

Workers in Post-Civil War Jaffna:

A Snapshot of Working Conditions,
Opportunities and Inequalities
in Northern Sri Lanka

SOLIDARITY CENTER • JUNE 2016

The Solidarity Center is a non-profit organization that works with unions, nongovernmental organizations and community groups worldwide to advance worker rights and achieve equitable economic development in countries where globalization has made the lives of vulnerable people even more precarious. It supports programs and projects—among them, trainings, education campaigns, legal aid, research, transparency initiatives—that help workers understand and exercise their rights, improve their working and living conditions and build independent unions. Every year, the Solidarity Center helps hundreds of thousands of working people, the majority of them women, improve their workplaces and build stronger futures in Africa, the Americas, Asia, the Middle East and North Africa, Eastern Europe and Central Asia.

The Solidarity Center’s mission is to help build a global labor movement by strengthening the economic and political power of workers around the world through effective, independent and democratic unions.

Introduction



More than a quarter century of civil war (1983–2009) destroyed institutions, legal frameworks and human rights protections in the Northern Province of Sri Lanka, including its capital, Jaffna. Fundamental worker rights and core

labor standards enshrined in Sri Lankan law, as defined by the International Labor Organization (ILO), including freedom of association and the right to collectively bargain, and the functions of the government's labor inspectorate system were all destroyed by the war and have yet to be restored.

While Sri Lanka's labor code sets the minimum wage, the maximum number of work hours per day and work days per week, and establishes rules around overtime and benefits, many employers in Jaffna are flaunting the statutes. The vast majority of workers are unaware of their statutory rights regarding pay, benefits and a written contract.

The bulk of the workers in Jaffna are in low-paid jobs with minimal labor standards, social protection and security of tenure, which are not conducive to decent work, per the ILO¹ or to creating sustainable

livelihoods. Whether through a lack of institutional capacity as a result of the war (fighting ceased seven years ago) or other factors, the local, provincial and national governments are remiss in upholding and enforcing labor standards and laws, compared with other provinces. Moreover, perhaps because the re-establishment of formal work and labor relations is relatively new to the province, workers are unaware of the rights due them and the laws to be enforced. Trade unions, nongovernmental organizations and international development partners could play a pivotal role in sensitizing the governments and business community around compliance with national and international labor standards, and empowering workers to demand their due entitlements.

If Sri Lanka is to reap a peacetime dividend, it must address the entrenched inequality and economic inequity that can stoke and prolong conflict, and which threaten peace. The following snapshot of labor conditions highlights the issues and gaps that exist in Jaffna and, by extension, the Northern and Eastern provinces, that need urgent attention to both grow the country's economy and address worker rights issues that have the potential to stoke continued social conflict.

Methodology

An informal survey of 258 working people in varied occupations, businesses and households was undertaken in mid-2015 in Jaffna. Local labor union activists, with technical assistance from the Solidarity Center, designed and administered the questionnaire to gauge working conditions in the Jaffna area. Dr. Muttukrishna Sarvananthan of the Point Pedro Institute of Development (PPID) guided and contributed to the processing, tabulation and writing of the survey data and report. Women comprised more than 67 percent (174) and men nearly 33 percent (84) of total respondents. By age, exactly 50 percent of total respondents (129) were between 20–29 years old; almost 24 percent (61) were between 30–39 years old; a little more than 16 percent (42) were between 40–49 years old; approximately 7 percent (19) were in their 50s; and seven respondents were between 16–19 years old (See Appendix, Table 1).

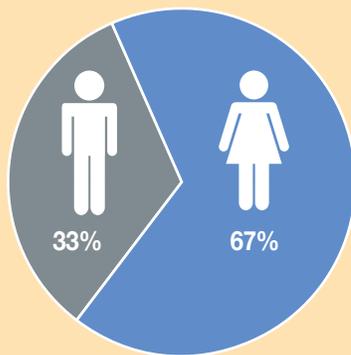
The Survey's Objective

The Solidarity Center commissioned the survey to shed light on legal, livelihood and social conditions of working people in Jaffna six years after the military conclusion of the civil war, in May 2009. The findings will be used by union partners to sensitize governments (national, provincial and local), private businesses, nongovernmental organizations, international development partners and other stakeholders to the need for the protection and promotion of labor policies and practices in the post-civil war economic and social development of Jaffna and beyond.

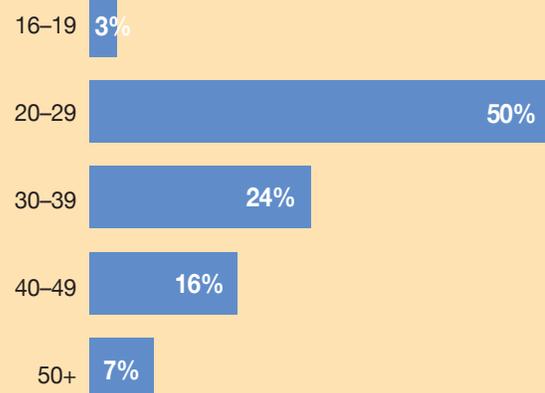
Economic Facts and Context

- ▶ The latest Sri Lankan government provincial gross domestic product (PGDP) data available dates from 2014.² After the end of the war, the PGDP of the Northern Province grew by 22 percent in 2010 (compared to 2009) and 28

SURVEY RESPONDENTS BY GENDER



SURVEY RESPONDENTS BY AGE

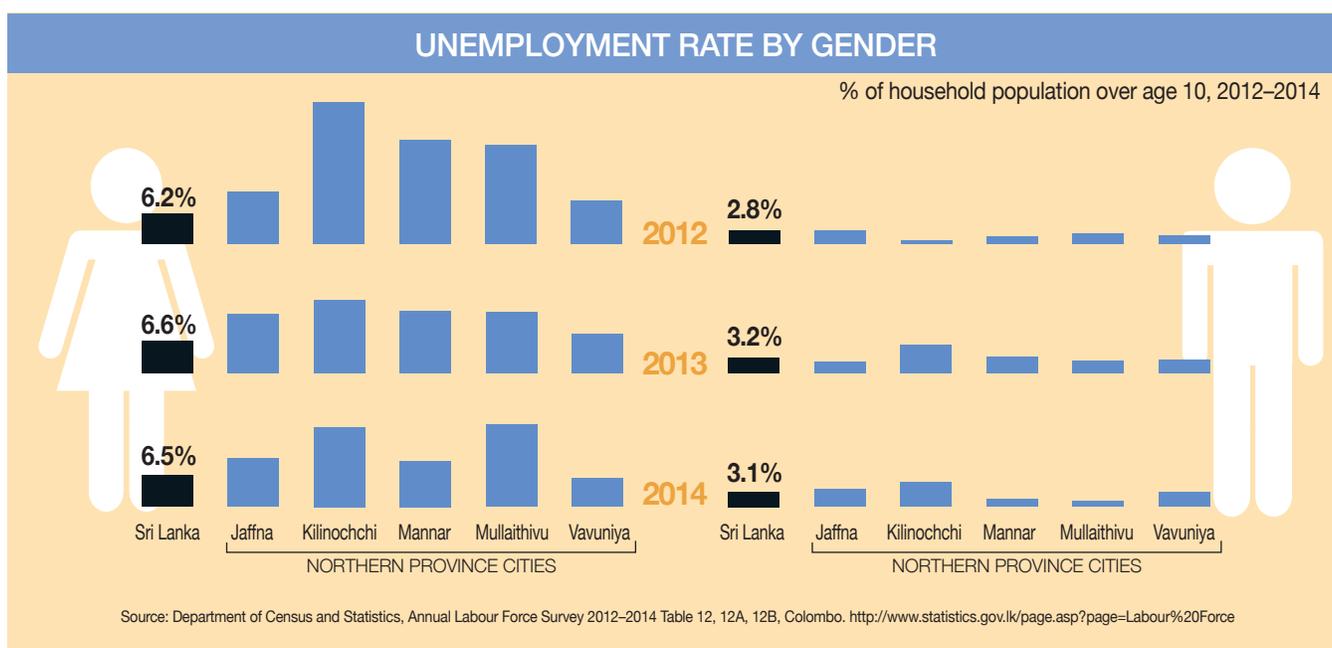
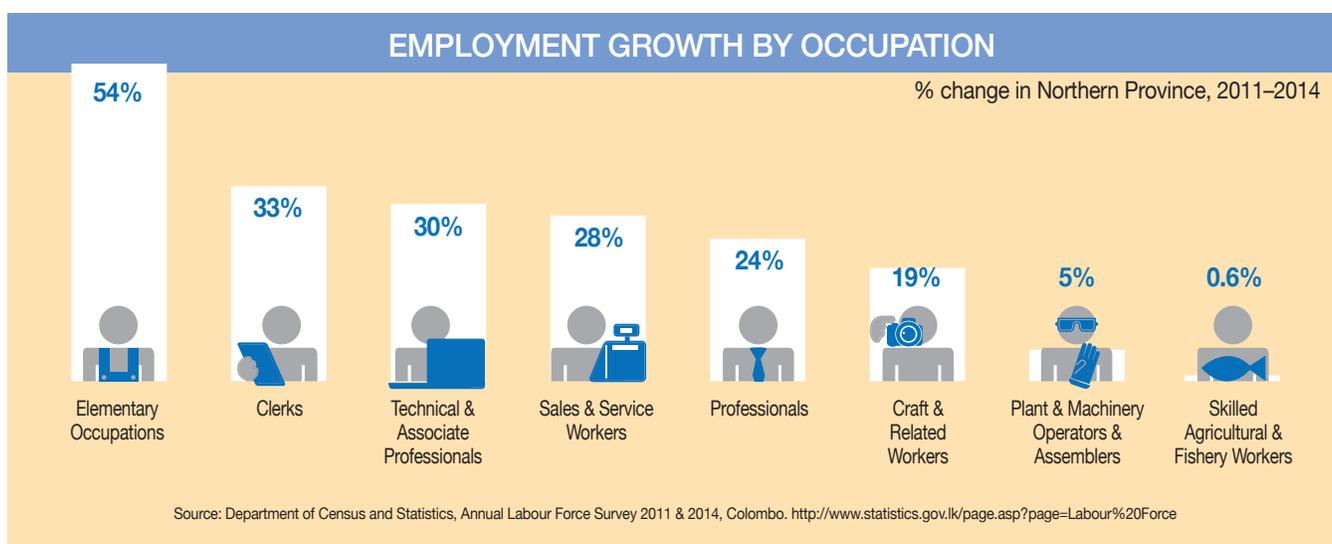


percent in 2011, but then decelerated to 15 percent growth in 2012, 12 percent in 2013 and 8.3 percent in 2014. This growth was fueled by pent-up demand for goods and services in the province and mimics the experience of the Eastern Province, where the provincial economy recorded 33 percent growth in 2008 (the year after the end of the civil war in the East in 2007) and then decelerated in the subsequent years.³

- ▶ The highest contribution to the PGDP in 2013 by sub-sector, in order of importance, was: construction (15.3 percent), government services

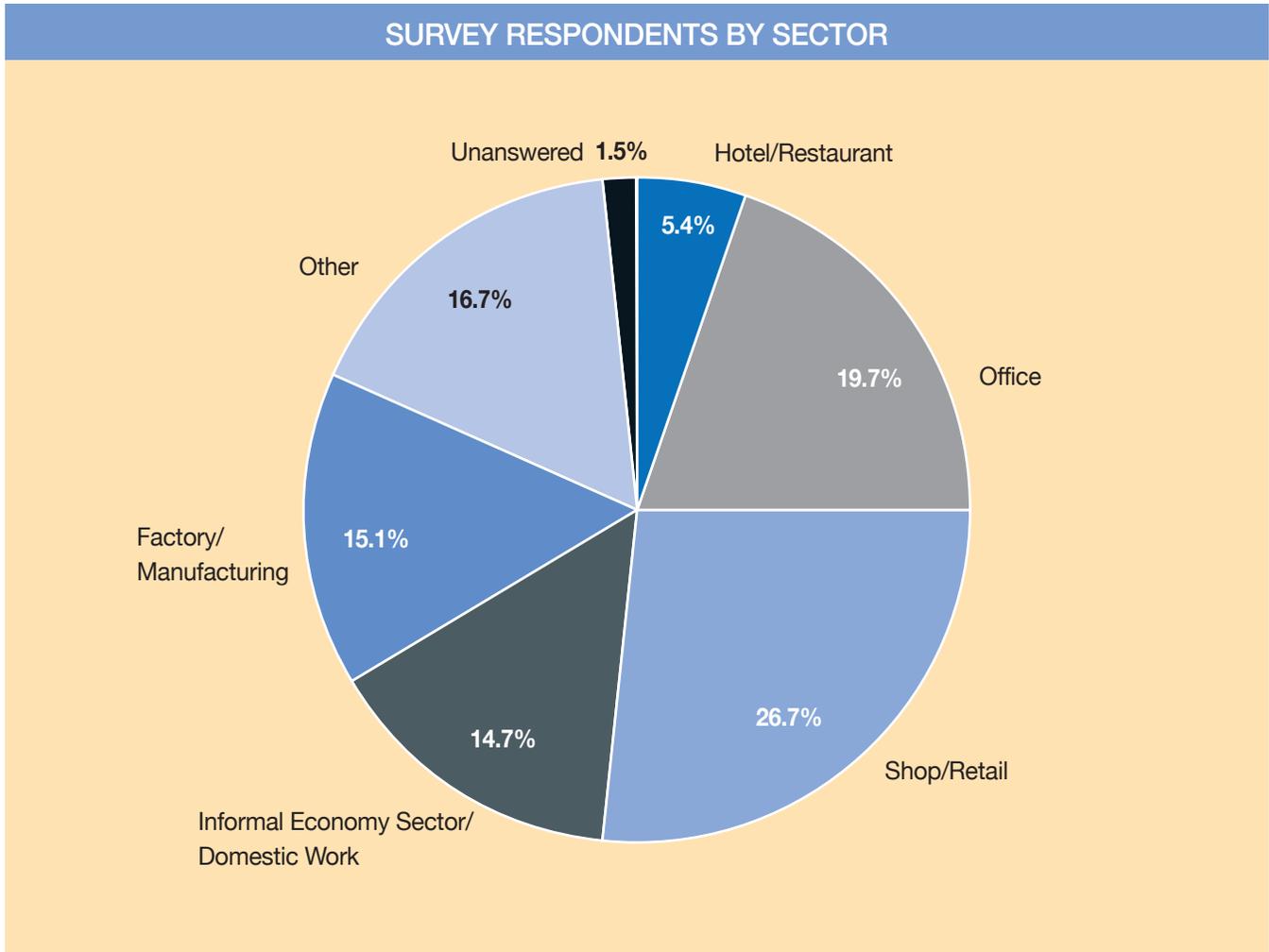
(15.2 percent), transport (13.3 percent), domestic trade (10.3 percent), banking and financial services (9.3 percent), fisheries (7.6 percent) and other food crops (5.9 percent). In 2014, the broad categories of services (67 percent) dominated, followed by industry (19.6 percent) and agriculture (13.5 percent).

- ▶ Since 1990, the quarterly labor force surveys undertaken throughout the country were not undertaken in the Northern Province due to the protracted civil war. They were reinitiated in 2011. The total employed population in the Northern



Province increased from 302,488 people in 2011 to 352,867 people in 2014, which means, on average, nearly 17,000 net jobs were created annually between 2011 and 2014. While the employed population rose by 17 percent in the Northern Province between 2011 and 2014, it rose by just 3 percent in the country as a whole.

For the most part, private business—led by construction, wholesale and retail trade, and transport—are the sectors where economic growth outstrips employment growth. In contrast, subsistence farmers (including fishers) dominate the agriculture, forestry and fishery sectors, while state banks and insurance companies lead the financial sectors.



Key Findings



WRITTEN CONTRACT

- ▶ Stable employment and predictable income are crucial for people to earn a decent living and plan for the future. A staggering 84 percent of respondents (210 out of 250) had no written contract, versus 16 percent who had a written contract for their current employment.
- ▶ The share of respondents without a written employment contract was higher among women than men, reflecting the national and global trend of the feminization of informal labor.

NATURE OF JOB	
Casual	62.4%
Permanent	24.4%
Fixed-term	4.3%
Human resources agency	2.7%
Part-time	2.7%
Probationary	0.4%

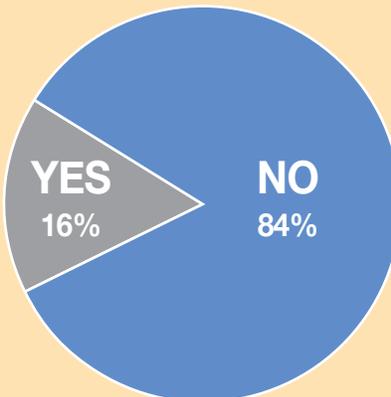
DO YOU HAVE A WRITTEN CONTRACT FOR YOUR JOB?



52.5%



47.5%



29.5%



70.5%



WAGES

- ▶ The overwhelming majority of respondents, 85 percent, were unaware of the legally stipulated minimum wage for their job. Only 37 respondents, or 15 percent of the total, knew there was a minimum wage for their job.

- ▶ Not surprisingly, a detailed breakdown of the wages paid to men and women in most sectors (where women and men reported the ranges of their salaries) demonstrated that men were paid more than women (both in terms of average monthly take-home pay as well as basic salary) for the same or similar jobs, which reflects the worldwide pattern of wage discrimination in terms of gender.

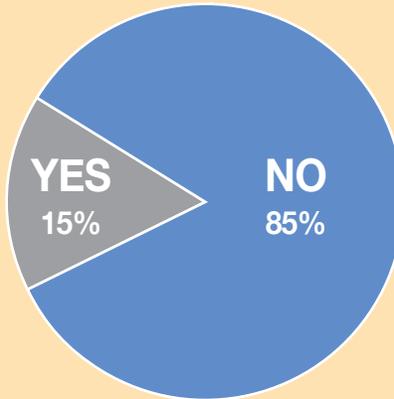
ARE YOU AWARE OF THE LEGALLY STIPULATED MINIMUM WAGE FOR YOUR JOB?



32%



68%



33%



67%

WAGE DISCRIMINATION AGAINST WOMEN





AVERAGE DAYS AND HOURS WORKED PER WEEK

- ▶ A vast majority (83 percent) of respondents worked more than five days a week. In fact, 59 percent of respondents said they work six days a week and, of that group, 63 percent were women. Another 25 percent toil seven days a week, of whom 69 percent were women. In contrast, only 13 percent of workers surveyed have a five-day schedule, with a small percentage underemployed.
- ▶ Of those respondents working 40 hours or more, 65 percent were women, demonstrating that women across sectors tend to work longer hours per week than men in Jaffna.

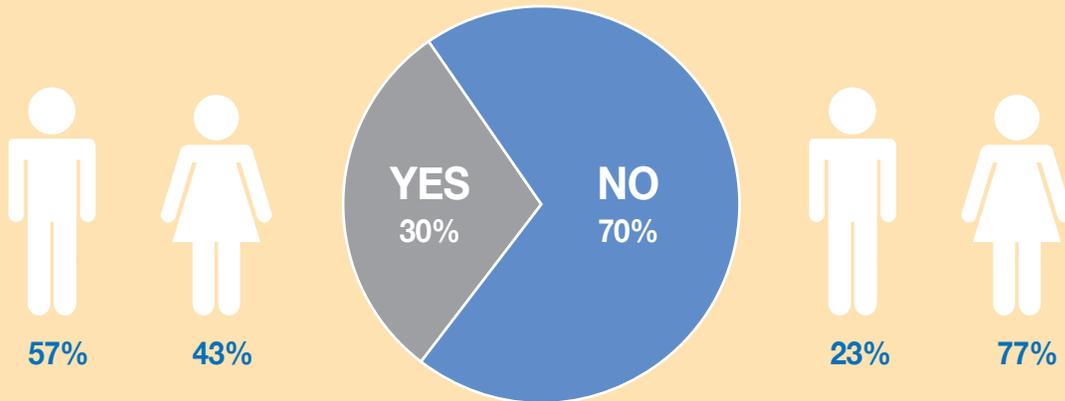
TYPE OF JOB	2 DAYS	3 DAYS	4 DAYS	5 DAYS	6 DAYS	7 DAYS	TOTAL
Accounting staff				1	3		4
Agriculture skilled worker			1		2		3
Care worker			1	2	8	6	17
Cashier					4	1	5
Clerical staff				1	9	2	12
Customer care worker					1		1
Driver					2	1	3
Field worker				1	4		5
Managerial					3	3	6
Skilled hospitality worker				1	10	3	14
Media						1	1
Production worker			1		3	1	5
Sales staff				4	32	8	46
Skilled construction worker					8	6	14
Skilled photography worker				1	1	1	3
Tailoring				1	3		4
Teaching staff		1	1	3	1		6
Unskilled staff	1	3		18	53	29	104
Total	1	4	4	33	147	62	251



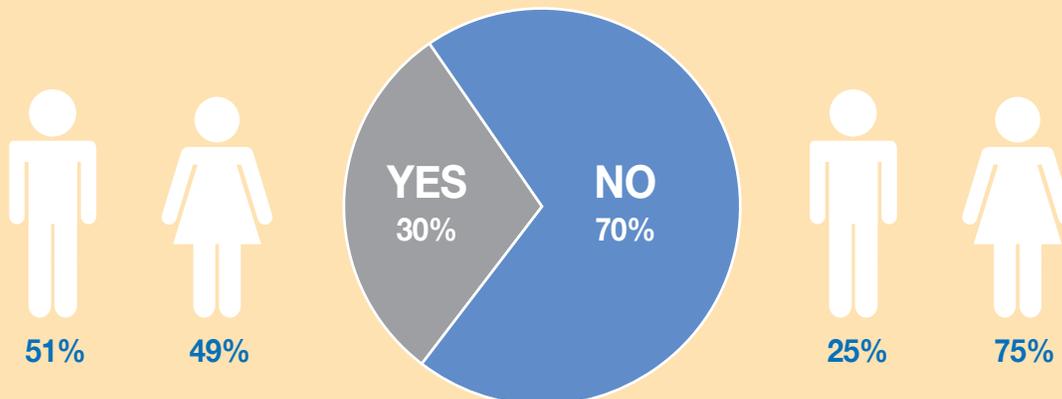
EARNED BENEFITS, BY GENDER

- ▶ Almost 70 percent of respondents believed they were not entitled to overtime pay, and of these respondents, 77 percent were women and 23 percent were men. This disparity indicates a gendered difference in awareness of overtime benefits, which affects earning potential.
- ▶ Similarly, 70 percent of total respondents did not benefit from Employee Provident Fund/Employee Trust Fund (EPF/ETF)³ contributions from their employer. Of these respondent 75 percent were women.
- ▶ Nevertheless, 85 percent of total respondents received their wages/salaries on time. However, a gender gap was evident here as well: 80 percent of female respondents were paid on time, compared to 94 percent of male respondents.

ARE YOU ENTITLED TO OVERTIME PAYMENT?



DOES YOUR EMPLOYER CONTRIBUTE EPF/ETF?



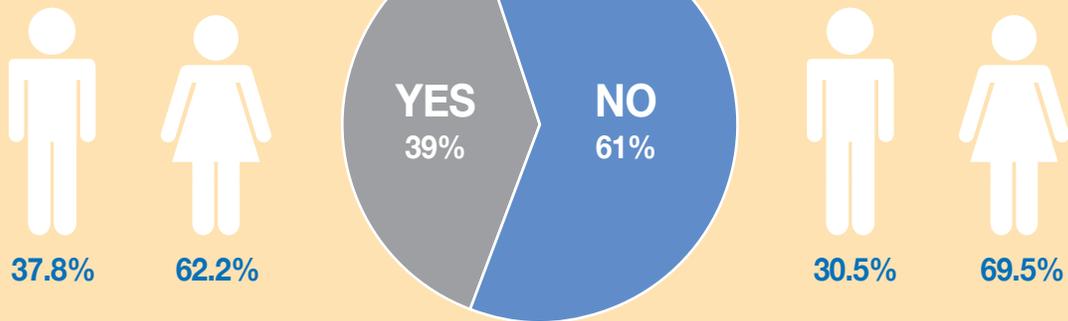


LEGALLY STIPULATED WORKING HOURS

▶ A majority of respondents, 151 of 249 (61 percent), were not aware of the legally mandated number of working hours for their job. Of those

respondents unaware of their legally stipulated working hours, nearly 70 percent were women.

ARE YOU AWARE OF THE LEGAL WORKING HOUR'S LIMITATIONS FOR YOUR JOB?



Recommendations

The survey results reveal that employers across multiple sectors in Jaffna are flaunting the statutory labor laws in the country, including minimum wage, maximum number of hours of work per day, maximum number of days of work per week, payment of overtime pay, payment of EPF/ETF, annual leave entitlement and employment contract. Moreover, a vast majority of respondents are unaware of their rights in these key categories.

Based on the survey findings, the Solidarity Center offers the following recommendations:

- ▶ Trade unions, nongovernmental organizations (NGOs) and international development partners could play a pivotal role in sensitizing the government and the business community to comply with national and international labor standards, while also raising awareness among workers about their rights. According to the regional head of the Human Rights Commission of Sri Lanka in Jaffna, employees increasingly take their complaints about employers' violations to the Human Rights Commission rather than to the Labor Department. Building trust and accountability in institutions will be critical to improving labor law compliance.
- ▶ Because trade unions were unable to provide adequate support to workers in conflict-affected areas during the war, and given the growth in new sectors of employment, union membership rates in the North are still quite low. Support for unions to conduct worker outreach will improve the effectiveness of tripartite dialogue and allow workers to assert their rights through collective bargaining and regular government engagement.
- ▶ The Sri Lankan government should fully adopt and promulgate the ILO's Decent Work Agenda to promote inclusive growth, poverty alleviation, shared prosperity and basic minimum standards of living, because these elements are fundamental to lasting peace and stability in the country.
- ▶ Given the wage and hour disparities between male and female workers, trade unions, NGOs and international partners should pay particular attention to raising rights awareness among female workers and support targeted outreach to women who can take leading roles in advancing gender equality and the rights of all workers.

Appendix:

Profile of the Respondents

	Female	Male	Total
AGE			
16–19 years	3	4	7
20–29 years	74	55	129
30–39 years	48	13	61
40–49 years	38	4	42
50 or over	11	8	19
Total	174	84	258
CIVIL STATUS			
Married	71	29	100
Unmarried	80	55	135
Divorced	1	0	1
Widow / Widower	22	0	22
Total	174	84	258
EDUCATIONAL LEVEL			
Up to Primary School	35	21	56
Up to G.C.E. Ordinary Level	97	29	126
Up to G.C.E. Advanced Level	34	27	61
Diploma or Vocational Training	7	5	12
First Degree	0	1	1
Postgraduate Degree	0	0	0
Other	1	1	2
Total	174	84	258

Endnotes

1 The four pillars of “Decent Work” enunciated by the International Labor Organization (ILO) and adopted by the United Nations General Assembly, including Sri Lanka, are:

1. Employment creation and enterprise development
2. Social protection
3. Labor standards and rights at work
4. Labor governance and social dialogue

2 Central Bank of Sri Lanka. “Provincial Gross Domestic Product–2014,” press release, October 28, 2015. Accessed at: http://www.cbsl.gov.lk/pics_n_docs/latest_news/press_20151028eb.pdf on May 16, 2016.

3 Sarvananthan, Muttukrishna, (2015a), “Elusive Economic Peace Dividend: all that glitters is not gold”, *Geo Journal*, Vol.80. <http://link.springer.com/article/10.1007/s10708-015-9637-3>

4 EPF/ETF are legally mandated payments into accounts for Sri Lanka workers, similar to the Social Security Fund in the United States, but accruals and withdrawals are structured differently both from the U.S. system and between the Providence and Trust funds.



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