

Annual Report

2014

Foreword

In order to meet the demand for the labour force, which was arisen due to commencement of the business plantations in Sri Lanka under the British Colonial Rulers since 1815, Tamil Indian workers were imported to this country. In this context, the Department of Labour was begun in 1923 to seek the solutions for the issues raised on welfare and wages of the said employees of the estates. I consider myself as being fortunate to present this Annual Report 2014 at the occasion; the Department of Labour has marked its glorious position in the public sector over 09 decades since its commencement, by implementing about 50 Acts and Ordinance and assuring harmonious relationship between employers and employees. With the open economy and globalization, employments in Sri Lankan private sector are rapidly being expanded and the Department of Labour has done a huge role in uplifting Country's Gross National Products through securing the industrial peace while covering those fields. During the year under review, salaries of government servants were increased and in proportion to this salary hike, we demanded at several occasions to increase the salaries of employees in the private sector, while, I would like to mention here that many employers have shown the positive response in this regard. Accordingly, actions are in the process of implementing the legal coverage.

I extend my gratitude towards all Officers who are serving in the Head Office, Provincial Offices and Sub Offices for their dedication and commitment towards the achieving of expected targets. I highly appreciate the guidance and encouragement given by the Ministry of Labour & Labour Relations and International Labour Organization whenever in need and I take this opportune time to express my heartfelt thankfulness for all. May all who serve at the Department of Labour be blessed with the strength and courage to provide tremendous services to the country while fulfilling the responsibility of the government sector.

Mrs. M. D. C. Amarathunga
Commissioner General of Labour
Department of Labour

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Department of Labour

History

The British under their rule, tried to expand coffee and tea sequel to the business plantations in Sri Lanka and native people in the country rejected to extent their commitment by means of the wage labour. Consequently, the newly introduced tree crop agronomy requiring the presence of a large reservoir of resident labour on plantations requisitioned from South India and obtained the labour wage of these Tamil Indian workers for a low wage in 1824. The population grew from those labour community, was expanded up to 602,700 of persons as per the result of the census held in 1921. The commencement of the present Department of Labour marks with the establishment of the Department of the Controller of Indian Migrant Labour in terms of the Indian Emigrant Labour Ordinance, No. 01 of 1923 with the object of the welfare of the workers of Indian nationality who were brought to Sri Lanka by the colonial rulers for work in the estates in Sri Lanka. With the identification of the local contribution in the workforce and the necessity of their welfare, the Department of Labour became the foremost establishment which looked after the welfare and protection of Sri Lankan working community as well as the establishment which functions to ensure employer, employee coordination.

Role of Establishment

Strengthening the national economy through proper maintenance for tripartite relations among the employee, employer and government.

Vision

A country with everlasting Industrial Peace for an internationally competitive economy

Mission

Contribute to the development process of Sri Lanka through establishment of a Decent Work environment within secured Industrial Peace.

The present Status

As the present role, the Department is in the process of implementing about 50 Acts and Ordinances approved by the Sri Lanka Legislature with their amendments which were added later on to many of these Acts and Ordinances pertaining to the field during the last 91 years commencing from 1923.

With the expansion of the contribution of the private sector in the national economy of Sri Lanka, the activities of the Department too were widened and the total cadre was 2,256 to fulfill such a widened role by the end of 2014.

There are 13 principle divisions are functioning under the purview of the Head office of the Department of Labour and under the decentralization of the activities of the Department, there are 11 Zonal Labour Offices, 39 District Labour Offices, 18 Sub – Labour Offices and 10 District Factory Inspecting Engineer’s Officers in operation while providing numerous ways of services to the workers in all island for creating harmonious industrial environment through its continuous commitment towards the industrial peace by its excellent services and the Department further works as the pioneer organization in fulfilling the active service to employer – employee generations.

Attempts for the harmonious industrial Peace

Accomplishment of the National Requirement

After introducing "integrated development concept," as the national development strategy by national policy makers for Sri Lanka, the determination of entire Sri Lankan communities, who entered into accelerated development process in all sectors is to prevail good industrial harmony in the country.

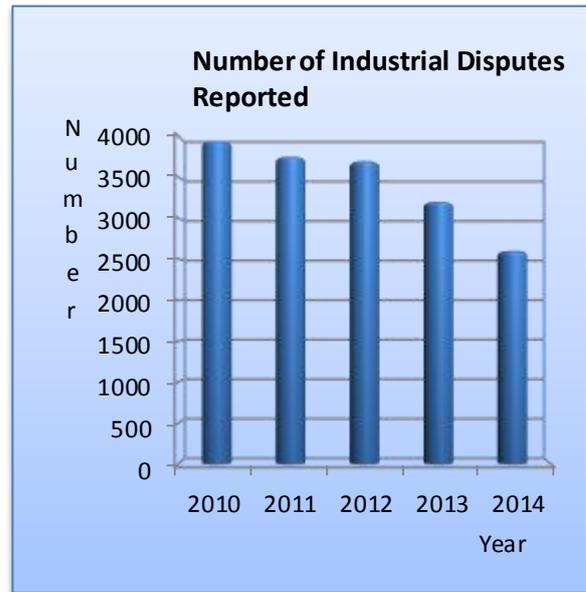
Harmonious daily operations are leading cause to achieve the desired quality development environment that gets by without a coherent industrial peace by strikes and disputes with employers and employees in workplaces and service providing institutions together with better cooperation and mutual understanding.

Contributing to such an important national task by the Department of Labour can be sure that as a matter of undisputed recourse commendable considering their responsibility and obligation as the Department of Labour to carry out such a mission has a positive role to raise all of the various aspects of the country in 2014.

Labour Inspections

A great support is extended for creating a contented workforce in the country through Labour inspections. The constant Labour Inspections support the enhancement of industrial peace in the establishments and thereby the productivity in the country also goes up as a whole. Similarly, in a state where Labour Inspections are not carried out, a situation where Labour disputes, strikes and lower productivity would be continuously caused.

The two graphs indicated below depict the number of labour inspections carried out by officers of the Department of Labour and the number of industrial disputes reported during last five years in all island.



It can be observed that the number of industrial disputes reported has continued to reduce in year 2014 too. A strong factor which leads to the reduction of disputes in this manner is the strengthening of the Labour inspection activity, the awareness programme created at establishment level by the Social Dialogue and Work Place Co-operation Unit of the Department and awareness created through media by various other Divisions of the Department as well as the programmes conducted by Zonal & District Offices.

The quality of Labour Inspection

The Department concerns the quality of Labour Inspections carried out at establishment level. With this object, the Department conducts progress review meetings at Zonal level. Action was taken to conduct 05 such progress review meetings in year 2014 and at these meetings the weaknesses and shortfalls of the inspections by the Labour Officers were identified and instructions have been given to correct them.

Strikes

38 strikes in the private sector and semi government establishments have been reported to the District and Sub Labour Offices of the Department during the year 2014 and 6,451 workers participated in all these strikes and 37,323 man days were lost. This situation is much favourable compare to last year because there was a properly organized coordination maintained between top management of service & production industries and the trade unions existing therein through the mediation of Industrial Relations Division and this better situation could be achieved.

Settlement of disputes

6,038 complaints, including industrial disputes remained from last year (2013) without solving, reported to the District and Sub Labour Office network of the Department had been taken to settle. Furtherance, The Special Investigations Division takes immediate action to conduct inquires and takes legal steps regarding special public complaints referred to the Commissioner General of Labour and this Division has conducted 216 inquires during the year.

Law Enforcement Division

When considering the legal actions of the Department during the year 2014, many cases have been filed under the Payment of Gratuity Act, Industrial Dispute Act, Termination of Employment of Workmen Act and Wages Board Ordinance. In addition to the above, there was an increase in the number of cases filed under the Shop and Office Employees' Act, Maternity Benefit Ordinance, Employment of Women Young Person and Children Act, Employees' Provident Fund, Orders of Labour Tribunals, Budgetary Relief Allowance of Workers Act and approved provident Fund. Accordingly, total number of cases filed by the Legal Division was 6,038.

SECURITY FOR WORKERS COMMUNITY BY WAGES AND SERVICE CONDITIONS

In order to secure the future of the workers of Sri Lankan private sector that represents more than 7 Million of employees, having improved their living standard, with the view to offering them a reasonable wage for their labour, implementing accepted service conditions, not allowing any room for labour exploitation and improving good relationship between employer & employees, Labour Standard Division is functioning actively under the purview of the Department of Labour.

Preparation of Labour standards on service conditions and terms affects to safeguard of employments and welfare of employees of private sector by Labour Standard Division of Department of Labor, taking actions to provide them a legal standard and supervise under Wage Board Ordinance No.27 of 1941, Shop and Office Employees (Regulation of Employment and Wages) Act No. 19 of 1954 and Employee's Budget Relief Act No.36 of 2005.

Activities in relation to rearrangement of the Wages Boards covering Dock Harbor and Port Transport Trade were prepared in 2014 and preliminary data in connection with the formal establishment of Wages Board on Private Education Institutions which are growing continuously was collected.

The drinking water bottle industry that has been expanded as a new industry representing many employees in the island and Ice, Aerated water, Fruit juice and Jam Manufacturing Trade that has also been expanded in the island for many years representing many employees, but it has not been got a properly concerned so far, are to be included in the wages Boards by means of its wage structures and data has been collected in this regard.

Not only that, Labour Standard Division has actively contributed to the Wages Boards for Cleaning service that has been expanded in the island as a new industry by means of doing activities on the payment of overtime etc. in 2014.

Further, among other activities, by appointing new representatives for the Wages Boards in place of those whose term of office is ended and others whose representatives are vacant, activate such Wages Boards and publish minimum wage & monthly cost of living index – number in the Wages Board for Cocoa, Cardamom and pepper growing and Manufacturing trade.

Furthermore, Labour Standard Division has extended its contribution for many programmes in 2014 such as, increase the minimum wages of 04 Wages Boards in connection with the Tea, Rubber, Coconut, Cinnamon Growing Trade which did not receive minimum wage increase in the last year 2013.

PROGRAMMES BASED ON SOCIAL SECURITY

The Employees' Provident Fund was established with effect from June 01, 1958 as an important Social Security Scheme with a view to providing a sound support to make the retired life of Private Sector and Corporation employees, approximately about 7.2 Million in Sri Lanka who are not entitled to a pension, a success.

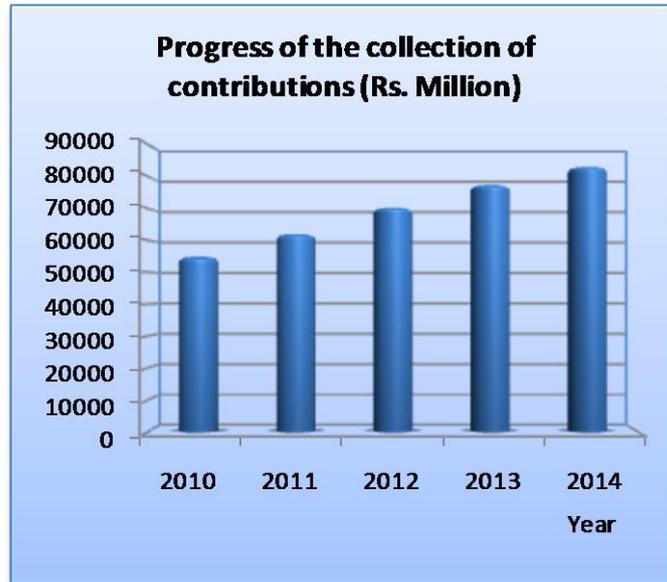
Subject to the provisions in the Act, Administrative work of this fund has been done by the Commissioner General of Labour from the beginning to now onward and financial control activities carried out by the Monetary Board of the Central Bank of Sri Lanka as stipulated in the provisions of the said Act.

Employees' Provident Fund

Employees' Provident Fund is a compulsory retirement benefit scheme with contributions both from employer as well as employee. Presently, the minimum monthly contributions of 8% or 10% from the employee's monthly wage and 12 % or 15 % respectively from the employers are credited to a bank account of a relevant employee and the Central Bank where that money is deposited, adds the interest rate of about 11% monthly to the deposited money and all such is included the contribution of the Employees' Provident Fund.

In accordance with the provisions as stipulated in the Employees' Provident Fund Act, relevant monthly contributions of all employees who are covered by the Act shall be deposited in the Central Bank of Sri Lanka by the relevant employers before the last day of the next month or before.

Following Statistical chart shows the progress of collection of the contribution during the period of last five years.



Collection of the contribution to the Employees’ Provident Fund, Computerization and its Progress

Monitoring Information System of the Employees’ Provident Fund has been set up in all District Labour Offices except Nuwara Eliya District Labour Office and Sub Labour Offices in Nawalapitiya, Beliatta, Wennappuwa and Warakapola. After setting up above information system, there were 7,922 issues of first notices, 6,008 issues of red notices and Rs. 278,632,201.00 contributions in 2014. Further, information system relating to the contribution of the Employees’ Provident Fund has been set up in all District Labour Offices in the island and two Sub Labour Offices in Nawalapitiya and Beliatta.

At the time of presenting the matters in connection with the investigation of Approved Provident Fund in 2014, number of Approved Provident Funds by 31.12.2014 was 157. Number of inspections done in 2014 was 214. Number of complaint inspections was 165.

OCCUPATIONAL SAFETY AND HEALTH

Employees, who are working at various types of work places, expose to occupational hazards and lead to occupational accidents and diseases. Presently it is frequently heard that employees are working in polluted working environment and causing nuisance to workers community. The Department of Labour makes strict attention frequently towards prevention of above mentioned unhealthy working conditions and progress the Occupational Safety, Health and Welfare.

For this purpose, the responsibility of the Department of Labour is vested to the Industrial Safety Division and Occupational Hygiene Division while the Department of Labour is shouldering to create noble occupational hazards free working environment and to secure healthy working nation. Favorable working conditions create enhancement of labour efficiency and improvement of productivity of industries.

According to Factories Ordinance No.45 of 1942, it is a compulsory and essential legal requirement to provide safety, health and welfare at workplace.

The Industrial Safety Division and Occupational Hygiene Division of Department of Labour organized the seminar on Occupational Safety and Health to mark “National Safety and Health Week”.

Several private sector production and service organizations conducted awareness programmes on occupational safety and health of working community with the support of Industrial Safety Division to mark “National Safety and Health Week” and also the district level programmes were conducted through participation of District Factory Inspecting Engineers.

Twelve medical boards were held to provide medical recommendation of the Employees' Provident Fund for 650 workers. Sixty-two employees were examined for recommendation for compensation payment of employees who became conducted awareness programme on occupational health on the support of Occupational Hygiene Division.

Field inspection for the National Safety Award organized by National Institute of Occupational Safety and Health was carried out by the participation of engineers of the Industrial Safety Division.

Contribution towards the Women and Children Affair

Women Affair

Women employment accomplishes specific contribution in the production process of Sri Lanka and this Division in the Department of Labour implements number of special Acts and Ordinance with the purpose of facilitating privileges in respect of occupational safety, security, health, welfare and it is a responsibility of the said division.

Children Affair

Similarly, Women & Children's Affairs Division of Department of Labour conducts research and investigations joining with District Labour Offices to eliminate child labour, working against child labour, determination of minimum age of child for working, analyses of hazardous forms of child labour, examination of complaints received with the purpose of eradicating child labour as the solutions to the issue of employing child workers in domestic works and other risky jobs and produce those employers before court, for the universal responsibility of protecting child rights for physically and mentally prosperous them as the children are the lifeblood of nation.

This Division enacts following Acts.

01. Employment of Women, Young Persons and Children Act No. 47 of 1956.
02. Maternity benefits Ordinance No.32 of 1939.
03. Shop and Office Employees (the parts pertaining to Women and Young persons) Act No. 19 of 1954.
04. Factories Ordinance Act No. 45 of 1942 (the parts pertaining to Women and Young persons).

International Women's Day

One-day training workshop was conducted at Piliyandala for 200 low-income women and girls who left the schools to mark the International Women's Day, which fell on 08 March 2014.

World Children's Day

In order to mark the World Children's Day on 01. 10.2014, there was a Medical clinic for low-income school children in Colombo District and necessary school equipment was given to 400 children in low -income school children for preventing them for leaving the school.

20 awareness programmes in connection with the laws affecting on women & social security were held for women workers in the plantation sector. The program was organized by District Labour Offices and each programme was conducted with the participation of 30 workers.

70 in-service seminars were scheduled to be held for increasing awareness among working women (on legal and social protection of the laws affecting to women) and 57 seminars which have been completed.

Counseling service programme was held with the view to solving the personal and psychological issues of women workers in the Trade Zones of Katunayake, Biyagama, Koggala and Avissawella.

Employment of women at night

It was scheduled to carry out 125 inspections in collaboration with the District Office in order to grant the permission to employment women at night work, only 116 of which were carried out. In addition to that, over 315 companies have been approved to employ women at night work. 10 complaints regarding the employment of women at night work were received and necessary instructions have been given in this regards.

Complaints and investigations on child labour

In collaboration with the Women and Children's Bureau, and National Child Protection Authority the Division investigates the complaints on child labour received to the Division with the name or in forms anonymous complaints by the various institutions and persons and this Division will carry out legal actions against the employers who engage child in labour force.

- Number of Complaints received to this Division regarding the child labour in 2014 -141
- Number on which legal steps were taken (Court Cases) - 09
- Number on which legal action is pending - 02
- Number where child labour was not revealed - 67
- Number under investigation - 63

31 awareness programmes were held in in Kegalle and Ampara Districts among social workers in connection with the prevention of the hazardous form of child labour. Accordingly, 20 programmes in 20 Divisional Secretariat of Ampara District and 11 programmes in 11 Divisional Secretariat of Kegalle District were held.

General Administration of the Department Labour

The Department of Labour is always being with the people and which represents majority of the staff who are often awoken to dedicate their valuable service to their service gainers. Therefore, there is no doubt that the optimum service could be obtained from the staff of the Department through the creation of required background in the manner of more organized way to provide this excellent service with the contended mind by the staff. The Department of Labour that undertake such an important role, supervises by the Administration Division Alias Establishment Division. For the reason that the Administration Division will manage all physical, human and financial resources of the Department to get optimum results and this will cause the improvement of both the Department and it staff.

Role of the Establishment Division done in the year 2014 can be finalized as follows. There were 47 personnel as the new recruitments including the Assistant Labour Commissioners who have been promoted to the said posts by the Department of Labour, Legal Officers, clerks for the Employees' Provident Fund, Hostel Matrons, Drivers and Office Assistants and Watchers.

Assistant Labour Commissioners (Departmental)	-	15
Legal Officers	-	02
Clerks (Employees' Provident Fund)	-	13
Hostel Matrons	-	02
Drivers	-	05
Office Assistants	-	02
Watchers	-	08

There were 12 as Assistant Labour Commissioners from the Sri Lanka Administrative Service and 5 Officers from Sri Lanka Engineering Service attached from the Island Wide Services to the Department and one Officer for the post of Research Assistant was attached from the Combined Service to the Labour Department. Staff Officers serving in the Department of Labour were provided with foreign training courses and seminars in the year 2014 in order to encourage the Officers and to obtain fruitful service through a proper motivation.

Planning Research Training and Publication Division

Preparation of the annual action plan for implementing the future plans, under specific monitoring & evaluation procedure, the progress of the said action plan to be turned into successful programme by the end of the year with the proper follow up activities and submission of the annual governance report to the Commissioner General of Labour are among the role of the Planning Research Training and Publication Division. Further, there is another very important function is vested in this Division; whenever it is required, training of officers to obtain the professional improvement through the motivation can be mentioned and supervision activity of the LISA alias “Labour Inspection Statistical Analyze” computer programme while providence of TAB computers for the Labour Officers who follow that computer course.

Development activities related to the Residential Training Centre which has already been commenced in the building belonging to the Department of Labour in Veralupiltiya area, Avissawella are also functioning under the Planning Research Training and Publication Division.

This Division conducts research activities not only to meet the requirements of the Departments but also to fulfill the national requirements and the Division also publish the surveys on annual employment and average earning & no. of working hours. Another function of the Planning Research Training and Publication Division is launching of publication related to those data received from such surveys and currently important information.

Library and the Labour Museum

The services rendered by the Library of the Labour Department are collecting information pertaining to the subject to suit the requirements of the other establishments relating to the field of Labour with the Department Labour in the first place and disseminate such information when necessary and thereby providing knowledge regarding the field of Labour to employees of such establishments and the general public. Similarly, the Labour Museum maintained by the Department depicts the evolution of the field of Labour in an attractive manner. Further, the old Labour Ordinances and Acts and the documents related to the field of Labour are collected and preserved in this Museum.

Development of Physical Resources

The work of the proposed 36 storied "*Mehewara Piyasa*" is expeditiously being constructed by now and by the end of year 2014, preliminary work of five (05) floors was completed. In addition to the above, these divisional offices are in Avissawella, Negambo, Polonnaruwa, Beliatta, Mullaitivu, Kilinochchi, and Jaffna now under construction.

Statistical Manual

Industrial Relations Division

		2011	2012	2013	2014
Statistics on Industrial Disputes					
Number of reported		3,756	3,702	3,204	2,602
Number of Settled		3,384	3,695	3,077	2,589
Collective Agreements gazetted		66	43	34	50
Trade Unions					
Trade Unions / Federations registered		76	114	108	125
Trade Unions / Federations cancelled		38	02	114	255
Industrial Courts					
Referred to compulsory arbitration		69	43	49	53
Issue of awards		35	26	35	42
Statistics on strikes					
Reported Strikes	Estates	14	14	22	31
	Other	07	20	20	07
No. of workers participated	Estates	2,713	4,338	5,031	4,833
	Other	3,742	5,626	6,088	1,618
Man days lost	Estates	9,877	25,043	41,669	29,165
	Other	15,543	10,774	38,754	8,158
Activities of the Termination of Employment Unit					
No. of complaints received		86	92	134	149
No. of complaints settled		111	143	112	148
Applications allowed for termination of employment		29	31	41	51
Programmes on Social Dialogue					
By the Social Dialogue Unit	No. of Programmes held	98	153	107	88
	No. of Workers attended	4,864	4,751	6,560	5,433
By District and Sub Offices	No. of Programmes held	124	225	214	199
	No. of Workers attended	4,478	7,902	7,768	6,861

Number of Trade Unions operating as at 31.12.2014 - 2,009

Number of Trade Unions/Federations operating as at 31.12.2014 - 26

Enforcement Division

Act	Number of Cases filed			
	2011	2012	2013	2014
Payment of Gratuity Act	4,092	3,404	2,371	2,044
Industrial Disputes Act	72	77	126	146
Termination of Employment Act	65	59	58	36
Wages Boards Ordinance	238	290	203	244
Shop and Office employees' Act	80	132	112	88
Maternity Benefits Ordinance	01	02	05	03
Employment of Women, Young Persons and Children's Act	05	10	07	11
Employees' Provident Fund Act	3,483	3,210	3,415	3,244
Labour Tribunals Orders	153	165	144	183
Budget Relief allowance Act	54	134	22	32
Approved Provident Funds	-	07	01	07

Special Investigations Division

	2011	2012	2013	2014
Investigations on complaints	241	264	122	216
Amount of EPF arrears calculated (Rs. Thousand)	153,483	313,770	28,012	32,416
Amount of Statutory monies calculated (Rs. Thousand)	12,295	40,831	5,814	2,970

Employees' Provident Fund Division

	Up to 2011.12.31	Up to 2012.12.31	Up to 2013.12.31	Up to 2014.12.31
Total Member Accounts	13,993,089	14,559,328	15,203,073	15,449,037
Total Number of Employers	192,044	198,893	204,777	206,629
Value of the Fund (Rs. Million)	1,017,704	1,144,409	1,299,974	1,486,931
Number of Active Members (million) *	2.21	2.34	2.40	2.01
Number of Active Employers **	64,562	68,140	69,148	71,000

		2011	2012	2013	2014
New registrations	Employees	750,338	785,078	813,010	429,605
	Employers	6,403	7,195	7,802	6,800
Payment of Benefits	Number of Beneficiaries	120,301	115,654	114,275	127,942
	Benefits paid (Rs. Million)	47,311	48,712	50,407	64,325
Collection of contributions (Rs. Million)		61,879	70,171	77,335	83,000
E.P.F. Housing Loans	Number of applications approved	20,041	11,234	16,268	17,747
	Value of loans approved (Rs. Million)	6,355	3,973	6,914	8,000

* Member Accounts where contributions were paid at least once during the year

** Employers who have paid the contributions on behalf of the employees at least once during the year

Industrial Safety Division

	2011	2012	2013	2014
Total number of factories registered (by the end of the year)	20,971	22,459	23,974	25,236
Number of Inspections carried out	4,749	6,700	6,372	5,067
Number of Inspectors (Engineers)	27	28	28	30
Approval of Plans	122	106	97	80
Lectures and Seminars	294	229	218	17

Occupational Hygiene Division

	2011	2012	2013	2014
Number of Factory Inspections	220	410	352	250
Number of Awareness Programmes	193	137	190	296

Planning, Research, Training and Publications Division

	2011	2012	2013	2014
Training Programmes for Staff Officers	22	4	14	18
Training Programmes for Management Assistants	14	8	17	23
Computer Training Programmes	16	33	-	17
Other Training Programmes	2	2	2	6
Post-Graduate Courses	26	20	41	81
External Trainings	37	57	23	18
Progress Review Meetings	7	5	6	5

Finance Division

		2012	2013	2014
Recurrent Expenditure	Provision (Rs.)	967,407,000.00	1,100,630,000	1,138,550,000
	Expenditure (Rs.)	953,894,760.00	1,016,129,728	1,117,107,412
Capital Expenditure	Provision (Rs.)	372,365,000.00	760,275,000	373,200,000
	Expenditure (Rs.)	299,512,890.00	732,936,934	306,883,421

Establishment Division

	2012	2013	2014
Total cadre at the commencement of the year	2,271	2,219	2,169
<ul style="list-style-type: none"> • New recruitments by the Department 	23	1	32
<ul style="list-style-type: none"> • Additions as new appointments of the Combined Service 	30	37	163
<ul style="list-style-type: none"> • Transfers (net) 	(7)	(1)	(10)
<ul style="list-style-type: none"> • Additions to the staff of the Department due to other reasons 	1	-	5
<ul style="list-style-type: none"> • Retirements 	(52)	(55)	(50)
<ul style="list-style-type: none"> • Leaving the Department Staff due to other reasons 	(47)	(32)	(53)
Total cadre at the end of the year	2,219	2,169	2,256
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Appendix

Organization Structure of the Department

