

WAGES, TERMS AND CONDITIONS OF EMPLOYEES IN THE PRIVATE
AND CORPORATION SECTOR (1970 - 1985)

(" A STUDY OF WAGES BOARDS ORDINANCE AND SHOP AND OFFICE
EMPLOYEES ACT ")

1970 - 1977 AND 1977 - 1985

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THE ABSTRACT

This study considers the Wages, Terms and Conditions of the employees who are governed by the Wages Board Ordinance and Corporation Sector employees who are governed by the Shop and Office Act. This study compares the two periods 1970-1977 as pre 1977 period and 1977-1985 as post 1977 period. When considering whether Wages Terms and Conditions improved or not during the two periods, special reference was given to same category of employees who are in the Wages Board Sector and Corporation Sector.

In Sri Lanka about 1/3 of the labour force depends entirely on the Wages. A study of their Wages, Terms and Conditions and their temporal change thus-assumes a-wider relevance. With above context the current study is of particular importance is that the temporal change in wages, terms and conditions and their impacts are examined through before and after analysis of a macro economic transformation viz with respect to the open economic policies instituted since 1977.

As there have been vast structural changes during the period post 1977 period and as the Wages Boards and Corporations cover a large portion of the labour market it is important to see whether these developments have accompanied with the employees of these sectors. Several variables were tested on this. According to the analysis it was revealed labour Ministers and the Commissioners powers have changed very little.

Though the Wage fixation mechanism did not change much, money wages improvement was observed. Though the money wages have increased it was observed that the aggregate percentage increase of wages were below the price increases, Industry and commerce and services sector. Only Agricultural sector the aggregate percentage increase of wages were above the price increases. It was evident that during the boom periods there was high wage increase in the agricultural sector. With regard to corporation sector the real wage position of the most corporations deteriorated during post 1977 period. Only Mahaweli Board there was real wage increase during post 1977 period due to the fact that they have been given higher salaries due to accelerated

programme launched by the government. Even their real wage increases only four out of eight years period was evident. The prices of the essential commodities have gone up about four times during post 1977 period compared to pre 1977.

It was evident most the Wages Board employees and corporation sector employees wages were not increased during post 1977 period to commensurate with the price increases. Facilities such as housing, transport, uniforms and meals were not provided much. It was revealed that one weakness in obtaining an improvement in these facilities was that whatever the labour laws changed during post 1977 period the enforcement of the prevailing labour laws were not active enough. Other than this, the Trade Unions which were always fighting for employee rights, became weak during post 1977 period, other than the plantation sector. Therefore the accepted results were not benefited during post 1977 period by the employees.

Only casual leave was extended to commercial and plantation sector employees during post 1977. Other than that, plantation sector gets a half day on the previous day when a public holiday falls on a Saturday. Only the plantation sector, benefit a little on leave, by extending casual leave and extra half day when a public holiday falls on a Saturday. Terms and Conditions such as overtime formula, employment of females, provision of contract violations, Duties, obligations and rights of the employers have not changed during post 1977 period. It was observed that Maternity leave and EPF contributions were improved during post 1977 and ETF and Gratuity was introduced during post 1977 period. The facilities such as medical insurance had to be improved. The conditions during post 1977 improved on maternity leave and pension benefits were evident.