



THE EMPLOYERS' FEDERATION OF CEYLON (SRI LANKA)

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MY MAIN DUTIES AND RESPONSIBILITIES AT EFC

- Providing advisory services on Labour Law and Industrial Relations to member companies.
- Facilitating wage negotiations with Trade Unions on behalf of member companies and drafting of Collective Agreements.
- Facilitating dispute settlements through negotiations with Trade Unions.

COVID -19

- The COVID-19 pandemic severely impacted the growth prospects of our economy. However, the strong leadership and the proactive steps taken to mitigate the adverse impact is reflective of the resilience of our Country.

- The Sri Lankan manufacturers, service providers and tourism sector were severely affected by the the spread of COVID-19 and the consequent lockdown, that was imposed the government to curtail its spread.
- This was further exacerbated by the increasing disruptions to the mobility of the people and goods.
- Many of the Small/Medium businesses, including large organizations encountered cash flow issues and were unable to pay the wages to is workforce.
- Due to the curtailment of OT (Over time) the income of the wage earners were reduced significantly.

Tripartite Agreement Reached to Pro-rate Wages Based on Varied Levels of Deployment

- The Government set up a Task force consisting of Labour Unions, Employers' Federation of Ceylon, Department of Labour and Business Leaders to look into the effects of the pandemic on employment related matters in Sri Lanka, that functions under the aegis of the Hon Minister of Labour.
- Finality was reached on the 4th May, 2020 in respect to the payment of wages on a pro-rated basis. A distinction was drawn between the payment of wages in respect of employees who performed work and those who had to be 'benched' (without any work).
- This arrangement was aimed at addressing situations where companies will not be able to bring in the entire compliment of the work force due to restrictions that have been imposed (on account of health concerns).

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- The Scheme is applicable to all sectors without exception. However, any employer who cannot afford to pay employees based on this scheme could make representations to the Commissioner General of Labour.
- Employees who absent themselves from work despite being rostered and fail to provide acceptable reasons for their absence could be placed on **no pay** (in lieu of days of such absence).
- Allowing work arrangements that are aimed at covering up for lost hours through extended hours of work as well as deployment for work on weekends and holidays over a period of 3 to 6 months without employers having pay overtime and enhanced rates of remuneration.

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- Employers to retain employees in service by offering them half month's work, permission to pay half month consolidated salary for the days worked and the balance half month to be paid half (50%) of the Wages Board stipulated minimum wage (considering that no work will be performed by them for half the month)
- *It must be noted that the Agreement was a "Historic" since it's a rare occasion where all stakeholders agreed – at National Level- to 'pro-rate' wages.*

GOVERNMENT INTERVENTION

- Working capital loans were provided at low interest rates (4%) over and above existing credit facilities and without provision of collateral and personal guarantees
- A moratorium on loan/lease payments were introduced by the Government.
- Private sector employees were allowed mobility between districts in a manner that does not compromise health concerns.



Thank You!