



BUSINESS TIMES

Decent work and labour reforms

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It was my friend 'human resource' pundit HR Perera, popularly known as HR, who drew my attention to an interesting development last week which is considered to be part of wide-ranging labour reforms to be introduced in Sri Lanka.

"I say.....did you hear about the Cabinet approval for night work for women," he asked, calling me on Thursday morning.

"Yes I remember that but it's confined to sectors involved in IT, knowledge outsourcing, business process outsourcing, as well as offices engaged in accounting, administration and technical activities for overseas business establishments," I said, reading from a news item on this topic.

"But I thought this was already allowed," he said.

"Well when I spoke to a trade union leader, he said there is limited permission for night work for women under the Employment of Women and Children's Act and this applies to the garment sector too," I said. Under these rules, engaging women to work on night shifts is limited to 10 days a month, the wage rate is 1.5 times more than the normal rate and the consent of the worker is a requirement.

These developments come at a time when the government is engaging in serious labour reforms to transform the country's labour environment to a modern world scenario since labour laws are outdated and archaic, not keeping in line with current trends. Labour unions fear the changes would put pressure on workers, allow flexible hire-and-fire mechanisms and extend working hours.

It also so happens that the world of work is changing particularly in the context of the COVID-19 pandemic, creating a more socially acceptable work-life balance with many companies across the world resorting to flexible working hours and work-from-home days during the week.



While Sri Lanka's business community is pushing for modern-day reforms with increased working hours amidst a shorter work-week, trade unions say the proposed new labour reforms violate ILO conventions which stipulate not more than eight hours work per day. FTZ labour union leader Anton Marcus said most unions have rejected the longer working hours proposal and now the Cabinet has appointed a committee headed by Prime Minister Dinesh Gunawardene to seek a broader consensus on the reforms. However, he said the absence of the monthly meeting of the tripartite (workers, employers and government) National Labour Advisory Council (NLAC) has deprived proper consultation with unions on these crucial reforms. The last meeting of the NLAC was held on August 29.

The reforms are also being drafted during a crisis period in the country's export sector which has registered a drop in earnings largely due to fewer orders for the garment sector.

According to the Export Development Board (EDB), Sri Lanka's merchandise exports decreased by 11.88 per cent to US\$ 951.5 million in September 2023 compared to September 2022; it was also a 14.94 per cent decrease when compared to the value recorded in August 2023.

January to September 2023 export earnings fell by 10 per cent to \$8,961 million from \$9,991 million in the same 2022 period. The worst affected sector was apparel and textiles which saw earnings drop by 19.40 per cent to \$3,677 million from \$4,562 million in the 9-month corresponding periods.

Thousands of workers have lost their jobs in the garment sector and allied fields particularly among small and medium-level establishments due to lower demand and higher production costs. In some cases, workers have been asked to stay at home, offering the basic wage sans overtime and other benefits since compensation packages are more costly if workers are to be fired.

According to a recent Business Times report, Sri Lanka's factories are facing tough times and so are their workers with the unemployment rate increasing to 5.02 per cent in June this year.

FTZ Manufacturers' Association Chairman Dhammika Fernando told the Business Times that the factories in the zones and outside are facing dire conditions with the increasing cost of production, becoming increasingly uncompetitive when compared with its regional counterparts.

"As a result the crisis has reached insurmountable proportions and has pushed some out of work and forced companies to relocate their factories in other countries in the region and even outside the region like Türkiye (Turkey) where the business prospects are more favourable," he has said.

As I walked to the kitchen to fetch a '*maalu paan*', the conversation by the margosa tree appeared to be vibrant and noisy.

"Magey samahara yaluwange rassawal nethi wela angalum kshestraye mae arthika arbudaya nisa (Some of my friends have lost jobs in the garment sector due to the economic crisis)," said *Kussi Amma Sera*.

"Venath ansha wala inna magey yaluwangeth rassawal nethi wela. Harima amaruwen thama jeevath wenne (My friends in other sectors too have lost their jobs. They find it hard to survive)," noted *Serapina*.

"Poudgalika anshaye inna kattiyage rassawal nethi wena-kota aanduwe weda karana kattiya sathutu wenna oney rassawal thiyenawa kiyala, padi wedi karanna kiyala kegahanney nethuwa (While people in the private sector are losing jobs, government workers should be happy they have jobs instead of demanding wage increases)," added *Mabel Rasthiyadu*.

These issues also came to the fore during an illuminating discussion this week organised by the Institute of Policy Studies (IPS) on 'Women's Access to Decent Work in Sri Lanka'.

IPS researcher Dr. Lakmini Fernando said that a survey on this issue shows that women's participation in the labour force is just 31 per cent when compared to the female population in the country of nearly 52 per cent.

Most engage in poor quality jobs with long hours and low wages, it was revealed and noted that there is a need to provide workers with dignity, equality, fair wages and safe working conditions in accordance with ILO standards. It was revealed that Rs. 13,500 is the minimum monthly wage in Sri Lanka.

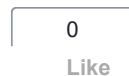
Access to decent work for women improves with access to education and brings positive structural changes in society, it was pointed out, while the conference emphasised that there is a need to invest in sectors that provide good quality jobs, sectors where Sri Lanka has a competitive advantage.

The need for more women to participate in policy making was noted along with the need for childcare facilities and safe public transport.

The multiple barriers for women in finding decent work were highlighted while stressing that night work for women should ensure the presence of female wardens and providing proper rest room facilities.

Winding up my column and sipping my second mug of tea, my wish-list today is for proper consultations among workers (via unions), the government and the business community to ensure the worker is treated with dignity under the labour reforms and furthermore to enable a more friendly and favourable working environment between workers and employers.

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