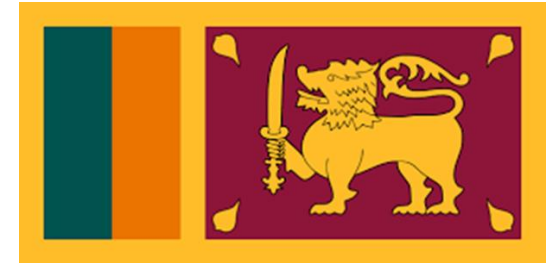


# Dhananji Seneviratne

## Sri Lanka

### The Employers' Federation of Ceylon

The Employers' Federation of Ceylon (EFC) was established in 1929 and is today the National Employer Organization in Sri Lanka. EFC is also the employer constituent of the ILO in Sri Lanka and is a member of the IOE. EFC currently has over 700 employers in its membership.



The EFC provides the following services;

- Advocacy and lobbying on policy related matters
- Legal and HR advisory services for matters related to managing industrial relations, disciplinary issues and related correspondence etc.
- Representation at labour tribunals, Arbitrations, Labour Department inquiries, inquiries before the Workmen's compensation Commissioner, IR disputes, and cases before the Magistrates Courts, under special employment jurisdiction.
- Training on labour law, HR and occupational safety and Health (OSH) to member organizations as well as non-member organizations
- Legal and HRM solutions such as special legal /HR Deployment, compensation benefits surveys, labour law, HRM and outsourcing audits, advice on performance management systems, work studies, employee engagement/climate surveys, drafting and reviewing of employment related policies and manuals
- Research and Publications on employment related aspects

Role :- Industrial Relations Advisor

Current duties :-

- Providing advisory services to member companies in relation to labour/employment law, Industrial Relations, Human Resources Management.
- Making legal representations at the Labour Tribunal, Department of Labour, Court of the Workmen's Compensation.
- Conduct training on labour/employment law and human resource management for member companies.

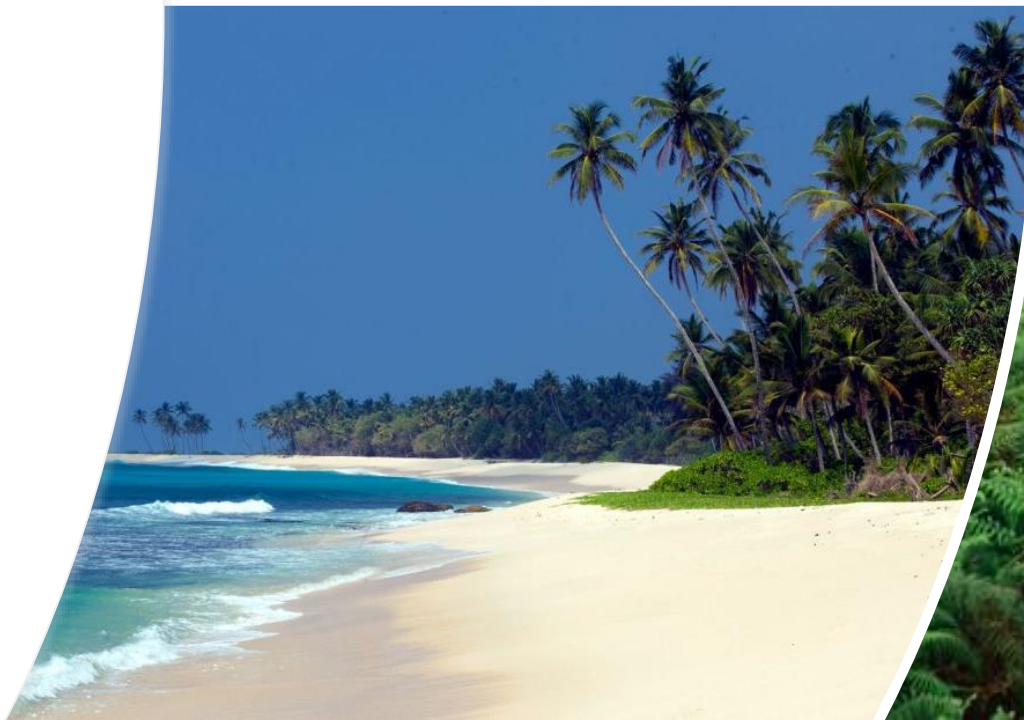
# Economic Crisis in Sri Lanka

- Sri Lanka faced a severe economic crisis in year 2022
- Fuel shortage
- Gas shortage
- Power cuts
- Shortage of essential food and medicine
- Price inflation and high cost of living



## Economic crisis in Sri Lanka; Political instability and social unrest

- Protests by the people demanding a change of the government
- In July 2022, the civil unrest prevailed in the country led to the resignation of the previous president and subsequently the incumbent president was appointed.
- The social unrest and political instability in the country negatively impacted many industries. Especially the tourism industry which plays a significant role in the country's economy, it being the 3<sup>rd</sup> largest source of foreign exchange.



# Economic Crisis in Sri Lanka; Impact on the Industries

- Electricity/energy crisis has affected agricultural, industrial and service sectors.
- Industries in export sector was negatively impacted due to fuel shortages, power cuts leading to disruption of smooth operation of their businesses.
- Industries which require on site manual labour for production affected as employees not being able to travel to work due to fuel shortages.
- Employers such as apparel sector, having to bear additional cost to invest in generators and fuel increasing in overhead cost.
- Construction industry faced challenges in terms of delayed completion of projects due to material not being received on time eg: scarcity of cement due to import restrictions
- Shortage of foreign currency hampering exporters and importers in obtaining necessary raw material for production and goods for export.
- Risk of Loss of buyer confidence in industries such as the apparel sector in terms of exporters being able to meet delivery targets, maintain quality and technical standards
- Brain drain – young and educated migrating to other countries seeking secure jobs



## Economic Crisis in Sri Lanka; Recovery and Labour Law Reforms

- Sri Lanka sought assistance from the International Monetary Fund (IMF)
- To attract foreign investment, the government of Sri Lanka has recognized the need for labour law reforms.
- The EFC has long advocated labour law reforms on behalf of the private sector.
- The aim is to replace the inflexible, archaic labour laws with more investor friendly regulations to promote investment in Sri Lanka.



# Proposed Labour Law Reforms

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- Repeal several pieces of legislation (eg: Termination of Employment of Workmen's Act [TEWA], Industrial Disputes Act, Shop & Office Employees' Act, Wages Boards Ordinance, Factories Ordinance, Employment of Women & Young Person's Act etc.) and update such laws and have a consolidated law.
- Introduce provisions for part-time and flexible work arrangements
- Enhancement to occupational safety and health regulations
- Introduce a dedicated law to addressing gender-based violence and sexual harassment at the workplace.
- Reform restrictions of engaging female workers in night work (\* recently the cabinet approval was received to enable women in the IT based industries to work the night shift)



# EFC's role as a responsible voice for business

- EFC has advocated for labour law reforms
- Conducted Forums to discuss and share best practices adopted by employers to mitigate challenges faced as a result of the economic crisis.
- Providing advisory services to employers in relation to business sustainability and resilience during the crisis.

## EFC calls for political will to realise competitive and relevant labour law reforms

Published 6 hours ago on 2023/10/3



The Employers' Federation of Ceylon (EFC) was recently invited for a series of meetings with political representatives including the Prime Minister and the Executive Council of the Parties in the Opposition to discuss labour law reforms to be introduced through the proposed Employment Act. The meeting with the Prime Minister, Dinesh Gunawardena, which was held at the Temple Trees was attended by the Commissioner General of Labour, a representative of the Bar Association, officials of state enterprises and trade unions. The meeting with the Executive Council Members of the Opposition Parties was held in the parliamentary complex and was chaired by the Leader of the Opposition, Sajith Premadasa. MPs Lakshman Kiriella, Prof. G. L. Peiris, Eran Wickramaratne, Nalaka Godahewa and Chandima Weerakkody represented the Committee at this meeting.

The EFC led the private sector which was represented by several business chambers at these meetings. On behalf of the private sector, the Director General of the EFC, Vajira Ellepola highlighted the importance of proceeding with labour law reforms which are critical for investment promotion. During the discussions, EFC's DG reiterated that the private sector had made submissions to successive governments calling for labour law reforms. Despite the fact



**EFC HR/IR FORUM**

### STEERING THROUGH THE ECONOMIC CRISIS: Business Continuity and HR Strategies

- HR strategies for employee retention and engagement
- Promoting part-time, flexi work and other novel work arrangements
- Reskilling to capture opportunities

#### RESOURCE PANEL

 **Dilrukshi Kurukulasuriya**  
Executive Director/  
Chief Human Resource Officer  
**Diesel & Motor Engineering PL**

 **Ransi Dharmasiriwardhana**  
Head of Human Resources  
**Standard Chartered Bank**

 **Kalinga Bandara**  
Head of Human Resources  
**Avery Dennison Lanka (Pvt) Ltd**

#### MODERATOR

 **Sonali De Silva**  
Senior Industrial Relations Advisor  
**The Employers' Federation of Ceylon**

 **22<sup>nd</sup> November 2022**  
3.00 p.m. to 5.30 p.m.

 **EFC Auditorium**

 **English**

**Rs.**  
**EFC Members** Rs.4,500+VAT  
**Non-Members** Rs.5,500+VAT

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