilities would partly solve the problem.

Regarding rights at work, the same labour laws of the country apply to all BOI enterprises and the Department of Labour is responsible for labour administration functions including labour law enforcement and industrial relations. BOI enterprises are expected to observe the industrial relations practices and principles laid down in the BOI Labour Standard and Employment Relations Manual. The Manual encompasses all the Decent Work principles. At present there are eight trade unions operating in thirty three companies / enterprises in seven economic zones. All enterprises have Employees Councils established for the purpose of social dialogue.

Unemployment and Underemployment

Unemployment has been a serious issue in Sri Lanka particularly since the 1970's due especially to the population boom of the 1950's and 1960's and also due to improved achievements in primary and secondary education. The ILO mission of Dudley Seers in 1971 highlighted the mismatch between labour supply and demand and the lack of effective manpower planning. Today, after 37 years the same issue is yet a significant factor affecting unemployment. The unemployment rate in 2003/2004 was 9% but

13.9% of women and 28% of youth (19-25 years) were unemployed and unemployment rises with education. Another ILO mission that of Hansinger to Kenya introduced to the world the concept of the "informal sector" and how unemployment could be addressed through it by linking it to government for necessary promotional services.

Several factors that contribute to unemployment, particularly those related to youth have been identified through several studies e.g. the Report of the Presidential Commission on Youth, 1990; the National Action Plan for Youth Employment, 2007 and others. The cited Report and the Action Plan contend that the "mismatch" could be better understood on the basis of the poor working conditions and benefits of those engaged in manual work; high social status, high benefits and security of public sector employment and very importantly the inequity in education (e.g. only 4% of rural schools have science education- CENWOR 2002; 2), and poor vocational and technical education facilities or none at all available particularly in the rural, plantation and conflict affected areas. Another significant contributory factor is the negative attitude of youth and their elders towards self employment and private sector employment. Underemployment is also a serious problem that is generally caused by the slow growth of the economy and overcrowding of the agricultural and service sectors.

Employment opportunities could be increased by

energizing the informal sector with necessary enabling policies, business development services and infrastructure facilities. Thus far the potential of the informal sector that constitutes 70% of all economic activities in the country has not been fully harnessed for enhancing production and productivity and for generating employment.

There is little or no scientific human resource development or man power planning undertaken in the country at the national level. Sufficient information is not available and technical and vocational education facilities are poor and standards not uniformly maintained. Poor manpower planning gives rise to a host of negative developments. One major repercussion is the low productivity of Sri Lankan labour. Also Sri Lanka has not been able to fully exploit the opportunities offered by the globalization process particularly by way of plugging into the skilled job market overseas. The vast majority of the country's migrant workers are yet of the low skilled category.

Inadequate information on unemployment, the labour market and the labour force does not contribute to the formulation of effective policies for the promotion of employment creation, and it negatively impacts on the utilization of resources and the creation of synergies so essential for holistic development in this area. The provision of employment opportunities to women, youth and the disabled warrants special interventions on their behalf.

PROJECT OUTLINE - 1

PROMOTE FOREIGN DIRECT INVESTMENT FOR EMPLOYMENT CREATION AND FOR SAFEGUARDING OTHER DECENT WORK DIMENSIONS IN LAGGING REGIONS

Key Issues

The aim of this project intervention is to promote Foreign Direct Investment (FDI) particularly in lagging regions for employment creation while safeguarding other decent work dimensions. Several ministries and agencies are involved in this work and concerted action is warranted.

Two principal issues that are related to the aim of the Project Outline are the following.

1. Sri Lanka is no longer attracting as much FDI as some other countries in the region. This issue needs to be studied and a suitable incentive package put forward and promoted.
2. Another issue that discourages further FDI is the problem of labour shortages, particularly in the Zones and for semi-skilled work.

In the Project outline 1, the above two issues are

addressed on the assumption that the Zones are provided with the required infrastructure and other facilities.

Strategy

Opportunities for work itself are an important dimension of decent work. There are several ways of creating job opportunities and one is increased Foreign Direct Investment. In Sri Lanka, already there is imbalanced growth of the Western Province and hence investments need to be attracted to regions that are lagging behind. The proposed strategy comprises of the following.

1. Attract FDI to regions that are lagging behind.
2. Train the workforce in those regions in required skills and attitudes
3. Make employment accessible to the youth, women and those with disabilities
4. Make employment congruent with decent work

Concerted efforts are made to attract FDIs and these are required to create employment which in turn is essential in order to ensure that people enjoy an acceptable quality of life and this can only be achieved through decent work.

Key Interventions

Several sub-projects have been identified that will contribute to the overall project aim.

- 1. Consensus created among relevant Agencies regarding the Policy & Incentive Package for FDI in Regions lagging behind.*

Since several ministries and agencies are involved in this regard, it is necessary that the relevant agencies together revisit the policy and incentive package for FDI. Factors influencing FDI have to be identified also from a regional perspective. Consensus needs to be reached and each ministry and agency should understand their roles and responsibilities and commit themselves

to it.

- 2. An Incentive Package for FDI in regions lagging behind is promoted*

After agreement on the policy and incentive package for FDI, the agencies involved will have to take steps to promote the package effectively. The most effective promotional avenues will be adopted for success.

- 3. Employability of youth, women and those with disabilities is developed and improved*

Foreign Investors demand skilled workers with right work motivation and hence such a workforce has to be created through relevant training. In the regions, that are lagging behind where poverty is a serious problem. Youth, women and persons with disabilities have to be promoted for employment. Agencies involved in imparting vocational skills are required to mount programmes to make services easily accessible to them.

- 4. Labour shortages in the Zones are mitigated*

It is claimed that labour shortages in the zones are mainly due to the majority female workers who do not have adequate housing, security, are burdened with a negative image and having to live away from their homes. Appropriate action is required after a comprehensive understanding of the various issues involved. An alternative way of handling this problem is to divert investments to the peripheral regions, where the workforce live.

- 5. Employment created is of acceptable quality*

In order to ensure decent work, employment that is created has to conform to decent work criteria. For achieving this purpose, it is vital that both employees and managers be acquainted with the decent work dimensions and their applicability which brings forth a win-win situation for all parties.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 1

AIM			
PROMOTE FOREIGN DIRECT INVESTMENTS FOR EMPLOYMENT CREATION AND FOR SAFEGUARDING OTHER DECENT WORK DIMENSIONS IN LAGGING REGIONS			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
1.1 Consensus created among relevant Agencies regarding Policy & Incentive Package for FDI in Lagging Regions			
Agreed upon policy and incentive package recommendations for attracting FDI are in place	Outputs 1 1. Present FDI policies, incentive packages and the country's comparative advantages are reviewed in the light of the current global and national trends 2. Recommendations are studied 3. Policies and incentive package is agreed upon Activities - Prepare a terms of reference - Advertise and identify Consultants - Commission a study - Make recommendations		- MoEDIP - MoLRFE - MoFPlanning - Mo NBSID - Mo FEP&W - Mo of Highways & Road Development - MoTransport - Mo VTT - Mo P & E - Mo Land & LD - Water Supply & Drainage Board - Mo P & Tel. - Mo LGPC - Mo RISE - Mo PA - Finance Com
1.2 Foreign investors are aware of the Incentive Package for FDI in lagging regions			
Awareness created on the Incentive Package for attracting FDI to regions lagging behind	Output 2 1. Incentive package for FDI is developed and promoted. Activities - Prepare terms of reference for developing		MoEDIP MoFP With relevant agencies or line

Workers in the Zones are treated and thought of better by citizens	Output 4.2 4. The social image of BOI workers is improved Activities - Carry out a public awareness campaigns through the media for image building of the EPZ workers - Create awareness among workers on their contribution to the country - Facilitate positive thinking and provide counseling if necessary to workers		-Trade Unions -Media -NGOs -Religious Leaders et al.
1.5 Labour relations improved due to Social Dialogue and the 'win-win' outcome achieved			
Employees and the management understand and practice social dialogue	Output 5 1. Social dialogue is understood by employees and management and initial steps taken for its practice Activities -Train leaders and membership of Employees' Councils on leadership, conducting meetings, keeping minutes, team building, positive thinking and negotiations. - Create awareness for management on team building, participatory management and decent work principles. - Train management on improved worker management based on Decent Work principles. - Facilitate social dialogue.		- MOLRMP - MOEDIP With relevant agencies or line Ministries -Trade Unions -Employers' Federation -Chambers
1.6 Employees achieve an acceptable quality of life			
Employment created is of acceptable quality	Output 6 1. Decent work conditions are facilitated, monitored and followed up regularly Activities - Commission a study to assess the status of decent work conditions at BOI enterprises. - Monitor and follow up on decent work performance		-MOLRMP -MOEDIP With relevant agencies or line Ministries -Trade Unions -Employers' Federation

PROJECT OUTLINE - 2

PROMOTE DOMESTIC INVESTMENTS AND ENTERPRISE DEVELOPMENT (INFRASTRUCTURE)

Key Issues

The aim of the project intervention is to promote Domestic Investment (DI) in the regions for economic and social infrastructure that are essential for employment creation and growth. Outlying regions are known to suffer from poor infrastructure and minimizing regional imbalances is not possible unless adequate infrastructure is in place and this in turn is not possible unless effective regional development policies are introduced. In spite of several recent government initiatives to improve rural infrastructure, there is no holistic policy and integrated approach for taking the totality of the regions' needs and resources into account for harnessing their potential. Though regional development is a devolved subject, provincial councils have been ineffective due to inadequate power sharing and their poor participation in planning and implementing regional development plans.

Strategy

Infrastructure, particularly rural, has to be put in place and effectively maintained. Therefore, it is vital to ensure that the required policies, plans, processes and systems for infrastructure development and maintenance are set in place in the provinces. This is a major task and entails conducting resource and socio-economic surveys, creating data bases, formulating indicators for planning, criteria or prioritizing, designing systems and mechanisms for implementation. Basically, the urgent need is for capacity development of the provincial councils and related stakeholders for developing infrastructure. Relevant government ministries and agencies need to support and coordinate the provincial councils for effective planning and development of infrastructure. The strategy is to harness all the available resources to achieve this goal.

Key Interventions

Several sub-projects have been identified that will contribute to the overall project aim.

1. A comprehensive Regional Development Policy for infrastructure development is formulated and adopted by all stakeholders

A comprehensive regional development policy taking into account the divergent resources, potential and needs of each region and its contribution to national development is a basic requirement for spurring growth and mitigating regional imbalances. The process should be fully owned by all stakeholders which is an essential pre-condition for success.

2. National Planning Frameworks are developed and utilized for formulating Regional Development Policies for infrastructure development

It is vital that national planning frameworks are developed to feed into the formulation of regional development policies. The planning frameworks need to be coupled with guidelines for regional planning so that an overarching plan for the entire country is in place indicating the place and role in it for each region.

3. Capability to produce Regional Plans for infrastructure development of acceptable quality is increased at the Planning Secretariats of Provincial Councils

The capacity for planning and managing at the Provincial Council level and at its line agency levels is a prerequisite for growth and development of the regions. Capacity at the top levels is generally satisfactory but at the lower levels it needs to be increased. Knowledge and skills enhancement will increase participation and ownership at all levels that is so crucial for success.

4. A scheme for resource allocation that is responsive to needs and commitment of the Provinces is adopted for allocating resources

Criteria for resource allocation to the Provinces will be revisited so that their actual needs are taken into account. Another important considera-

tion is the willingness of the Provincial Council to fulfill its mandate, to be progressive. Allocating a similar allocation to each and every Council is not productive. Schemes for recognizing performance is more effective.

5. All the Provinces/Regions utilize reliable data bases of available resources compiled from scientific surveys for Regional infrastructure planning development

Data bases on available resources in the province constitute one of the first steps in effective planning and hence comprehensive resource surveys are a prerequisite.

6. Regional Planning for Provincial / Regional level infrastructure development utilizes regularly updated Socio-economic data bases with indicators

The most basic ingredient for sound planning is the availability of reliable and adequate socio-economic data and information that are processed and accessible as data bases. These data bases also need to be regularly updated for ensuring reliability. Besides, the information sys-

tem should be based on indicators used for analyzing problems and prioritizing needs in terms of areas, viz. gender, disabilities etc.

7. Deficits in infrastructure at Provincial /Regional level are addressed in a systematic manner

Utilising the resources and socio-economic data bases, it is possible to obtain a realistic map of the infrastructure status and gaps of a province, prioritise needs and fulfill them.

8. Rural infrastructure is developed and maintained according to an established system and by agencies with special competency for it

The Pradeshiya Sabas will develop and maintain rural infrastructure in partnership where feasible, with the private and civil society (NGOs) sectors. Pradeshiya Sabas will be supported by the Provincial Council to strengthen its planning, management, budgeting and revenue base, and also the use of appropriate technology. Most importantly, the Sabas will be supported to adopt effective systems for preparing maintenance plans and implement them.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 2

AIM PROMOTE DOMESTIC INVESTMENTS AND ENTERPRISE DEVELOPMENT (INFRASTRUCTURE)			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
2.1 A comprehensive Regional Development Policy for infrastructure development is formulated and adopted by all stakeholders			
A Regional Development Policy and sectoral plans are accepted and followed	Outputs 1 1. A Regional development policy is formulated with clearly defined social and economic interests for different regions in the country Activities - Commission a study to assess the potential of different regions and define their place /role in the national economy - Formulate a regional development policy in consultation with provincial councils - Formulate sectoral policies based on the above		-MO Finance & Planning -MoLGPC -MoEDIP - M of NBSID - M of Highways - M of Power & Energy - M of Water & Sanitation - M of Post & Tel. -M of Rural Industries& Self Eploy. Promotion - Finance Commission
2.2 National Planning Frameworks are developed and utilized for formulating regional infrastructure development plans			
National planning frameworks and guidelines are used by all stakeholders	Output 2 1. A National planning framework is formulated with guidelines for regional planning and endorsed by all stakeholders Activities - Formulate sectoral policy frameworks and define the role of the regions - Provide guidelines to regions on planning		-MoFP -MoLGPC With relevant agencies or line Ministries

2.3 Capability to produce Regional Plans for infrastructure development of acceptable quality is increased in the Planning Secretariats of Provincial Councils			
Relevant personnel in the Provinces acquire adequate planning skills	Output 3 1. Capacity of the planning secretariat at provincial and lower levels, and of provincial line agencies is improved to undertake regional planning Activities - Provide training on regional planning at provincial level - Provide technical assistance for on the job training (technical, planning and management) of personnel at provincial level, including provincial line agencies		-MoFP -MOLRMP -MoLGPC -Ministry of Vocational & Technical Training With relevant agencies or line Ministries -Regional Chambers
2.4 A scheme for resources allocation that is responsive to needs and commitment of each Province is adopted for allocating resources			
Resource allocation for backward and progressive provinces is more equitable and systematic	Output 4 1. Criteria for the allocation of resources to provincial councils are reviewed and developed to provide more resources to backward but progressive provincial councils Activities - Undertake a review of present criteria for resource allocation to the provinces/regions - Make recommendations for new criteria based on the roles identified for respective regions to favour a balanced regional economic growth - Increase resources allocated to each province and adopt an incentive based scheme		- MoFP - MoEDIP - MoLGPC - Finance Commission With relevant agencies or line Ministries -MoNBISD - Gemidiriya - Maganeguma - Gamaneguma -CSOs,
2.5 All the Provinces/Regions utilize reliable data bases of available resources compiled from scientific surveys for Regional Planning for infrastructure development			
Provincial/ Regional personnel have acquired a scientific identification of available resources	Output 5 1. Resource surveys at regional level are conducted, inventorized, assessed and documented Activities - Prepare a TOR for the resource survey - Commission a study team. - Conduct survey and prepare data base		- MoFP - MoEDIP - MoLGPC - Finance Commission With relevant agencies or line Ministries -MoNBISD - Gemidiriya - Maganeguma - Gamaneguma -CSOs,

2.6 Regional Planning for Provincial / Regional level infrastructure development utilizes regularly updated Socio-economic data bases with indicators			
Regional Planning for Provincial level infrastructure is carried out relying on updated socio-economic data bases with indicators	Output 6 1. Indicators for regional planning are formulated and an information system is established and in operation Activities - Establish a comprehensive socio-economic data base for regional planning - Develop indicators for identifying and prioritizing problems and needs in terms of areas and sectors (e.g. gender and disabilities) - Prepare socio-economic profiles at different levels of the province and update regularly		- MoFP - MoEDIP - MoLGPC - Finance Commission - With relevant agencies or line Ministries - MoNBISD - Gemidiriya - Maganeguma - Gamaneguma -CSOs,
2.7 Deficits in infrastructure at Provincial /Regional level are addressed in a systematic manner			
Essential infrastructure requirements are provided systematically	Outputs 7 1. Gaps in infrastructure facilities are identified, analysed, planned and provided according to priorities Activities - Rank different local units in the province in terms of infrastructure needs and problems - Identify gaps in relation to respective levels and prioritize. - Fill gaps		-MoLGPC -MoFP - With relevant agencies or line Ministries
2.8 Rural infrastructure is developed and maintained according to an established System and by the Pradeshiya Sabas that have been strengthened with special competency for it			
Rural infrastructure is developed and maintained systematically	Output 8 1. Rural infrastructure development and maintenance system is established and the capacity of responsible agencies is improved Activities - Carry out an assessment of the capacity of Pradeshiya Sabas - Plan and carry out a capacity building programme- technical, planning, management and budgeting - Assist Pradeshiya Sabas to prepare plans to increase its revenue base - Assist to develop and apply low cost development and maintenance technologies - Assist Pradeshiya Sabas to prepare maintenance plan and implement them efficiently and effectively - Assist Pradeshiya Sabas to develop partnerships with civil society and the private sector for developing and maintaining infrastructure		- MoLGPC - MoFP - MoEDIP - Finance Commission - With relevant agencies or line Ministries - MoNBISD - Gemidiriya - Maganeguma - Gamaneguma -CSOs,

PROJECT OUTLINE - 3

PROMOTE DOMESTIC INVESTMENTS AND ENTERPRISE DEVELOPMENT (PRIVATE SECTOR INVESTMENTS)

Key Issues

The aim of the project intervention is to promote Domestic Investments and enterprise development in the regions so essential for employment creation and growth. There is a significantly wide gap in development between the Western and the rest of the provinces in the country in terms of socio-economic indicators and the contribution by the regions to the national economy.

The measures taken so far to bridge the gap even since 1977 have not been fully effective. Even the dispersed garment factories programme, devolved powers to the provinces and the new economic zones, fiscal incentives offered to investors, “Gamaneguma” and “Maganeguma” and such programmes have failed to produce all the expected results. Private investments are crucial for economic development and employment creation. Though the private sector is considered the engine of growth, partnership with it in enterprise development has not taken place in any significant way due to various factors. A key contributing factor is that Provincial Councils are not focused on investment promotion, particularly private sector, for economic development but rely mostly on government investments. Also the poor performance of the Small and Medium Enterprises (SMEs), lack of enabling government policies, a business culture and lack of business services have contributed to low levels of entrepreneurship development with the resultant low growth and unemployment, which most often contribute to poverty.

Strategy

In order to increase employment opportunities and enhance growth, it is vital to improve the quality of the small and medium enterprises and in order to achieve it, business development services and other essential conditions like technical assistance for value addition and marketing need to be available and obtained by entrepreneurs. Private sector investment and partnership is essential in order to achieve the foregoing. The

National Enterprise Development Authority (NEDA) needs to be strengthened to carry out its functions and the Provincial Councils supported for investment (private sector) promotion. Above all a market for business development services needs to be created. Thus together with the essential social and economic infrastructure set in place at regional level, enterprises will be able to flourish, creating more employment and growth.

Key Interventions

Several sub-projects have been identified that will contribute to the overall project aim.

1. *The National Enterprise Development Authority (NEDA) provides required services and coordinates investment promotion*

The NEDA is a relatively new body charged with enterprise development but its operations at the peripheral areas needs to be bolstered for effective services with manpower and funds.

2. *Necessary mechanisms/systems for domestic investment promotion are functional at Provincial Councils*

Currently Provincial Councils depend solely on government investments for developing the provinces. They should mobilize private investment for the purpose. Provincial Councils should focus more on private investment promotion through developing systems /mechanisms for it and by assigning the subject to a minister for effective action.

3. *Provincial Councils regularly up date and use the data base in enterprises for their analysis*

In order to promote private investment, a sound plan has to be designed and for this a data base that is based on an enterprise survey and is regularly updated, is vital for the Councils for supporting SMEs and investment promotion.

4. A business development service programme is developed and carried out

Sectors in the province with a competitive edge needs to be studied, gaps identified, a plan to improve them should be formulated and a business development service programme carried out.

5. Business Development Service Centers are established for higher performance of enterprises, especially those of youth, women and those with disabilities

Most SMEs do not perform well as they often do not incorporate all the elements necessary for a successful business. They need sound business services in order to perform well. However, services are poor in the regions and hence high quality service centers need to be established in collaboration with the relevant agencies and provided on a commercial basis.

6. A market for business development services is established and enterprises access services for actualizing their full potential

SMEs do not access business services either because they are not easily available or because they cannot afford them. A demand for business services need to be developed in the provinces through awareness creation and assistance / incentive schemes etc. so that SMEs routinely access business services.

7. Sector Organisations and Chambers support entrepreneurship development

Very often SMEs find it difficult to obtain inputs, credit, labour, and access markets on an individual basis. Sector organizations are found to be of great assistance in this regard.

8. Investments at regional level increase resulting in quality employment creation

Provincial Councils finally should identify investment opportunities, prepare feasibility studies, formulate incentive packages, identify lands, and carry out environmental impact assessments and then market them.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 3

AIM PROMOTE DOMESTIC INVESTMENTS AND ENTERPRISE DEVELOPMENT (PRIVATE SECTOR INVESTMENTS)			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
3.1 The National Enterprise Development Authority provides required services and coordinates investment promotion in the regions			
NEDA functions at its optimum offering	Outputs 1 1. The National Enterprise Development		-NEDA -MoLGPC -MoRISEP

services for enterprise development	Authority is strengthened to provide services and coordinate investment promotion. Activities - Recruit personnel and fill cadre. - Prepare a corporate plan. - Raise funds. - Establish linkages at sub-national levels. - Establish coordinating mechanisms at relevant levels.		-MO Finance & Planning -MoLRMP With relevant agencies or line Ministries
3.2 Necessary mechanisms/systems for domestic investment promotion are functional at Provincial Councils			
Provincial Councils have mechanisms for forging productive partnerships with the private sector	Output 2 1. Provincial Councils adopt mechanisms/systems for investment promotion and for assigning it as a subject of a ministerial portfolio. Activities - Educate provincial councils on the need and importance of facilitating domestic investments. - Assign the subject of investment promotion to a member of the Council of Ministers and establish a mechanism to facilitate investments		-MoLGPC -NEDA - M of Rural Industries& Self Eploy. Promotion - MoFP - MOLRMP With relevant agencies or line Ministries
3.3 Provincial Councils regularly up date and use the data base on enterprises for their analysis			
Provincial planning secretariats keep enterprise data base regularly updated as an input for investment promotion	Output 3 1. Enterprise data base is established and maintained at provincial level Activities - Prepare a terms of reference - Conduct a survey of enterprises - Establish a data base		-MoLGPC - NEDA - MoRISEP -Regional Chambers With relevant agencies or line Ministries -MoFP -MOLRMP
3.4 A business development service programme is developed and carried out			
Plans are finalized for supporting enterprises with business services	Output 4 1. Sectors with a competitive edge are studied and further development is facilitated Activities - Identify sectors with a competitive edge - Study a sample of enterprises and identify gaps - Prepare development plans and implement on a pilot basis - Plan and carry out a business development service programme to accelerate growth		-NEDA -MoRISEP - MoLGPC - Finance Commission With relevant agencies or line Ministries -Chambers -MoNBISD (Gemidiriya Maganeguma Gamaneguma) -CSOs

3.5 Business Development Service Centers are established for higher performance of enterprises, especially those of youth, women and those with disabilities			
Enterprises, especially of youth, women and those with disabilities show improved performance	Output 5 1. One stop shops to service Micro, Small, Medium and Large enterprises are established at provincial, district and divisional level with positive discrimination for women, youth and those with disabilities Activities - Establish Business Development Centers under the National Enterprise Development Authority at Divisional level and provide facilities to house other service providers under one roof - Establish a data base of service providers. - Establish a mechanism to coordinate all the services for the MSME sector. - Include women, youth and those with disabilities in a special manner		-NEDA -MoLGPC -MOLRMP -MoRISEP - Chambers With relevant agencies or line Ministries -Chambers -MoNBISD (Gemidiriya Maganeguma Gamaneguma) -CSOs
3.6 A market for business development services is established and SMEs access services for actualizing their full potential			
Business development services are routinely used by SMEs and hence perform better	Output 6 1. A market for business development services is created and strengthened Activities - Conduct awareness programmes for SMEs on the importance of business development services - Develop a scheme to assist entrepreneurs to procure services. - Build the capacity of service providers and assist them to provide high quality services on a commercial basis		-NEDA -MOLRMP With relevant agencies or line Ministries -MoLGPC - MoRISEP - Chambers -MoNBISD (Gemidiriya Maganeguma Gamaneguma) -CSOs
3.7 Sector Organisations and Chambers support entrepreneurship development			
SMEs are supported by Chambers and their own sector organizations	Output 7 1. Chambers and sectoral organizations are formed, assisted and strengthened to provide services with special emphasis on women, youth and those with disabilities Activities - Conduct awareness programmes for SMEs to form sector based organizations - Assist sector organizations to strengthen their own capacity to address their issues collectively		- MoLGPC - Chambers - MOLRMP - NEDA - MoRISEP With relevant agencies or line Ministries

	- Assist Chambers to increase their membership to cover also the MSME sector giving special consideration to women, youth and those with disabilities - Assist Chambers to develop their service provision capacity and provide services		
3.8 Investments at regional level increase resulting in quality employment creation			
Investments are attracted to the regions and generate employment	Output 8 1. Feasibility studies for regional investment projects are formulated, locations for investments are identified, clearance from necessary authorities for sites are obtained, and marketed Activities - Provincial Councils identify investment opportunities in the province. - Commission study group and prepare feasibility studies. - Identify incentive packages that could be offered at provincial level for investors. - Identify potential lands for possible investment and undertake environmental impact assessment and prepare guidelines. - Market studies through BOI and NEDA to attract investors. - Prepare promotional materials for the region and disseminate information		-MoLGPC -NEDA -MoFP With relevant agencies or line Ministries -Chambers -MoNBISD (Gemidiriya Maganeguma Gamaneguma) -CSOs

PROJECT OUTLINE - 4

PROMOTE MICRO ENTERPRISES AND SELF-EMPLOYMENT

Key Issues

The aim of the project intervention is to promote micro enterprises and self employment as these are vital for employment in Sri Lanka. Micro Enterprises produce goods and services mainly for the local low income market and raw goods/services or inputs and traditional craft goods to the formal sector, small and medium enterprises and the high income market, mostly with the participation of unpaid family workers using very little capital. Self-employment also can be very often a micro enterprise, the distinction being that it will be a single person activity.

Micro enterprises and self employment play a very important role in the economy of Sri Lanka by providing 70% of employment for rural and urban low income men and women and particularly for those with low educational levels. Helping micro enterprises and the self employed directly addresses poverty, under employment and unemployment and lays the foundation for economic growth.

What inhibits micro enterprises and self employment are unfavourable government policies, regulations, and lack of access to institutional credit, training, business development services (BDS),

marketing, information and technology. Due to poor access to business development services and project based financing, the survival rate of small and micro enterprises in Sri Lanka is very low, almost 5%.

Strategy

Most often financial organisations provide credit to MSMEs on collateral basis without paying much attention to the feasibility of the project. If the small and micro enterprise sector has to be developed, then project based funding needs to be promoted. The other vital measure is the provision of affordable and high quality business development services (BDS). If appropriate measures are taken this sector could be developed and made to contribute to the creation of decent work conditions.

Key Interventions

1. *The Self Employed benefit from being registered and organized sectorally*

The Self Employed are generally unorganized resulting in poor access to credit, information, technology, inputs, markets and no collective voice. Registration and sector organisations (e.g. weavers, carvers, poultry keepers, bee keepers, dress makers etc.) will result in collective and organized support for one another.

2. *A programme of Business Development (BD) Services is developed for supporting the Self Employed*

The self employed have diverse needs and these have not been studied by sector and region. Without such studies no meaningful assistance can be provided to the self employed. Hence it is necessary that each sector is analysed and specific needs are identified for youth, women and those with disabilities. Based on these studies business development services programmes need to be planned and carried out.

3. *A market is created among Micro Enterprises and the Self Employment For high quality BDS*

Most micro enterprises and the self employed are unaware of the basics of business and there is

hardly any place to learn those basics and even if such a place exists, these services are unaffordable to most self employed. Thus it is vital to create awareness among these categories about the need to upgrade their business; also to ensure that high quality BDS are available. And finally, there needs to be an assistance package for procuring the BD services by the micro enterprises and the self employed.

4. *Individual business development plans are formulated, implemented and followed up through service providers*

The enterprises should be offered hand holding support. After awareness creation and training, individual business development plans needs to be designed for each enterprise; services required by each should be identified and their performance closely monitored. The disbursement of BDS assistance should be conditional on performance.

5. *The Self Employed and their Sector Organisations are exposed to markets and learn to compete and improve themselves*

Participation in trade exhibitions, exposure to markets etc. and due recognition will bring in an element of healthy competition among individual enterprises and also sector organisations. Weaknesses identified at exhibitions should be followed up with service programmes to put them right. This process will help enterprises to cater to market successfully.

6. *Each Federated Sector Organisation efficiently operates its own revolving credit scheme (for the self employed)*

Most self employed at the very beginning may not be capable of accessing lending institutions and hence initial capital requirements should be ideally met by the federated sector organisations that can offer other necessary service and monitoring. When mature, the self employed can be directed to banks.

7. *Micro financial services are channeled through Rural and Regional Banks*

Micro enterprises should access capital from the Rural and Regional Banks through a special fund

and credit should be always tied to business development services.

8. *Forward contracts are in place for Micro Entrepreneurs*

Forward contracts are beneficial with regard to

certain commodities. Studies should be conducted on these items and the feasibility ascertained. Micro entrepreneurs should be made aware of the advantages and responsibilities of forward contracts and supported to enter into such contracts, so that they benefit from it.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 4

AIM PROMOTE MICRO ENTERPRISES AND SELF EMPLOYMENT			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
4.1 The Self Employed benefit from being registered and organized sectorally			
Sectoral organisations of the self employed function effectively	Output 1 1. Awareness is created among micro and small enterprises and their organizations, and the self employed are registered and formed into sectoral organisations and strengthened Activities - Conduct awareness on registration of micro-enterprises and self employment through the media. - Register at GN level - Establish a data base - Categorize micro enterprises and self employed by sectors - Form into sectoral organizations and federate at a higher level - Conduct training to educate membership and office bearers of organizations - Include women, youth and those with disabilities		-NEDA -MoRISEP -Reg.Chambes -District/Division Secretariats -MoFP -Chambers -MOLRMP -MoLGPC With relevant agencies or line Ministries

4.2 A programme of Business Development (BD) Services is developed for supporting the Self Employed and Micro Enterprises			
Micro enterprises and the Self Employed benefit from BD services programme	Output 2 1. Sectoral studies are conducted and needs, problems and constraints are identified particularly of women, youth and those with disabilities and service programmes are planned Activities - Analyze data and identify needs by sector and also needs of women, youth and those with disabilities - Investigate in detail and identify needs - Conduct discussions with respective sectors on identified needs and possible solutions - Develop and Plan a service programme		-NEDA -MoLGPC -MoRISEP -MoFP - Regional Chambers -MOLRMP -District/Div Secretaries With relevant agencies or line Ministries
4.3 A market is created among Micro Enterprises and the Self Employed For high quality BDS			
Micro Enterprises and the Self Employed routinely access BD services	Output 3 1. Capacity of BDS providers is strengthened and a market for services is created Activities - Conduct awareness programmes for micro enterprises and the self employed on the importance of business development services - Develop a scheme to assist entrepreneurs to procure services - Build the capacity of service providers and assist them to provide high quality services on a commercial basis.		- NEDA - MoRISEP - MoLGPC -Regional Chambers - District/div. Secretariats With relevant agencies or line Ministries -MoFP -MOLRMP
4.4 Individual business development plans are formulated, implemented and followed up through service providers			
The Self Employed have improved their enterprises through implementation of custom made plans and support from BDS providers	Output 4 1. Services are provided, and Individual business development plans are formulated, implemented and followed up Activities - Conduct entrepreneurship training programme for selected micro enterprises and the self employed - Develop business plans together with entrepreneurs and develop, expand and diversify their enterprises - Identify services required - Establish a monitoring system to follow up performance through service providers - Make payments for services according to performance		-NEDA -MoLGPC -MoRISEP -Reg. Chambers - District/Div. Secretariats -MoFP With relevant agencies or line Ministries -MoNBISD -CSOs

4.5 The Self Employed and their Sector Organisations are exposed to markets and learn to compete and improve themselves			
The Self Employed & sector organisations improve their businesses through new markets and gather confidence	Output 5 Markets are promoted and the best performing sectoral organizations and micro entrepreneurs and the Self Employed are identified and recognized Activities - Organize trade exhibitions and facilitate participation - Follow up linking with markets - Arrange exposure to new technologies - Conduct competitions at sectoral level and at other different levels and recognise performance - Follow up with service programme for identified weakness during the competition process		-NEDA -MoLGPC -MOLRMP -MoRISEP - Chambers -MoFP With relevant agencies or line Ministries
4.6 Each Federated Sector Organisation efficiently operates its own revolving credit scheme (for the self employed)			
Initial credit requirements of the Self Employed are met effectively by the Federated Sector Organisations	Output 6 1. Revolving credit funds are established for each federated sectoral organization Activities - Create awareness among sectoral organisations on the importance and the ability of having their own revolving credit fund to meet their initial needs. 2. Establish necessary organisational arrangements to operate savings and credit funds. 3. Provide basic training for efficient and effective operation of credit funds		-NEDA -Reg. Banks -MOLRMP -MoLGPC -MoRISEP -Chambers With relevant agencies or line Ministries - NGOs
4.7 Micro financial services channeled through Rural and Regional Banks			
MEs are supported by Chambers and sector organizations	Output 7 1. Micro financial services are channelled through existing Rural and Regional banks and supported with business development services Activities - Establish a credit fund with Rural and Regional Banks for Micro Enterprises - Make BDS mandatory for obtaining credit		-NEDA -Reg. Banks - MoRISEP -Chambers -MOLRMP -MoLGPC With relevant agencies or line Ministries

4.8 Feasible Forward Contracts are in place for Micro Entrepreneurs			
Micro entrepreneurs deal confidently with forward contracts and benefit from them	Output 8 1. Forward contracts are facilitated between micro enterprises, exporters, wholesale buyers, processors and distributors Activities - Conduct studies on commodities for which forward contract system is applicable and identify implications - Conduct awareness on mutual advantages and responsibilities of forward contract system among producers, buyers and financiers - Facilitate entry into forward contracts - Follow up on contracts and develop further		- NEDA - MoRISEP - Chambers - MOLRMP - MoLGPC - Reg. Banks With relevant agencies or line Ministries -NGOs

PROJECT OUTLINE - 5

ESTABLISH AND MAINTAIN A LABOUR MARKET INFORMATION SYSTEM THAT IS SENSITIVE TO GENDER AND PERSONS WITH DISABILITIES

Key Issues

The aim of the project intervention 5 is to establish a comprehensive and useful labour market information system. The Draft National Employment Policy of Sri Lanka (2002) emphasizes that manpower planning is vital for economic development because both the government and the private sector needs to respond to market signals and global trends effectively. However, inadequate understanding of market needs and trends has led to a widening mismatch between supply and demand with its attendant consequences. Though the mismatch was known, planners failed to address it effectively due to the absence of a good labour market information system.

Various government agencies and the universities have generated some labour related information but no agency has established a comprehensive and reliable labour market information system. Since 1995 the Labour Market Information (LMI) is produced by the TVEC and since 2005 the MLRMP also produces an LMI bulletin, both six monthly. Both bulletins use supply side data from

various sources and supplement it with demand side data mainly from news media though there are two important differences between the two. The MLRMP bulletin contains information on the labour market security and flexibility; key indicators of the labour market; information on job fairs and self employment supporting services. It has also adopted the International Standard Classification of Industry (ILO). A lacuna still exists with regard to labour market information at the micro level and of the informal economy that constitute 70% of employment. There are plans to link with JobsNet at the Divisional level for more effective service provision to the unemployed and underemployed. The users of LMI are: government ministries, embassies (particularly Middle Eastern), universities, business news publishers, chambers and the Employers Federation of Ceylon.

A comprehensive LMI system cannot be established and maintained by just a single organization but it has to be a coordinated effort linking different information generators and their users with one apex agency responsible for manage-

ment, coordination and dissemination. While proposing activities to strengthen the LMI Units both at the MLRMP and TVEC, both units need to be coordinated in the short term, and careful consideration paid to the long term structures required for minimizing duplication.

Strategy

Given the importance of a comprehensive LMI and the limitations of the present information providers, it is imperative to establish one comprehensive system at national level that is sensitive to the needs of the youth, women and those with disabilities and various user groups. In accomplishing this goal, both the TVEC and MLRMP need to be encouraged to contribute with their particular interests. Both bodies have to be supported for including the informal economy into their systems and to design systems and processes and carry out human resource development in order to contribute to a comprehensive national LMI system.

Key Interventions

The following interventions are deemed necessary if the objective of securing a comprehensive labour market information system is to be achieved.

1. A comprehensive LMI system at national level is accepted at policy level

The importance of labour market information should be given due attention at policy level and the LMI units of MLRMP and TVEC recognized and agreement reached on establishing an appropriate and comprehensive system at the national level to cater to all man power planning needs in

the country.

2. LMI needs are studied and the two existing LMI Units are strengthened to cater to all the identified needs with a comprehensive national system in mind

With technical assistance, both the current LMI systems should be evaluated, the current information requirements for man power planning studied and systems and processes designed to fill gaps that may be identified and work towards a unified national LMI system.

3. The two LMI Units have access to adequate human, material and financial resources for the upgrading and integrating process

The two LMI units should be adequately resourced for carrying out various studies, adoption of required systems and processes and for the integrating process.

4. Adequate Information on User Groups that need LMI is obtained, and efficient dissemination tools for eventual fulfillment of their needs are utilised

A special attention should be paid to ascertain the various user groups of LMI and the most efficient and effective means of dissemination, with the future in mind should be studied and adopted.

5. Corporate plans for delivering effective LMI services are implemented

A strategic plan is commissioned on comprehensive terms of reference and it is implemented without delay.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS CREATED AND PROMOTED

PROJECT OUTLINE 5

AIM ESTABLISH AND MAINTAIN A LABOUR MARKET INFORMATION SYSTEM THAT IS SENSITIVE TO GENDER AND PERSONS WITH DISABILITIES			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
5.1 A comprehensive LMI system at national level is accepted at policy level			
The need for a comprehensive LMI system is accepted by all stakeholders	Output 1 1. The LMI Units (of MLRMP & TVEC) are recognized at policy level and appropriate arrangements are made to establish a comprehensive system at national level Activities - Prepare concept paper for a comprehensive LMI system and obtain policy level approval		-MOLRMP -TVEC -Dept. of Census & Statistics -MoFP -MoFEPW -MoRISEP -MoEDIP -Chambers -JobsNet With relevant agencies or line Ministries
5.2 LMI needs are studied and the two existing LMI Units are strengthened to cater to all the identified needs with a comprehensive national system in mind			
The structures and systems of both LMI units are streamlined for providing high quality LMI at national level	Output 2 1. The LMI Units' systems and structures are designed and established based on a comprehensive study on the existing labour market information systems and gaps (definition, unit, region and time wise etc., and also women, youth and those with disabilities) and how to remedy the situation in the most feasible manner, also with a view to minimizing duplication. Functions and roles are defined Activities - Prepare a TOR and proposal for the study for seeking funds under technical assistance - Identify and design labour market information and data needs with stakeholder		

	participation, women, youth and those with disabilities to be highlighted - Inventorise existing information and data with sources and specification - Identify gaps with potential sources and specifications - Prepare new formats and revise existing formats to generate required data - Design systems and procedures to facilitate data and information flows. - Identify the nodes and the core and design a structure, roles and functions - Coordinate data generation processes in order to make information mutually beneficial and avoid overlapping and duplication - Identify hardware and software needs - Identify human resources with required skills and competencies - Identify training needs - Prepare cost estimates - Commission study team - Design system and structure and establish organization		
5.3 The LMI Units have access to adequate human, material and financial resources for the upgrading and integrating process			
The LMI Units supplied with adequate resources functions efficiently and effectively and contribute towards a national level system	Output 3 1. The LMI Units are adequately resourced with sufficiently qualified staff, equipment and funds Activities - Identify manpower requirements - required skills and competencies - Obtain approval for recruitment and recruit - Estimate required hardware and software and procure - Introduce formats, procedures for data generation and develop software for generating required information - Obtain finance for recurrent expenditure		MOLRMP -TVEC -Dept. of Census & Statistics -MoFP -JobsNet -MoFEPW -MoRISEP -MoEDIP -Chambers With relevant agencies or line Ministries
5.4 Adequate Information on User Groups that need LMI is obtained, and efficient dissemination tools for eventual fulfillment of their needs are utilised			
Needs of user groups of LM Information and tools for dissemination are addressed	Output 4 1. The LM information user groups, especially women, youth and those with disabilities are identified for more effective and efficient dissemination of information.		-MOLRMP -TVEC -Dept. of Census & Statistics -JobsNet -MoFP

	Activities - Identify user groups with their respective information needs - Design and introduce tools for dissemination - Obtain feedback regularly for catering more effectively to the needs of the users		-MoFEPW -MoRISEP -MoEDIP -Chambers With relevant agencies or line Ministries
5.5 Corporate plans for delivering effective LMI services are implemented			
Corporate plans are finalized for obtaining resource allocations & Manpower planning takes place at sector and institutional levels	Output 5 1. Corporate Plans are prepared for effective delivery of services and for eliminating duplication Activities - Prepare Terms of Reference for a strategic plan and select and commission consultants - Implement the strategic plan including human resource development		-NEDA -MoLGPC -JobsNet -MOLRMP -MoRISEP - Chambers With relevant agencies or line Ministries

PROJECT OUTLINE - 6

DEVELOP AND ESTABLISH A MECHANISM FOR UPDATING CURRICULA AND DELIVERING TECHNICAL EDUCATION AND VOCATIONAL TRAINING IN LINE WITH THE NATIONAL VOCATIONAL QUALIFICATION FRAMEWORK TO MEET THE DEMANDS OF LABOUR ENSURING GENDER EQUITY AND ACCESSABILITY TO THOSE WITH DISABILITIES

Key Issues

The aim of this project intervention is to create a labour force with the skills that are in demand, nationally and globally. The Ministry of Vocational and Technical Training is responsible for the provision of technical education and vocational training. The Department of Technical Education and Training (DTET), Vocational Training Authority (VTA), National Apprenticeship and Industrial Training Authority (NAITA), Tertiary and Vocational Education Commission (TVEC), National Institute of Technical Education Sri Lanka (NITESL) and the National Institute of Business Management (NIBM) are engaged in providing different services for technical education and vocational training under the ministry. The TVEC is the agency responsible for policy formulation, coor-

dination, registration and accreditation of training institutions and regulatory functions for ensuring quality standards in the service.

The VTA has training centers at Divisional (220 centers offering 1 to 3 level of NVQ and other craft level courses), District (17 centers offering 4 to 5 level of NVQ and other courses) and National (6 centers offering 5 to 6 level of NVQ) levels offering approximately 700 craft level courses covering several sectors and caters to about 20,000 registered trainees per year. It also offers basic career guidance services to trainees. Under DTET there are 37 Technical Colleges for developing skilled craftsmen and skilled workers and offer courses up to certificate level. There are also 379 statutory bodies, 209 government institutions and 21 special institutions⁴ that offer TEVT services.

⁴ Report and Recommendation of the President to the Board of Directors on a proposed loan to the Democratic Socialist Republic of Sri Lanka for the Technical Education Development Project, October 2005.

Besides the above agencies offering technical education and vocational training, there are a large number of other public sector training providers.

All the training institutes including NITESL face the severe problem of lack of adequately trained trainers for implementing NVQ effectively and efficiently.

All aforementioned agencies offer TEVT mainly in the fields of mechanical engineering and construction to job seekers but their employability is low (almost one third) due to poor quality, poor relevance of training and also due to other factors such as the lack of entrepreneurship, negative attitudes regarding self employment and lack of employment and business development services. The poor image (inappropriate location, inadequate equipment and facilities) projected by the TEVT centers has contributed to discouraging youth and the community from selecting TEVT as a career path. Poor relevance of training is mainly due to the supply oriented nature of training, poor quality of trainers and lack of skills standards. Also at present TEVT is marketed as the career path for school drop outs or for those who fail to gain entry into university. All these factors have contributed to creating a negative image of vocational and technical training.

There is a large and growing number of private sector technical education and vocational training providers, estimated at 1,500-2,000 of which 350 are registered with the TVEC, catering mainly to the demand in the finance, management, marketing and information technology (IT) areas at the diploma and higher levels. These providers are mainly concentrated in the urban centers and the courses are not affordable to most job seekers due to high costs.

The assets, systems and procedures developed and established for the purpose of creating an effective and relevant TEVT system under the first ADB funded project appears to run the risk of not being efficiently used for the intended purposes due to various constraints e.g. adequate funds to meet recurrent costs; retaining and attracting qualified trainers; inadequate skills and competencies of existing staff and inadequate planning and management skills. In order to consolidate

and sustain impacts it is essential to take precautionary measures to overcome these constraints.

At present NAITA, DTET and VTA have been able in 2004 to train 45,221 youth while the potential number of trainees was about 477,386 (GCE O/L failed + GCE A/L failed + students not qualified for entry into university in 2004). The 400,000 youth not catered to by TEVT providers need to be made employable through the provision of appropriate technical and vocational training. In order to attract these youth to TEVT an effective career guidance system has to be in place through the coordination of existing service providers.

So far TEVT along with NVQ cater mainly to the domestic demand for skilled labour. However, there is a growing demand for skilled labour abroad which is largely unmet. The Sri Lanka Bureau for Foreign Employment (SLBFE) has made some attempts to coordinate with training providers to meet the demand but they have not been successful.

Numerous ministries and agencies provide TEVT and these have been assisted by the government and donors to carry out various programmes without looking at the TVET sector as a whole for greater effectiveness. This has led to duplication and overlapping even within the Ministry of Vocational and Technical Training. A rational allocation of functions is therefore imperative. Not all vocational and technical training providers have taken adequate measures to promote equal access to women and those with disabilities.

In order to meet the objectives of decent work, the implementation of NVQ framework needs to be coordinated, strengthened, expanded and sustained and also the promotion of a positive image of technical education and vocational training while providing equal access to vulnerable groups such as youth, women and those with disabilities is essential.

Strategy

There are numerous institutions and under different ministries together with the private sector that offer TEVT services and that operate without ade-

quate coordination leading to duplication and poor quality training besides giving TEVT a bad image. Better coordination and rationalization of functions are imperative.

Management of these various institutions including planning and monitoring needs to be improved for more effective service.

The coverage of the training institutions has to cater to the demand and the capacity for delivering training of acceptable quality needs to be augmented.

Curriculum development, teacher training, training delivery and quality assurance need to be ensured if youth, women and those with disabilities are to be attracted. Soft skills including entrepreneurial skills for greater employability are also vital.

Key Interventions

1. A TVET sector coordination mechanism is functioning effectively

Rationalisation of functions of the numerous TEVT providers and their coordination is essential for ensuring NVQ standards and for avoiding duplication. An inter-agency mechanism should be considered.

2. VTA, DTET, NAITA AND NITESL are managed efficiently in order to fulfill their respective mandates

The capacity of these institutions for more efficient management including plan formulation, monitoring and evaluation of training institutions needs to be increased for ensuring that the quality of training is of acceptable standard.

3. Public and Private sector TEVT delivery net-

work is expanded to meet demand and have adequate capacity for providing high quality training

The TEVT network needs to be expanded taking into account the population and other such factors like remoteness etc. Besides coverage, capacity is essential and hence the development of relevant NVQ courses, staff and facilities, and the ability to monitor and follow up trainees is also crucial for ensuring acceptable standards.

4. Relevant institutions for curricula development, teacher training, training and quality assurance are capable of fulfilling their respective mandates

The capacity of NAITA, NITESL, VTA and TVEC for setting standards, curricula development, teacher training and quality assurance has to be updated and maintained in order to ensure that TEVT enjoys a good reputation.

5. TEVT institutions are sensitized to make the learning environment women friendly and also to meet the needs of those with disabilities

Women are not attracted to TEVT institutions as they are not women friendly - no rest rooms, hardly any women instructors / teachers etc. Also those with disabilities do not have facilities that are accessible to them. These gaps need to be remedied.

6. The image of TEVT has become attractive to youth, women and those with disabilities

In order to achieve this, career guidance also at school level should be used to influence the value system regarding TEVT. The physical and institutional environment should project a good image of TEVT centers.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 6

AIM ESTABLISH AND DEVELOP A MECHANISM FOR UPDATING CURRICULA AND DELIVERING TECHNICAL EDUCATION AND VOCATIONAL TRAINING IN ACCORDANCE WITH THE NATIONAL VOCATIONAL QUALIFICATION FRAMEWORK TO MEET THE DEMANDS OF LABOUR ENSURING GENDER EQUITY AND ACCESSABILITY TO THOSE WITH DISABILITIES			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
6.1 A TVET sector coordination mechanism is functioning effectively			
The TVET sector is well coordinated and duplication is avoided	Output 1 1. The TVET sector is reviewed and a coordination mechanism is established to rationalize the division of functions to avoid duplication and for efficient use of resources Activities - Form an inter-agency committee for coordination of all TVET agencies - Conduct a review of the sector and identify gaps and overlaps for remedial action - Reallocate functions for achieving advantages of division of labour		-Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop -MOLRMP With relevant agencies or line Ministries -MLRMP, -TVEC, NAITA, VTA, DTET -JobsNet, - Chambers, -MFEPW -MOE.
6.2 All TEVT delivery institutions are managed efficiently in order to fulfill their respective mandates			
Appropriate structures, systems and processes for sound management of TEVT delivery institutions are functioning efficiently	Output 2 1. The TEVT delivery institutions are managed efficiently and effectively		-Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop

	Activities - Train institution heads and staff in formulating plans based on outcomes and outputs with an effective monitoring and evaluation system. 2. Prepare manuals for plan formulation; monitoring and evaluation for training institutions. 3. Strengthen the capacity of the VTA, NAITA and DTET for overseeing. 4. Conduct performance appraisal and reward accordingly		With relevant agencies or line Ministries MLRMP, TVEC, NAITA, VTA, DTET -JobsNet, -Chambers -MFEPW -MOE.
6.3 Public and Private sector TEVT delivery network is expanded to meet demand and have adequate capacity for providing high quality training			
Client groups easily access competency based training and are employable	Output 3 1. Training delivery network of public and private sectors is expanded (coverage) and strengthened (capacity) to provide training of required quality and relevance Activities Establish training centers for TEVT based on population and area considerations for providing easy and equitable access. 2. Conduct tracer studies and identify and develop appropriate courses to meet regional, national and international demand 3. Develop courses according to NVQ 4. Develop special courses for developing entrepreneurial and other soft skills to improve employability 5. Recruit and train new staff and upgrade the capacity of existing staff and retrain to deliver 6. Establish and operationalize a monitoring and follow up system of trainees to improve the relevance of training		-Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop. With relevant agencies or line Ministries -MLRMP, -TVEC, NAITA, -VTA, DTET -JobsNet, -Chambers -MFEPW -MOE.
6.4 Relevant institutions for curricular development, teacher training, training and quality assurance are capable of fulfilling their respective mandates			
The special TVET institutions are provided with appropriate curricula; teachers and facilities and the quality is monitored	Output 4 1. Strengthen and sustain the capacity of the NAITA, NITESL, VTA and TVEC for setting standards; curricular development and teacher training; training delivery and quality assurance respectively Activities - 1. Provide training to NAITA and NITESL staff and resource persons on standards and curriculum development respectively 2. Provide adequate funds for capital and recurrent expenditure for development and review of skills standards and curricula		- Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop. With relevant agencies or line Ministries -MLRMP, -TVEC, NAITA,

	3. The NAITA proactively conducts studies on occupations in demand both domestic and foreign in consultation with the SLBFE and Foreign Missions and JobsNet 4. Match with developed skills standards and if there is a deficit develop new standards for occupations 5. Develop curricula through NITESL and obtain ratification from TVEC 6. Obtain accreditation also from appropriate foreign organizations to make skills standards more acceptable 7. Conduct training of trainers' programmes for teachers through NITESL 8. Identify and procure necessary equipment and materials with assistance of the SLBFE and other sources		-VTA, DTET -JobsNet, -Chambers -MFEPW -MOE.
6.5 TEVT institutions are sensitized to make the learning environment women friendly and also to meet the needs of those with disabilities			
The number of women and those with disabilities who access TEVT increases	Output 5 1. Access by women and persons with disabilities to TEVT is improved Activities - Provide physical facilities at training centers to cater to the special needs of women and the disabled - Introduce courses at centers to provide equal access to men and women - Introduce courses more appropriate for different disabilities - Recruit and develop more women staff into training centers also to attract female entrants		Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop. With relevant agencies or line Ministries -MLRMP, -TVEC, NAITA, -VTA, DTET -JobsNet, -Chambers -MFEPW -MOE.
6.6 The image of TEVT has become attractive to youth, women and those with disabilities			
More youth, women and those with disabilities choose the TEVT career path	Output 6 1. More youth, women and those with disabilities select TEVT as a career path Activities 1. Develop and use appropriate materials to strengthen career guidance at school level with more focus on changing the value system regarding technical and vocational occupations 2. Coordinate the different career guidance service providers 3. Conduct awareness on the value of TEVT and available career opportunities among the community		Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop. With relevant agencies or line Ministries -MLRMP, -TVEC, NAITA, -VTA, DTET

	4. Introduce an appropriate incentive scheme to promote effective participation of youth 5. Carry out sensitization programmes for staff and management on youth, women and persons with disabilities 6. Create an environment, both institutional and physical, that project a good image of the TEVT centers to youth, women and those with disabilities and the community. 7. Link trained youth to employment services		-JobsNet, -Chambers -MFERW -MOE.
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PROJECT OUTLINE - 7

DEVELOP AND STRENGTHEN THE CAPACITY OF EMPLOYMENT SERVICES PROVIDERS TO BE MORE EFFICIENT, EFFECTIVE AND SUSTAINABLE

Key Issues

The aim of this project intervention is to strengthen the employment services providers that play a key role in matching labour with employment. Unemployment and underemployment, particularly among educated youth is caused partly by the mismatch between demand and supply and the sluggish growth of the economy. The mismatch in turn is caused by several factors such as lack of information on the availability of jobs, skills development opportunities, negative attitudes on some types of employment, inability to assess realistically ones aptitudes and lack of appropriate skills.

At present the vast majority of youth and their elders do not have adequate information and career guidance services to make informed decisions with regard to career development. Another serious issue is ingrained attitudes with regard to selection of occupations. One other contributing factor to the mismatch is the lack of affordable opportunities for skills development particularly to the rural and plantation youth and women. There is also a marked unequal distribution of services (education, vocational, technical, English, mathematics and science) in the rural, plantation and war affected areas.

In order to address the above issues and to contribute to employability of youth, employment services are required to be provided in an inte-

grated manner. It mainly focuses on bridging the gap between the existing demand and supply of employment opportunities by providing soft skills, changing attitudes and dissemination of information among job seekers and employers.

Different ministries and agencies have implemented various interventions in order to address the issue of mismatch between supply and demand of labour. The Ministry of Labour Relations and Man Power understanding the issue has established a Career Guidance Unit with 34 district level Career Guidance Officers attached to the District Secretariats since 1999. There are three components in the Career Guidance Programme, namely, Career Guidance Services; Job Fairs and Job Clubs targeting schools and other job seekers, teachers and parents.

The Employment Creation Unit of MLRMP also plans and implements both micro investment promotion and employment services provision for creating and promoting employment. The programmes aim at providing 200 employment opportunities for job seekers per annum per DS Division.

MLRMP in 2002 established the JobsNet with a view to providing a comprehensive service package in coordination with other employment services providers from both the government and private sectors. However, due to restructuring and the resultant high turnover of the staff, JobsNet

services are now limited to mainly matching job seekers with employers. JobsNet has been able to develop a very effective automated system linked to a network of its 19 district centers for registering job seekers and employers and for matching them.

In addition to the MLRMP and its divisions and units, vocational training and technical education providers of the MTEVT and also universities provide some employment services. Some of the private sector and NGO vocational and technical education providers also provide some employment services. All these service providers do not however, offer a comprehensive package of services. Finally, numerous agencies are involved in providing bits and pieces of employment services with a fair amount of duplication and overlapping. This has led to ineffectiveness of the services and waste of resources.

In order to coordinate the existing employment services, employment creation and promotion plans need to be prepared at divisional and district levels under the leadership and coordination of Divisional and District Secretaries with the participation of all service providers. One well equipped facility at the District level and a smaller facility at the Divisional level will be able to effectively coordinate all employment services to benefit employment seekers while being cost efficient.

Strategy

The Career Guidance Unit of the MLRMP already offers information and career guidance based at DSD level. This Unit should use the JobsNet information system and integrate services of all other public and private sector institutions at District and DSD levels and offer employment services under one roof.

Required capacity strengthening and facilities will be made available to the service providers. A national level or provincial level resource centers will also be set up to service the sector.

Key Interventions

1. *Consensus is created among stakeholders on a national policy on extending the outreach of Employment Services*

A national policy is formulated with the participation of all service providers and agreement should be reached about an integrated service at District /DSD levels and the collaboration of stakeholders assured. The Career Guidance Unit of MLRMP will lead the process.

2. *A National level Network of Employment Service Providers functions well based on the automated system of JobsNet*

A National level Network of Employment Service Providers should be set up by the Career Guidance Unit leading and based on the JobsNet information system that is already proven. National level plans should be formulated, approved and implemented.

3. *At the District level the Network of Employment Services Providers coordinated by the Career Guidance Unit implements a District Career Guidance Plan*

All employment services should be provided under one roof at the district level under the overall guidance of the District Secretary and coordinated by the Career Guidance Unit with JobsNet. District level plans are formulated and implemented.

4. *Coordinated Employment Services are offered at District and Divisional levels*

Needs with regard to job placement at DSD level are identified, studied and employment services offered to job seekers. Services like job fairs, clubs etc. are conducted.

5. *Employment Services Providers acquire skills in services provision particularly to youth, women and those with disabilities*

Special attention will be paid to women, youth and those with disabilities as they tend to get left out. Hence develop training and awareness materials, especially for women, youth and those with disabilities. Service providers will be trained on how to cater to these special groups and refresher programmes will also be conducted after some time.

6. *Competition among Employment Services*

Providers ensure high levels of service provision

Career guidance providers will be appraised regularly on results achieved and the best will be recognized and rewarded at an annual event. Competition will serve as an incentive to creativity and improved services to the client groups.

7. Employment Services Providers acquire necessary equipment for service provision

Some of the service providers may not have ade-

quate hardware and software in line with JobsNet and the Career Guidance Unit. Those gaps should be filled by identifying needs and providing the requirements for more efficient delivery of services.

8. A national level resource center for employment services functions effectively

Establish a national level resource center - define its functions vis a vis the districts and the DSDs and recruit staff and equip it with necessary materials to function as a resource center.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS
CREATED AND PROMOTED

PROJECT OUTLINE 7

AIM DEVELOP AND STRENGTHEN THE CAPACITY OF EMPLOYMENT SERVICES PROVIDERS TO BE MORE EFFICIENT, EFFECTIVE AND SUSTAINABLE			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
7.1 Consensus is created among stakeholders on a national policy on extending the outreach of Employment Services			
Employment services providers agree on a better coordinated and more efficient service and understand their roles and responsibilities	Output 1 1. A National Policy is formulated and approved for extending the outreach of employment services efficiently and effectively with the collaboration of relevant public and private employment service providers Activities - Prepare a background document reviewing the existing system - Conduct a workshop for stakeholders to identify an integrated decentralized system with roles and responsibilities of stakeholders - Formulate policy guidelines and obtain approval		-MLRMP -JobsNet -MOE. -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET

7.2 A National level Network of Employment Service Providers functions well based on the automated system of JobsNet

Employment services providers collaborate on an integrated service coordinated by the Career Guidance Unit using the JobsNet information system	Output 2 1. A National level network is established of stakeholders that are involved and those that have the potential for providing employment services. The network is serviced and coordinated by the Career Guidance Unit of the MLRMP. (The national level network will be responsible for planning, coordination and supervision of career guidance programmes. As JobsNet has already developed a well equipped automated system required for providing employment services, it should be the nucleus of the network at different levels) Activities - Identify the stakeholders - Define the roles, responsibilities and functions of the Career Guidance Unit at the MLRMP - Make an assessment of human resources and physical requirements of the Career Guidance Unit and the Network and supply - Strengthen JobsNet and define its roles and responsibilities for planning and implementing employment services at different levels		MLRMP -JobsNet -MOE -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
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7.3 At the District level the Network of Employment Services Providers coordinated by the Career Guidance Unit implements a District Career Guidance Plan

The district level the Network of Employment Services Providers offer efficient services to job seekers	Output 3 1. A District Level network representing the National Level Network is established for planning, implementing and coordinating at the district level. (The Career Guidance Unit {of MLRMP} at the district level will be the secretariat under the supervision of the District Secretary) Activities - Identify stakeholders at the district level - Define the roles, responsibilities and functions of the Network - Strengthen the existing Career Guidance Unit at the District level - Prepare and implement the district level career guidance plan		-MLRMP -JobsNet -MOE. -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
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7.4 Coordinated Employment Services are offered at District and Divisional levels

Job seekers are able to access coordinated employment services at District and Divisional levels	Output 4 1. Plans are formulated and implemented to provide employment services to job seekers at Divisional and District levels with the participation of service providers		-MLRMP -JobsNet -District/Div. Secretariats -MOE. -Ministry of
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	Activities - Collect information on job seekers and categorize according to expectations and qualifications. - Identify and analyze employment opportunities - Formulate strategies and programmes to facilitate the provision of employment services including job placements		Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFEPW -TVEC, NAITA, VTA, DTET
7.5 Employment Services Providers acquire skills in services provision particularly to youth, women and those with disabilities			
Youth, women and those with disabilities, in particular receive appropriate levels of service	Output 5 1. Training and awareness programmes for providing career guidance are developed and service providers are trained to cater specially to women, youth and those with disabilities Activities - Develop training and awareness materials, especially for women, youth and those with disabilities - Conduct training for training service providers - Conduct refresher programmes for service providers		MLRMP -JobsNet -District/Div. Secretariats -MOE. -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
7.6 Competition among Employment Services Providers ensure high levels of service provision			
Job seekers are able to access employment services of high quality	Output 6 1. A results based appraisal system for career guidance providers is designed and implemented and the best are recognized and rewarded annually Activities 1. Design an appraisal system to measure performance of service providers with verifiable indicators. 2. Conduct programmes to recognize and reward best performance by service providers		MLRMP -JobsNet -MOE -District/Div. Secretariats -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET

7.7 Employment Services Providers acquire necessary equipment for service provision			
An efficient service is offered by Service Providers	Output 7 1. Service providers are equipped with necessary hardware and software Activities - Assess hardware and software requirements. - Procure and supply		MLRMP -JobsNet -MOE. -MoVTT -MoYSD With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
7.8 A national level resource center for employment services functions effectively			
Information and needs of job seekers are catered to by the National Resource Center	Output 8 1. A national level resource center is established and career guidance information is disseminated Activities - Define the functions of the resource center - Identify and establish necessary tools (web-site, electronic accessibility, publication of magazine, pamphlets), procedures and linkages (with similar resource centers abroad) to perform functions of a resource center		MLRMP -JobsNet -MOE. -Ministry of Vocational & Technical Training -Ministry of Youth & Skills Develop With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET

PROJECT OUTLINE - 8

PROMOTE SKILLED FOREIGN EMPLOYMENT ASSURNG SAFETY AND WELFARE

Key Issues

The aim of this project intervention is to assist Sri Lankans to obtain foreign employment. Foreign labour markets have become an important source of employment and income for labour surplus and or developing countries. Currently there is an estimated 1.3 million Sri Lankan migrant workers who earn more than US 3 billion per year as remittances. Of these migrant workers more than 70% are engaged in unskilled or low skilled employment and 59% of them are women and of this figure 54% are employed as housemaids.⁵

However, there are some negatives too, like the social cost of women (mothers) working abroad as well as the security of their livelihoods as many after returning end up in debt without any productive livelihoods and face a host of related problems.

The lack of high quality pre-departure services for migrants and post returnee services have contributed to the diminution of the total benefits of foreign employment as employees are subject to harassment and exploitation at home and abroad. In 2006 the reported number of complaints by

⁵ National Policy on Decent Work, pg. 9.

both male and female migrants amounted to 10,829.⁶

Foreign employment services are centered round Colombo and its suburban districts and this has contributed to an unequal access by the peripheral districts. Except training for housemaids, all the other services including welfare and development handled by the Sri Lanka Bureau of Foreign Employment (SLBFE) are centered in Colombo making access costly, difficult and exploitative for the migrants and their families. The regulatory functions of the Bureau have also been impaired by being centered only in Colombo. In 2006 of a total of 203,841 departures, 81,000 (39.7%) were from Colombo, Gampaha and Kurunegala. More than 71% of licensed foreign employment agents are located in Colombo and Kurunegala districts.⁷

There is a growing demand for high and medium skilled labour with higher pay and better working conditions and this potential has been hardly tapped due to the mismatch between demand and supply. In 2003 of 20,980 job orders received for skilled positions abroad, only 8,987 were filled.⁸ Initial steps have now been taken by the TEVT system to produce high and middle skilled labour by introducing the National Vocational Qualification Framework, level 1-7 i.e. craft, diploma, higher diploma and degree levels.

In order to exploit the vast potential in the foreign labour market and also to minimize the adverse effects of low skilled migrant employment, there is a need for a more efficient and effective SLBFE with better coordination among labour suppliers, placement agencies, service providers both public and private, and regulatory authorities, and a need for strengthening their capacity.

The SLBFE Act No. 21 was introduced in 1985 and is already found to be outdated in some respects and should mainly focus on welfare and protection and outsource others for greater efficiency and effectiveness.

The project aims at addressing the issue of rationalization of functions of the SLBFE particularly separating regulatory and welfare functions i.e. better coordination, improved regulation, planning and implementation with the participation of relevant agencies at national and sub-national levels in order to ensure better quality foreign employment services.

It is recommended that activities under this outline be carried out on a pilot basis in selected DS Divisions where there is a good representation of migrant worker families. It should be evaluated and then replicated with required revisions.

Strategy

The principal strategy is to revisit the SLBFE Act and focus primarily on its mandate - planning, implementation, coordination of welfare and regulation with the participation of stakeholders. In order to accomplish this effectively at least a regional presence if not district is essential. SLBFE needs to collaborate with other agencies both public and private, for supplementing its services. SLBFE also should widen the range of foreign employment agencies to include Chambers and select NGOs and monitor them closely to ensure high quality services

Key Interventions

1. *SLBFE is institutionally strengthened to play a stronger role in regulation, welfare and protection*

SLBFE's board of management should be constituted of representatives of all stakeholders and together an organisational analysis should be carried out and core functions need to be agreed upon; and gaps in terms of regulation, promotion and welfare (including integration of returnees) should be identified. On the basis of this analysis amend the SLBFE Act to reflect better its core functions. Identify services that can be outsourced and decentralized. An action plan should be prepared and implemented.

⁶ Annual Statistical Report of the SLBFE, 2006.

⁷ Ibid

⁸ Report and Recommendation of the President to the Board of Directors on a proposed loan to the Democratic Socialist Republic of Sri Lanka for the Technical Education Development Project.

2. An updated information system on available jobs and matching labour, is functional

SLBFE should link with different information sources on foreign employment availability and compile them in an easily accessible system. It must also develop a foreign labour demand forecasting capability and also develop an interactive web page to receive requests for labor and to respond to them

3. A Coordinating Mechanism for economic and social welfare for foreign labour is functional

A planning committee comprising skills development, foreign affairs, immigration, finance and universities examine pre-departure, post-departure and returnee economic and social issues, and prepare short and medium term plans for worker welfare. These plans will be implemented at district and divisional levels through Committees comprising of employment services providers, Chambers, Probation and Child Care, National Child Protection Authority et al.

4. Foreign Labour Markets are aware that Sri Lanka has highly skilled labour

SLBFE should prepare effective promotional material and conduct promotional programmes at trade exhibitions, trade councils, investment seminars, good will missions etc. It should also obtain placements in foreign countries for training in skills areas not available in the country so that we have a labour pool that can match any skill demand.

5. A wider and more responsible range of foreign employment agencies are active

In order to offer high quality foreign employment services, SLBFE should encourage other reputed bodies like the Chambers and selected NGOs to be agents for foreign employment. Regulatory and monitoring mechanisms of SLBFE should be strengthened to ensure that services of acceptable quality are offered to job seekers.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS CREATED AND PROMOTED

PROJECT OUTLINE 8

AIM PROMOTE SKILLED FOREIGN EMPLOYMENT ASSURING SAFETY AND WELFARE			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
8.1 SLBFE is institutionally strengthened to play a stronger role in regulation, welfare and protection			
More effective welfare services are offered efficiently	Output 1 1. The institutional capacity of the SLBFE is strengthened to become more effective in facilitating foreign employment Activities - Constitute a Board with the participation of key line agencies responsible for labour, skills		SLBFE /-MFEPW -MLRMP -Mo P Admin. -JobsNet --MOE. -MoVTT -MoY&SD

	development, immigration, foreign affairs, finance and universities for more effectiveness - Conduct an organizational analysis and identify core functions and gaps in terms of regulation, promotion and welfare (including integration of returnees) - Amend Act accordingly - Identify possible services that can be outsourced and decentralized, and outsource and decentralize - Prepare an action plan to carry out changes and organizational development		With relevant agencies or line Ministries -Chambers -MFEPW -TVEC, NAITA, VTA, DTET
8.2 An updated information system on available jobs and matching labour is functional			
Matching existing labour with foreign job opportunities is executed efficiently	Output 2 1. An information system capable of identifying job opportunities and matching with labour is operationalised Activities - Identify sources of foreign employment opportunities - Enter into contract with appropriate agencies - Train Bureau representatives attached to Sri Lankan missions to collect, store, analyze the data collected and transmit to the Bureau - Establish an Information Unit at the Bureau linking labour demand and supply sources - Develop a foreign labour demand forecasting capability at the Bureau - Network and share information with other labour providing countries - Develop an interactive web page to receive requests for labor and to respond to them		SLBFE /MFEPW -MLRMP -Mo P Admin. -JobsNet --MOE. -MoVTT -MoY&SD With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
8.3 A Coordinating Mechanism for economic and social welfare for foreign labour is functional			
Foreign employment seekers and returnees are able to access economic and social welfare services	Output 3 1. A coordinating mechanism is established for planning and implementation of foreign employment programmes Activities - Establish a planning committee comprising of skills development, immigration, foreign affairs, finance and universities at the national level - Identify and study pre-departure, post departure and post returnee labour and related social and economic issues - Prepare short and medium term plans for labour supply and migrant welfare and implement - Establish district and divisional level Committees comprising of vocational training agencies, employment service providers, chambers, civil society, bankers, Department of Social Service, Probation and Child Care and the National Child Protection Authority for planning and implementation of the above programme		SLBFE/MFEPW -MLRMP -Mo P Admin. -JobsNet --MOE. -MoVTT -MoY&SD With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET

8.4 Foreign Labour Markets are aware that Sri Lanka has highly skilled labour			
Foreign labour markets are willing to hire Sri Lankan labour	Output 4 1. Sri Lanka is promoted as a source of highly skilled labour Activities - Prepare effective promotional material - Conduct promotional programmes at investment seminars, trade exhibitions good will missions etc., along with BOI, trade councils and chambers - Obtain placements in foreign countries for training in skills areas not available in the country		SLBFE /-MFEPW -MLRMP -Mo P Admin. -JobsNet --MOE. -MoVTT -MoY&SD With relevant agencies or line Ministries -Chambers -MoFE -TVEC, NAITA, VTA, DTET
8.5 A wider and more responsible range of foreign employment agencies are active			
Competition among more responsible foreign employment agencies improves services	Output 5 1. A network of more responsible and competitive foreign employment agencies is promoted and established Activities - Promote Chambers to obtain job orders through their international networks - Promote and register national and regional Chambers, other job placement agencies and NGOs to undertake job placement activities - Strengthen monitoring and regulatory mechanisms to improve the quality of services of job agencies		SLBFE /-MFEPW -MLRMP -Mo P Admin. -JobsNet --MOE. -MoVTT -MoY&SD With relevant agencies or line Ministries -Chambers -TVEC, NAITA, VTA, DTET

PROJECT OUTLINE - 9

PROMOTE MIGRANT WORKER FAMILY WELFARE AND ECONOMIC STABILITY

Key Issues

The aim of this project intervention is to improve the welfare of migrant worker families. Foreign employment is very important as a source of employment and foreign earnings. However, there is an unaccounted social cost which is more pronounced in the case of women migrants as the absence of mothers and wives severely affects the wellbeing of the family and the women themselves. The negative impacts are less in the case of male migrants.

Another serious issue affecting the returnee migrant is the security of their livelihoods. Due to poor management of income and savings, many after returning end up in debt without any productive livelihoods and face a host of related problems. These are serious consequences that migrant worker households have to face and which have to be alleviated.

Worker welfare is a responsibility of the SLBFE and it has launched a number of welfare and development programmes for the benefit of migrant worker families, such as scholarships for grade 5 students, housing loans and enterprise development loans etc. However, access and effectiveness of these programmes have been constrained by the lack of a local level presence, planning and coordination. There are several public sector as well as NGO sector agencies that provide some services. However, these services are inadequate; the coverage is poor, and the interventions are uncoordinated.

Strategy

A separate entity dedicated to migrant worker family social wellbeing and economic stability should be set up by SLBFE. This entity should gather data of the worker families and together with a Coordinating Mechanism comprising relevant public, private and civil society sectors analyse their needs, agree on strategies and

design plans and implement through the relevant service providers, e.g. Probation and Child care; Social Services and Welfare etc.

Key Interventions

1. *A specific entity responsible for migrant worker family social wellbeing and economic stability is operational*

Set up a separate entity within SLBFE responsible for appropriate services for migrant worker families.

2. *A Regularly updated data base on migrant worker families is available for service provision*

Compile relevant data (by self or outsource) on the target families and create a regularly updated database.

3. *A Coordinating Mechanism takes on planning and implementation of welfare services*

A Coordinating Mechanism comprising all relevant service providers e.g. Probation & Child Care; Micro Finance; Social Welfare etc. will help in analysing the data; strategizing; designing plans and implementing through its various members. Some of the public sector service providers would need capacity building.

4. *The main social and economic needs of worker families are met through a multi-service programme*

It is not possible for SLBFE alone to provide all necessary services to the families as it does not have capacity for it, including a presence at divisional level. Hence the services should be provided by the public, private and NGO sectors, coordinated by the Coordinating Mechanism. Monitoring and follow up is also carried out by it.

COMPONENT ONE

AIM

EMPLOYMENT OF ACCEPTABLE QUALITY IS CREATED AND PROMOTED

PROJECT OUTLINE 9

AIM PROMOTE MIGRANT WORKER FAMILY WELFARE AND ECONOMIC STABILITY			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
9.1 A specific body responsible for migrant worker family social wellbeing and economic stability is operational			
Special attention is received by the migrant worker families regarding social wellbeing and economic stability	Output 1 1. A separate entity for migrant worker family social wellbeing and economic stability is established Activities - Constitute a separate entity for the welfare and economic sustainability - Recruit extension workers at field level or outsource service - Train extension workers or service providers on data collection and analysis, social mobilization, family welfare, counseling, enterprise promotion and business development services		-SLBFE /-MFEPW -MLRMP -Mo P Admin. -MoFP -MoSSSW -District/Div. Secretariats With relevant agencies or line Ministries -JobsNet, -Chambers -MOE. -Ministry of Vocational & Technical Training -Ministry
9.2 A Regularly updated data base on migrant worker families is available for service provision			
The data base is utilized to identify needs of families and to cater to them effectively	Output 2 1. Data base of migrant worker families is established and updated regularly Activities - Conduct a survey of migrant worker families - Establish a data base on socio -economic status of migrant worker families - Update data base regularly - Disseminate information among relevant agencies (Probation and Child Care and others)		-SLBFE /-MFEPW -MLRMP -Mo P Admin. -MoFP -MoSSSW -District/Div. Secretariats With relevant agencies or line Ministries -JobsNet, -Chambers -MOE. -Ministry of Vocational & Technical Training -Ministry

9.3 A Coordinating Mechanism takes on planning and implementation of welfare services			
The coordinating mechanism offers a range of services pertaining to social wellbeing and economic stability	Output 3 1. A coordinating mechanism is established for planning and implementation of migrant family wellbeing and economic stability. Activities - Identify potential service providers (government and non-government sector) for improving the social wellbeing and economic sustainability, and establish a coordinating mechanism - Create awareness among members of the coordinating committee on the importance of social wellbeing and economic sustainability of migrant worker families and their role		-SLBFE /-MFEPW -MLRMP -Mo P Admin. -MoFP -MoSSSW -District/Div. Secretariats - With relevant agencies or line Ministries -JobsNet, -Chambers -MOE. -Ministry of Vocational & Technical Training -Ministry
9.4 The main social and economic needs of worker families are met through a multi-service programme			
Possible negative impacts on worker families are offset by a multi-service programme	Output 4 1. Family based service programme is planned, implemented and followed up Activities - Using the data base identify vulnerable families and their needs - Plan multi-service programme for vulnerable families with the participation of the coordinating committee - Identify potential service providers among the public, private and NGO sectors - Develop mechanism to outsource service provision on fee basis - Strengthen the capacity of potential government service providers - Establish a monitoring and follow up system		-SLBFE /-MFEPW -MLRMP -Mo P Admin. -MoFP -MoSSSW -District/Div. Secretariats - With relevant agencies or line Ministries -JobsNet, -Chambers -MOE. -Ministry of Vocational & Technical Training -Ministry

Chapter 3

Component 2:

National Productivity is Enhanced

STRATEGIES

STRATEGY: Increase national productivity

Sub Strategies: 1. Improve public sector productivity
2. Improve private sector productivity

Introduction

Productivity is defined as the effective and efficient use of resources in order to achieve desired outcomes. In the case of organizations mainly delivering services, it is more people centered and focused less on capital and technology. Hence what is critical are processes and labour management. In the case of organizations focusing more on manufacturing, labour, capital and technology are critical for productivity. In order to achieve higher rates of growth in the country, a two pronged approach that is inter-related and complementary is required, one to increase investment and the other to increase productivity. In Sri Lanka productivity in both the public and private sectors is comparatively low even by Asian standards. Sri Lanka's 5-6% annual GDP growth rate needs to be increased to a minimum of 8% per annum in order to achieve a reasonable level of development in the near future. In order to achieve this target it will be necessary to have an investment of at least 30% of GDP together with a 4-5% growth in productivity. The present investment rate is 25% of GDP. Bridging the gap between the present and the required rate of savings to achieve expected growth would require changes in framework conditions conducive for the promotion of savings and investment and also productivity.

The globalization process has urgently necessitated the improvement of productivity if Sri Lanka is to successfully face global competition as the productivity gap between the fast developing countries and Sri Lanka is widening rapidly making the country less competitive and attractive.

After independence due to welfare policies adopted by the various governments, the public sector has grown fast compared to other Asian countries. Since the 1960s up to the late 1970s governments also ventured into public enterprises and this has further enlarged the public sector. After 1977, though a privatization process and stringent policies to reduce the public sector were operative since then there was no movement. As a result Sri Lanka has inherited a very large and inefficient bureaucracy with a ratio of 3.9 per 100 population compared to 1.2 in India; 1.5 in Pakistan and the Asian average of 2.6.

The private sector was relatively small and until liberal economic policies were introduced in 1977, it was protected to a large extent from global competition which resulted in low productivity and low competitiveness. With the open economic policies many of these enterprises disappeared due to the inability to compete in the open market and foreign investments, particularly in the garment sector were attracted due to the availability of cheap labour, fiscal incentives and the quota system. However, since labour productivity has not increased on par with other countries while wages increased, Sri Lanka has become less attractive at present for foreign investment. Furthermore, rigid labour laws, a large number of public holidays and the mismatch between supply and demand for labour have compounded the situation. The combined effect of these negative factors has made Sri Lanka less competitive and brought down its competitiveness ranking in the world from 68 in 2003 to 98 in 2005.

Average productivity grew by 3% per year during the last ten years in Sri Lanka and by contrast productivity growth was 5% in Korea, Malaysia and Thailand. With a productivity growth rate of 3% per year and no increase in available capital, the economy cannot sustain a growth rate above 5% per year. In Sri Lanka almost 80% of employment is concentrated in sectors with either low productivity levels or low productivity growth. During the period 1990-1999 the agriculture sector had the lowest real productivity (Rs.17,500/ {and still remains the lowest}), while the service and industry sectors have higher rates (44,700/ and 40,500/ respectively) while growth has been lowest in the former i.e. 1.6% (source: National Productivity Policy - Private Sector Component).

The informal sector which includes most agriculture related activities and has a share of 70% of the workforce in Sri Lanka, has the lowest productivity and it grows annually only by 2.1%. Due to low productivity, informal sector workers are required to work longer hours and generally under more difficult conditions to earn a living which in most cases is woefully inadequate. This sector needs to be given high priority for improvement through awareness creation, infrastructure development, introduction of new technology, investment in plant and equipment and information technology etc. including favourable framework conditions.

Since independence successive governments have recognized the importance of productivity and established a National Productivity Organization prior to 1966 and joined the Asian Productivity Organization in 1966. 1996 was

declared a productivity year and the period 1997-2006 were declared the decade of productivity. Since 1993 annual productivity competitions have been conducted for productivity awards. Since 2002 productivity awards have been extended to manufacturing, government, service and school sectors and conducted by the National Productivity Secretariat established under the Ministry of Labour. As there was no comprehensive policy and sustained commitment at policy and higher management levels, the impacts were not significant. After the issue of a productivity policy in 2003, the National Productivity Secretariat (NPS) has gained more recognition and become active. At present the NPS is mainly engaged in developing a resource pool and conducting awareness programmes and competitions for the promotion of productivity mainly among public sector organizations such as ministries, provincial councils, hospitals, schools etc. The Mahinda Chintana - government's Ten Year Horizon Development Framework at page 212 dealing with public administration reforms elaborates on more efficient and effective delivery of services to the public.

As Sri Lanka has a highly literate and trainable labour force there is an opportunity for bridging the labour market gap if appropriate TEVT policies are implemented together with required labour law reforms aimed at greater productivity.

In any development strategy, priority should be given to increase productivity of the public and private sectors in order to maximize the existing investment prior to increasing new investments which generally are more costly.

PROJECT OUTLINE - 10

RATIONALIZE THE UTILIZATION OF HUMAN RESOURCES IN THE PUBLIC SECTOR

Key Issues

The aim of this project intervention is to increase productivity by rationalizing the systems for using of human resources. Up until 1977 the public sector had grown disproportionately to the economy due to welfare policies and poorly managed state engagement in production of goods and services. This situation led to the state becoming the main source of employment creating space for politicians to order recruitment to the public service in an ad hoc manner and for political expediency. Though devolution of power has taken place it had not contributed to the reduction of the public service at the center due to non effectiveness of implementation. Enlargement of the government for political reasons particularly after 1990's has created a multiplication of agencies and duplication of functions with the enlargement of the public sector. Overstaffing, duplication and the lack of rational allocation of functions and also the lack of devolution, coordination and human resource management have contributed to creating a public sector that is generally less productive, inefficient and delivering low quality services. This situation affects economic growth in numerous ways. An inefficient and low productive public sector increases recurrent costs and leads to budget deficits and lowers productive investments required for higher growth and employment creation. Higher budget deficits reduce the savings available for investments in the private sector and employment creation. Low quality and inefficiency in services also negatively impact on economic growth and employment creation.

The project outline addresses low productivity and inefficiencies in the public sector at the organizational and personnel / individual levels only. Some of the other key issues impacting negatively on low productivity are dealt within subsequent outlines.

Strategy

The ad hoc growth of the public sector, overstaffing,

poor human resource allocation and development have to be mitigated if productivity is to be improved. Toward rationalization of human resources a cadre review, rationalization of the structure, processes and procedures will have to be updated and new technology introduced for efficiency and effectiveness of the sector. Also procedures like client feedback and employee views and suggestions for improvement are essential.

Key Interventions

1. *Cadre review based recruitment procedures to select the most suitable, is in place*

Determine cadre positions in relation to the new list of functions. Accordingly, prepare job descriptions and select suitable persons.

2. *Rationalised structure allocates functions in the most appropriate manner*

Review the existing structure, examine its vertical and horizontal linkages and check for rationality. Accretions that cannot be justified are removed. Human resource needs are then identified and duties and tasks are allocated rationally.

3. *Modern tools and techniques are applied and employees imbibe a productivity and quality culture*

In order to create a culture of high productivity, first review functions, processes, procedure, work steps and formats used. Delegate authority; motivate employees through management awards and competitions. Also apply new management tools like the Quality Circle and 5S and introduce IT for speedy and quality response.

4. *Deficits are identified through relevant tools, and minimised*

Deficits or gaps are identified through a client feed back system and employee suggestions for improving operations are sought and implemented if feasible.

COMPONENT TWO

AIM

NATIONAL PRODUCTIVITY IS ENHANCED

PROJECT OUTLINE 10

AIM RATIONALIZE THE UTILIZATION OF HUMAN RESOURCES IN THE PUBLIC SECTOR			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
10.1 Cadre review based recruitment procedures to select the most suitable is in place			
Effective procedures for recruiting adequate and suitable staff are in place.	Output 1 1. Cadre review of all executive and non-executive positions is completed Activities - Identify the cadre positions in accordance with the revised list of functions - Prepare job descriptions for each identified cadre position - Prepare recruitment procedures so that the most competent and qualified personnel are selected		-MoFP (Dept. of Mgmt. Services) -N PSecretariat -SLIDA -MoPAdmin. -MLRMP -MoLGPC - All Ministries With relevant agencies or line Ministries
10.2 Rationalised structure allocates functions in the most appropriate manner			
The structure is pruned of unnecessary accretions and made efficient and effective	Output 2 1. Structure is rationalized and functions are allocated Activities - Review the existing organizational structure and its vertical and horizontal linkages -Allocate functions rationally within each component -Identify human resource needs with required competencies - Allocate duties and tasks		-MoFP (Dept. of Mgmt. Services) -N PSecretariat -SLIDA -MoPAdmin. -MLRMP -MoLGPC - All Ministries With relevant agencies or line Ministries
10.3 Modern tools and techniques are applied and employees imbibe a productivity and quality culture			
Employees imbibe a culture of productivity through relevant management systems	Output 3 1. Processes and procedures are made efficient and effective		-MoFP (Dept. of Mgmt. Services) -N PSecretariat -SLIDA -MoPAdmin.

	Activities - Review functions, processes, procedures, work steps and formats used - Delegate authority - Motivate employees to apply Benchmarking and Government Process Re-Engineering concepts in all organizations - Organize management competitions for creating a Productivity and Quality culture in the country - Apply the Quality Circle concept in all public organizations in order to involve all employees - Introduce the 5 S concepts to all organizations - Apply IT as far as possible to expedite work		-MLRMP -MoLGPC - All Ministries With relevant agencies or line Ministries
10.4 Deficits are identified through relevant tools and minimised			
Deficits from the client and employee perspectives are identified and minimised	Output 4 1. Defects are identified and minimized Activities - Introduce a customer feedback system * Introduce formats for all organizations to be filled by clients for obtaining a feed back * Organize weekly meetings of all staff to discuss the feedbacks of clients * Take remedial actions for negative feedbacks * Introduce a performance evaluation system based on the feed back of clients and other factors - Introduce a system to obtain creative proposals from employees to improve the productivity and Quality of the organizations - Implement the most appropriate suggestions and reward the authors - Introduce a system to reduce weaknesses to reach 6 sigma standards * List out all the possible defects. * Prepare computer software to enter the weaknesses identified into the computer system * Introduce a form for each employee to enter his/her weaknesses * Feed the identified weaknesses into the computer; analyze identified weaknesses periodically and discuss them with employees to seek solutions for their eradication * Implement fruitful solutions and monitor and evaluate		- MoFP (Dept. of Mgmt. Services) -N PSecretariat -SLIDA -MoPAdmin. -MLRMP -MOLGPC - All Ministries With relevant agencies or line Ministries

PROJECT OUTLINE - 11

IMPROVE THE PERFORMANCE OF PUBLIC SECTOR PERSONNEL

Key Issues

The aim of this project intervention is to improve the performance of the public sector personnel. The public sector in Sri Lanka comprises of three categories, namely, the central public service, the provincial public service and the semi-government sector (statutory boards and corporations) and it also comprises of several services within it. The public sector employs 17.3% of the total workforce of 6.7 million.⁹ The total emoluments of the public sector in 1977 were 5.1% of GDP and 24.3% of the total recurrent budget. This amount has increased to 5.7% of GDP and 27% of the total recurrent budget in 2002. When pensions are included, it amounts to 7.6% of GDP and 36% of the recurrent budget.

Due to overstaffing and high expenditure on the public service, the government was unable to remunerate personnel adequately until recently. Remuneration is not based on performance and annual increments are given without any serious performance appraisal. As a result of the politicization of the public service, recruitment and promotions have been mostly based not on performance but on political favouritism which is highly de-motivating.

There was no planned and sustained attempt at institutional level to develop human resources based on needs assessments. Due to the absence of a conflict and grievance handling mechanism at the institutional level, often insignificant conflicts at work places of public institutions have caused serious repercussions and adversely affected performance and workplace relations.

The Sri Lanka Institute for Development Administration (SLIDA) provides management training to all categories of the public sector at the national level while provincial centers, the Management Development Training Units (MDTU) provide such training to the provincial

public service. The SLIDA prior to preparation of its annual training plan, assesses training needs from public organizations and prepares a training calendar. However, these training needs are not identified on the basis of a serious training needs assessment.

Although the public service has begun to introduce e-government, the impact has not been up to expectations. There are a large number of services provided by different organisations that could be improved with the introduction of simple IT solutions. IT knowledge in the public sector is generally weak and hence basic IT knowledge and skills need to be made mandatory and training should be provided.

The public service has not been client oriented and the public too has not been adequately empowered to demand efficient and high quality services. In order to make the investment made in the public sector more productive and provide an efficient and effective service for accelerating economic growth and through it improve the quality of life of people, it needs to be made more efficient and productive.

The Department of Management Services under the Ministry of Finance and Planning has the overall responsibility for reviewing the public sector cadre, salaries, adequacy of skills and competencies, rational allocation of functions etc. to ensure an efficient and effective public service. However, other than addressing day to day management requirements, this Department has not been able to pay serious attention to improving the efficiency and effectiveness of the public service in a systematic way. As the public sector in Sri Lanka is not performing to the expected levels, this Department needs to be strengthened in order to give priority to its mandate. Political commitment too is absolutely necessary for reforms to be effective.

⁹ Report of the Salaries Commission 2000, Volume I, June 2002.

Strategy

Since the Department of Management Services holds the responsibility for reviewing the public sector cadre, salaries, skills and rational allocation of functions, first, it needs to be restructured and its capacity strengthened. Then the Department could spearhead the rest of the agenda. Regular cadre reviews to be carried out to ensure rational use of human resources. SLIDA and the MDTUs with improvements will be utilized for development management training. In order to improve performance, it is vital to get a feedback from the clients and from the staff themselves. Set rules and procedures should be followed at all times. Staff motivation will be further strengthened through schemes of recognition and mitigating all forms of discrimination.

Key Interventions

1. The Department of Management Services is more effective and efficient

First, restructure the Department and clearly demarcate the operational and policy formulation responsibilities; assess manpower needs and if necessary technical assistance and then prepare a corporate plan and carry it out.

2. Regular cadre reviews and job studies keep the public sector trim and efficient

Ensure that human resource utilization is always rational through regular cadre reviews and job studies.

3. The best candidates are selected for public service through an independent scheme that selects only on merit

Devise an independent scheme with competitive examinations and identify the best suited for public service. At completion of probation, appraise and follow up.

4. Recruitments, adoption of new procedures and processes are carried out according to a plan and not in an ad hoc manner.

Run a participative planning workshop and for-

mulate a corporate plan and implement it.

5. Staff is trained systematically for the tasks they are designated to perform

With SLIDA assistance and an internal group conduct a needs assessment based on the corporate plan. Prepare a training plan including the use of IT and implement and follow up.

6. With participatory management systems in place service delivery is more efficient and effective

Study the process in service delivery with staff in groups; discuss findings and recommendation at a wider forum and prepare an action plan and implement.

7. Citizens are assured of services of an acceptable standard

Study the service that is delivered. Make stakeholders aware about citizens' charters and invite stakeholders and agree on norms, standards and minimum requirements of clients. Introduce client feed back system for review and improving performance.

8. Staff is motivated to improve performance due to recognition

Performance appraisals of staff are conducted by an independent panel based on accepted norms. Tie salary increments to performance.

9. Staff has access to fair and just systems for grievance handling

Get views and recommendations from the NLAC and get a committee to study and propose appropriate schemes. Test them on pilot basis, finetune and adopt.

10. The working environment is satisfactory with control of all forms of discrimination

Include sexual harassment, gender and other forms of discrimination for discussion at NLAC. Appoint a committee to study the issues and make recommendations. Launch an awareness

programme and incorporate rules and regulations in the Establishment Code.

11. *SLIDA offers more needs based training and trains MDTUs*

Systematic training needs assessment is carried

out and SLIDA's capacity is strengthened. In particular strengthen the MDTUs for training provincial level organizations. Also where feasible create a training capacity at public organizational level to cater to their own needs. Also outsource trainings for which there is no in-house capability.

COMPONENT TWO

AIM

NATIONAL PRODUCTIVITY IS ENHANCED

PROJECT OUTLINE 11

AIM IMPROVE THE PERFORMANCE OF PUBLIC SECTOR PERSONNEL			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
11.1 The Department of Management Services is more effective and efficient			
The Dept. of Management Services improved for service delivery performs according to its mandate	Output 1 1. The Department of Management Services is strengthened and its mandate is given priority Activities - Restructure the Department with clear division of responsibilities between operational functions and policy formulation, planning and carrying out reforms for improving the public sector - Assess manpower needs and recruit - Provide technical assistance to supplement local capacity - Prepare a corporate plan and carry out activities based on the plan.		- MoFP (Dept. of Mgmt. Services) -MoPAdmin. -MLRMP -SLIDA -NPSecretariat - MoLGPC - All Ministries With relevant agencies or line Ministries
11.2 Regular cadre reviews and job studies keep the public sector trim and efficient			
There is rational utilization of human resources for greater efficiency	Output 2 1. Job studies and cadre reviews are conducted on a regular basis by an independent panel and rationalized Activities - Prepare TOR for the panel - Select the panel and commission - Discuss findings of the study with staff and reach consensus on rational utilization of human resources		- MoFP (Dept. of Mgmt. Services) -MoPAdmin. -MLRMP -SLIDA -NPSecretariat - MoLGPC - All Ministries With relevant agencies or line Ministries

11.3 The best candidates are selected for public service through an independent scheme that selects only on merit			
The public service is staffed with efficient and competent staff	Output 3 1. A scheme of recruitment of public officers based on merit through an independent and transparent scheme is introduced and implemented Activities - Prepare job descriptions and identify qualifications and advertise - Hold competitive examinations and select the best - Conduct interviews and select for recruitment - Appraise recruits at completion of probation		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - SLIDA - NPSecretariat - MoLGPC - All Ministries With relevant agencies or line Ministries
11.4 Recruitments, adoption of new procedures and processes are carried out according to a plan and not ad hoc			
Staff are more content as organizations are systematic in recruitments and operations	Output 4 1. Corporate plans are formulated and implemented Activities - Conduct a participatory workshop to prepare a corporate plan - Implement plan		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - MoLGPC - SLIDA - NPSecretariat - All Ministries With relevant agencies or line Ministries
11.5 Staff is trained systematically for the tasks they are responsible			
Trained staff is able to fulfill their responsibilities	Output 5 1. Training needs assessments are conducted and plans prepared with technical inputs from SLIDA and staff is trained and reoriented Activities - Form an internal group with technical inputs from SLIDA and conduct a needs assessment based on the corporate plan - Identify processes that can be computerized along with training needs - Prepare a training plan - Implement and follow up		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - MoLGPC - SLIDA - NPSecretariat - All Ministries With relevant agencies or line Ministries
11.6 With participatory management systems in place service delivery is more efficient and effective			
Staff is more involved in decision making and service delivery is more efficient and effective	Output 6 1. Participatory management systems are introduced and implemented Activities - Identify outcomes, outputs and processes		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - MoLGPC

	involved in delivering services - Identify the personnel involved in the process and form them into groups to study and make recommendations including computerization - Discuss recommendations at a wider forum and coordinate - Prepare an action plan and implement - Establish a system to regularly review performance		-SLIDA -NPSecretariat - All Ministries With relevant agencies or line Ministries
11.7 Citizens are assured of services of an acceptable standard			
Systems for Citizen satisfaction through service provision are in place.	Output 7 1. Citizens' charters are formulated and implemented Activities - Identify the services to be delivered - Consult stakeholders and prepare norms, standards and minimum requirements from the client - Educate stakeholders on duties and responsibilities - Introduce a system to obtain client feedback - Review performance and improve		- MoFP (Dept. of Mgmt. Services) -MoPAdmin. -MLRMP -MoLGPC -SLIDA -NPSecretariat - All Ministries With relevant agencies or line Ministries
11.8 Staff is motivated to improve performance due to rewards and recognition			
Staff satisfaction levels are high as rewards are based only on performance.	Outputs 8 A reward system linked to performance is established Activities - Carry out performance appraisals by an independent panel - Effect salary increments strictly on performance - Establish an internal scheme to reward best performance based on public response and /or evaluation		- MoFP (Dept. of Mgmt. Services) -MoPAdmin. -MLRMP -MoLGPC -SLIDA -NPSecretariat - All Ministries With relevant agencies or line Ministries
11.9 Staff has access to fair and just systems for grievance handling			
Staff motivation levels are high due to fair practices in handling grievances.	Output 9 1. Conflict and grievance handling mechanism at institutional level is in place Activities - Include the subject in the agenda of NLAC for discussion and recommendations - Appoint a committee to study and come up with appropriate schemes. - Test scheme on pilot basis - Fine tune and apply		- MoFP (Dept. of Mgmt. Services) -MoPAdmin. -MLRMP -MoLGPC -SLIDA -NPSecretariat - All Ministries With relevant agencies or line Ministries

11.10 The working environment is satisfactory with mitigation of all forms of discrimination			
Staff free from sexual harassment and discrimination, concentrates on performance.	Output 10 1. Mechanism with equal gender participation to handle cases of sexual harassment and gender and other forms of discrimination is established along with awareness creation Activities - Include definition, awareness and rules and regulations on sexual harassment and gender discrimination in the agenda of NLAC for discussion - Appoint a committee to study and come up with recommendations - Carry out awareness campaign - Incorporate rules and regulations into the Establishment Code		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - MoLGPC - SLIDA - NPSecretariat - All Ministries With relevant agencies or line Ministries -
11.11 SLIDA offers more needs based training and trains MDTUs			
Training is carried out at different levels - national, provincial and organisational.	Output 11 The capacity of SLIDA to meet the demand for training is improved Activities - Train a pool of trainers drawn from All Island Services to undertake training needs assessment - Based on training needs of individual public organizations, assess the capacity of SLIDA to deliver - Develop a strategy to deliver training services - Based on needs prepare training modules - Train trainers from organizations and MDTUs - Strengthen the capacity of the MDTUs to provide training needs of provincial level organizations - Strengthen the capacity of individual public organizations where appropriate to decentralize training - Outsource training for which there is no in-house capacity, to universities and private sector		- MoFP (Dept. of Mgmt. Services) - MoPAdmin. - MLRMP - MoLGPC - SLIDA - NPSecretariat - All Ministries With relevant agencies or line Ministries -

PROJECT OUTLINES - 12

IMPROVE PRODUCTIVITY IN THE PUBLIC SECTOR AT ORGANISATIONAL LEVEL

Key Issues

The aim of this project intervention is to contribute to productivity increase through addressing management issues, organizational culture and use of technology. Productivity in both the public and private sectors is influenced by macro and micro factors. Macro issues are related to the policy framework, macro economic framework conditions, legal system and the labour market conditions. Micro issues are related to organizational and enterprise level factors and processes related to management. Macro issues are long term and require structural, policy interventions while micro issues are more in the short and medium term and could be addressed at the organizational or enterprise levels within the given framework.

Micro issues affecting productivity are mainly in the areas of labour management, processes, technology and procedures, appreciation of performance, human resource development, organizational culture and participation in management. Sectoral organizations comprising of mainly exporters are available at national level e.g. Ceylon Chamber of Commerce, but sectoral organizations comprising of producers at local level exist only in a few places.

The National Productivity Secretariat (NPS) is the responsible agency for guiding and facilitating productivity improvement programmes in the public and private sectors. At present it is established as a unit in the MRLMP with one director, two assistant directors and sixteen newly recruited HRDAs. Though most of them have had basic training on productivity improvement they lack experience and competencies especially to deal with the private sector and consequently the NPS focuses mainly on public sector organizations. The present institutional arrangement has imposed certain limitations to responding effectively to the demand and to work proactively.

Cleaner production technology that is closely connected with reducing wastage and pollution

and hence productivity, is being adopted by a few public sector organizations and needs to be extended to others.

However, the project outline focuses only on the interventions coming within the purview of respective organizations and their immediate environments. Other critical structural and policy related issues impacting negatively on national productivity are dealt within the other outlines under this Component 2.

Strategy

The National Productivity Secretariat will need to be strengthened for training others; studying productivity issues and for monitoring and follow up. It needs to be present at regional level and also network with other actors in productivity.

The public sector has to be revamped with citizens' charters to be in tune with clients and also adopt a code of ethics. A three year plan to step up productivity in all public sector organizations should be formulated and implemented. Use modern technology like IT to improve productivity.

Key Interventions

1. *The NP Secretariat acquires the capacity to support the public sector more effectively*

The National Productivity Secretariat has to be strengthened to support productivity enhancement in organizations; to train trainers of organizations so that they can do their own capacity building; it should also develop a capacity for research into productivity issues and it should collaborate with other similar actors and networks.

2. *Citizens' Charters ensure that organisations cater to the felt needs of their clients*

Citizens' charters will help organizations to make sure that they are delivering the right services at

the right time and at the right price.

3. *Public sector organizations are on a path towards productivity increase with the adoption of a code of ethics*

The adoption of a code of ethics puts the organization on a systematic path of productivity increase.

4. *A concerted effort to increase productivity in the public sector is made*

A three year plan to increase productivity is formulated and with the approval of the highest authority, implemented.

5. *Service delivery becomes more systematic and efficient with the adoption of new technology*

Public officers should be trained to use modern technology for efficient and high quality service delivery.

COMPONENT TWO

AIM

NATIONAL PRODUCTIVITY IS ENHANCED

PROJECT OUTLINE 12

AIM IMPROVE PRODUCTIVITY IN THE PUBLIC SECTOR AT ORGANISATIONAL LEVEL			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold) -MLRMP
12.1 The NP Secretariat acquires the capacity to support the public sector more effectively			
Specific and a wide range of services are offered by the NP Secretariat	Output 1 The National Productivity Secretariat is strengthened and made more effective and efficient Activities - Assess the organisational arrangement and capacity of NPS with regard to its mandate and improve the organisation with required capacity - Decentralise at the provincial level - Train an adequate number of resource persons from the public, private and NGO sectors to facilitate and provide consultancies for productivity improvement and maintain a data base on them - Provide theoretical and on the job training to core staff members - Undertake research to identify productivity issues, processes, standards and strategies for effecting improvements in different organisations - Network with other productivity organisations		-MoFP -Dept. of Mgmt. Services -MoPAdmin. -SLIDA -SLILG -NPSecretariat With relevant agencies or line Ministries -Chambers -NGOs

	- Develop and establish a comprehensive monitoring and evaluation system for assessing performance at organisational and individual levels		
12.2 Citizens' Charters ensure that organisations cater to the felt needs of their clients			
Citizens' needs are fulfilled and satisfaction ensured	Output 2 Citizens' charters are prepared for public institutions and the public are educated on it Activities - Conduct work studies with the participation of stakeholders and agree on work /service norms/standards - Create awareness among the public on the norms/standards and about the minimum requirements from the client - Establish a system to obtain feedback from the client and review regularly		MLRMP -MoFP -Dept. of Mgmt. Services -MoPAdmin. -SLIDA -SLILG -NPSecretariat With relevant agencies or line Ministries -Chambers -NGOs
12.3 Public sector organizations are on a path towards productivity increase with the adoption of a code of ethics			
Public sector staff adhere to the accepted code of ethics and hence productivity increases are systematic	Output 3 A code of ethics is prepared and adopted Activities - Prepare code of ethics with the participation of all stakeholders -Raise awareness on the code of ethics with all stakeholders - Establish a system to identify the public officers who adhere best to the code of ethics and reward		MLRMP -MoFP -Dept. of Mgmt. Services -MoPAdmin. -SLIDA -SLILG -NPSecretariat With relevant agencies or line Ministries -Chambers -NGOs
12.4 A concerted effort to increase productivity in the public sector is made			
Service delivery becomes prompt and of high quality	Output 4 A 3 year productivity improvement programme covering all public sector organizations is planned and implemented Activities - Obtain highest level decision to make planning and implementation of a 3 year productivity improvement programme mandatory in all public sector organizations - Obtain highest level decision to recognize and reward best performance in accordance with set standards. - Conduct awareness programmes for the political leadership and higher management - Conduct training programmes for the public sector organization employees on productivity improvement		MLRMP -MoFP -Dept. of Mgmt. Services -MoPAdmin. -SLIDA -SLILG -NPSecretariat With relevant agencies or line Ministries -Chambers -NGOs

	- Assist in preparing productivity improvement plans at organizational and individual levels - Assist in monitoring and reporting performance - Organize competitions among different groups of organizations at divisional, district, provincial and national levels - Rank organizations according to performance and recognize and reward performance		
12.5 Service delivery becomes more systematic and efficient with the adoption of appropriate technology			
Public sector staff acquire new technical skills for efficient service delivery	Output 5 Modern technology (e.g. ICT) is utilized for making processes more efficient Activities - Conduct awareness programmes for public officers on the use of ICT for improving efficiency - Identify processes for applying ICT with the participation of public officers - Develop appropriate software and test - Train officers and provide hardware		MLRMP -MoFP -Dept. of Mgmt. Services -MoPAdmin. -SLIDA -SLILG -NPSecretariat With relevant agencies or line Ministries -Chambers -NGOs

PROJECT OUTLINE - 13

IMPROVE PRODUCTIVITY IN THE PRIVATE SECTOR AT ORGANISATIONAL LEVEL (Micro, Small and Medium Enterprises {MSMEs})

Key Issues

The aim of this project intervention is to improve productivity of the private sector with regard to management, organizational culture and use of technology. Productivity in both the public and private sectors is influenced by macro and micro factors. Macro issues are related to the policy framework, macro economic framework conditions, legal system and the labour market conditions. Micro issues are related to organizational and enterprise level factors and processes related to management. Macro issues are long term and require structural, policy interventions and micro issues are more in the short and medium term and could be addressed at the organizational or enterprise levels within the given framework.

mainly related to policies, outdated and rigid labour laws on recruitment and severance; mismatch between supply and demand of labour; poor labour relations; a large number of holidays; remuneration and reward systems not based on performance; unfavourable macro economic environment and poor physical and institutional infrastructure. Micro issues affecting productivity are mainly in the areas of labour management, processes, technology and procedures, appreciation of performance, human resource development, organizational culture and participation in management. Sectoral organizations comprising of mainly exporters are available at national level e.g. Ceylon Chamber of Commerce, but sectoral organizations comprising of producers at local level exist only in a few places.

Macro issues that adversely affect productivity are

The National Productivity Secretariat (NPS) is the

responsible agency for guiding and facilitating productivity improvement programmes in the public and private sectors. Due to limitations, the NPS focuses mainly on public sector organizations. The present institutional arrangement has imposed certain limitations to responding effectively to the demand and to work proactively.

Micro, Small and Medium Enterprises (MSME) is another important area that needs priority in productivity improvement. In Sri Lanka 50,000 registered and 125,000 unregistered small enterprises account for 70% of employment and 55% of gross value added in the private sector. This sector suffers from low productivity, underemployment and poor working conditions which are caused by the lack of entrepreneurial, managerial, planning skills and access to finance at reasonable cost. The MSMEs due to the lack of awareness do not recognize that they are short of the aforementioned skills and their importance. Due to these factors and stiff competition due to globalization and other external environmental factors, the survival rate is comparatively low.

In Sri Lanka, the business development service providers have also not adequately developed their competencies to offer attractive and effective products at affordable prices. Most service providers are competent to provide only entrepreneurship development training, the effectiveness of which is also questionable.

Productivity improvement in the above areas necessitates a wide array of interventions ranging from conducive macro economic framework conditions to the improvement of internal processes within the organization.

Recognizing the importance of ensuring the success of MSMEs and also up-scaling these into small and medium and creating new enterprises, the government has established for this purpose a new ministry for Enterprise Development and Investment Promotion along with an authority, National Enterprise Development Authority. The Authority has plans to extend services to the grass roots level while coordinating all the other agencies and services related to enterprise development.

In parallel to the government intervention, the Federation of Chambers of Commerce and Industries of Sri Lanka (FCCISL) with donor assistance have initiated developing regional Chambers throughout the country offering services for enterprises. FCCISL also annually organizes selection of the best entrepreneurs at different levels. Cleaner production technology that is closely connected with reducing wastage and pollution and hence productivity, is also offered by FCCISL.

However, the project outline focuses only on the interventions coming within the purview of respective organizations and their immediate environments. Other critical structural and policy related issues impacting negatively on national productivity are dealt within the other outlines under this Component 2.

Strategy

The MSMEs need to organize themselves if they wish to influence macro policy conditions and improve their own management, procurement and marketing. Most MSMEs are not aware and do not practice sound business and production practices. They need awareness of these practices that serve to increase productivity and also finance should be linked to adoption of sound BD practices. An assistance package too should be put together at least initially and service providers prepare relevant packages for MSMEs. Chambers are engaged by NPS to improve productivity of the MSMEs.

Key Interventions

1. MSMEs' sectoral and apex organisations function according to expectations

MSMEs are persuaded to form their own sectoral organisations for collective policy influence, procurement of inputs and marketing.

2. MSMEs are able to obtain BD & cleaner production and other services at affordable rates

Identify service providers for the whole range of BD services and ensure they offer high quality services at reasonable prices.

3. *MSMEs realize the importance of the BD package and also the benefits tied to it*

Relevant service packages for each sector are prepared and an assistance scheme too is in place.

MSMEs are motivated to obtain and benefit from a BD package and also benefits like credit that should be tied to it. Devise a financial assistance scheme for subsidizing the cost of BD services. Service providers prepare critical packages for MSMEs.

5. *Chambers take on the task of influencing the productivity of MSMEs*

The NP Secretariat enters into an agreement with the Chambers for improving productivity of MSMEs on a going concern basis.

4. *MSMEs participate in the service programmes through conviction*

COMPONENT TWO

AIM

NATIONAL PRODUCTIVITY IS ENHANCED

PROJECT OUTLINE 13

AIM IMPROVE PRODUCTIVITY IN THE PRIVATE SECTOR AT ORGANISATIONAL LEVEL (MSMEs)			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
13.1 MSMEs' sectoral and apex organisations function according to expectations			
MSMEs identify common issues and take collective action	Output 1 MSMEs are motivated and sectoral organizations are formed Activities - Conduct awareness among MSMEs to form sectoral organizations - Motivate and assist regional Chambers to facilitate the formation of sectoral organizations - Facilitate sectoral organizations to federate at a higher level		- MoEDIP - NEDA - MoRISEP - MLRMP - NPSecretariat - EFC - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries
13.2 MSMEs are able to obtain BD & cleaner production etc. services at affordable rates			
MSMEs are aware of means of improving productivity	Output 2 A pool of consultants /service providers competent in providing diverse products to MSMEs at affordable costs, is developed Activities - Design a scheme to establish a pool of service providers at regional level to provide BDS on a commercial basis		- MoEDIP - NEDA - MoRISEP - MLRMP - NPSecretariat - EFC - Chambers - FCCISL - MoFP - MoPAdmin.

	- Call for applications - Provide training on cleaner production technology, energy audit, entrepreneurship development, business planning, accounting, management, processing, packaging, ISO certification and marketing		With relevant agencies or line Ministries
13.3 MSMEs realize the importance of the BD package and also the benefits tied to it			
MSMEs obtain updated BD package and attached benefits	Output 3 An effective demand for business development services is created Activities - Conduct awareness programmes to MSMEs on the importance of business development services - Develop a scheme to assist entrepreneurs to procure services - Motivate financial institutions to tie up BDS package with credit for enterprises - Assist BDS providers to develop new products and promote them		- MoEDIP - NEDA - MoRISEP - MLRMP - NPSecretariat - EFC - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries
13.4 MSMEs participate in the service programmes through conviction			
The service package is attractive to MSMEs as it caters to their needs	Output 4 Service programmes are planned and implemented Activities - Identify and design critical service packages for each sector for improving productivity and competitiveness, e.g. energy efficiency, alternative energy, pollution reduction etc - Call for applications from MSMEs - Design a scheme for subsidizing BD services		- MoEDIP - NEDA - MoRISEP - MLRMP - NPSecretariat - EFC - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries
13.5 Chambers take on the task of influencing the productivity of MSMEs			
A liaising system for supporting MSMEs for productivity improvement is in place through the chambers	Output 5 Chambers are educated and engaged in productivity improvement Activities - Educate chambers on productivity improvement and sign MOUs for servicing MSMEs by NPS - Develop processes, methods and measurements for productivity improvement for the MSME sector in collaboration with the Chambers - Create awareness among MSMEs on productivity improvement - Incorporate criteria for productivity improvement into the Best Entrepreneur competitions at different levels conducted by the Chambers		- MoEDIP - NEDA - MoRISEP - MLRMP - NPSecretariat - EFC - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries

PROJECT OUTLINE - 14

IMPROVE PRODUCTIVITY IN THE PRIVATE SECTOR AT ORGANISATIONAL LEVEL (SUBSISTENCE AGRICULTURE SECTOR)

Key issues

The aim of this project intervention is specifically to improve the productivity of the subsistence agriculture sector. The contribution to the GDP from the agriculture sector during 1995-2005 was around 18.6% indicating a 15% decline compared to the period 1985-1995. The current contribution is 17.2%. The contribution to employment too of the sector has declined from 36.8% in 1995 to 30.7% in 2005. The average growth of the sector during the last four years was 1.2% (Ten Year Horizon Development Framework 2006-2016).

The agricultural sector is an important determinant of national economic growth and regional contribution to the national economy. However, this sector registers low productivity and is dominated by small holders and subsistence farmers who adopt traditional management practices. Therefore, there is a positive relationship between poverty and the importance of the agriculture sector in the economy. Also the contribution from the regions where agriculture is dominant, to the GDP is low e.g. 4.4% from the Uva province; 3.9% from the North Central and 6.9% from Sabaragamuwa while the Western Province contributes 48.3% (Department of Census and Statistics -2004).

The non-plantation agriculture sector comprises of paddy and other food crops that are mainly cultivated on a subsistence level. Paddy has been given prominence since independence and also extension, research and development had focused on it. However, though the paddy sector has achieved higher production levels with improved technology and irrigation facilities, productivity needs to be improved in order to make it commercially viable. Very little attention has been paid to the development of other food crops until recent times and they remain as a small holder and subsistence farming activity with low technology and productivity. In addition to these, the non-paddy food crop sector is faced with the problem of the lack of adequate research and

development, marketing facilities, extension and financial services. With globalization, a widening export market and with some interventions taken under some special projects along with some government incentives, private sector participation in the other food crop production and processing has commenced. However, these initiatives are inadequate to make a significant impact on productivity and development of the non paddy food crop sector.

In order to accelerate the growth of the economy and also increase the contribution from economically backward regions and increase employment and reduce poverty, productivity improvement in the non-plantation agriculture sector should be given high priority.

Strategy

Food crop farmers should be organized for collective action and assisted to make plans for productivity improvement. Necessary infrastructure, like irrigation, access roads and markets need to be set in place. Extension services should be improved and farmer leaders involved. Farmers should be made aware of different marketing options e.g. forward contracts etc. and market intelligence shared with them. Value additions should be promoted.

Key Interventions

1. *Food crop farmers are organized for collective action to increase productivity*

Farmers are made aware of the benefits of organizing themselves and they are trained in leadership, management and finance.

2. *Crop farmers participate in preparing plans for productivity improvement*

Issues related to productivity are discussed by the farmers through PRAs and plans are formulated for addressing them.

3. *Essential infrastructure for food crops is put in place and operated and maintained in a participatory manner*

Local roads, irrigation and markets etc. are improved with community participation also for operation and maintenance.

4. *Food crop farmers are able to obtain extension services that they require*

Extensions workers need to be trained and access research and pass them on to farmers through farmer leaders.

5. *Farmers are able to benefit from improved financial and business development services*

Farmers are trained to manage their own revolving funds and also understand various financial and business services options.

6. *Farmers are linked to competitive and improved markets with better access roads*

Farmers should be made aware of producing quality products and about standards to be followed. They should also be made aware of the different types of markets and about forward contracts.

7. *Farmers understand post harvest technologies and value addition for better incomes*

Post harvest technologies; storage possibilities and finance assistance for better prices and value addition options should be taught to the farmers.

COMPONENT TWO

AIM

NATIONAL PRODUCTIVITY IS ENHANCED

PROJECT OUTLINE 14

AIM IMPROVE PRODUCTIVITY IN THE PRIVATE SECTOR AT ORGANISATIONAL LEVEL (SUBSISTENCE AGRICULTURE SECTOR)			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
14.1 Food crop farmers are organized for collective action to increase productivity			
Food crop farmers have their own organisations for promoting their interests	Output 1 Organizations for food crop farmers are formed and strengthened Activities - Conduct awareness programmes - Form village level organizations - Conduct training programme for office bearers on leadership, management, finance and productivity		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries

14.2 Food crop farmers prepare their own plans for productivity improvement			
Realistic plans are formulated and the process is driven by the farmers.	Output 2 Issues and constraints are identified and productivity plans are prepared through Participatory Rural Appraisals (PRA) Activities - Train extension workers on PRA - Conduct village level PRAs - Identify issues and constraints related to productivity - Identify and plan interventions		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries
14.3 Essential infrastructure for food crops is put in place and, operated and maintained in a participatory manner			
Necessary infrastructure that contributes to productivity are in place with farmers taking over operations and maintenance	Output 3 Local level roads, irrigation and market places are improved Activities - Identify and prioritize infrastructure needs - Prepare designs and cost estimates - Carry out with community participation and establish a participatory mechanism for Operation & Maintenance		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries
14.4 Food crop farmers are able to obtain extension services that they require			
Farmers obtain productivity focused extension services	Output 4 Research and extension services are improved Activities - Conduct research on identified issues - Train extension workers on productivity improvement - Conduct pilot studies with community participation on identified issues - Train farmer leaders and conduct field days		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries

14.5 Farmers are able to benefit from improved financial and business development services			
Farmers understand the various options they have with regard to financial & business services	Output 5 Access to financial and other business development services is improved Activities - Educate and train farmer organizations to establish and manage revolving funds - Conduct awareness programmes for farmer organizations on available financial and other services - Provide services to access financial services		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries
14.6 Farmers are linked to competitive and improved markets with better access roads			
Farmers bring out quality produce and have several market options	Output 6 Marketing linkages are improved Activities - Disseminate market information among farmer organizations - Facilitate meetings between farmer organizations and buyers - Educate farmers on product quality and standards - Educate farmers on advantages of the forward contract system - Facilitate entry into forward contracts - Promote local collectors and buyers - Improve local market places. - Improve rural roads connecting farms and markets		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries
14.7 Farmers understand post harvest technologies and value addition for better incomes			
Farmers with awareness of value addition and storage options, are able to increase incomes	Output 7 Value addition is improved Activities - Conduct awareness on post harvest technology - Facilitate credit for storage to minimize losses - Conduct awareness on processing and packaging technologies - Conduct enterprise training programmes - Facilitate with business development services to start new ventures and improve the existing ventures		-MoAgri.Dev -Agrarian Services -NPSecretariat -NGOs -MLRMP -MoLGPC -District /Divisional Secretariats - Chambers - MoFP - MoPAdmin. With relevant agencies or line Ministries

Chapter 4

Component 3:

Rights at Work and Social Dialogue are Promoted

Introduction

The Constitution of Sri Lanka adopted in 1978 guides Parliament, the President and the Cabinet on safeguarding fundamental rights including social justice, equal opportunities and social security and welfare. In addition, the Government of Sri Lanka has ratified forty ILO conventions including the eight core conventions that guarantee core labour standards dealing with freedom of association, forced labour, equality and child labour.

Despite all the guarantees provided by the Constitution and the ratified ILO conventions, deficits continue to exist in several areas. Having an informal sector which provides more than 70% of employment is assumed to create a major deficit in productive employment, rights at work, improved working conditions, occupational safety and health and social protection. However, this assumption is based on the comparison with the norms and standards of the formal sector. There could be informal arrangements in relation to rights at work and social protection. Even in the formal public sector, deficits are found with regard to grievance addressing systems, social dialogue and productive employment. The formal private sector too has similar deficits. These deficits have contributed to poor industrial and workplace conditions and relations, and these in turn have contributed to low productivity and low economic growth. In 2005 the private sector had faced 17 strikes with the consequent loss of 149,982 man days. In 2006 there had been 19 strikes with the loss of 72,528 man days. In the public sector in 2006 there had been a total of 28 strikes with consequent loss of man days (source-Department of Labour, 2007).

Generally decent work deficits are associated with work place conditions, but in the case of economic zones, particularly Katunayake and Biyagama, workers are subjected to exploitation

and harassment due to lack of accommodation, security, transport, health facilities, counseling and recreational facilities. It is observed that government has made large investments and offered incentives for benefiting enterprises but had hardly invested in the area of workforce welfare.

The deficits in the public sector are mainly due to the hierarchical organizational structures; politicization with regard to recruitment, promotions, disciplinary action and unionization; lack of awareness on and the lack of systems for participation, and the reward system not being linked to performance. The Department of Labour has been the sole authority in safeguarding rights at work and dispute resolution for the private sector while the Ministry of Public Administration is responsible for the public sector. The Department comprises of two divisions, one for looking after labour standards and the other for industrial relations. The Industrial Relations Division focuses on termination of employment, trade unions, arbitration and social dialogue with four separate units. However, its approach has been more enforcement oriented than on participation and promotion of social dialogue. This approach needs to be changed with the development of the Department's capacity to promote Decent Work. In the private formal sector too, poor industrial relations due to the lack of awareness and opportunities for participatory management among both the employers and employees and the politicization of trade unions contribute to the confrontational relationships between the two parties.

In the informal sector, the lack of a government policy and a comprehensive programme for developing it, is assumed to contribute to the prevailing serious deficits. However, this assumption is based on comparison with the formal sector and not on hard evidence.

Trade unions have been recognized the world over as the key to worker welfare. Most trade unions are ideology based and often affiliated to political parties. Some TUs may lack negotiation skills, which sometimes lead to adversarial relationships and may sometimes even deviate from their mandates.

Some trade unions do not practice internal democracy and do not encourage active participation of members particularly women. Negative attitudes of trade unions and employers towards each other have created mistrust and have given rise to a non-conducive environment for promoting social dialogue. Another barrier for promoting economic growth, productive employment and other decent work conditions, has been the unwillingness of trade unions to take into account the connection between macro economic conditions and worker issues. Due to this environment Trade unions are not strong as they face conflicts internally and among themselves. Only about 20% of employees are currently unionized and of the 7,653 registered unions only 1,778 are legally functioning and only about 300 are active. 80% of the formal sector employees are not organized and of the trade unions established only about 18% are active. This situation has affected the welfare of the workers.

Several reasons have contributed to this situation, the principal among them being the politicization of trade unions which may sometimes result in deviations from their mandate, and the resultant lack of confidence in the leadership for ensuring worker welfare. A consequence of this is the poor internal democracy in some trade unions. Trade unions in general have not fully utilized the potential of the worker organization for the welfare of the membership, through such programmes as assisting children's education, families to cope with emergencies, housing and supplementary economic activities, but confined itself to narrow trade union activity. Trade unions can also in association with banks and NGOs introduce micro-insurance and credit schemes for their membership. This has made some trade unions ineffective in terms of worker welfare and reduced the active participation of members.

In a less developed country like Sri Lanka it

would not be feasible to expect government and employers to provide adequate social protection without the participation of employees. There is a great potential to mobilize the strength of workers for their own social protection if their organisations are strengthened and sectorally organized. In order to launch an effective programme for ensuring decent work, it is important to undertake a comprehensive study of various aspects of trade unions.

The prevailing deficits came to be identified and initial steps taken to address them mainly with the ratification of the relevant ILO conventions and the resultant policy initiatives taken in the fields of employment, productivity and decent work with the support of the ILO. Under these initiatives capacity building has taken place with regard to the MLRMP, the Department of Labour, the Employers Federation of Ceylon, the trade unions and tripartite coordinating arrangements.

The Ministry has recently set up a special unit on Social Dialogue under the Industrial Relations Division within the Department of Labour. The Social Dialogue Unit comprises of one Assistant Commissioner, four officers and three support staff and with this limited capacity has led to the adoption of a micro approach to the issue focusing mainly on promoting harmonious relations between employers and employees to address conflicts at the enterprise level. The Unit understands the limitations of its approach, the lack of capacity and needs for improvement. However, plans are in the pipeline to strengthen the social dialogue aspect of the Department to give it more prominence for reorienting the approach of the Department.

The MLRMP has also established the National Institute of Labour Studies (NILS) with the objective of strengthening employer - employee relations; enhancing labour productivity; increasing awareness on labour laws; strengthening trade unions and encouraging social dialogue.

Prior to the setting up of the NILS and the Social Dialogue Unit to deal with industrial relations, the Trade Union Unit was in existence to deal with trade union matters and employee and employer relationships. Prior to any planning and

implementation of fresh projects there is a need to review the mandates of these three bodies for a rational allocation of functions and coordination for ensuring greater efficiency and effectiveness.

Employers are organized under the EFC (with 500 employer companies as members) obtaining advisory, human resource development services and representation in disputes and negotiations. EFC also lobbies for policy issues and monitors labour laws. It has contributed to the education of employers on labour law and industrial relations while some initiatives have been taken to promote collective agreements (wages, benefits and dispute settlement); a code with regard to persons with disabilities; gender equality and corporate social responsibility. Though EFC has been established for the benefit of employers, it can be used to promote decent work at work places which in turn will contribute to productivity and profitability.

The need for tripartite coordination is essential for

promoting rights at work, social dialogue and social protection and the government has taken an initiative in establishing a National Labour Advisory Council (NLAC) for the purpose. The Council needs to be given legal recognition and its capacity built in order to fulfill its mandate.

The informal sector needs, for its mainstreaming and for safeguarding decent work principles, to be assisted with awareness creation and services and this should be based on a study of the prevailing arrangements for social dialogue and rights at work.

The project outlines under this section aim at assisting the Department of Labour to carry out its re-organizational plan with capacity development for improving planning, coordination and supervision. The project will contribute to mainstreaming the informal sector for incorporating decent work principles. The EFC and the trade unions are also assisted under the project to improve awareness and capacity building for social dialogue and improved rights.

PROJECT OUTLINE - 15

STRENGTHEN THE DEPARTMENT OF LABOUR FOR ENSURING RIGHTS AT WORK AND SOCIAL DIALOGUE

Key Issues

The aim of this project intervention is to strengthen the Department of Labour not only to regulate and enforce but also develop and promote rights at work and social dialogue. The Department of Labour is the lead agency responsible for Decent Work in both the public and private sectors and towards this end it has set up two divisions, one for looking after labour standards and the other for industrial relations. The Industrial Relations Division focuses on termination of employment, trade unions, arbitration and social dialogue with four separate units. The Department has also established the National Institute of Labour Studies (NILS) with the objective of strengthening employer - employee relations; enhancing labour productivity; increasing awareness on labour laws; strengthening trade unions and encouraging

social dialogue. These various units have been established from time to time in order to regulate and promote labour standards.

Prior to any planning and implementation of fresh projects regarding the Department, there is a need to review the mandates of these three bodies for a rational allocation of functions and coordination for ensuring greater efficiency and effectiveness. Both regulatory and promotional functions have to be differentiated and operated distinctly towards achieving Decent Work.

Trade unions play a key role with regard to worker welfare. However, most trade unions are ideology based and often affiliated to political parties, which may sometimes result in deviations from their mandates. This has made most trade unions ineffective in terms of worker welfare and reduced the

active participation of members. TUs have to be more proactive with regard to worker welfare.

Strategy

The Department of Labour has first to be reassessed with regard to its structure and capacity to not only regulate but also undertake promotional, developmental programmes regarding Decent Work. It is vital to formulate a corporate plan and carry out human resource development prior to any other task.

It is vital to identify Decent Work gaps at work places through a survey and in a participatory way plan remedial action at all levels.

Trade unions should be supported to clarify their mandates, promote active participation of the membership, democracy and social dialogue so that they contribute to Decent Work. The Department should also promote collective agreements to smoothen labour relations. Workers in the economic zones experience unsatisfactory outside work place conditions - accommodation, security, health and recreational and these need to be improved as an incentive.

Key Interventions

1. The Department of Labour is reorganized and its capacity strengthened for Decent Work

It is essential to reassess its structure and capacity for Decent Work. Formulate a corporate plan and implement it, commencing with the human resource development component. The Labour Department should assess work place performance through a Management Information System.

2. Decent Work is promoted and enforced at work places at different levels according to a participatory plan

Identify Decent Work deficits at work places through a survey and carry out a participatory plan to eliminate deficits at different levels.

3. Work place performance is assessed through a computerized management information system

Formulate indicators for assessing work place performance regarding Decent Work; determine the data requirements and design formats and procedures for data collection and processing and, establish a computerized system.

4. Trained staff is able to supervise and report on regulation and promotion of Decent Work at work places

Department staff is trained to carry out both promotional and regulatory work at work places through the use of tested formats and procedures designed for the purpose.

5. The performance of Trade Unions with regard to Decent Work is monitored more effectively

The Department staff develops a sound system with adequate indicators and procedures for monitoring and evaluating trade union performance regarding Decent Work. TUs are also trained in this regard.

6. Trade Unions adopt plans to promote active participation of their membership in the TU activities and for social dialogue

Trade unions are supported to appraise the current status with regard to participation and social dialogue and to develop plans for organizational capacity building, for promoting active participation of their membership and for sharing best practices and implementing them.

7. Labour relations are Improved through entering into collective agreements with full knowledge of implications for both parties

Collective agreements are promoted by the Department to improve labour relations.

8. Workers enjoy improved outside work place conditions, especially in the economic zones

Accommodation, security, medical /health and recreational facilities especially for workers in the economic zones are improved and serve as an incentive for them to continue working.

COMPONENT THREE

AIM

RIGHTS AT WORK AND SOCIAL DIALOGUE ARE PROMOTED

PROJECT OUTLINE 15

AIM STRENGTHEN THE DEPARTMENT OF LABOUR FOR ENSURING RIGHTS AT WORK AND SOCIAL DIALOGUE			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
15.1 The Department of Labour is streamlined and its capacity strengthened for Decent Work promotion and regulation			
The Department of Labour is capable of achieving Decent Work through its promotional, developmental and regulatory functions	Output 1 1. The Department of Labour is re-organized and strengthened to supplement its regulatory functions with promotional and developmental work Activities - Revisit the vision, mission and strategies of the Department and formulate and implement a corporate plan - Assess the existing structure and capacity of the Department for planning and implementation of Decent Work policy, responsibilities and identify gaps and fill - Implement the human resource development programme for equipping staff with necessary skills and competencies		- MLRMP - Dept. Labour - MoFP - MoPAdmin. - District/ Divisional Secretaries - EFC - TUs With relevant agencies or line Ministries - FCCISL - Chambers
15.2 Decent Work is promoted and enforced at work places at different levels according to a plan owned by all stakeholders			
Work places implement planned projects for the adoption of Decent Work norms	Output 2 1. An integrated plan based on work places is prepared and implemented to strengthen enforcement and promotion of decent work principles Activities - Conduct a base line survey of work places regarding decent work - Analyse the situation and identify Decent Work gaps in a participatory manner - Identify strategies and formulate programmes and projects at different levels - district, province and national, for Decent Work - Implement and monitor		- MLRMP - Dept. Labour - MoFP - MoPAdmin. - District/ Divisional Secretaries - EFC - TUs With relevant agencies or line Ministries - FCCISL - Chambers

15.3 Work place performance is assessed through a computerized management information system			
Decent Work performance of work places is monitored and assessed efficiently	Output 3 1. Develop and establish a management information system with a base line and a set of indicators for assessing performance at work places Activities - Develop a set of indicators to measure the status and performance regarding decent work at work places - Identify data needs and prepare formats and procedures for collection and processing - Establish a computerized information system		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/ Divisional Secretaries -EFC -TUs - With relevant agencies or line Ministries - FCCISL -Chambers
15.4 Trained staff are able to supervise and report on regulation and promotion of Decent Work at work places			
Promotion and regulation of Decent work at work places are efficiently carried out by Department staff	Output 4 1. An integrated system of supervision and reporting on both aspects of regulation and promotion at work places is established and operational Activities - Carry out training needs assessment - Reorient and train field officers to equip them for integrated supervision and reporting functions - Conduct a study and develop formats and procedures - Carry out a test - Evaluate, improve and replicate		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/ Divisional Secretaries -EFC -TUs - With relevant agencies or line Ministries - FCCISL -Chambers
15.5 The performance of Trade Unions with regard to Decent Work is monitored more effectively			
Trade Unions' contribution to Decent Work is monitored and assessed systematically by the Department	Output 5 1. A system for improved performance monitoring and evaluation (M&E) of trade unions is established and operational Activities - Identify a set of indicators to monitor performance of TUs - Establish a monitoring and evaluation system and operationalise - Develop reporting formats and train TUs on the M&E system - Follow up with guidance and assistance to develop capacity (these activities could be effectively carried out in collaboration with NILS)		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/ Divisional Secretaries -EFC -TUs - With relevant agencies or line Ministries - FCCISL -Chambers
15.6 Trade Unions (TU) adopt plans to promote active participation of their membership in the TU activities and for social dialogue with the support of the Department			
TUs understand in depth what participation of membership is and are also willing to engage in	Output 6 1. Trade unions are supported to promote active participation of their membership, and for social dialogue		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/

social dialogue	Activities - Conduct participatory workshops and develop norms and standards for measuring status and development - Conduct awareness programmes for leaders and members of TUs on the importance of organizational capacity development - Facilitate self appraisals by TUs and identify development interventions and prepare a plan and cost sharing budget - Support TUs to implement the plans - Monitor and guide - Identify best practices and disseminate		Divisional Secretaries -EFC -TUs With relevant agencies or line Ministries - FCCISL -Chambers
15.7 Labour relations are improved through entering into collective agreements with full knowledge of implications for both parties			
Adversarial relationships between employers and employees are minimised	Output 7 1. Collective agreements are promoted Activities - Commission a study to evaluate existing collective agreements and explore implications for employers and employees - Conduct awareness for trade unions and employers on collective agreements - Facilitate collective agreements		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/ Divisional Secretaries -EFC -TUs With relevant agencies or line Ministries - FCCISL -Chambers
15.8 Workers enjoy improved outside work place conditions, especially in the economic zones			
Outside work place conditions for workers especially in economic zones has improved	Output 8 1. Outside work place conditions of workers are improved Activities - Design a scheme to offer an incentive package for the construction and improvement of hostel facilities - Improve supervision of workers' accommodation through local authorities - Improve security in and around living places, transport, counseling, medical and recreational facilities with the participation of relevant agencies		- MLRMP - Dept. Labour - MoFP - MoPAdmin. -District/ Divisional Secretaries -EFC -TUs With relevant agencies or line Ministries - FCCISL -Chambers

PROJECT OUTLINE - 16

STRENGTHEN THE ROLE OF THE EMPLOYERS' FEDERATION OF CEYLON (EFC) IN THE PROMOTION OF DECENT WORK

Key Issues

The aim of this project intervention is to ensure that workplace conditions are conducive for Decent Work. The Decent Work deficits in the formal private sector are mostly with regard to grievance addressing systems, social dialogue and productive employment. These deficits have sometimes contributed to poor industrial and workplace conditions and relations, and these in turn have contributed to low productivity and low economic growth. Many labour disputes linked to these have ended in strikes that have led to the loss of valuable man days.

The prevailing deficits came to be identified and initial steps taken to address them mainly with the ratification of the relevant ILO conventions and the resultant policy initiatives taken in the fields of employment, productivity and decent work with the support of the ILO. Under these initiatives capacity building has taken place with regard to the MLRMP, the Department of Labour, the Employers Federation of Ceylon, the trade unions and tripartite coordinating arrangements. However, more remains to be done.

Employers are organized under the EFC (with 500 employer companies as members) obtaining advisory, human resource development services and representation in disputes and negotiations. EFC also lobbies for policy issues reforms and monitors labour laws. It has contributed to the education of employers on labour law and industrial relations while some initiatives have been taken to promote collective agreements (wages, benefits and dispute settlement); a code with regard to persons with disabilities; gender equality and corporate social responsibility. Though EFC has been proactively promoting decent work at work places which in turn has contributed to Improved productivity and profitability, the extension of such initiatives to a larger segment of industries should be encouraged to foster a culture of better workplace relations.

Strategy

It is vital to create awareness at enterprise level with the support of the EFC that Decent Work benefits both employees and workers, and assist them in implementing plans incorporating Decent Work. Both the management and workers should be trained and motivated for understanding and practicing Decent Work. Hence develop training modules and materials and train a group of resource persons are vital.

It is important to strengthen the Training Unit of the EFC with staff, hardware and training materials and also support carrying out training programmes.

EFC capacity in monitoring, evaluating and researching too need to be increased for effective monitoring and assessment of performance and for understanding and resolving issues relating to decent work deficits.

Key Interventions

1. *Action plans for implementing Decent Work norms at work place level are adopted*

With the support of the EFC, work places prepare modules and training materials for awareness creation on Decent Work and train resource persons for the task. Thereafter, prepare action plans for incorporating Decent Work for increased profitability and implement.

2. *The capacity of management and worker representatives for participatory management, dispute management and occupational safety & health is increased*

Train and motivate management and representatives of workers for implementing Decent Work norms at work places.

3. *The training capacity of EFC training unit is strengthened*

Support the training unit with personnel and development of training materials including a training evaluation system and support training programmes on cost sharing basis.

4. *EFC acquires increased capacity for monitoring, evaluation and research for Decent Work promotion*

For effective monitoring of Decent Work, criteria needs to be agreed upon and data collection system has to be set in place. A benchmark needs to be established and performance monitored. Decent Work related issues will be researched, results disseminated and action taken to resolve issues.

COMPONENT THREE

AIM

RIGHTS AT WORK AND SOCIAL DIALOGUE ARE PROMOTED

PROJECT OUTLINE 16

AIM STRENGTHEN THE ROLE OF THE EMPLOYERS' FEDERATION OF CEYLON (EFC) IN THE PROMOTION OF DECENT WORK			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
16.1 Action plans for implementing Decent Work norms at work place level are adopted			
Action plans for incorporating Decent Work norms are adopted	Output 1 1. Awareness on promoting decent work for enhancing profitability and competitiveness is created among membership of EFC and management and action plans prepared at enterprise level Activities - Develop modules, training materials and case studies - Train a pool of resource persons - Plan awareness programmes - Plan and implement an action programme at enterprise level		- EFC - MLRMP - NILS - MoEDIP - NEDA - Chambers - FCCISL - MoFP - NPSecretariat With relevant agencies or line Ministries
16.2 The capacity of management and worker representatives for participatory management, dispute management and occupational safety and health is increased			
Management and worker representatives exercise acquired capacity for participatory management, dispute resolution etc.	Output 2 1. The capacity of management and worker representatives for participatory management, worker motivation, counseling, conflict management and occupational safety and health is improved Activities - Prepare training materials in collaboration with NILS - Train a pool of trainers in collaboration with NILS - Plan and implement training programmes		- EFC - MLRMP - NILS - MoEDIP - NEDA - Chambers - FCCISL - MoFP - NPSecretariat With relevant agencies or line Ministries

16.3 The training capacity of EFC training unit is strengthened			
The Training Unit of the EFC is strengthened to train on Decent Work	Output 3 1. The training capacity of EFC is strengthened Activities - Support the training unit with a manager, assistant and a secretary and necessary hardware - Provide technical assistance to EFC and NELS for the development of training materials - Assist the development of a training evaluation system - Provide resources for carrying out training programmes on cost sharing basis		- EFC - MLRMP - NELS - MoEDIP - NEDA - Chambers - FCCISL - MoFP - NPSecretariat With relevant agencies or line Ministries
16.4 EFC acquires increased capacity for monitoring, evaluation and research for Decent Work promotion			
With effective monitoring, evaluation and research, EFC is in a strong position to promote Decent Work	Output 4 1. Monitoring, evaluation and research capacity of EFC for decent work promotion is strengthened Activities - Prepare decent work criteria to monitor decent work standards - Establish a bench mark at enterprise level - Monitor and evaluate decent work performance - Identify best practices and disseminate - Identify decent work issues for further detailed study and conduct research in collaboration with NELS and /or universities		- EFC - MLRMP - NELS - MoEDIP - NEDA - Chambers - FCCISL - MoFP - NPSecretariat With relevant agencies or line Ministries

PROJECT OUTLINE - 17

STRENGTHEN THE CAPACITY OF TRADE UNIONS FOR ACTIVE PARTICIPATION IN PROMOTING DECENT WORK

Key Issues

The aim of this project intervention is to support TUs to promote Decent Work. Trade unions have been recognized the world over as the key to worker welfare. Most trade unions are ideology based and often affiliated to political parties and some TUs may lack negotiation skills which often lead to adversarial relationships and even deviations from their mandates. Moreover, some trade unions do not practice internal democracy and do not encourage active participation of members particularly women. Negative attitudes of trade

unions and employers towards each other have created mistrust and have sometimes given rise to a non-conducive environment for promoting social dialogue.

Another barrier for promoting economic growth, productive employment and other decent work conditions, has been the unwillingness of trade unions to take into account the connection between macro economic conditions and worker issues. This environment has sometimes resulted in conflicts internally and among themselves. Only about 20% of employees are currently

unionized and of the 7,653 registered unions only 1,778 are legally functioning and only about 300 are active. 80% of the formal sector employees are not organized and of the trade unions established only about 18% are active.

This situation has affected the welfare of the workers. Several reasons have contributed to this situation, the principal among them being the politicization of trade unions and the resultant lack of confidence in the leadership for ensuring worker welfare. A consequence of this is the poor internal democracy in some trade unions. Trade unions in general have not fully utilized the potential of the worker organization for the welfare of the membership, through such programmes as assisting children's education, families to cope with emergencies, housing and supplementary economic activities, but confined itself to narrow trade union activity. This has made some trade unions ineffective in terms of worker welfare and reduced the active participation of members. Trade unions can also in association with banks and NGOs introduce micro-insurance and credit schemes for their membership.

Strategy

The current Trade Union Act may be inadequate for the promotion and regulation of Decent Work and hence it needs to be reviewed and a new Act enacted. Get the TU involved in studying the factors that affect low unionization and high incidence of inactive unions and plan remedial action with all stakeholders. Use Labour Officers to promote unionization.

TUs should equip themselves with necessary knowledge and skills for negotiating effectively for rights at work and social dialogue. TUs should

also promote social security for workers and their families through establishing linkages with relevant institutions.

Key Interventions

1. *An Updated Trade Union Act is developed and enacted*

All stakeholders are consulted and issues studied and the Act is reviewed by NLAC and through consensus a new Act is enacted

2. *Trade Unions are reactivated, workers are motivated and membership increased*

Study factors affecting low unionization and high inactive unions and with all stakeholders plan remedial action. Train Labour Officers for promoting TUs and train members and non-members of TU on leadership, management and gender.

3. *Trade Unions are able to negotiate and bring about change regarding rights at work and social dialogue*

TUs should create awareness among workers of their rights and negotiate on their behalf. Leadership needs to be capacitated on negotiation skills and appreciating all the factors including macro economic conditions that impinge on worker welfare.

4. *Trade Unions are better able to promote social protection for workers and their families*

Workers need to be made aware of social protection and TUs should establish useful linkages for promoting it among members and their families.

COMPONENT THREE

AIM

RIGHTS AT WORK AND SOCIAL DIALOGUE ARE PROMOTED

PROJECT OUTLINE 17

AIM STRENGTHEN THE CAPACITY OF TRADE UNIONS FOR ACTIVE PARTICIPATION IN PROMOTING DECENT WORK			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
17.1 An Updated Trade Union Act is developed and enacted			
The new TU Act is oriented towards promoting Decent Work	Output 1 1. The Trade Union Act is reviewed and appropriate changes are recommended and enacted Activities - Review the TU Act in the light of the transformations in the social, economic and political environment and the necessity to broaden the scope of trade unions to safeguard decent work (by NLAC) - Undertake studies on issues identified and debate with stakeholders - Reach consensus and make enactment		-MLRMP -NLAC -TUs -EFC -NILS -NGOs -Banks -MoEDIP -Chambers -FCCISL -MoFP -MoPAdmin. With relevant agencies or line Ministries
17.2 Trade Unions are reactivated, workers are motivated and membership increased			
Trade Unions are more active and membership has increased	Output 2 1. Trade union membership is increased, giving prominence to women. Activities - Undertake a study for understanding factors for low levels of unionization and for the high numbers of inactive unions - Organise a stakeholder workshop and present study findings and identify action - Conduct training programme for labour officers to be used as change agents to motivate workers to organize themselves and to improve participation - Conduct leadership, gender and management training for selected TU representatives and workers not yet unionized		-MLRMP -NLAC -TUs -EFC -NILS -NGOs -Banks -MoEDIP -Chambers -FCCISL -MoFP -MoPAdmin. With relevant agencies or line Ministries

17.3 Trade Unions are able to negotiate and bring about change regarding rights at work and social dialogue			
Trade Unions have enhanced their capacity to promote rights at work and social dialogue	Output 3 1. Trade unions have become a vehicle for promoting rights at work and social dialogue Activities - Conduct awareness for workers on their rights and labour laws and duties and responsibilities - Prepare code of ethics for TUs, discuss and adopt - Engage TU leadership on discussions relating to macro-economic fundamentals and their impact on growth and equity - Build capacity of TU on negotiating skills		-MLRMP -NLAC -TUs -EFC -NILS -NGOs -Banks -MoEDIP -Chambers -FCCISL -MoFP -MoPAdmin. With relevant agencies or line Ministries
17.4 Trade Unions are better able to promote social protection for workers and their families			
Trade Unions establish linkages with relevant institutions for the promotion of social security	Output 4 1. Trade unions have become promoters of social protection Activities - Conduct awareness on social protection among TU members - Create awareness on the possibility of using the TUs for providing social security, emergency assistance and family welfare - Facilitate linkages with relevant organisations e.g. micro insurance and finance organisations - Conduct training to develop necessary planning and management skills - Provide incentives and backstopping to TUs		-MLRMP -NLAC -TUs -EFC -NILS -NGOs -Banks -MoEDIP -Chambers -FCCISL -MoFP -MoPAdmin. With relevant agencies or line Ministries

PROJECT OUTLINE - 18

ESTABLISH AND OPERATIONALIZE A TRIPARTITE MECHANISM FOR CONSENSUAL LABOUR REFORMS

Key Issues

The aim of this project intervention is to assist in encoding Decent Work, in new Labour Laws that are agreed upon on a tripartite basis. The Constitution of Sri Lanka adopted in 1978 guides Parliament, the President and the Cabinet on safeguarding fundamental rights including social justice, equal opportunities and social security and welfare. In addition, the Government of Sri Lanka has ratified forty ILO conventions including the

eight core conventions that guarantee core labour standards dealing with freedom of association, forced labour, equality and child labour. All these guarantees and Decent Work can be assured only if all three actors namely government, employers and employees work in concert. The informal sector too needs to be influenced in some way as it gives employment to 70% of total employment.

The need for tripartite coordination is essential for promoting rights at work, social dialogue and

social protection and the government has taken an initiative in establishing a National Labour Advisory Council (NLAC) for the purpose. The Council needs to be given legal recognition and its capacity built in order to fulfill its mandate.

Assisting the Department of Labour; the Employees Federation of Ceylon and the Trade Unions to clarify their mandates, rationalize their institutions and functions, and build capacity for Decent Work is essential. It is also crucial that a single body of all these three actors too be supported for Decent Work.

A joint inter political party group that will guide labour policy issues is also deemed useful as consensus on labour reforms is indispensable for consistent improvement.

Strategy

An inter-political party body needs to be established for forging a common labour policy and for steady improvements. A running dialogue on labour reform with the public to obtain their cooperation is also vital. The NLAC needs to be legally constituted and function effectively with competent members. It will make studied recommendations on important labour issues. Since the informal sector is responsible for 70% of employment, it should be influenced for rights at work and social dialogue, supported with an incentive package.

Key Interventions

1. *An Inter Political Party Body ensures consistent labour policies for reforms*

It is vital that all political parties in Parliament

forge a common policy on labour reforms and such a body needs to be supported with a Secretariat at the MLRMP.

2. *The Public is made aware of the new labour reforms and their implications for various stakeholders and a dialogue is created*

A dialogue with the public is created and views on labour reforms are exchanged. An effective media campaign should be considered.

3. *NLAC is legally constituted and supported with a well equipped secretariat*

NLAC should be supported with an efficient secretariat and its members' capacity is increased for effective work.

4. *NLAC identifies key labour issues, commission studies; share results with relevant parties, and build consensus on labour issues*

NLAC Identified labour issues are studied by NILS and recommendations are made.

5. *NLAC makes studied recommendations on labour issues to Government*

Agreement is reached on recommendation and these are forwarded to Government for approval.

6. *The informal economy too adopts rights at work and social dialogue*

The prevailing status is studied and awareness is created through sector organizations. Enterprises are offered an incentive package for improving work place conditions

COMPONENT THREE

AIM

RIGHTS AT WORK AND SOCIAL DIALOGUE ARE PROMOTED

PROJECT OUTLINE 18

AIM ESTABLISH AND OPERATIONALIZE TRIPARTITE MECHANISM FOR CONSENSUAL LABOUR REFORMS			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
18.1 An Inter Political Party Body ensures consistent labour policies for reforms			
The Inter Political Party Body ensures that labour reforms acceptable to all parties will be implemented	Output 1 1. Inter political party body on labour issues is established and consensus reached on policy issues Activities - Constitute a representative body of all parties in parliament to forge a common policy on labour law reforms - Establish a secretariat at the MLRMP - Prepare a terms of reference in consultation with the members - Prepare policy recommendations on major labour issues and reach consensus		- MLRMP - MoPAdmin. - EFC - TUs - MoP Admin. - MoFP - District and Divisional Secretaries - With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL
18.2 The Public is made aware of the new labour reforms and their implications for various stakeholders and a dialogue is created			
Public is made aware of labour reforms and their views are obtained for consideration	Output 2 1. Awareness campaign for the public on key labour issues is planned and implemented Activities - Plan and conduct awareness programmes for the public - Develop materials for electronic and print media and publish - Create a dialogue through electronic media and newspapers		- MLRMP - MoPAdmin. - EFC - TUs - MoP Admin. - MoFP - District and Divisional Secretaries - With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL

18.3 NLAC is legally constituted and supported with a well equipped secretariat			
NLAC becomes a vital link in the labour reforms programme for ensuring Decent Work	Output 3 1. NLAC is established as a legal entity with a clearly defined mandate and a well equipped secretariat for its services Activities - Adopt the constitution and gazette the NLAC - Establish a secretariat with adequate staff and other resources - Develop the capacity of the NLAC membership with training and appropriate exposure		- MLRMP - MoPAdmin. - EFed of Ceylon - District and Divisional Secretaries - With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL - MoFP
18.4 NLAC identifies key labour issues, commission studies, share results with relevant parties, and builds consensus on issues			
NLAC studies key labour issues and reaches agreement on the way forward	Output 4 1. Key labour issues are identified by NLAC, studied and awareness is created among relevant parties Activities - Identify, discuss and prioritize labour issues - Conduct studies on selected issues by NILS - Make recommendations and review progress of implementation		- MLRMP - MoPAdmin. - EFC - TUs - MoP Admin. - MoFP - District and Divisional Secretaries - With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL
18.5 NLAC makes studied recommendations on labour issues to Government for approval			
NLAC makes recommendations based on consensus to Government	Output 5 1. Agreement is reached on key labour issues and recommendations are made to the government for enactment Activities - Discuss and reach agreement and submit to NCED for approval		- MLRMP - MoPAdmin. - EFC - TUs - MoP Admin. - MoFP - District and Divisional Secretaries - With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL

18.6 The informal economy too adopts rights at work and social dialogue

Workers in the informal sector enterprises too enjoy Decent Work	Output 1. Rights at work and social dialogue are practiced in the informal economy Activities - Study prevailing arrangements in this sector for safeguarding rights at work and social dialogue. - Conduct awareness programmes on the importance and benefits of decent work for sectoral organizations that have been already formed through other interventions. - Assist and guide enterprises to improve conditions with an incentive package	- MLRMP - MoPAdmin. - EFC - TUs - MoP Admin. - MoFP - District and Divisional Secretaries With relevant agencies or line Ministries - NPSecretariat - MoRISEP - SLBFE - Chambers - FCCISL
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Component 4:

Social Security is Improved

Introduction

In Sri Lanka 30% of the workforce is in the formal sector and 70% is in the non-formal sector. The formal sector employees have a pension scheme for public servants and EPF and ETF for the private sector and semi government for ensuring social protection and it covers only 65% of those eligible.

In Sri Lanka the majority of people have security in the areas of food, health and housing. The major challenge that remains to be overcome is ensuring income security during loss of employment, emergencies and old age. In terms of eligibility, 7.2 million Sri Lankans of working age are entitled to formal social security benefits. Only about 3.5 million, or just over 50% of the workforce is actually benefiting from existing social security schemes. The level of worker coverage by formal schemes for old age security is 28%. Though this is high in comparison to low income countries poorer than Sri Lanka, it is lower than middle income countries such as Malaysia, Thailand and Korea where coverage ranges from 50-100%. The available schemes are the following: Public Service Pension Scheme / Widows' and Orphans' Scheme; Employees' Provident Fund; Approved Private Provident Funds; Public Service Provident Fund; Farmers' Pension Scheme; Fishermen's Pension Scheme and the Self Employed Persons' Pension Scheme (refer: Diagnostic Report on Social Security Situation in Sri Lanka, IPS, 2003).

The government has introduced a number of pension schemes to cover farmers, fishermen and the low income self employed to ensure social protection in the informal sector. However, the coverage has been very minimal and faced with a number of constraints. In addition the government has a number of public assistance schemes such as Samurdhi, charity payments to the poor and vulnerable families for protection though

these are inadequate. The Samurdhi programme has established a Social Protection Fund for 1.9 million of its members with a monthly family contribution of Rs.45/ deducted from the Samurdhi payment. The fund covers death (Rs.10,000/ per death), hospitalization and scholarships for children. In addition there are different formal and informal arrangements to meet emergencies of households in the informal sector, such as funds organized at the Agrarian Services Center level and "Seettu" among closely knit groups. There are also community organized Funeral Aid Societies and Thrift and Credit Societies for meeting emergencies. In recent years a few initiatives have been taken by a few NGOs to provide alternative social protection schemes for the low income groups in the form of micro insurance schemes. Though the coverage is small there is a potential for replicating them.

All the above schemes suffer from the following weaknesses.

1. Low coverage (of the 5.7 million subsistence farmers only 1 million are covered; of 150,000 fishermen only 48,000 are covered; of the 1.5 million self employed 65,000 are covered).
2. Inadequacy of the government contribution.
3. Inadequacy of the pension received during retirement.
4. Non viability of the pension schemes.
5. Lack of management and technical capacity.

As the pension scheme is not adjusted adequately to inflation, it has become hardly adequate. Except for higher income earners, EPF too is not adequate as social protection in many cases. In the private sector, evasion and non contribution to EPF by employers and the unwillingness of employees also to contribute to EPF due to lack of awareness have made social protection weak.

Due to lack of protection during unemployment

and loss of employment, labour mobility has been restricted and has made the labour force vulnerable. While this has weakened the bargaining power of the work force it has become a hindrance to progressive labour reform.

With increased life expectancy, the aging population is rapidly increasing making the provision of social protection a heavy burden to the government. The government's ten year development framework, Mahinda Chintana has introduced a number of schemes to assist vulnerable groups and the poor such as the disabled, senior citizens, children and Samurdhi recipients with cash grants. However, the issue of providing adequate retirement benefits to the formal and informal sector workers has not been addressed.

The current schemes linked to occupational status cover more men than women. Consequently 70% of the uncovered population is female despite the fact that the overwhelming bulk of the individuals who will need income support when old are women, who will be enjoying higher life expectancy levels and will outlive their spouses.

In the case of EPF and ETF while improving compliance, gaps need to be filled. In order to cover

the informal sector the present schemes need to be unified and made more viable through the provision of adequate funds and capacity building. As a stop gap measure, informal arrangements operating at community level should be encouraged and strengthened.

Several studies have been conducted specially in 2002-2003 with ILO sponsorship to understand social security in the country though no concrete action has been undertaken to follow up due to various reasons. Therefore there is a need to revisit these studies and recommendations and initiate a tripartite discussion for consensus.

Occupational Safety and Health (OSH) is an important element of social protection but it is not adequately addressed in Sri Lanka. The Factory Ordinance Act No. 45 of 1942 is the only measure available for safeguarding OSH and only about 30% of the workforce is covered by it. A new Act though is being drafted at present. OSH is considered the responsibility of only the employer while it needs to be a collective effort for effectiveness, supplemented by regulatory measures.

PROJECT OUTLINE - 19

IMPROVE AND EXTEND SOCIAL SECURITY

Key Issues

The aim of this project intervention is to extend social security, particularly in the informal sector. Of the total workforce, 30% are in the formal sector and of this only 65% benefit from a government pension scheme or EPF and ETF. 70% in the informal sector do not have any social security at all. Social security will have to be provided to these workers too. Government social security and pension schemes neither cover sufficient numbers nor benefit realistically e.g. not adequately adjusted to inflation. From the social security perspective, there are several gaps that need to be filled. Labour mobility is a serious side effect of the lack of social security during unemployment.

Several studies have been carried out with ILO sponsorship and these need to be taken into consideration.

Strategy

At the outset it is important to start a dialogue with the public, TUs and EFC on social security related issues. The inter-political party mechanism will scrutinise the issues and reach agreement on policy. Then the NLAC will further study the issues and agree on a scheme which is approved by the NCED, the Cabinet and finally Parliament and then the social security scheme will be implemented.

The existing government sponsored pension schemes for farmers, fishermen and the self-employed should be improved, make them viable and extend coverage. The informal sector too should be benefited from mutual social security schemes.

Key Interventions

1. Workers and the public are more aware of social security and related issues

Important studies on the subject are revisited dialogues commenced among TUs and EFC and other related bodies. Carry out media campaigns, seminars and workshops.

2. Political party consensus is reached on sustainable and adequate retirement benefits

The inter-political party mechanism scrutinizes the social security issue and reaches agreement on a common policy.

3. A Social Security Scheme is developed on the basis of a Tripartite agreement

NLAC designs a social security scheme based on studies and discussions among all stakeholders.

4. The NLAC scheme is approved by Parliament

and is implemented

Obtain the approval of NCED for the proposed scheme a bill drafted for Cabinet and presented to Parliament. With approval the scheme is implemented.

5. EPF and ETF coverage is increased with improved enforcement

Workers and employers need to be made aware of the importance of superannuation schemes and also enforcement is strengthened.

6. The existing pension schemes (farmers, fishermen and self-employed) are improved, made viable and coverage extended

Competent staff is recruited and promotional work is carried out. Capital is increased for stability and extension of coverage.

7. Mutual social security schemes for those in the informal sector, especially for women and those with disabilities are in place

For those in the informal sector, especially women and those with disabilities mutual social security schemes are benefited through linkage with mutual societies.

COMPONENT FOUR

AIM

SOCIAL SECURITY IS IMPROVED

PROJECT OUTLINE 19

AIM IMPROVE AND EXTEND SOCIAL SECURITY TO ALL			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
19.1 Workers and the public are more aware of social security and related issues			
Strong public opinion is created about social security	Output 1 1. Public dialogue on social security is initiated and awareness is created Activities - Revisit existing studies and other country experience on social security - Carry out a media campaign on issues and possible options - Create discussions within TUs, EFC and the public service - Conduct seminars and workshops for stakeholders		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. - NGOs With relevant agencies or line Ministries - District /Divisional Secretaries
19.2 Political party consensus is reached on sustainable and adequate retirement benefits			
Agreement is reached among political parties regarding social security	Output 2 1. Agreement is reached among political parties on the issue of sustainable and adequate retirement benefits Activities - Constitute a representative body of all parties in parliament to forge a common policy on social security - Prepare a terms of reference in consultation with the members - Prepare policy recommendations on major labour issues and reach consensus		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. - NGOs With relevant agencies or line Ministries - District /Divisional Secretaries

19.3 A Social Security Scheme is developed on the basis of a Tripartite agreement			
NLAC develops a social security scheme that is acceptable to all parties	Output 3 1. Tripartite agreement is reached on a national social security scheme and developed (NLAC) Activities - Commission a study (by NLAC) to formulate a scheme - Discuss scheme and reach consensus - Commission a study (by NLAC) to formulate a scheme - Discuss scheme and reach consensus		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. - NGOs With relevant agencies or line Ministries - District /Divisional Secretaries
19.4 The NLAC scheme is approved by Parliament and is implemented			
A social security scheme is launched with the consensus of all stakeholders	Output 4 1. The approved scheme is planned and implemented Activities - Submit agreed upon scheme to NCED and obtain approval - Obtain Cabinet Approval - Draft a Bill and submit to Parliament - Implement scheme		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. - NGOs With relevant agencies or line Ministries - District /Divisional Secretaries
19.5 EPF and ETF coverage is increased with improved enforcement			
More private sector workers benefit from EPF and ETF	Output 5 1. EPF and ETF coverage is improved Activities - Increase awareness among workers and employers - Improve enforcement		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries - District /Divisional Secretaries

19.6 The existing pension schemes (farmers, fishermen and self-employed) are improved, made viable and coverage extended			
Farmers, Fishermen and the Self-employed have adequate social security coverage	OUTPUT 6 1. Existing Pension schemes for Farmers, fishermen and self employed are promoted, strengthened and made viable. Emphasis to be given to women and persons with disabilities Activities - Recruit competent higher management staff on merit basis - Train staff on planning, management, marketing, record keeping, monitoring, responding to claims, assessing damages / losses, computer literacy and communication skills - Introduce and implement a performance based remuneration system - Launch a promotional scheme with attractive incentives especially focusing on women and the disabled - Increase capital to ensure financial viability		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. - NGOs With relevant agencies or line Ministries - District /Divisional Secretaries
19.7 Mutual social security schemes for those in the informal sector, especially for women and those with disabilities are in place			
Informal sector workers, particularly women and those with disabilities benefit from mutual social security schemes	Output 7 1. Informal social security arrangements are encouraged and strengthened. Emphasis to be given to women and persons with disabilities Activities - Create public awareness on mutual social security schemes and promote focusing especially on women and disabled - Conduct capacity building programmes for such organisations - Extend the benefits of the Samurdhi Social Security Fund to non-Samurdhi low income families - Promote farmer organisations and other producer organisations to establish their own mutual social security fund and assist with capacity building		- MLRMP - Agricultural and Agrarian Insu. Board - NLAC - MoSSSW - Mo Plantations - Samurdhi - MoRISEP - Chambers - FCCISL - MoFP - MoPAdmin. With relevant agencies or line Ministries - District /Divisional Secretaries

PROJECT OUTLINE - 20

IMPROVE OCCUPATIONAL SAFETY AND HEALTH

Key Issues

The aim of this project intervention is to ensure that Occupational Safety and Health (OSH) is given adequate attention as an important element of social protection. Up to now the Factory Ordinance Act No. 45 of 1942, implemented since 1950 is the only measure available for safeguarding OSH in factories. However, OSH issues in the field e.g. plantations, are not covered. In 1995 regulations were framed to make the Act more effective. This Act is enforced by the Industrial Safety Division of the Department of Labour. It is manned by a deputy commissioner, three inspecting engineers, ten district engineers and 23 factory inspectors. Inspectors are expected to visit factories, ensure safety and report back. It is estimated that there are about a 100,000 factories in the formal sector in the country and of this only about 15,000 are registered with the Division. To date only about 30% of the workforce in the formal sector is covered for OSH while the entire workforce of the informal sector is yet to be covered.

A new Act on OSH has been drafted in 2005 and another Act for establishing a National Institute of Occupational Safety and Health. These Acts are being prepared to be presented to Parliament. With these two Acts there is a change in the approach with regard to OSH from enforcement to incentives and motivation. The Institute is expected to strengthen education, awareness and training in OSH to achieve its objectives. A significant contribution could be made to the OSH area by mere education and awareness of the workers to be safety conscious and take measures to prevent accidents. The new set up will require adequate capacity building and other resources with effective coordination between factory inspection and promotional functions. Even the present set up has a capacity constraint with regard to manpower and resources to provide a satisfactory service even to the already registered factories.

Though the necessary institutional arrangements

are in place on paper, in order to address OSH issues, capacity development needs to be addressed urgently.

OSH is considered the responsibility of only the employer while it needs to be a collective effort for effectiveness, supplemented by regulatory measures. The Institute should not only cater to the formal sector but also to the informal sector. In addressing the OSH issues in the informal sector, education, awareness and pilot projects should be used as a strategy more than enforcement.

Strategy

The Industrial Safety Division and the proposed National Institute of Occupational Safety and Health (NIOOSH) both should be adequately capacitated to fulfill their functions satisfactorily. A mandatory licensing scheme needs to be introduced, performance monitored and followed up. An integrated OSH plan with tripartite cooperation for education, training, inspection and monitoring needs to be implemented. OSH standards and systems for monitoring are set in place. Close monitoring and followup is essential.

Key Interventions

1. *The National Institute of Occupational Safety and Health and Industrial Safety Division are rationalized and their capacity needs assessed and fulfilled*

Both these institutions need to have their capacity strengthened. Hence needs should be assessed and fulfilled.

2. *OSH is ensured through a licensing scheme of workplaces that is made mandatory*

Study workplaces and determine OSH standards for various categories. Design a mandatory licensing scheme. Create awareness on OSH among all stakeholders. Set up a data base of workplaces, regularly update and follow up.

3. With Tripartite collaboration, an integrated OSH plan is implemented

Planning workshop (tripartite) and formulate interventions for education, awareness, training, inspection, monitoring and promotion. Implement the programme and also adopt an award scheme for best work place.

4. OSH standards are fixed; bench mark and data

base is established and maintained

OSH standards are established and systems for a data base and monitoring are set in place and implemented systematically.

5. OSH performance is systematically monitored and followed up

Design a monitoring system and follow up closely.

COMPONENT FOUR

AIM

SOCIAL SECURITY IS IMPROVED

PROJECT OUTLINE 20

AIM IMPROVE OCCUPATIONAL SAFETY AND HEALTH			
Outcomes	Outputs / Activities	Budget (Rs. Million) Timeframe 1-2 Short (S) 3-5 Medium (M) 6-10 Long(L)	Partner (Lead Agency in bold)
20.1 The National Institute of Occupational Safety and Health and Industrial Safety Division are rationalized and their capacity needs assessed and fulfilled			
Both NIOSH and ISD are capable of fulfilling their functions effectively	Output 1 1. Allocation of functions between the Industrial Safety Division (ISD) and the National Institute of Occupational Safety and Health (NIOSH) are rationalized and capacity needs are assessed and fulfilled Activities - Conduct a participatory workshop and identify and allocate functions rationally between the organisations and units - Make an assessment of personnel and other resources required and also make arrangements to use existing resources rationally - Recruit staff and procure resources		- MLRMP - MoHealth - MoIndus.Develop. - Mo Plant. - MoEDIP - MoRISEP - MoFP - MoPAdmin. - EFC - TUs - Chambers With relevant agencies or line Ministries
20.2 OSH is ensured through a licensing scheme of workplaces that is made mandatory			
Workplaces ensure OSH in their places and are monitored and followed up	Output 2 1. A licensing scheme of workplaces for safeguarding OSH is designed, introduced and implemented		- MLRMP - MoHealth - MoIndus.Develop. - Mo Plant. - MoEDIP - MoRISEP

	Activities - Conduct a study of workplaces and set OSH standards for different categories - Design a mandatory licensing scheme with an adequate grace period - Conduct awareness programmes on the benefits of OSH through the media and make registration of defined workplaces mandatory - Establish a data base of work places and up-date - Implement and monitor the licensing scheme		- MoFP - MoPAdmin. - EFC - TUs - Chambers With relevant agencies or line Ministries
20.3 With Tripartite collaboration, an integrated OSH plan is implemented			
OSH is promoted and observed through an integrated plan	Output 3 1. An integrated plan to ensure OSH in Sri Lanka is developed and implemented Activities - Conduct a tripartite planning workshop and formulate interventions for education, awareness, training, inspection, monitoring and promotion - Implement service and promotional programmes in partnership with the private sector and other stakeholders - Select best performers (workplaces) and reward		- MLRMP - MoHealth - MoIndus Develop. - Mo Plant. - MoEDIP - MoRISEP - MoFP - MoPAdmin. - EFC - TUs - Chambers With relevant agencies or line Ministries
20.4 OSH standards are fixed; bench mark and data base is established and maintained			
OSH performance is based on accepted standards	Output 4 1. A bench mark and a data base on OSH is established and maintained Activities - Identify norms and standards for OSH - Design a format for registration, obtain information and verify - Design software package and establish a data base - Establish a mechanism to up date regularly		- MLRMP - MoHealth - MoIndus.Develop. - Mo Plant. - MoEDIP - MoRISEP - MoFP - MoPAdmin. - EFC - TUs - Chambers With relevant agencies or line Ministries
20.5 OSH performance is systematically monitored and followed up			
OSH performance improves with systematic monitoring and followed up	Output 5 1. A sound monitoring system is established for necessary follow up Activities - Design a monitoring system - Conduct awareness - Monitor and disseminate information - Follow up		- MLRMP - MoHealth - MoIndus Develop. - Mo Plant. - MoEDIP - MoRISEP - MoFP - MoPAdmin. - EFC - TUs - Chambers With relevant agencies or line Ministries

ANNEX I

LIST OF PERSONS WHO CONTRIBUTED TO THE PROJECT OUTLINES

Government

Mr. Mahinda Madihewa, Secretary, Ministry of Labour Relations and Man Power
Mr. Upali Atukorale, Sr. Assistant Secretary, " "
Mr. D.L. Kumaradasa, Addl. Secretary " "
Mr. P. Jayasinghe, Director Planning, Research and Development "
Mr. W. Wimalaweera, Asst. Director, Labour Market Information "
Mr. Chintaka Coorey, Asst. Director, Employment Division "
Mr. D.V. Bandulasena, Director Career Guidance, "
Ms. Padmini Ratnayake, Additional Secretary, "
Ms. Nadeeka Wataliyadda, Asst. Commissioner, Social Dialogue Unit, Department of Labour
Mr. P. Madanayake, Asst. Commissioner Trade Union Unit, Department of Labour
Mr. M. Norton Fernando, Advior, MLRMP
Mr. D.S. Edirisinghe, Commissioner General of Labour
Mr. Upali Marasinghe, Director, National Productivity Secretariat
Mr. N.G. Kularathne, Director, National Institute of Labour Studies
Mr. Lucas Indurugalle, Director General, National Institute of Occupational Safety and Health.
Ms. W.L.B. Wijesundara, Commissioner of Industrial Safety, Department of Labour.
Mr. Tilak Hapangama, Secretary, Ministry of Vocational & Technical Training
Ms. Nilanthi Sugathadasa, Sr. Asst. Secretary " "
Mr. Hector Hemachandra, Project Director, Technical Education Development
Project, Ministry of Vocational & Technical Training
Mr. T. Jayasinghe, Chairman, Tertiary and Vocational Education Commission,
Ministry of Vocational and Technical Training
Dr. T.A. Piyasiri, Director General, Tertiary and Vocational Education Commission,
Ministry of Vocational and Technical Training
Mr. B.H.S. Suraweera, Deputy Director General, " "
Mr. Bandula Tilakasiri, Director General, Vocational Training Authority
Mr. Premasiri Kandeliya, Acting CEO, JobsNet
Mr. H. Batagoda, General Manager, SLBFE
Mr. Mr. Ranjan Perera, Director, NAITA
Ms. D.C. Wahalatantri, Asst. Director, Curriculum, NAITA
Mr. Thosapala Hewage, Secretary, MO Enterprise Development and Investment Promotion
Mr. Basnayake, Additional Secretary, Ministry of Enterprise Development and Investment Promotion
Ms. H. Gunwathie, Asst. Secretary, MO Public Administration
Mr. S.T. Kodikara, Sr. Asst. Secretary, MO Public Administration
Mr. Banduratne Hettiarachchi, Advisor, Department of Registration of Persons.
Mr. M. Tilakasiri, Sr. Consultant & Director School of Post Graduate Studies, SLIDA.
Mr. A. Sarath de Silva, Chairman/Director General, National Enterprise Development Authority.
Mr. U.H. Palihakkara, Special Advisor, National Enterprise Development Authority.
Mr. Y. Jagathweera, Director, Industrial Relations, BOI.
Mr. L.D. Dickman, DGM (infrastructure), BOI.

Employees

Mr. Ravi Peiris, Director General, Employers Federation of Ceylon

Trade Unions

Mr. M.R. Shah, President, Ceylon Bank Employees Union.

The ILO Colombo Office

