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Why People Choose to Participate in the Non-Standard Forms of Employment in Sri Lanka

PRIYANKA JAYAWARDENA



INSTITUTE OF POLICY STUDIES OF SRI LANKA



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Acronyms

ACBEU	-	All Ceylon Bank Employees' Union
ACFTU	-	All China Federation of Trade Unions
CEB	-	Ceylon Electricity Board
DCS	-	Department of Census and Statistics
EFFAT	-	European Federation of Food, Agriculture and Tourism
EPF	-	Employees' Provident Fund
EPZ	-	Export Processing Zone
FTZ & GSEU	-	Free Trade Zones & General Services Employees Union
IDRC	-	International Development Research Center
ILO	-	International Labour Organization
ILRF	-	International Labour Rights Forum
LFS	-	Labour Force Survey
NLAC	-	National Labour Advisory Council
PEPSO	-	Poverty and Employment Precarity in Southern Ontario
STEP	-	Skills Towards Employment and Productivity
TUO	-	Trade Union Act
WTO	-	World Trade Organization

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Executive Summary

Workers of non-standard forms of employment are often subject to unstable employment, with insecure employer contracts, limited social security, low paid, poor working conditions etc. As of 2013, more than half of Sri Lanka's of wage employees were attached in non-standard forms of employment - temporary/casual workers or workers without a permanent employer. Given the uncertainty nature of their employment, such workers also find it more difficult to plan their lives in the long-term. The need to promote more decent work in the country is therefore an important policy objective. This calls for exploring ways of transforming non-standard forms of employment to work of greater quality.

In this backdrop, this study investigates as to how these non-standard forms of employment affect the workers in terms of job security, employment based social security coverage, wages etc. Further, this study investigates why such a large proportion of the employees choose to participate in the non-standard forms of employment? This paper attempts to answer these questions using secondary data from Labour Force Survey (LFS) 2013 data.

Data reveals, more than half of the wage employees are temporary workers. As of 2013, out of the total wage employees of 4.7 million, 56 per cent (2.6 million) were in non-standard forms of employment. Data reveals that 90 per cent of temporary and casual workers are attached to the private sector. Further, the private sector has expanded more for temporary and casual jobs in the recent past. During the 2006-2013 period, private sector temporary and casual workers have increased by over 350,000 while permanent

employees have increased only by 15,000 during the same period.

Majority of the temporary/casual workers are not benefitted under social security schemes. EPF Act covers any employee irrespective of whether they are permanent, temporary, casual or shift workers. However, data reveals that out of the temporary workers 86 per cent of them are not covered by either pension scheme or provident fund.

Most of the temporary employees are not given any written contract. Although statute imposes an obligation to issue a letter of appointment to employees, around 83 per cent of temporary and casual employees have not received a written contract. Absence of documentation to establish an employee employer relationship may dilute the worker rights that are stipulated in labour legislation.

Huge unexplainable wage differences exist between permanent and temporary workers. The difference in monthly wages between standard vs non-standard forms of employment were 89 per cent favoring the standard employment. Of the wage differences 43 per cent were due to unexplained reasons such as unequal treatment of non-standard workers; probationary nature of employment etc.

Manpower workers are treated differently to their permanent counterparts -- lack access to social protection, receive low wages, etc. Workers who are not directly hired by the organization they work for, but are hired by third party agents or sub-contractors are referred to as manpower workers. Manpower workers are not given a contract letter either by the company they

work for, or the manpower agency. It is a precarious work arrangement, and raises serious concern as it is often unclear who is responsible and accountable for the rights and benefits of these workers.

Both labour supply side issues as well as limited permanent job opportunities influence the higher incidence of non-standard employment in Sri Lanka. Study findings revealed that labour supply side issues such as less educated, unskilled workers and new labour market entrants were more likely to be engaged in non-standard forms of employment. These factors negatively affect employer's selection criteria for permanent job opportunities. Also, data reveals that private sector has expanded more for temporary and casual jobs in the recent past which creates demand shortages for permanent job opportunities in the labour market.

Therefore, measures need to be taken aiming at restricting the expansion of precarious work while improving the working conditions of precarious workers. It is difficult to completely eliminate this type of labour as it has been integrated into the labour market. Thus, one option is regulating precarious work while safeguarding precarious worker rights. Under this, limiting the number of temporary workers, offering legal protection for agency-hired workers, regulating manpower agencies, and providing social protection for such workers are recommended. Also government could facilitate more and better job creation in the private sector by introducing strategic protective measures to safeguard the rights and benefits of the workers, such as unemployment insurance, universal pension scheme etc.

විධායක සාරාංශය

'අස්ථිර' ස්වභාවයක් ගන්නා රැකියාවල සේවා නියුක්තියෙන්, බොහෝ විට කම්කරු නීතිවලින් ආවරණය නොවන හා අයිතිවාසිකම් උල්ලංඝනයට ගොදුරු විය හැකි අයහපත් සේවා තත්වයන්ට මුහුණ දීමට සිදු වේ. 2013 දී ශ්‍රී ලංකාවේ වැටුප් ලබන සේවකයන්ගෙන් අඩකට වඩා සේවයේ යෙදී සිටියේ තාවකාලික/අනියම් සේවකයන් හෝ ස්ථිර සේවකයන් නැති 'අස්ථිර' ආකාරයේ සේවකයන්ගේය. තම රැකියාවේ අස්ථාවර ස්වභාවය නිසා එවැනි සේවකයන්ට දිගු කාලීනව තම ජීවිත සැලසුම් කිරීම වඩාත් අසීරුය. ඒනිසා රටේ වඩාත් යහපත් රැකියා ප්‍රවර්ධනය කිරීම සඳහා 'අස්ථිර' ස්වභාවයක් ගන්නා රැකියා, විධිමත් සේවය බවට පරිවර්තනය කිරීමේ මාර්ග සොයා බැලීමේ අවශ්‍යතාවයක් පවතී.

මෙම අධ්‍යයනයෙන්, 'අස්ථිර' ස්වභාවයක් ගන්නා රැකියාවල සේවයේ යෙදී සිටින සේවකයන්ට බලපාන රැකියා අනාරක්ෂිත භාවය, සීමිත සමාජ ආරක්ෂණ ආවරණය, අඩු වැටුප් යනාදිය විමර්ශනය කෙරේ.

තවද මේතරම් විශාල සේවක ප්‍රමාණයක් 'අස්ථිර' ස්වභාවයක් ගන්නා රැකියාවල නියුක්ත වන්නේ ඇයිද යන්නත් මෙම අධ්‍යයනයෙන් විමර්ශනය කෙරේ. මෙම අධ්‍යයනය 2013 ඉම බලකා සමීක්ෂණයේ (LFS) දත්ත, ද්විතීය දත්ත ලෙස යොදා ගෙන ඇත.

වැටුප් ලබන ශ්‍රමිකයන්ගෙන් අඩකට වඩා තාවකාලික සේවකයන් බව දත්තවලින් හෙළි වේ. 2013 දී රාජ්‍ය අංශයේ හා පෞද්ගලික අංශයේ සමස්ත සේවක සංඛ්‍යාවෙන් (මිලියන 4.7න්) මිලියන 2.6 ක් හෙවත් සියයට 56 ක් අස්ථිර සේවකයෝ වූහ. තවද තාවකාලික සහ අනියම් සේවකයන්ගෙන් සියයට 90 ක්ම සිටින්නේ පුද්ගලික අංශයේ බව දත්තවලින් හෙළිවේ. මෑතක දී පුද්ගලික අංශයේ ස්ථිර සේවක සංඛ්‍යාවට වඩා වැඩි වේගයකින් තාවකාලික හා අනියම් සේවකයන් සංඛ්‍යාව ඉහළ ගොස් ඇත. 2006 - 2013 කාල සීමාවේ දී පුද්ගලික අංශයේ තාවකාලික සහ අනියම් සේවක සංඛ්‍යාව 350,000 ට වඩා වැඩි ප්‍රමාණයකින් වැඩි වූ අතර එම කාල පරිච්ඡේදය ඇතුළත පුද්ගලික අංශයේ ස්ථිර සේවකයන් වැඩි වූයේ 15,000 කින් පමණි.

අස්ථිර සේවකයන්ගෙන් බහුතරයකට සමාජ ආරක්ෂණ යෝජනාක්‍රම වලින්

ආවරණ ප්‍රතිලාභ අත් වන්නේ නැත. සේවක අර්ථ සාධක අරමුදල් පනතින් සියලු සේවකයන් එනම් ස්ථිර, තාවකාලික, අනියම්, සේවකයන් ආවරණය කරයි. කෙසේ වුවත් රාජ්‍ය අංශයේ හා පෞද්ගලික අංශයේ තාවකාලික රැකියාවල සේවයේ යෙදී සිටින සේවකයන්ගෙන් සියයට 86 ක්ම විශ්‍රාම වැටුපකින් හෝ අර්ථ සාධක අරමුදලෙන් ආවරණය නොවන බව දත්තවලින් හෙළි වේ.

තාවකාලික සේවකයන් බොහෝ දෙනෙකුට සේවා නියුක්ති ලිපියක් ලබා දී නැත. නීතියෙන් සේවකයන්ට පත්වීම් ලිපියක් ලබා දීමට බැඳී ඇති නමුත් තාවකාලික සහ අනියම් සේවකයන්ගෙන් සියයට 83 කටම සේවා නියුක්ති ලිපියක් ලැබී නැත. සේවය සේවක සම්බන්ධතාවය තහවුරු කිරීමට ලිපි ලේඛන නොමැතිවීමෙන් කම්කරු නීතිවලින් දක්වා ඇති සේවක අයිතිවාසිකම් දුර්වලවේ.

සමාන සේවයේ යෙදෙන ස්ථිර සහ තාවකාලික සේවකයන් අතර විශාල වැටුප් පරතරයක් පවතී. සමාන සේවයේ යෙදෙන ස්ථිර සහ තාවකාලික සේවකයන් අතර මාසික වැටුප් පරතරය ස්ථිර සේවකයන්ට නිතකරව සියයට 89 කි. වැටුප් පරතරයෙන් සියයට 43 ක්ම අස්ථිර සේවකයන්ට අසමානව සැලකීම, සේවයේ පරිවාස ස්වභාවය වැනි පැහැදිලි කළ නොහැකි හේතු නිසා ඇතිවේ.

'මෑන් පවර්' සේවකයන් වශයෙන් හඳුන්වන්නේ තමන් වැඩ කරන සංවිධානයට සෘජුවම බඳවා නොගත් තුන්වැනි පාර්ශ්වයක නියෝජිතයන් හෝ උප කොන්ත්‍රාත්කරුවන් (මිනිස් බල නියෝජිත ආයතන) විසින් බඳවා ගත් සේවකයන්ය. බොහෝ විට මෑන්පවර් සේවකයන්ට ඔවුන් වැඩ කරන සමාගමෙන් හෝ මෑන්පවර් ආයතනයෙන් සේවා ගිවිසුම් ලිපියක් ලබා දෙන්නේ නැත. එය ඉතාමත් අස්ථාවර සේවා තත්වයකි. මෙම සේවකයන්ගේ අයිතිවාසිකම් සහ ප්‍රතිලාභ පිළිබඳව වගකීම සහ වගවීම පැවරෙන්නේ කාටද යන්න පැහැදිලි නැති බරපතළ ගැටළු සහගත තත්වයකි. තවද සමාන සේවයේ යෙදෙන ස්ථිර සේවකයන්ට වඩා 'මෑන් පවර්' සේවකයන්ට සමාජ ආරක්ෂණයට අවස්ථාවක් නොමැතිවීම, අඩු වැටුප් ලැබීම ආදී අයහපත් සේවා තත්වයන්ට

මුහුණ දීමට සිදු වේ. ශ්‍රම සැපයුම් පාර්ශ්වයේ මෙන්ම ස්ථිර රැකියා අවස්ථා සීමිත වීම ශ්‍රී ලංකාවේ 'අස්ථිර' සේවා නියුක්තිය ඉහළ මට්ටමක පැවතීම කෙරේ බලපායි. මෑතක දී පුද්ගලික අංශය 'අස්ථිර' රැකියා වර්ධනය වූ බවත් ශ්‍රම වෙළඳ පොළ ස්ථිර රැකියා අවස්ථා සඳහා ඉල්ලුමේ අඩුවීමක් නිර්මාණය වූ බවත් දත්තවලින් හෙළි වේ. තවද නුපුහුණු ශ්‍රමය, අඩු අධ්‍යාපනය, හා නව ශ්‍රම වෙළඳ පොළට ඇතුළුවන්නන් වැනි ශ්‍රම සැපයුම් පාර්ශ්වයේ කරුණුද 'අස්ථිර' ස්වභාවයක් ගන්නා රැකියාවල වර්ධනය කෙරේ බලපාන බව අධ්‍යයනයේ සොයා ගැනීම්වලින් හෙළිවේ. මෙම සාධක සේවකයා ස්ථිර රැකියාවක් සඳහා තෝරා ගැනීමේ නිර්ණායක කෙරේ නිෂේධාත්මකව බලපායි.

'අස්ථිර' ස්වභාවයක් ගන්නා රැකියාවල ව්‍යාප්තවීම සීමා කිරීම සඳහා පියවර ගත යුතු අතර 'අස්ථිර' රැකියාවල සේවයේ යෙදී සිටින සේවකයන්ගේ සේවා තත්වය වැඩි දියුණු කිරීම සඳහා වහා පියවර ගත යුතු වේ. අස්ථිර සේවය විධිමත් සේවය බවට පරිවර්තනය කළ හැකි ක්‍රමයක් වන්නේ කම්කරුවන්ගේ අයිතිවාසිකම් ආරක්ෂා කිරීම සඳහා අස්ථිර සේවය වඩා යහපත් ලෙස නියාමනය කිරීම යි. මේ යටතේ තාවකාලික සේවක සංඛ්‍යාව සීමා කිරීම, ආයතනවලින් බඳවා ගන්නා සේවකයන් සඳහා නීතිමය ආරක්ෂාව ලබා දීම, මෑන්පවර් ආයතන නියාමනය කිරීම සහ එවැනි සේවකයන්ට සමාජ ආරක්ෂණය ලබා දීම නිර්දේශ කෙරේ. ශ්‍රම වෙළඳ පොළට අන්තර්ග්‍රහණය වී ඇති නිසා මේ ආකාරයේ ශ්‍රමය සම්පූර්ණයෙන්ම තුරන් කිරීම දුෂ්කරය. ශ්‍රී ලාංකික සමාගම්වල වාරික ශ්‍රම අවශ්‍යතා හඳුනා ගන්නා ගමන් මෙම ගැටලුවට විසඳුම් සපයා සේවකයන්ට උපරිම යහපත සැලසීමට නම් නියාමනය වඩා යහපත් කිරීම හා ප්‍රතිපත්තිමය රාමුව නැවත සැකසීම සඳහා වහා පියවර ගත යුතු වේ. එමෙන්ම විරැකියා රක්ෂණය, සියලු දෙනාට විශ්‍රාම යෝජනා ක්‍රම වැනි ප්‍රතිලාභ සේවකයන්ට ලබා දීම වැනි උපාය මාර්ගික ආරක්ෂණ පියවර හඳුන්වා දීමෙන් පුද්ගලික අංශයේ වඩාත් හොඳ රැකියා නිර්මාණය කිරීම ආණ්ඩුවට පහසු කරවිය හැකිය.

நிறைவேற்றுச் சுருக்கம்

முறைசாரா அடிப்படையிலான தொழில் வாய்ப்புக்களில் ஈடுபடுகின்ற ஊழியர்கள் நிச்சியமற்ற தொழில்வாய்ப்பு, பாதுகாப்பற்ற தொழில்வாய்ப்பு ஒப்பந்தங்கள், வரையறையான சமூகப் பாதுகாப்பு, குறைந்த சம்பளம், மோசமான வேலைத்தள சூழல்கள் போன்றவற்றுடன் தொடர்புடையவர்களாக உள்ளனர். 2013 ஆம் ஆண்டளவில் முறைசாராத தொழில்வாய்ப்புக்களில் ஈடுபடுகின்ற நாட்க் கூலித் தொழிலாளர்கள், தற்காலிக : சமயாசமயத் தொழிலாளர்கள் அல்லது நிரந்தரமான தொழில் வாய்ப்பைக் கொண்டிராத தொழிலாளர்கள் என்ற வகையில் இலங்கையின் சம்பளம் பெறும் தொழிலாளர்களில் அரைவாசியை பிரதிநிதித்துவப்படுத்துகின்றனர். அவர்களுடைய தொழில் வாய்ப்பின் நிச்சியமற்ற தன்மையின் காரணமாக, நீண்ட காலத்தில் தங்களுடைய வாழ்க்கையை திட்டமிட்டுக் கொள்வதில் மிகுந்த பிரச்சினைகளை எதிர்நோக்குகின்றனர். நாட்டில் தரமானதொரு வேலை வாய்ப்பாக மேம்படுத்துவதற்கான தேவை முக்கியமானதொரு கொள்கை நோக்காக உள்ளது. முறைசாரா தொழில் வாய்ப்புக்களை தரமான தொழில் வாய்ப்புக்களாக மாற்றுவதற்கான வழிவகைகளை ஆராய்வதற்கு இந்த ஆய்வு அழைப்பு விடுக்கின்றது. இதன் பின்னணியில், தொழில் பாதுகாப்பு, தொழில் வாய்ப்பினை அடிப்படையாகக் கொண்ட சமூக பாதுகாப்பு காப்பீடுகள், சம்பளங்கள் முதலியன தொடர்பில் முறைசாரா தொழிலாளர்கள் பாதிப்படைகின்ற விதம் பற்றி இந்தக் கற்கை ஆய்வு செய்கின்றது. மேலும், முறைசாராத தொழில் வாய்ப்புக்களை ஏன் பாரிய சதவீதத்தைக் கொண்ட முறைசாரா தொழிலாளர்கள் தெரிவு செய்கின்றார்கள் என்றும் இந்தக் கற்கை ஆய்வு செய்கின்றது? 2013 ஆண்டு தொழிலாளர் படை ஆய்விலிருந்தான இரண்டாம் தரத் தரவுகளைப் பயன்படுத்தி இந்த வினாக்களுக்கு விடையளிப்பதற்கு இந்தப் பத்திரத்தின் ஊடாக முயற்சிசெய்கின்றது. சம்பளம் பெறுகின்ற ஊழியர்களில் அரைவாசி ஊழியர்கள் தற்காலிக ஊழியர்களாக இருப்பதாக தரவுகள் வெளிப்படுத்துகின்றன. 2013 ஆம் ஆண்டளவில், சம்பளம் பெறுகின்ற 4.7 மில்லியன் அளவான மொத்தத் தொழிலாளர்களில் 56 சதவீதத்தினர் (2.6 மில்லியன்கள்) முறைசாரா தொழிலாளர்களாக இருந்தனர். தற்காலிக மற்றும் சமயாசமய தொழிலாளர்களைச் கொண்ட இந்த முறைசாரா தொழிலாளர்களில் 90 சதவீதத்தினர் தனியார் துறைகளில் தொழில் புரிபவர்களாக இருந்தனர் என்று தரவுகள் வெளிப்படுத்துகின்றன. மேலும், அண்மைக் காலமாக தனியார் துறை அதிகமான தற்காலிக மற்றும் சமயாசமய தொழில் வாய்ப்புக்களை விரிவு படுத்தியுள்ளது. 2006 - 2013 ஆம் ஆண்டு காலப் பகுதியின் போது, தனியார் துறையில் தற்காலிக மற்றும் சமயாசமய தொழிலாளர்களின் எண்ணிக்கை 350,000 இனால் அதிகரித்த அதே வேளை தனியார் துறையில் நிரந்தர தொழிலாளர்களின் எண்ணிக்கை வெறுமனே

15,000 ஆல் மாத்திரமே அதே காலப் பகுதியில் அதிகரித்துள்ளது.

சமூக பாதுகாப்பு திட்டங்களின் கீழ் பெரும்பான்மையான தற்காலிக : சமயாசமய ஊழியர்கள் நன்மைகளைப் பெறுவதில்லை. ஊழியர் சேமலாப நிதியச் சட்டமானது சகல ஊழியர்களையும் அதாவது அவர்கள் நிரந்தர, தற்காலிக, சமயாசமய அல்லது குறிப்பிட்ட பணி வேளைத் தொழிலாளர்கள் (ளாக்கை வறுமநசன) என்று வகைகள் பற்றி கவனம் செலுத்தாது சகல ஊழியர்கள் தொடர்பாகவும் கவனம் செலுத்துகின்றது. எனினும், தற்காலிகத் தொழிலாளர்கள் 86 சதவீதத்தினர் ஓய்வூதியத் திட்டம் அல்லது சேமலாப நிதியம் ஆகிய இரண்டில் ஒன்றிலேனும் உள்ளடக்கப்படவில்லையென தரவுகள் வெளிப்படுத்துகின்றன.

அனேகமான தற்காலிக ஊழியர்களுக்கு எந்தவித எழுத்துருவான ஒப்பந்தங்களும் வழங்கப்படவில்லை. அதே வேளை, எழுத்துருவான ஒப்பந்தங்களைப் பெற்றிராத தற்காலிக மற்றும் சமயாசமய ஊழியர்களான 83 சதவீதத் தொழிலாளர்களுக்கு நியமனக் கடிதமொன்றை வழங்குவதற்கான பொறுப்பொன்றை சட்டமானது விதிக்கின்றது. ஊழியர் தொழில் தருள்களுக்கிடையேயான உறவினை உருவாக்குகின்ற ஆவணங்களின்மையானது ஊழியர் சட்டத்தில் குறிப்பிடப்பட்டுள்ள ஊழியர் உரிமைகளை மழுங்கடையச் செய்யலாம்.

நிரந்தர மற்றும் தற்காலிக தொழிலாளர்களுக்கிடையே நிலவும் பாரிய விளக்கப்படுத்த முடியாத சம்பள முறண்பாடுகள் காணப்படுகின்றன. முறைசாரா தொழிலாளர்கள் மற்றும் முறைசாரா தொழிலாளர்களுக்கிடையேயான மாநாத்த சம்பளங்களின் முறண்பாட்டில் 89 சதவீதம் முறைசாரா தொழிலாளர்களுக்கு சாதமாக காணப்பட்டன. 43 சதவீத சம்பள முறண்பாடுகளாது முறைசாரா தொழிலாளர்களின் சமநிலையற்ற கவனிப்பு, தொழில்வாய்ப்புக்களின் தகுதிகாண் தன்மை போன்றவற்றின் காரணமாக விளக்கப்படுத்த முடியாத காரணங்களினால் ஏற்பட்டன.

ஆளணிவலு தொழிலாளர்கள் தங்களுடைய நிரந்தர தொழிலாளர்களிலும் பார்க்க அதாவது, சமூகப் பாதுகாப்புக்கான குறைந்த பிரவேசம், குறைந்த சம்பளத்தைப் பெறல் போன்றன தொடர்பாக வித்தியாசமான விதத்தில் கவனிக்கப்படுகின்றனர். தொழிலாளர்களை நேரடியாக ஆட்சேர்ப்புச் செய்யாத நிறுவனங்களில் பணியாற்றுகின்ற தொழிலாளர்கள் அவர்கள் முன்றாம் நபர் முகவரகம் அல்லது உப முகவரகத்தினால் ஆட்சேர்ப்புக்கப்பட்டு இன்னொரு நிறுவனத்தில் பணிபுரியும் தொழிலாளர்கள் ஆளணிவலுத் தொழிலாளர்கள் என்று குறிப்பிடப்படும். ஆளணிவலுத் தொழிலாளர்களுக்கு அவர்கள் பணிபுரியும் நிறுவனத்தினாலோ அல்லது அவர்களை ஆட்சேர்ப்புச் செய்த முகவரத்தினாலோ எந்தவித ஒப்பந்தக் கடிதமும் வழங்கப்படுவதில்லை. இது நியாயமற்றதொரு பணி ஏற்பாடாக இருப்பதுடன் இந்த தொழிலாளர்களின் உரிமைகள் மற்றும் அவர்களுடைய பயன்கள் தொடர்பாக வகை கூறல் மற்றும்

பொறுப்பு தொடர்பாக தெளிவற்ற தன்மை காணப்படுவதனால் மிக பாரதூரமான சிக்கல் நிலைமையையும் தோற்றுவிக்கின்றன.

ஊழியர்களை விநியோகம் செய்கின்ற பகுதியின் சிக்கல்கள் மற்றும்மல்லாது வரையறுக்கப்பட்ட நிரந்தரத் தொழில்வாய்ப்புக்கள் ஆகிய இரண்டும் இலங்கையில் முறைசாரா தொழில்வாய்ப்புக்களின் அதி கூடிய நிலமைக்குச் செல்வாக்குச் செலுத்துகின்றன. முறைசாரா தொழில்வாய்ப்புக்களில் ஈடுபடுவதற்கு பொதுவாக குறைந்தளவான கல்வித் தகமைகள், திறன்ற தொழிலாளர்கள் மற்றும் புதிய தொழில் சந்தை நுழைவுகள் காரணமாக இருப்பதுடன் இவை தொழில் விநியோக வகுதியின் பிரச்சினைகளை கற்கை ஆய்வுக் கண்டறிதல்கள் வெளிப்படுத்துகின்றன. நிரந்தர தொழில் வாய்ப்புக்களுக்கான தொழிலாளர்களின் தெரிவு தொடர்பான பிரமாணங்களில் இந்தக் காரணிகள் பாதகமான தாக்கத்தை செலுத்துகின்றன. அத்தோடு, தொழிலாளர் சந்தையில் நிரந்தர தொழில் வாய்ப்புக்கான கேள்வியில் பற்றாக்குறையொன்றை அண்மைய கடந்த காலத்தில் உருவாக்குகின்றமையினால் தற்காலிக மற்றும் சமயாசமய தொழில் வாய்ப்புக்களை தனியார்துறை மேலும் விரிவுபடுத்தியுள்ளது என தரவுகள் வெளிப்படுத்துகின்றன.

எனவே, நியாயமற்ற விதத்தில் பணிக்கமர்த்தப்பட்டுள்ள தொழிலாளர்களின் பணி நிலமைகளை மேம்படுத்தும் அதே வேளை நியாயமற்ற வித்திலான தொழில்வாய்ப்புக்களை மேம்படுத்துவதை மட்டுப்படுத்துவதற்கு இலக்கு வைப்பதற்கான நடவடிக்கைகள் எடுக்கப்படுதல் வேண்டும். முறைசாரா தொழில்வாய்ப்புக்களை முழுமையாக இல்லாதொழிப்புது கடினமான காரியமாகும் ஏனெனில், இவ் வகையான தொழில் வாய்ப்புக்கள் தொழில் சந்தையில் பின்னிப் பிணைந்துள்ளது. இருந்த போதும், நியாயமற்ற விதத்திலான தொழிலாளர்களின் உரிமைகளை பாதுகாக்கும் அதே வேளை அவ்வாறான தொழில் வாய்ப்புக்களை ஒழுங்கு முறைப்படுத்தல் ஒரு தெரிவாகும். இதன் கீழ், தற்காலிக தொழிலாளர்களின் வரையறுத்தல், முகவரங்களினால் ஆட்சேர்ப்புச் செய்யப்படுகின்ற தொழிலாளர்களுக்கான சட்டப் பாதுகாப்பை வழங்குதல், மனிதவலு முகவரகங்களை ஒழுங்குமுறைப்படுத்தல் மற்றும் அவ்வாறான தொழிலாளர்களுக்கு சமூகப் பாதுகாப்பை வழங்குதல் என்பன சிபாரிசு செய்யப்பட்டுள்ளன. தொழில்வாய்ப்பின்மைப் காப்புறுதி, முழுமொத்த ஓய்வூதிய திட்டம் போன்ற ஊழியர்களின் உரிமைகள் மற்றும் நன்மைகளை பாதுகாப்பதற்கான உபாயவழி முன்னெச்சரிக்கை செயற்பாடுகளை அறிமுகம் செய்வதன் ஊடாக தனியார் துறையில் அதிகமான மற்றும் சிறந்த தொழில் உருவாக்கத்திற்கு அரசாங்கமானது வசதியளிப்புச் செய்தல் வேண்டும்.

1. Introduction

Precarious workers are employed on temporary contracts for various durations. Temporary contracts usually undermine the employee benefits such as, lack of access to social protection and benefits which are usually associated with other permanent employment; substantial legal and practical obstacles to joining a trade union and bargaining collectively and also hazardous working conditions etc. In general, precarious work, is part of a global business strategy, practiced by employers to shift risks and responsibilities on to workers (ILO, 2012). Precarious workers are those who perform duties and tasks of permanent employees but are not protected with the rights of permanent employees (International Labour Rights Forum, 2015). Generally, precarious workers are in fear and insecurity as they know they are easily replaceable. The broad trend of the growing casualization and externalization deeply damage the society. It leaves workers and communities unstable and creates insecure situations. Further, precarious workers are found to suffer a higher rate of occupational safety and health issues (ILO, 2012).

In recent decades there has been a dramatic increase in precarious work due to factors such as -- consequences of the globalization of markets, shift from the manufacturing sector to the service sector, and technological changes - spread of

information technology. These changes have resulted labour market changes -- flexibility at the workplace and, as a result decline of the standard employment relationship and a dramatic increase in precarious work (Fudge and Owens, 2006). Employers look for ways to face in product demand uncertainty, which in turn impacts on their employment choices -- flexible labour force, downsizing, less paid and less obligations etc (Tucker, 2002).

This situation has resulted uncertainty and insecurity in employment -- insecurity of tenure, job irregularity, lack of or limited social protection are increasingly common features of economic activities. Moreover, Labour relations have become fragmented, whilst the overall quality of employment has deteriorated. Further, as a reaction to countries' tax and regulation systems, new forms of informal employment arise (ILO and WTO, 2009). Also, in the midst of the global economic crisis, job losses and spread of temporary forms of employment have become more prevalent in both developed and developing countries. Given all these, it has become a world-wide phenomenon where permanent jobs across sectors have been replaced with non-standard forms of employment through outsourcing, employment agencies and temporary labour contracts. Over 60 per cent of

workers worldwide are reportedly in temporary, part-time or short-term jobs which offer low compensation and fuel global income inequality and poverty (ILO, 2015).

Similar to other global economies, Sri Lanka also has experienced an increase in the incidence of precarious work in recent years. For example, more than half of employees were temporary or casual workers. Workers employed under temporary contracts frequently have inadequate employment-based benefits, either because they are explicitly excluded from receiving coverage by law or because their short tenure may limit access to such entitlements. This raises serious concern on decent working conditions in Sri Lanka.

A better understanding the characteristics of non-standard forms of employment and determinants of non-standard work participation is a first step towards a more comprehensive policy towards identifying the areas that needs attention in terms of preventing risks faced by non-standard workers. No empirical research has been carried out in Sri Lanka on non-standard work participation. Therefore, this study is to explore how non-standard forms of work arrangements evade the fundamental worker rights and shed light as to why individuals participate in precarious work.

Under this main theme there are 3 sub-objectives, as follows:

1. Examine the prevalence and growth of different forms of non-standard employment in Sri Lanka
2. Examine the effects of non-standard work arrangements on workers -- in terms of job security, employment based social security coverage, wages etc.

3. Examine the factors that determines the participation in non-standard forms of employment

The report is organized as follows.

The Chapter 1 gives an introduction to the study through discussing rationale and objectives of the study. Chapter 2 reviews the literature related to the study. Chapter 3 describes the data, definitions, and

methodologies employed in this study. To set the stage, Chapter 4 presents the background on trends and evolution of non-standard forms of employment with discussing legal protection for employees under the existing labour legislation. Chapter 5 presents the main empirical results on factors that determine the participation in non-standard forms of employment in Sri Lanka. Chapter 6 concludes with policy recommendations.

2. Literature Review

2.1 What is Precarious Work?

Although the term precarious work is being increasingly used globally, its definition remains vague and multifaceted. There is no official definition of non-standard forms of employment. This is mainly due to that multi-dimensional nature of precarious work depending on the country, region, the economic and social structure of the political systems and labour markets.

Precarious work is employment that is not full-time and permanent; usually associated with-- part-time employment, self-employment, fixed-term work, temporary work, on-call work, home-based workers, and telecommuting (Fudge and Owens, 2006). Further, precarious work is often associated with uncertainty as to the duration of employment, multiple possible employers or a disguised or ambiguous employment relationship, a lack of access to social protection and benefits usually associated with employment, low pay, and substantial legal and practical obstacles to joining a trade union and bargaining collectively (ILO, 2012).

The ILO Bureau for Workers' Activities (ACTRAV)¹ use workable definition for non-standard forms of employment with focusing on two categories of contractual arrangements which cover the majority of precarious

nature work (ILO, 2012).

Those contractual arrangements are:

- Limited duration of the contract (fixed-term, short-term, temporary, seasonal, day-labour and casual labour)
- Nature of the employment relationship (triangular and disguised employment relationships, bogus self-employment, subcontracting and agency contracts)

Further, under above two contractual arrangements precarious work is characterized by four precarious working conditions.

Precarious conditions:

- Low wage
- Poor protection from termination of employment
- Lack of access to social protection and benefits usually associated with full-time standard employment
- Lack of or limited access of workers to exercise their rights at work

In another study on non-standard forms of employment by ILO, 2015; has considered following forms of employment as non-standard forms of employment: (1) temporary employment; (2) temporary agency work and other contractual arrangements involving multiple parties; (3)

ambiguous employment relationships; and (4) part-time employment. Further this study has focused on employees and therefore excludes independent, self-employed workers.

Agency hired workers (manpower workers)

Workers who are hired by an agency or subcontractor but who perform their duties in or for a separate user enterprise are in a precarious situation. Because it is unclear who of the two parties should be held responsible and accountable for the rights and benefits of a worker, where "user enterprise" can terminate the relationship at will. Weak legislative frameworks and ineffective enforcement mechanisms create a situation where these workers are not protected on their labour rights. In general Work Agencies and labour brokers are disturbing third party element to standard employment relationship. Further, subcontracting is often used by primary employers as a means of shifting risk by outsourcing more hazardous jobs to subcontracted and agency workers (ILO, 2015).

2.2 Why should We Worry about Precarious Workers?

International Labour Organization (ILO) recognized this spread of precarious work as a 'worldwide corporate attack on the right to organize and bargain collectively, by shifting to subcontracting and

¹ ACTRAV is the main link between the International Labour Office and workers.

individual contracts, attacking sectoral and national bargaining, and evading employer responsibilities by complicating what should in fact be a direct employment relationship with their workers' (ILO, 2012).

Precarious work has deep impact on individuals as well as society. The International Labour Rights Forum (ILRF) addressed this global trend and highlighted its threat to a decent working environment. Precarious workers receive low compensation, are subjected to dangerous working conditions, face discrimination and are denied social benefits and rights like the opportunity to join unions. Such workers are scared to voice their opinion and unionize as they are easily replaceable. The lack of job security makes them vulnerable and dilutes their collective bargaining power. This employment tactic deters the workers' prospects for personal development, productivity and the freedom of expression (International Labour Rights Forum, 2015).

Due to job insecurity, temporary workers have found it difficult to keep up with economic demands, family obligations and also they have little optimism for the future. They are in an unstable position to take long-term decisions and plan their lives -- to get married, raise children, or purchase homes because of the uncertainty of their jobs, and usually low wages. Sources of insecurities and vulnerabilities of precarious workers have been identified in the literature. Precarious workers are ill-treated in terms of job security, wages, benefits - social security, annual leave, overtime and also little chance of professional advancement. For instance, a study revealed that

wages of precarious workers are much less than for permanent workers - in a third of cases reported in that survey, wages were more than 50 per cent less for precarious workers, compared with the permanent workforce (Malentacchi, 2008).

Precarious worker's access to trade union rights is limited in part by the general condition of fear and insecurity of temporary workers; and partly through the legal limitation of workers to join the trade. Ultimately precarious work arrangements have the effect of eroding bargaining collectively (ILO, 2012). Also, precarious work arrangements are associated with poor occupational safety and health conditions. For example these workers are often exposed to hazardous working conditions, long working hours, increased workload etc. Further, studies have found that precarious workers are less likely to receive adequate training for the tasks which is required to perform task safely and also their occupational safety is not properly monitored by inspection systems (Benach, 2007).

The lack of job satisfaction, insecurity and instability of precarious work has led to social issues. Workers who are treated unfairly have led to wide spread anxiety among workers. The frustration of young people who lack decent jobs leads to social unrest. For example in Egypt, across Northern Africa and the Middle East and, recently in London where there were riots, the common message conveyed was that poor conditions of work and life are untenable (ILO, 2012).

Further, studies have shown that precarious employment impacts not just the workers but also the

employer. There are many business risks associated with such employment, including lower productivity, health and safety risks and low standards. The work experience is largely dependent on the decisions made by employers, and also the inability of the economic policies to keep pace with the changes in the labour market. Hence it has become a major concern in the past decade impacting not just economic growth, but the society as a whole.

2.3 World Response to Precarious Work

The literature suggests that the growth of precarious work has become a concern around the world. Many countries around the world are aware of the negative impacts precarious employment can have on the sustainable development of the economy. Trade unions, along with government assistance are trying to implement new frameworks to reduce its ill-effects.

Paying more attention on creating more and better jobs, implantation of decent work and using tools that prevent further increase of precarious work and hold employers accountable for creating good jobs such as public procurements and labour inspections are some of the measures that can be taken by the government in mitigating adverse effects produced by precarious work (Euan, 2009). For example, Canada has introduced measures to discourage firms from hiring temporary agency workers and established public or private sector 'benefit banks' for irregular workers otherwise denied access to benefits as policy measures. In Japan, the coverage of social protection has expanded

to cover all types of workers (Euan, 2009).

Trade unions have carried out a joint struggle to end precarious or atypical work. The Policy Options Working Paper published by the Poverty and Employment Precarity in Southern Ontario Research Alliance (PEPSO) made precarious employment-specific recommendations to mitigate the adverse effects of precarious work through employer practices in 2014. The recommendations focused on the needs of workers in precarious jobs. Suggestions were made to change hiring practices to reduce precarious or part-time employment and use internal business planning to determine if more secure work would be appropriate. Mechanisms to support workers and create opportunities for temporary employees to transition to the permanent workforce were also suggested. Proposals to promote work experience programs that would track their experience to support development and a gateway to more secure employment were also made. Another recommendation suggested that organizations could work together to share workers through agreements that provide consistency and certainty for workers. Recommendations were also made related to human resources and benefits. These included incorporating performance-based initiatives, providing career planning, financial planning and training (PEPSO, 2014).

The European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) has been campaigning to combat precarious employment under the slogan of 'Social Justice from Farm to Fork'. They identified 10 key points to fight precarious work. They highlight the need for equal pay and rights. They want to implement the 'host country principle' which entitles every worker to benefit from the rights and social conditions of the country they work in. Minimum wage protection is suggested for all European countries either through legislation or collective bargaining. The need for simplicity and transparency in the employment relationship and creating opportunities for permanency were key points addressed. They also urged Governments to support collective bargaining and make sure that the workers have the fundamental right of being represented by a union and the right to voice their opinion. Public funding should be focused on combatting precarious work and there should be effective monitoring of agencies and other labour providers. In conclusion they want subcontracted workers to be treated equally and they insisted on decent standards with effective penalties for those who fail to meet them. (EFFAT, 2014)

IndustriALL is a global union which has instigated many campaigns around the world to fight precarity in employment. Measures have been taken to organize and fight against

precarious work in the electronics industry as well. A world conference on ICT Electrical and Electronics was held in Malaysia in year 2015. The conference focused on creating a safer and healthier working environment and forming stronger trade union networks with Chinese workers at companies such as Samsung and Foxconn. At the Global Dialogue Forum held in December 2014 precarious employment in the electronics industry was discussed. The Forum came to the consensus that all workers should be given equal treatment irrespective of their employment status. They wanted to promote alternatives to temporary employment in response to fluctuating demands and long-lasting employment relationships. They also agreed to raise awareness and build capacity on fundamental principles and rights at work. IndustriALL affiliates and the All China Federation of Trade Unions (ACFTU) have successfully entered into collective agreements with the management of Foxconn in China and Brazil to improve working conditions and avoid occupational hazards. IndustriALL has also collaborated with the Good Electronics Network and its NGO partners to prohibit the use of cancer-causing chemicals in the electronics industry (Matsuzaki, 2015).

3. Research Data and Methodology

3.1 Data

The main source of data for the paper is the Labour Force Survey (LFS) data of the Department of Census and Statistics. Sri Lanka Labour Force Survey was designed to measure the levels and trends of employment, unemployment and labour force in Sri Lanka. A sample of 25,000 households has been surveyed in LFS 2013, covering all districts and provides national, provincial and district level estimates.

This data set is especially useful for the present study as it obtains information on the sector of employment, permanency status of employment, which allows identifying precarious worker. Also it provides information on employment based social security coverage, company registration information, employment contact letter, wages etc. which facilitate the study objectives in developing policy perspective based on the findings of this study.

The study takes a qualitative approach when answering the research gaps that need to be investigated through primary research.

3.2 Defining Precarious Workers

Following ILO, 2015; ILO 2012 and availability of data; following workable definition was considered in this study to define non-standard forms of employment.

Following three types of employment were considered as non-standard forms of employment.

- (1) temporary employment;
- (2) casual employment;
- (3) employees who do not have permanent employer.

Further following ILO 2015, only employees were considered in this study; whereas own-account workers, unpaid workers and employers were not considered.

3.3 Effects of Non-standard Work Arrangements on Workers

As discussed under the literature review section, workers in non-standard forms employment are associated with temporary contracts, a lack of access to social protection and benefits usually associated with employment, low pay, and substantial legal and practical obstacles to joining a trade union and bargaining collectively. Thus, taking to consider the data availability in LFS, this study investigates effects of non-standard work arrangements on workers with related to - job security with the use of information on whether the employee is given an appointment letter (written contract); employment based social security coverage for employees and wage differentials of temporary workers when compared to permanent wage workers.

3.4 Qualitative Analysis - Manpower Workers

In this study, agency workers are considered within the broad category of non-standard employment. However, the situation of workers in triangular employment relationships is more complicated. Due to the ambiguous nature of manpower employee contracts, there is limited data available on the matter (ILO, 2012). Thus, in line with the findings of previous research, primary data was collected on areas where these agency workers found to be mostly affected — duration of employment, multiple possible employers or a disguised or ambiguous employment relationship, social protection and benefits usually associated with employment, wages, and leave entitlement and other benefits. This information was collected through structured and semi-structured face-to-face interviews with manpower workers, officials in labour ministry, union representatives, employers and other relevant partners.

3.5 Labour Participation Model

According to Verme (2000) two factors affect sector participation: rationing and individual preference. Rationing happens due to demand shortages in the labour market. This is mainly run by available job opportunities and employer's selection criteria, such

as level of education, experience and skills. Individual preferences are influenced by employment characteristics such as wages and other benefits, and other individual and household characteristics. Thus, both rationing and preferences determines the individual's choice on employment sector.

The underline theoretical model assumes that individual choice on employment sectors is affected by individual preferences and rationing.

This study examines the factors that determine sector placement of individuals by way of estimating a multinomial logit model. Individual characteristics, household characteristics as well as community characteristics were employed in the explanatory analysis as suggested by anecdotal evidence. Explanatory variables were selected based on the relevance to the study's theoretical model as well as data availability.

Individual characteristics such as age, gender as well as household responsibilities (marital status, head of the household etc.) were employed to capture the individual preferences. Household

level variables affecting employment decision of individuals are assumed to be in the presence of dependents — both children and old aged parents. This will negatively affect engage in full time work of the other members of the household. As proxy measures for human capital — education attainment and training were included to capture employer's preferences for skills and education and experience. Further, community unemployment rate and location variables were employed to capture the available labour market conditions and infrastructure. This will capture the available job opportunities and access to jobs.

Marginal effects

Marginal effects are calculated on the probability $\Pr(y=1)$, implied by the marginal increase in a given explanatory variable. Margins are estimated at the means of covariates.

$$\Pr(Y = 1 | X, X_{k+\Delta}) - \Pr(y=1 | X, X_k)$$

Marginal plots - graphs the results from margins.

3.6 Wage Gap Decompositions

Following Blinder (1973) and Oaxaca (1973) who proposed a methodology is used to decompose wage gaps of standard employment vs non-standard employment in terms of explained and unexplained components.

The wage gap takes the form

$$\bar{y}^s - \bar{y}^{ns} = \hat{\beta}^{ns} (\bar{x}^s - \bar{x}^{ns}) + (\hat{\beta}^s - \hat{\beta}^{ns}) \bar{x}^s$$

Where

$\hat{\beta}^{ns} (\bar{x}^s - \bar{x}^{ns})$ attributes the differences in average characteristics between standard and non-standard workers

$(\hat{\beta}^s - \hat{\beta}^{ns}) \bar{x}^s$ attributes the differences in average rewards to the individual characteristics.

4. Background

4.1 Labour Force Trends

As of 2013, 8.8 million Sri Lankans were in the labour force, representing 53.8 per cent labour force participation rate. The employed labour force in 2013 was 8.4 million, accounting for 51.5 per cent employment-to-population ratio. The overall unemployment rate has dropped to as low as 4.4 per cent in 2013. Over the 1992-2013 period, total labour force has increased at a slow pace accounting, 2.6 per cent average annual growth rate. Overall, labour force participation rate grew marginally from 55.6 per cent in 1992 to 57.1 per cent in 2006 (see Table 1). However considerable drop in labour force participation rate (to 53.8 per cent in 2013) could be observed in recent past. Demographic changes as well as extended education among younger generation could be the main reasons behind this.

Sri Lanka's job creation is stagnant. Employment to

population rate has increased from 47.6 per cent in 1992 to 53.4 per cent in 2006. However this rate has decreased to 51.5 per cent in year 2013 (see Table 1). Further, country's employment-to-population ratio is considerably lower relative to the world regional averages (ILO, 2014). For example, South Asia region employment to population rate in 2012 was 53.9 per cent while world average was 59.6 per cent. Thus, Sri Lanka's comparatively low employment to population ratio concerns on the progress in job creation to absorb the new entrants to the labour market.

On the other hand, employment to population captures only one aspect of labour market that is job creation. Given that increasing trend of non-standard forms of employment in labour markets, job creation does not necessarily signify the state of the labour market. Employment status and type of employment provide complementary information on quality of jobs. Thus, next section discusses these aspects in detail.

Nature of employment

As of 2013, of the total employed more than half (56 per cent) 4.7 Mn are waged workers. This includes 1.3 Mn public or semi-government sector employees and 2.7 Mn private sector employees (see Table 2).

As in other global economies, Sri Lanka too experienced expansion of precarious nature jobs in recent years (see Table 3). For instance, LFS data reveals that as of 2013, out of 4.7 million waged employees 56 per cent were in non-standard forms of employment – temporary, casual and workers who do not have permanent employer. As described under literature review section, non-standard forms of working arrangements can affect decent working conditions of workers, including wages, limited social security benefits, access to training, occupational safety and health, and freedom of association and collective bargaining rights. These issues are examined in detail in the proceeding sections.

Table 1
Labour Force Participation Rates, Employment-to-Population Rates and Unemployment Rates, by Gender

	Labour Force Participation Rate			Employment-to-Population Rate			Unemployment Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1992	75.2	36.2	55.6	67.2	28.1	47.6	10.7	22.4	14.5
1996	76.0	36.0	55.7	69.7	29.6	49.4	8.3	17.8	11.4
2000	76.1	37.9	56.7	71.7	33.7	52.4	5.8	11.1	7.6
2006	76.7	39.5	57.1	73.1	35.7	53.4	4.7	9.7	6.5
2013	74.9	35.6	53.8	72.6	33.2	51.5	3.2	6.6	4.4

Source: Author's calculations using LFS, 1992, 1996, 2000, 2006 and 2013 data.

Note: 1992, 1996, 2000, 2006 excluding Northern & Eastern provinces 2013 all the districts are included.

Table 2
Main Sectors of Employment

Employment Status	2006	2013	Average Annual Growth 2006-2013 (%)
Wage employee	3,947,770	4,690,146	2.7
Public	955,198	1,269,610	4.7
Private	2,293,728	2,665,549	2.3
No permanent employer	698,844	754,987	1.1
Employer	221,765	256,014	2.2
Self-employed	2,189,111	2,707,720	3.4
Non-paid employee	727,718	763,793	0.7
Total	7,086,364	8,417,673	2.7

Source: Authors calculations based on LFS 2006, 2013 data.

Table 3
Permanency Status of Waged Employees

	2006	2013	Growth 2006-2013 (%)
Permanent	1,825,284	2,061,749	13.0
Temporary	931,031	1,346,948	44.7
Casual	492,611	526,462	6.9
No permanent employer	698,844	754,987	8.0
Total waged employees	3,947,770	4,690,147	18.8

Source: Authors calculations based on LFS 2006 and 2013 data.

Note: In 2006 excluding Northern & Eastern provinces; 2012 all the districts are included.

4.2 Evolution of Non-standard Forms of Employment in Sri Lanka

Globalization of the economy and economic liberalization are shaping the labour market dynamics. (ILO and WTO, 2009) The opening of national economies, the intensification of financial and trade flows, and the unprecedented advances in information and communication technologies have increased competitiveness. This competitiveness has resulted

labour market changes, fragmentation and relocation of production processes, through outsourcing and subcontracting, deregulation of the labour markets, and the informalization of economic activities. As a consequence, non-standard forms of employment have surfaced and grown. According to ILO, evolution of non-standard forms of employment is an “interaction between abuse of economic power, economic liberalization, global capital mobility, fierce lobbying against protective labour laws, and a whole range of state policies guided by economic

thinking that believes in the efficiency of free markets” (ILO, 2012).

Further, in this current era of globalisation, export promotion is an important policy for economic growth in developing countries. Governments in these countries adopt various measures to promote their exports. The concept of Export Processing Zones (EPZ) has gained noticeable significance in recent years. EPZs is an export-oriented industrialization strategy in many developing countries. Availability of incentives, infrastructure and

cheap labour are very important to promote FDI. Further, flexible or relaxed labor laws also spurred a steady wave of investment into EPZs (Aggarwal, 2005). On the other hand, due to high competition, employers faced greater product demand uncertainty, which in turn impacts on their employment choices, especially desire for a more flexible labour force in response to changing product market conditions, seasonal demand etc (Tucker, 2002).

With liberalization of the economy in Sri Lanka in 1977, many private sector entrepreneurs ventured in various sectors of the economy. This trend opened avenues for employment in transport sector, export and import sector and other service sectors as well such as security jobs, outsourcing of manufacturing sector etc. With the introduction of the export oriented, market led economic policy reforms, investments (especially on industrial and services sectors) have increased, thus creating new employment opportunities in these sectors. As in the case of many other economies, for Sri Lanka heightened competition in the world economy and surviving in world markets is a key factor in shaping the dynamics of jobs. Employers look new ways to avoid regulations to increase the profitability of their business. Job restructuring includes, reduction of regular employees, distinction between core and side jobs for employees, wider use of non-regular employees and revision of the salary systems (Nawaratne, 2013). Apart from permanent employment, new forms of informal employment arise as a

reaction to tax and regulation systems — temporary, casual, seasonal, contractual and agency-hired workers which are widely practiced today.

Further, liberalizing Sri Lankan economy and globalising its economy has meant that hundreds of thousands of predominantly young rural women have migrated to EPZs and other industrial locations in Sri Lanka (mostly in textile and apparel sectors). As in many developing countries, EPZs in Sri Lanka are designed to attract foreign investment, create jobs and generate much needed income. All labour laws are applicable in EPZs but, they enjoy indirect benefits as labour laws are not strictly implemented in the zones. For instance, trade unions were banned in the zones till recently. This ban was removed by an amendment to the Industrial Disputes Act which became operative in December 1999, but formation of labour unions in the zones is discouraged. Instead, the units have joint management labour consultative councils² (Aggarwal, 2005). In this context, EPZs have resulted creation of new forms of employment practices to reduce production costs by hiring cheap and flexible labour and to cater to the nature of the demand where demand is not constant over time, employers respond to seasonal variations of demand hire more (less) workers when the demand for their products is high (low); demand for semi-skilled labour etc.

In this context, temporary workers who are employed on temporary contracts for various

durations have become more prevalent in Sri Lanka. However, the labour legislation practice today, is mainly applicable for permanent workers. Thus, there may be gaps in the existing legislation to protect the worker rights of workers of non-standard form of employment in terms of providing decent work conditions - job security, equal employment rights, access to benefits etc. Given this backdrop, next section will review some selected terms and conditions of labour legislation in Sri Lanka, providing legal protection for these temporary workers.

4.3 Legal Protection for Employees

The first labour legislation was enacted in 1840s and since then it has evolved over the years to protect the employer-employee relationship in a wide spectrum of areas — termination of employment of workmen, social security, industrial safety, terms and conditions of employment, minimum wages etc. Also, Sri Lanka is a respected member of the ILO, where it has ratified all eight ILO conventions on core labor standards — right to organise and collective bargaining, freedom of association and protection of the right to organise, equal remuneration, convention on discrimination (employment and occupation), worst forms of child labour, convention on minimum age, abolition of forced labour and the convention on forced labour.

Private sector employees and semi government sector employees come under the

² Employees' councils have representatives of both labour and management and in case of any dispute, efforts are made to resolve them in consultation with the Department of Industrial Relations of the BOI.

purview of labour legislation. The state intervenes in industrial relations by setting standards for both employees and employers, and these standards are embodied in legislation. Employment protection legislation covers the conditions and procedures for termination and dismissal rights which increase employment security and provide protection to workers from arbitrary dismissal by employers.

Some key statutes which have been enforced to address employer-employee relationships include Industrial Disputes Act, Shop and Office Employees' Act, Wages Boards Ordinance, Workmen's Compensation Ordinance, Employees' Provident Fund Act, Employees Trust Fund Act, Factories Ordinance etc. Further, tripartite mechanisms for social dialogue have been in place for a long time and trade unions, employers and the government interact collectively to resolve critical issues in industrial relations (The International Confederation of Free Trade Unions, 2004).

Following literature, how workers of these non-standard forms of employment face the uncertainty, in terms of — duration of employment, multiple possible employers or a disguised or ambiguous employment relationship, a lack of access to social protection, low pay, and substantial legal and practical obstacles to joining a trade union and bargaining collectively are discussed, with respect to legal framework of Sri Lanka in this section. Further, literature

suggest, that non-standard employment arise as a reaction to countries' tax and regulation systems. Thus, labour regulation in Sri Lanka in line with difficulty of redundancy is also discussed.

4.3.1 Laws on Temporary Contracts

Sri Lankan labour law allows hiring fixed term contract workers for tasks of permanent nature. Also there is no maximum length of fixed-term contracts, including renewals (months) (World Bank, 2014).

The legislation for employees is primarily built on letter of appointment. Workers of non-standard forms of employment are entitled to receive appointment letter given that workers of non-standard forms are bound to Shop and Office Employees' Act.³ The section 17 of the "Shop and Office Employee's (Regulation of Employment and Remuneration) Act" imposes an obligation on the employer to issue a letter of employment to employees detailing the conditions of the employment. The letter of appointment should contain — the nature of the employee and designation and the nature of appointment; the date on which the appointment takes effect; the grade to which the person is appointed; basic remuneration and the scale of remuneration; number of holidays entitled to etc. So in the absence of documentation to establish employee employer relationship may dilute the worker rights that are stipulated in labour legislation.

4.3.2 Laws on Welfare of Employees

Employees' Provident Fund (EPF)

Employees' Provident Fund (EPF) is a retirement benefit which was established to provide for the payment of superannuation benefits to persons employed in the private and corporate sectors, through a contributory mechanism provident fund. According to Employees' Provident Fund (EPF) Act⁴, regardless of the nature and the category of the business, an employer of even one employee is required to register employees with the Department of Labour for the Government social security scheme, EPF. Further, it provides all employees should be enrolled for EPF whether they are permanent, temporary, apprentice, casual or shift workers. (EPF Department, Central Bank of Sri Lanka, n.d). Given these, employees in non-standard forms of employment are entitled to be enrolled for the EPF social security scheme. However, as the adherence to labour laws, are not properly monitored in the informal sector, many workers in the informal sector are not enrolled in EPF.

4.3.3 Trade Unions

Under the Trade Union Act (TUO No. 14, 1935), the right to form and join a trade union is a core right of every citizen. Further, trade unions facilitated trade union organization in the EPZs by an amendment to the Industrial Disputes Act which came into effect in December 1999. This

³ Shop and Office Employees' (Regulation of Employment and Remuneration) Act No. 19 of 1954, applies to all employees within the definition of a "shop" or "office".

⁴ Employees' Provident Fund (EPF) administered under Act No. 15 of 1958.

amendment obliged mandatory recognition of a union that had a membership of 40 per cent of the workforce.

4.3.4 Labour Regulation

Sri Lanka leans in favour of the protection and well-being of employee even at the expense of productivity. For example Sri Lanka do not permit a "hire and fire" policy that employers in many foreign countries enjoy. Furthermore, according to Doing Business 2015 data⁵, Sri Lanka is ranked as one of the top 5th highest paying countries in respect of retrenchment compensation. Also according to World Bank "Doing Business" difficulty of redundancy indicator, which looks at 9 areas of redundancy, Sri Lanka can be considered as a country with restrictive labour (see Table 4). However, literature suggest that excessively restrictive legislation could discourage formal job creation, and fail to provide real protection, as employers find ways around the rules (Nayar, et al., 2011).

4.4 Non-standard Employment Practices in Sri Lanka⁶

Similar to other global economies, Sri Lanka too has experienced an increase in the incidence of non-standard forms of employment in recent years. Temporary and casual workers have increased at a faster pace than the increasing

rate of permanent employees over the 2006-2013 period (see Figure 1).

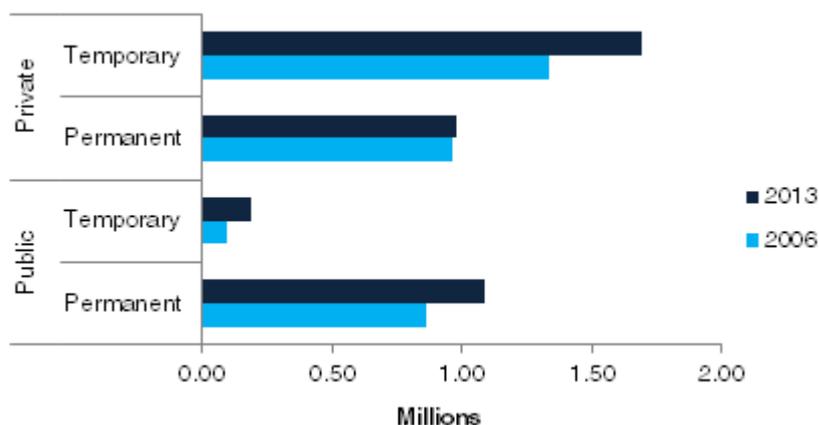
Most of the temporary and casual workers are attached to the private sector. Data reveals that 90 per cent of temporary and casual workers are attached to private sector. Further, private sector has expanded more for temporary and casual jobs in the recent past. Over the 2006-2013 period, private sector temporary and casual workers have increased by over 350,000 while private sector permanent employees have increased only by 15,000 during the same period (see Figure 1). It shows that more than 95 per cent of the wage employment created in the private sector during 2006-2013 period were non-standard forms of employment. As discussed before to face the competition in the world economy and surviving in world markets, in the recent past

private sector has created more non-standard form of work while minimizing the permanent employment expansion. From employers perspective reasons behind the increasing prevalence of precarious work include high labour turnover, to cater for the seasonal demand of companies, cost of regular labour and also nature of service.

4.4.1 Effects of Non-standard Forms of Employment on Workers

As literature explores, non-standard workers are in a form of vulnerable employment with insecure employer contracts, ambiguous employment contracts, inadequate employment-based social security coverage, low earnings etc. In this section these facts were verified for the non-standard

Figure 1
Wage Employees by Permanency Status of Employee



Source: Authors calculations based on LFS 2006, 2013 data.

⁵ World Bank "Doing Business" measures the redundancy cost as the average value of severance payments applicable to a worker with 1 year of tenure, a worker with 5 years and a worker with 10 years of tenure.

⁶ As explained under the workable definition, this study is focused on employees and therefore excludes employers, self-employed and unpaid family workers.

Table 4
"Doing Business" - Difficulty of Redundancy

	Difficulty of redundancy									
	Maximum Length of Probationary Period (months)	Dismissal due to Redundancy Allowed by Law?	Third-party Notification if 1 Worker is Dismissed?	Third-party Approval if 1 Worker is Dismissed?	Third-party Notification if 9 Workers are Dismissed?	Third-party Approval if 9 Workers are Dismissed?	Retraining or Reassignment Obligation before Redundancy?	Priority Rules for Redundancies?	Priority Rules for Reemployment?	
Bangladesh	3.0	Yes	Yes	No	Yes	No	No	Yes	Yes	
China	6.0	Yes	Yes	No	Yes	No	Yes	Yes	Yes	
India	3.0	Yes	Yes	No	Yes	No	No	Yes	Yes	
Indonesia	3.0	Yes	Yes	Yes	Yes	Yes	Yes	No	No	
Malaysia	3.0	Yes	No	No	Yes	No	No	No	No	
Pakistan	3.0	Yes	No	No	No	No	Yes	Yes	Yes	
Philippines	6.0	Yes	Yes	No	Yes	No	No	Yes	No	
Sri Lanka	6.0	Yes	Yes	Yes	Yes	Yes	No	Yes	No	
Thailand	4.0	Yes	No	No	No	No	No	No	No	
Vietnam	1.0	Yes	No	No	Yes	Yes	Yes	No	No	

Source: World Bank Group, Labor Market Regulation, 2016.

employment practices in Sri Lanka.

Most of the temporary employees are not given any written contract. Although statute imposes an obligation to issue a letter of appointment to employees, around 83 per cent of temporary and casual employees have not received written contract. In the absence of documentation to establish employee-employer relationship definitely hinder the worker rights of employees such as superannuation benefits, compensation, industrial safety, the safety and protection from hazardous and exploitative work, terms and conditions of employment etc.

Further, temporary workers are most likely to be attached in unregistered companies. More than half of the temporary/casual workers (50 per cent) are attached to private companies which are not registered under Employees Provident Fund (EPF) or Inland Revenue Department (IRD) while another 30 per cent of them were not sure about the company registration. However, as explained under legal provisions of Sri Lanka, an employer of even one employee is legally bound to register for pay contributions to EPF fund. As a result of employers escaping registration for EPF, workers of these unregistered companies are hardly covered by any employment benefitted social security scheme.

Data reveals, majority of the temporary/casual workers are not benefitted under social security schemes. As explained before, EPF Act covers any employee irrespective of whether they are permanent, temporary,

casual or shift workers. However, data reveals that out of the temporary workers 86 per cent of them were not covered by either pension scheme or provident fund. Therefore, it is not that the laws do not cover such workers but in most cases, some employers evade the laws.

Substantial wage differences exist among permanent and temporary workers. (Figure 2). Data reveals that average monthly wage for permanent worker was around Rs. 25,000; whereas for temporary or casual workers and also for workers who do not have a permanent employer, wages were more or less same amounting Rs. 13,000 per month.

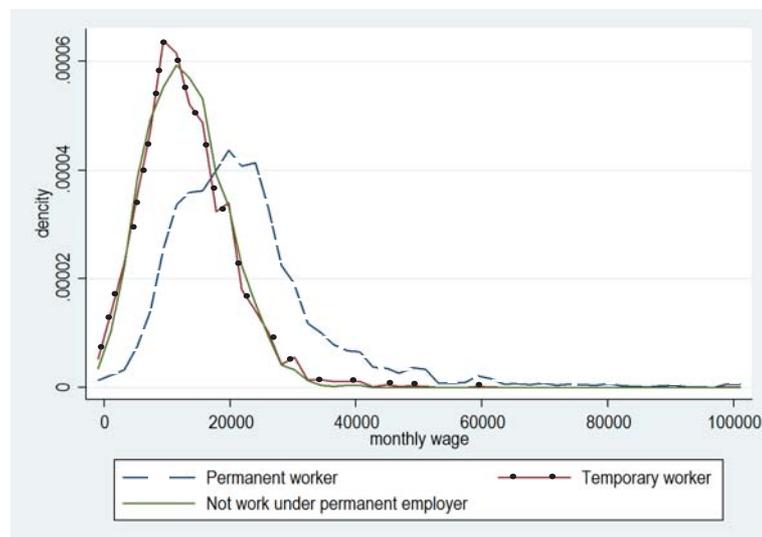
4.4.2 Wage Differences between Workers in Standard and Non-standard Employment

Wage differences of permanent vs non-standard forms of employment were examined using the Oaxaca-Blinder

decompositions method. The difference in monthly wages between standard vs non-standard forms of employment were 89 per cent favoring the standard employment (see Table 5). The explained component of the wage difference is 32 per cent. That is adjusting the endowment levels of those in the non-standard employment to that of the standard employment, increase wages of non-standard employment by 32 per cent.

However more importantly, 43 per cent of the wage differences are due to unexplained reasons such as unequal treatment of non-standard workers; probationary nature of employment etc. These earning differentials may lead to greater income insecurity for these workers to keep up with economic demands, family obligations and also they have little optimism for the future. They are in an unstable position to take long-term decisions and plan their lives -- to get married, raise children, or purchase homes because of the uncertainty of their jobs, and usually low wages.

Figure 2
Monthly Wage Distribution, 2013



Source: Authors calculations based on 2013 data.

Table 5
Wage Difference: Standard Vs Non-standard Employment

Mean wage-permanent	24,886
Mean wage-temporary	13,349
Wage difference	89%
Explained	32%
Unexplained	43%

Source: Authors calculations based on LFS 2013 micro data.

Notes: Controlled variables: years of education, experience, experience*2, formal trained, literate in English, male, head of the household, age group, marital status, ethnicity, occupation, district, sector.

4.5 Manpower Workers

Agency-hired employment is a one form of temporary employment which is widely practiced today. Workers who are not directly hired by the organization they work for, but are hired by third party agents or sub-contractors are referred to as agency-hired workers. Usually, it is a disguised or ambiguous employment relationship.

During the past 10-15 years manpower agencies to recruit employees has been a common practice in the private sector for filling low-skilled, temporary jobs. In the past, agency workers were hired to fill job vacancies with high-turnover and unappealing conditions such as janitors, gardeners etc. Primarily these agency hired workers were recruited for unskilled labour which does not require prior training like packing, checking for damaged goods, loading etc. But now it has gradually moved into managerial levels, where even cashiers and office assistants are agency-hired. Currently, these manpower workers are involved in core business activities of the company. There are some factories in which the entire staff,

including the management comprises of manpower workers.

Some manpower employees work continuously at a particular factory while some are hired on a daily basis. These daily hired workers are transferred from company to company, depending on the vacancies available. This is entirely handled by a manpower agency. These sub-contractors enter into agreements with companies where they supply labour to but do not reveal the terms and conditions to the manpower workers involved. It is revealed that manpower workers are not given a contract letter either by company they work for or manpower agency. It is a precarious work arrangement because it is often unclear as to who is responsible and accountable for workers' rights and benefits.

"I didn't have to sign a written contract when I was recruited. I had to do was submit an application form before start work as manpower worker?"

-- Female manpower worker, Biyagama FTZ

The agency hired employees receive their wages via the manpower agency after their

commission is deducted. A salary slip is not provided. Also, in some instances manpower agency has employed a supervisor to administer manpower workers. They maintain a register which has to be signed by all the manpower workers on arrival. Companies prefer hiring manpower workers as it is more convenient for them. No recording or administration costs are required. They have no direct obligations towards these workers and evade their responsibilities. On the other hand, these temporary forms of employment have become attractive to the youth as it is more flexible in terms of working hours. Most of them come from rural areas. Also there are less educated as well as school dropouts who have limited opportunities in finding jobs. Therefore, in most of the cases these manpower workers are not really bothered about their rights as they are helpless and have no other means of earning money.

The downside of manpower employment is the lack of protection and the exploitation of labour. The manpower workers are known to be treated differently to those who are permanent counterparts. These agency hired workers do not receive equal rights, even though these workers handle similar workloads to their permanent counterparts. On average manpower worker gets around Rs. 15,000 per month even though they handle similar workloads and work as their permanent counterparts who get almost doubled or even higher salary.

"My starting salary was Rs. 12,000, after 4 years of work I receive only Rs. 15,000. But permanent counterparts of the

same position are paid over Rs. 50,000".

-- manpower worker attached to state bank

The permanent staff receives incentive allowances for achieving targets, while manpower workers just receive a basic amount irrespective of how hard they work.

"Permanent staff members receive other perks like bonuses, office trips etc. As a manpower worker, I only get food and tea, which is eventually deducted from my basic salary."

-- Female manpower worker, Biyagama FTZ

Agency hired workers are not given any paid leave. They are allowed to take leave at any point, but will have to forego that day's salary. Thus, most come to work even if they are sick as they cannot afford to stay at home. Some private sector agency hired workers work long hours to earn more. Some work in shifts which can last up to 16 hours a day. As explained by a free trade zone agency hired worker.

"I have been paid monthly with a daily wage of Rs. 600 per shift. My normal shift lasts 8 hours per day. But I have the option of working another full shift (8 hours) and obtaining Rs. 1200, but this would mean that I have to work 16 hours at a stretch"

-- Female manpower worker, Biyagama FTZ

These agency hired workers are in a vulnerable situation even to receive private sector social security benefits EPF, which is entitled for all the workers even

temporary workers. It was revealed that although deductions are made in aid of insurance, EPF and ETF there is no transparency and most workers are unaware of whether they are even registered for EPF. Further, according to the labour law the workers have a right to ask for permanency after 6 months of work, however, most are transferred before they get the chance to ask for their rights. Similarly they avoid paying gratuity to employees who have served for more than 5 years.

Public sector contractual workers

Recruiting manpower workers is not happening only in the private sector; in recent times many government service establishments also use manpower workers. Manpower agencies supply labour to Sri Lanka Telecom (SLT), state banks, Ceylon Electricity Board (CEB), water board and Central Bank etc. Most of them are recruited as office assistants and janitors etc.

Around 17 per cent and 23 per cent of the employees in two of the state banks are supposedly hired via manpower agencies (Collective for Economic Democratisation in Sri Lanka, 2015). Further, around 27.2 per cent of workers at Sri Lanka Telecom comprises of agency hired workers. They are insourced through their subsidiary company- Sri Lanka Telecom- Human Capital Solution Pvt. Ltd. (SLT-HCS). A subsidiary company of the Ceylon Electricity Board (CEB) called 'Energy Lanka' outsources manpower workers to the CEB (Collective for Economic

Democratisation in Sri Lanka, 2015).

In some public sector enterprises, once the contract of the manpower agency that recruited manpower workers had expired, the institute had transferred the manpower workers to a new agency even without these workers knowledge. These workers had only found out about it once their salary slip was released. Further, it is revealed that, to avoid the need to pay gratuity or the chance to be made permanent, these manpower workers are transferred to a different agency before the completion of 5 years of service.

Further, these agency hired workers have to work more than their permanent counterparts. Although, public sector normal working hours is 8 hours these workers have to work 9 hours per day. In public sector, agency hired workers are permitted only 7 days paid leave for the year i.e. half a day per month. These workers are not permitted for 14 days annual leave, where an employee is entitled to under labour law.⁷

4.5.1 Social Issue

These workers and their families are in an unstable and insecure situation to take long-term decisions and plan their lives due to uncertainty of their jobs, no social security benefits and usually low wages.

"I'm refrained from getting married as I could not afford it"

-- agency hired employee in a state bank

⁷ Shop and Office Employees (Regulation of Employment and Remuneration) Act, 1954.

Agency hired workers are scared to voice their opinions as it would jeopardize their employment. Any protest can lead to them being transferred or losing the opportunity to work in that company. The main issue behind the poor job security is ambiguous relationship of their employment. They have no distinct employer. Hence taking action against the employers is very difficult as it is unclear as to who takes full responsibility for the employees. This uncertainty and lack of trust has resulted in depression, creating jealousy and hate in the minds of manpower workers.

Manpower workers do not have any upward mobility and are stuck in the same position for many years. There is no incentive to train and work hard. The discrimination and low compensation has created many social issues. Some are addicted to drugs and alcohol, resulting in destruction of families and marriages. Some gamble in their free time while others take massive loans ending up in huge debt.

As discussed before, manpower workers are lower paid when compared to their permanent counterparts who handle similar workloads and work. Thus, these manpower workers face many social issues.

“I cannot afford to go for a family wedding. I haven’t bought clothes in more than a year. I can’t build a house or even do simple things like reloading their phones without taking a loan. We are cornered by the society”

-- agency hired employee in a state bank

Further he expressed, “The social pressures associated with these

jobs have caused manpower workers to look elsewhere for money. Many join casinos in the hope that they would get lucky. Others give up and turn to alcohol and drugs for happiness”

Not only for these employees, such temporary kind of employment, has negative impacts on the company that hires them. This form of employment hinders sustainable development and progression. It affects the long-term growth and will result in a productivity loss. “These employees do not have any responsibility towards the employer, resulting in low quality production. Thus, existence and the overwhelming representation of manpower workers in a company can lead to long-term impacts in productivity, efficiency and economic growth. Further these temporary workers affects the permanent staff as they lose their bargaining power and dilute their rights”

-- union representative

4.5.2 Manpower Worker’s Voices Against “Precarious Work”

There have been many campaigns and strikes addressing the plight of precarious workers in Sri Lanka. An organization known as the 'National Centre to Permanent Manpower Workers' held a protest on the 25th of June, 2014 in Colombo demanding 28 Central Bank workers employed on contract basis to be made permanent as promised by the government. (Daily Mirror, 2015) Manpower workers who participated in this agitation were sacked unfairly by the Central

Bank. After continuous struggles and discussions with the head of the Central Bank, they agreed to re-recruit these workers (Union Lanka, 2015).

A massive campaign was organized on the 17th of December 2014 by manpower workers at SLT, CEB and the National Water and Drainage Board. They campaigned outside their head offices demanding for permanency in employment. The contract workers at the CEB wanted the government to keep their promise of making them permanent effective from 1st December 2014. (The Sunday Times, 2015)

In February 2015 the All Ceylon Bank Employees’ Union (ACBEU) urged the government to absorb 2,000 manpower bank employees into the permanent cadre. These workers had been in temporary employment for periods of time ranging from 6 months to 15 years. The union warned the government that employees from state banks, the CEB, the Water Board and SLT were preparing to stage demonstrations outside the Finance Ministry if they fail to meet their demands (Ceylon Today, 2015).

4.5.3 Union’s Actions Against Precarious Work

The expansion of precarious work can have negative implications on labour rights, the conventional role of trade unions and collective bargaining powers. In response to this, global framework agreements have been signed by global unions and manpower agencies. They principally agree that workers on temporary contracts should only handle jobs

of temporary nature. However, many unions are not challenging the employers due to lack of capacity and the lack of willingness on the part of the employee. Another reason is the overpowering strength of these manpower agencies. They are known to have strong political support.

The Free Trade Zones & General Services Employees Union (FTZ & GSEU) has proposed a tripartite amendment to the Wages Board Ordinance to ensure that temporary workers are employed only in temporary work. The proposal was accepted by the Ministry and the employers. The Labour Ministry sent the proposal to the Cabinet and a subcommittee was appointed. However, it was not passed as some considered it a hindrance to foreign investment.⁸

4.6 Policies and Measures Taken to Solve the Problem

4.6.1 National Labour Advisory Council

The National Labour Advisory Council (NLAC) is a tripartite consultative mechanism established to promote cooperation between the government, the organization of workers and the employers at a national level on matters relating to social and labour policy. The

Minister of Labour chairs the council. Members include employers, workers' representatives and government officials selected by the Minister. Trade unions had raised this precarious workers issue before the NLAC. The NLAC is aware that manpower workers are exploited and that some are not given their statutory rights --EPF/ETF and decent working conditions.

There was a recent proposal to ban contract work (including the outsourcing of core-business activities). Lengthy discussions were carried out at the NLAC regarding this matter. The NLAC submitted the proposal to the Cabinet and a subcommittee was appointed. However, it was not passed as some considered it a hindrance to foreign investment. Also, there are difficulties in monitoring manpower agencies and their activities. The Minister of the previous government had wanted to register these agencies with the Commissioner General of Labour in order to monitor them and have guidelines as to how they should operate. However, there was union opposition to this proposition. Some trade unions believe they are not in a position to discuss the issue of manpower agencies until the contract labour matter is finalized.

The NLAC understands the need for multiple strategies to combat the growth of precarious work. They want to promote social

security and permanent employment. Increasing private sector wages will make permanent jobs more attractive. They want to create awareness amongst the society, educating people of the future social security risks. Increased legislation alone will not work as it will make it difficult to attract private investment. Regulation may be challenging but they want to bring in protective measures to safeguard the rights and benefits of the people and mitigate the expansion of precarious work.

4.6.2 Promises Made by the Government

The lack of government intervention has led to the growth of precarious employment in Sri Lanka. The mini-budget proposal presented by the government in January 2015 proposed to make workers permanent who have been employed on contract basis for more than 7 years in the public sector. The workers were unhappy as it ignores the proposal by the previous government to make permanent the contractual workers who have worked more than 180 days and also to restrict the role of manpower agencies. This resulted in a collective protest by several government affiliated institutions including the CEB, Water Board, Telecom and Port Authority. (The Sunday Times, 2015).

⁸ Mr. Anton Marcus - Joint Secretary, Free Trade Zones & General Services Employees Union (FTZ & GSEU) and Executive Committee Member, IndustriALL Global Union.

5. Results

5.1 Determinants of Non-standard Employment Participation

According to the descriptive analysis provided in the last section, recent evolution of non-standard employment and its characteristics were observed. The goal of this section is to single out the independent effect of the factors which determine the engage in the non-standard form of employment.

The outcome variable work status takes the form 1 = permanent employment, 2 = temporary employment, 3 = employer/self-employed/unpaid. The predictors are demographic information, location, education and skills indicators to represent household information. Permanent employment is considered as base level of the multinomial model (see Table 6).

Data reveals that a person with education level below A-levels increases the relative probability of work in temporary work rather than work in permanent employment. Especially, a person with education level below primary level is associated with much large increase in the relative probability of work in temporary employment rather than work in permanent employment. On the other hand, when compared to work in permanent employment, lower levels of education increase chance of being work as self-employed or unpaid family worker. Further, people who are literate in English are less likely to be

engaged in temporary employment when compared to employees of permanent employment. Also, it is worth to note that formally trained people are more likely to be in permanent employment, rather than work in temporary employment or self-employed.

Newly labour market entrants age below 30 years and also elders (age 50 and above) are more likely to be in engaged in temporary employment rather than employed in permanent employment. In summary, age below 30 years group is associated with an increase in the relative probability of temporary employment over permanent employment.

When considering the region level, Central, Southern and North-Western regions people are more likely to be engaged in the temporary employment rather than work in permanent employment. It could be due to lack of job opportunities outside the Western province.

5.2 Marginal Effects of Work in Temporary Employment

To determine the effects of predictor variables in the probability scale, marginal effects were constructed. The figures 3 a-c marginal plots represent the marginal effect for being in permanent vs temporary employment, at different levels of education, age groups as well as by region.

The results show that, a person with lower levels of education is more likely to be engaged in temporary employment. For example, the probability of working in temporary employment is on average about 25 percentage points higher for a person with educated below primary level than for a person whose education level A/L or higher, whereas the other variables keep constant.

Youth are more likely to be engaged in temporary employment. Person in age group 15-19 or a person in the age group 20-29 is more likely to be engaged in temporary employment when compared to a person of age 30-39 age group.

The reasons behind the above trends in labour participation could be mainly due to the transition from school to the world of work is not smooth and existing skill gaps of school leavers. According to statistics, each year about 120,000 and 100,000 students leave the school system without succeeding at the O-Level and A-Level examinations, respectively (DCS, 2014). Further, World Bank's Skills toward Employment and Productivity (STEP) survey 2012, reveals that there are substantial mismatches between skills supply and demand in Sri Lanka (Dundar, 2014). These skill gaps can lead to slow growth in investment and job creation in the country.

Table 6
Determinants of Choosing an Employment

	Temporary		Employer/Self Employed/Unpaid	
Male	0.44	***	-0.03	
Head of household	0.02		0.10	*
Age group (age 30-39)				
age 15-19	0.58	***	0.06	
age 20-29	0.37	***	-0.16	**
age 40-49	-0.20	***	0.10	**
age 50 & above	0.09		0.65	***
Marital status (married)				
Single	0.44	***	-0.14	**
Divorced/Separated/Widower	0.64	***	0.10	
Ethnicity (Sinhalese)				
Sri Lankan Tamil	0.38	***	-0.16	*
Indian Tamil	0.14		-0.83	***
Sri Lankan Moor	0.77	***	0.66	***
Number of adults 60 & above	0.04		0.17	***
Number of children below 15 years	-0.01		-0.02	
Education level (GCE (A/L) & above)				
Primary incomplete	2.82	***	2.14	***
Below secondary	1.87	***	1.71	***
G.C.E (O/L)	0.74	***	0.95	***
Literate in English	-0.77	***	-0.55	***
Formally trained	-0.45	***	-0.29	***
Economic sector (urban)				
Rural	0.01		-0.03	
Estate	-1.39	***	-2.09	***
Province (Western)				
Central	0.51	***	0.77	***
Southern	0.53	***	0.66	***
Northern	0.08		0.73	***
Eastern	0.02		0.36	***
North-western	0.50	***	0.77	***
North-central	0.38	***	1.40	***
Uva	-0.11		1.01	***
Sabaragamuva	0.10		0.471	***
Community unemployment rate	0.00		-0.01	***
N	29,556			

Source: Authors calculations based on LFS 2013 micro data.

Figure 3a
Marginal Plot Shows Predicted Probabilities by Level of Education for Being in Permanent Employment Vs Temporary Employment

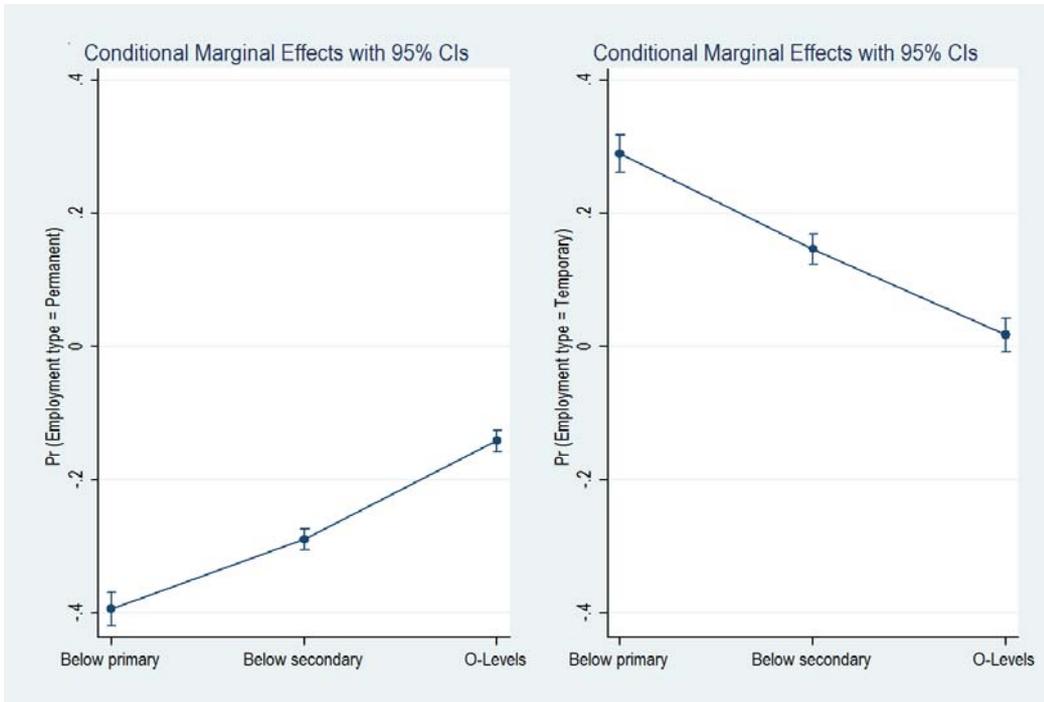


Figure 3b
Marginal Plot Shows Predicted Probabilities by Age Group for Being in Permanent Employment Vs Temporary Employment

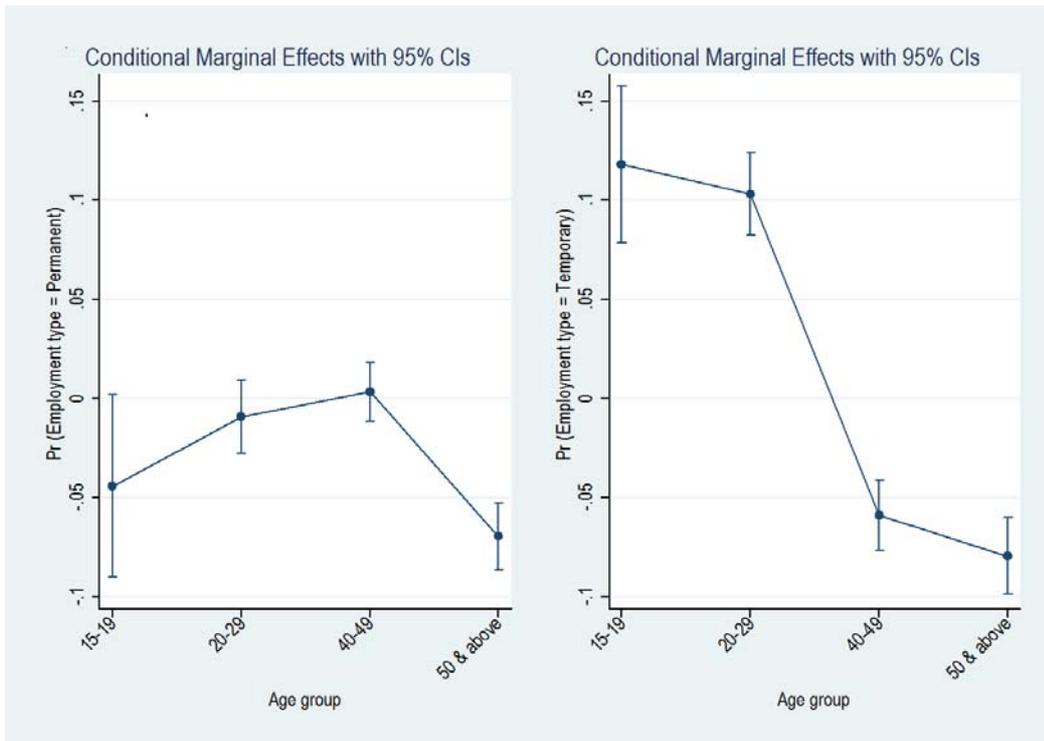
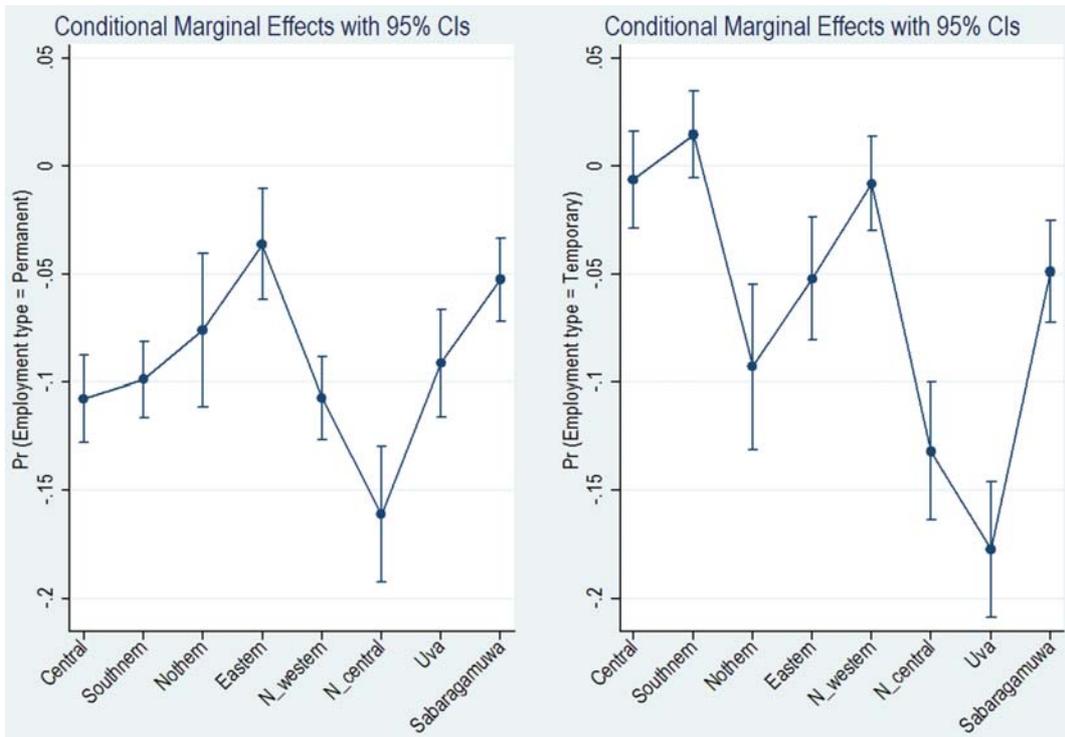


Figure 3c
Marginal Plot Shows Predicted Probabilities by Provinces for Being in Permanent Employment Vs Temporary Employment



Source: Authors calculations based on LFS 2013 micro data.

6. Policy Recommendations

As in the case of many other global economies, the broad trend towards growing casualization and externalization of work has become more prevalent in Sri Lanka. Study findings revealed, that non-standard forms of employment affect workers in terms of unstable employment, lower wages, lack of social security coverage, etc. For instance, around 85 per cent of the temporary workers are not covered under employment based social security schemes. Around 83 per cent of temporary and casual employees have not received a written contract. Further, there are huge unexplainable wage differences between permanent and temporary workers. Given the nature of their employment, such workers also find it more difficult to plan their lives in the long-term.

Therefore, measures need to be taken to offer similar terms and conditions of regular workers which are stipulated under the labour legislation, to temporary workers. As temporary workers especially manpower workers are not protected by law, it is important to have regulatory mechanisms to protect their rights, including equality of employment conditions, social protection, etc. Therefore, as a first step, issuance of letters of employment to all temporary, hired employees should be made compulsory for companies that use such hired labour. Once a contract is awarded, the tenderer is required to provide a list of employees delivering services, working hours, leave entitlement etc. Also, it should be necessary to provide a pay slip with details

of wages, social security, taxes, allowances and deductions etc. Awareness campaigns on worker rights of the agency-hired workers will be helpful to protect the rights of such workers.

Further, study findings revealed that there are two main reasons for increasing trends of non-standard forms of employment in Sri Lanka. Labour supply side issues such as less educated, unskilled workers and new labour market entrants were more likely to be engaged in non-standard forms of employment. Also, as in many other countries Sri Lanka experiences exploiting labour through recruitment of temporary workers to fill permanent job needs while denying them permanent employee rights. For instance, data reveals that 95 per cent of the wage employment created in the private sector during the 2006-2013 period, were temporary and casual jobs which created demand.

Therefore, measures need to be taken aiming at restricting the expansion of precarious work giving ways for more and better job creation, while improving the working conditions of precarious workers. One option is to prevent further increases in precarious work, through addressing labour supply side gaps and giving ways for more and better jobs. Existing skill gaps of school leavers negatively affect employer's selection criteria for permanent job opportunities. Therefore, a proper training system should be initiated for students after sitting for O-Levels to address the skill gaps. Training programme should be more work-oriented technical

training programmes in different fields - such as hotel, construction, textile and garment sectors, etc. Further, mechanisms to support workers and create opportunities for temporary employees to transition to the permanent workforce are also suggested.

Second option towards transforming precarious work to decent work is to regulate precarious work while safeguarding precarious worker rights. Under this, limiting the number of temporary workers, offering legal protection for agency-hired workers, regulating manpower agencies, and providing social protection for such workers are recommended. Therefore, the use of temporary workers and agency workers must be limited to legitimate needs - for example, to meet the seasonal demand of businesses, to provide supplementary services such as security, and janitorial services, etc. Also need to make limitations for contact period of seasonal workers maximum to 6 months period. Through such measures, companies can be discouraged from increasing temporary or agency workers above a reasonable threshold.

There is also a critical need to regulate all manpower agencies. As a first step, all the manpower agencies should be registered under the Department of Labour. Further, legitimate measures should be taken to ensure that workers in triangular relationships can participate in meaningful collective bargaining. Therefore, working with trade unions to

promote the above-mentioned standards is recommended. Also, government enterprises should stop recruiting agency hired workers for their core activities. Therefore, as a first step government should play an exemplary role by making permanent all the temporary workers of state enterprises who have been involved in the core business and worked more than 180 days.

On the other hand increased legislation alone will not work as it will make it difficult to attract private investment. Therefore, multiple strategies are needed to combat the growth of precarious work. It is required to implement policies to promote decent work, and using tools that prevent further increases in precarious work. Employers can be held accountable for creating good

jobs through public procurements and labour inspections (Euan, 2009). For example, Canada has introduced measures to discourage firms from hiring temporary agency workers, and established public or private sector 'benefit banks' for irregular workers otherwise denied access to benefits as policy measures.

Government could also facilitate permanent employment in the private sector with introducing strategic protective measures to safeguard the rights and benefits of the workers, such as unemployment insurance, universal pension scheme etc. Moreover, with the existing social security system, Sri Lanka faces a pressing challenge on how to meet the social security needs of a large and growing informal sector within the current systemic capacity. In order to extend

coverage to those not currently eligible for any existing scheme, the introduction of a universal scheme could be entertained. Concurrently, the government can take necessary steps to facilitate private pension plans for those who are able to contribute towards their pension.

It is difficult to completely eliminate this type of labour as it has been integrated into the labour market. The main focus has to be on improving work conditions, equally paid, providing sustainability and introducing a legal and social protection framework. This can be achieved either by creating awareness, legislation or collective agreements. The final objective of all these efforts is to provide a safe and decent working environment for the future generation.

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