

Pandemics & Disruptions: Safeguarding Lives and Livelihood of Sri Lankans

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By Suresh Ranasinghe

The impact of COVID-19 on Sri Lanka's labour market, education, migration, and health sectors were discussed at the second webinar panel discussion held on October 13, to mark the release of the 'Sri Lanka: State of the Economy 2021' report, the flagship report of the Institute of Policy Studies of Sri Lanka (IPS).

The event saw presentations by Dr Nisha Arunatilake and Dr Bilesha Weeraratne from IPS, with expert insights from Ms Madhavi Gunawardena, Director of TRCSL and Former Commissioner of Labour and Dr Kolitha Wickramage, Global Migration Health Research and Epidemiology Coordinator, Migration Health Division, International Organization for Migration (IOM). Ashani Abayasekera from IPS moderated the discussion.

Key highlights of the discussion are presented in this blog.

Presentation: Labour Markets and Education

Dr Nisha Arunatilake

An estimated 225 million people lost their jobs globally in 2020 due to COVID-19, according to the International Labour Organization (ILO). Sri Lanka's labour market was also severely affected, with 150,000 people losing jobs and the quality of available jobs deteriorated with many workers taking on more vulnerable forms of employment (eg. agriculture, self-employment) that have low social security. The unemployment rate rose by 0.7% in 2020. The most affected were youth, low and medium-skilled individuals, and males, while several women left the labour market altogether.

The pandemic affected different types of workers differently. Frontline workers were the most vulnerable, and a large share of frontline workers are females. The ILO has classified industries according to their COVID-19-related economic output risk. This calculation was used to see how COVID-19 has affected different types of workers, and it shows that 39% of workers are in high-risk industries in Sri Lanka. Further, medium-skilled workers and women are more likely to be in high-risk industries.

The government took various measures to provide relief to workers, but the relief packages were given is not as sizeable as the types of relief provided in other countries. IPS research shows that the perception of employees, employers, and trade union leaders is that the government could have done better by providing financial support through the EPF/ETF funds, as done in other countries like India.

The pandemic has highlighted the importance of providing pre-retirement social protection such as unemployment benefits and wage support during illnesses in addition to current post-retirement social protection measures. Therefore, it is necessary to create a separate fund to provide pre-retirement social protection as practised in Nepal, Malaysia, and Singapore.

A recent IPS study finds that, Sri Lanka's ETF funds are sufficient to cover sickness and unemployment benefits to workers and provide wage support to retain jobs. In summary, the government must improve and expand access to social security for employees and firms, support firms to offer flexible work arrangements for higher labour participation and develop better labour market institutions that have the capacity to collect timely data and are prepared to address disaster risks.

Since March 2020, schools across Sri Lanka were closed other than for few brief periods of operation and the total number of school days missed are significantly higher in Sri Lanka compared to other countries. Even though the Ministry of Education and associated organisations provided lessons online and via TV, less than 50% of the students were reached online and in smaller schools, only 30% were reached by both online and TV. There needs to be an assessment done about the learning losses, and adjust the curricular, so that schools can focus on the most needed competencies to streamline and speed up the recovery.

Migration and Health

Dr Bilesha Weeraratne



A large number of migrant workers were forced to return much earlier than they planned due to the pandemic, and it affected earnings and their capacity to return. Notably, most of the returnees were either self-financed or their employer paid for their return air ticket. Limitations in Sri Lanka's return and repatriation efforts were not able to bring a wide cross-section of returnees back to Sri Lanka from the onset itself. On average, there was a 4.5-month delay between the decision to return and the actual date of return. This was also because of the lack of proper information. Sri Lanka has a return and reintegration sub policy, and the issue was that it was not implemented.

Returning migrant workers require economic, social and psychosocial reintegration support but reintegration support was largely limited to immediate health support (testing, quarantine, treatment). Also, issues associated with the vaccination process in Sri Lanka such as irregular and inconsistent supply, delays in NMRA approvals, disorganised deployment etc. caused the delays in vaccinating potential migrant workers as well. However, the vaccination process for migrant workers was much better organised than the overall vaccination process in the country.

Sri Lanka sends 225,000 workers abroad while foreign annual exchange earnings is USD7 billion. Although in 2020 there were just 53,713 registered departures, remittances increased grew by 5.8%. They began declining since the beginning of 2021. There were many reasons for the growth last year like informal remittance channels being closed due to the lockdown and workers increasing their remittances through formal channels. Further, workers who were terminated would have got lump sums as terminal benefits which were remitted, while another reason would have been the reluctance of returnees to carry cash as they had to be quarantined on arrival.

Commentary: Labour Markets and Education

Ms Madhavi Gunawardena

The COVID-19 pandemic has flagged the need for Sri Lanka to revisit its labour laws and regulations. Since the labour market was forced to accept work from home (WFH), accommodating flexibility in labour legislation and other legislation governing the workplace is essential. Accommodating flexible working practices is important, especially for women, as this allows them to balance their family and work responsibilities, thus retaining them in the labour force. With prolonged school closures, there is currently no way of improving the students' soft skills as extra-curricular and co-curricular activities were halted. This will affect their employability in the future.

Commentary: Migration and Health

Dr Kolitha Wickramage

In the migration sector, future policy decisions should take into consideration factors such as the gender dimension of returnees and skills requirements of migrant workers as well. Psychosocial health and mental health are extremely important for the reintegration package since this is still an unmet agenda. Even though the overall vaccination process including vaccination for migrant workers in Sri Lanka is appreciable, the number of deaths and serious cases can be averted if a more systematic strategy such as those provided by WHO Sage recommendations were followed. The IPS State of the Economy report must be commended for recognising the need to address psychosocial issues of migrants, in addition to their social and economic issues.



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