

## **Labour Reforms in a Time of Great Crisis**

Sri Lanka is in the middle of a dire economic crisis. We are witness to the new depths of misery that the people have been plunged into. Working people are the hardest hit, who have had to grapple with precarious wages, job insecurity and the devastation of an economic depression. Despite this perilous situation, the government is proposing labour reforms that threaten to render the situation of the working classes even more precarious. In his Budget 2023 speech in November 2022, the President called for reforms “for an export-oriented economy”. Soon thereafter, Secretary to the Ministry of Labour and Foreign Employment Shan Yahampath elaborated on the impending proposals, pointing to the introduction of “a unified labour code which will seek to move away from the current employee-friendly labour law system to a system that strikes a balance between the rights of the employee and the employer.” At the May Day rally of the UNP, Ministry of Labour and Foreign Employment Manusha Nanayakkara presented a 11-point reform agenda, outlining the principles of the reforms, which proposes to tilt the balance of power further in favour of employers. Nanayakkara’s proposals, the most elaborate so far, is at best sketchy, and at worst is a calculated move to weaken the collective strength of the working population in the formal sector. The message is loud and clear, when Mr. Nanayakkara prefaces his presentation with, “We still have archaic labour laws, a labour law which turns away investors.”

On June 14th, at a consultative meeting, Mr. Nanayakkara, reiterated the need for reforms, necessary, in his view, in some 20-odd areas of existing labour-law. While saying that reforms are needed in the plantation sector and in the provisions of EPF and ETF, he stresses the importance of casual labour and the need to turn much of formal labour into casual labour. Herein lie the dangers of the current reforms.

The proposals are in part framed in the language of social protection, advancing the rights of the worker in the informal sector. Protection from violence in the workplace for women and incorporating people with disabilities in the labour force mean little when the overall climate is steeped in job insecurity and economic precarity. Further, the mantra of increasing women’s participation in the labour force is designed to be extractive of the labour of women in the face

of diminishing worker-protection.

Sri Lanka's labour laws, though nothing to marvel at, have historically afforded the worker some protection from the blatant disregard of their rights. Yet, through fragmentation of the labour force, outsourcing and casualizing of formal contractual labour, and other disempowering measures, industrial management has been able to get around these laws. The bulk of our work force in the formal sector is composed of women. Vulnerable at the best of times to the vicissitudes of management practices, they had been one of the first casualties of economic crises. During the COVID pandemic we saw how vulnerable our workers were to shifting trends of the economy, locally and internationally. Labour laws were flouted; workers were both left stranded and deemed outcast. At the same time, they were compelled through coercive consent, to work under trying conditions. This scenario will be formalized through the proposed reforms. The threat is imminent.

Weakening the contractual bonds between worker and management leads to casualisation, greater job insecurity and greater exploitation of the worker. Laws surrounding hiring and termination need to be clear and protect the worker from precarity. At the moment, we have termination laws that do protect the worker. Relaxing them would pose a dire threat to the worker's well-being. There is also talk of flexible working hours. This is most detrimental to the worker, who under pressure, will be trapped in a complex cycle of coercive and extractive labour within the casualization of their work; there will be little protection from working hours. Legal provisions for sick leave, maternity leave and stipulated periods of rest and leisure that the worker is entitled to will be eroded into. We know that while more than 10 days' night work for women is not allowed at garment factories, in practice women are engaged in long hours of night work, with few safety measures in place.

The proposed reforms are designed to formalize the progressive weakening of labour laws and further disempower the worker through taking away whatever protection that is in place now. It is telling that when a meeting of the National Labour Advisory Council, which is composed of representatives of the state, the employers and trade union representatives of the workers, was called last month, four unions representing workers in the private sector and not affiliated

to any political parties were left out of the composition. This is a clear indication of how the government is setting the stage for weakening the representative bodies of the workers, and thereby render them totally powerless, when reforms are initiated.

The economy of the plantations is on the cusp of change and the Malaiyaha worker is staring into a future of fragmentation of community, job insecurity, and lack of land. They have been long fighting for a living wage, and basic citizenship, namely, decent living conditions, safety at work, the right to land, decent housing and accessible schooling. Nanayakkaras 11-point proposals say that the government proposes to create “a plantation worker fit for the modern world of work,” ignoring the current state of gross injustice meted out to the worker in the plantation sector.

By undermining labour-laws the government hopes to attract investment and boost the economy. It is a road show put on for the sake of potential investors. But the regime is sadly out of touch with economic realities. There is a global economic recession. Our economy shrunk by 12.4% and by 11.5%, in the last quarter of 2022 and first quarter of 2023 respectively. As they stand, labour laws are not the cause of the economic crisis, and reforming them is not the solution. Rather, the economy is in a state of continued collapse, because of austerity, lack of job creation policies, and inadequate social protection and relief to the working people. In the end, we will be left with an irrevocable undermining of the worker’s Rights.

As academics, we are obliged to adopt an informed position on something as fundamental as labour relations. It affects us all. An informed, worker-oriented and people-oriented labour policy, a policy that provides security to all, and a policy that ensures stability and democratic practice in production and in the workplace is the need of the hour. Else, we would be looking to a future of suffering and instability. The already authoritarian government can only become more authoritarian in the face of imminent social unrest. We must join the forces of democracy to build a better future for all.

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